

GERT SIBANDE DISTRICT  
MUNICIPALITY



*FINAL BUDGET:*

*2014/15, 2015/16, 2016/17*

⋮

***FINANCIAL YEARS***

**ITEM C 26/05/2014**

**FINAL BUDGET 2014/15, 2015/16 & 2016/17 FINANCIAL YEARS 4/1/2 – 2014/15**

**REPORT OF THE MUNICIPAL MANAGER**

**INTRODUCTION**

The purpose of this report is to table the final Budget for the 2014/2015, 2015/2016, and 2016/2017 financial years. Further, to inform Council of key focus areas that have influenced the compilation of the above-mentioned budget and to consider recommendations on the financing and approval of this budget. Further the final budget is prepared in compliance with the New Format Reform Initiatives Promulgated in terms of the Gazette No. 32141 Municipal Budget and Reporting Regulations (MBRR).

**BACKGROUND**

In addition to complying with the New Format in terms of Gazette no 3214, the final budget has been prepared in terms of the MFMA Circular no 66 issued on the 14<sup>th</sup> December 2011 and MFMA Circular No 70 and MFMA Circular No 72.

Further, the MFMA requires that the Draft Budget be tabled before 1<sup>st</sup> April 2014 to comply with the Regulations and the final budget is to be adopted by Council before 31<sup>st</sup> May 2014.

A Draft budget for the 2014/2015 and ensuing financial years was tabled at a Council meeting held on the 25 March 2014 and it was resolved per Item C15/03/2014 as follows:

**RESOLVED**

1. That the Draft Budget for 2014/2015, 2015/2016 and 2016/2017, **BE NOTED**
2. That the draft multi-year Annual Budget of Capital and Operating Expenditure as illustrated per the table below for 2014/2015, 2015/2016 and 2016/2017, **BE NOTED**
3. That the capital budget tabled below **BE NOTED**
4. That the Imbizo which will be advertised appropriately and the consultative meetings with the community will be held at the following Local Municipalities, **BE NOTED**
5. That the projects for the Local Municipalities for the 2014/2015 financial years. **BE NOTED**
6. That the tables referred to in annexure C-1 to C-64 and attached to this report in terms of the New Budget Format and reporting regulations, **BE NOTED**
7. That the following budget related policies approved by Council ( available on request), **BE NOTED**
8. That the Municipal Manager be delegated to authorize the Quality Certificate relating to the Annual Budget and supporting documentation attached per Annexure D, **BE APPROVED.**

In compliance with the above mentioned resolution the following budget workshops /Imbizo's were held, with a view to ensure that the due process of consultation was addressed with the respective Communities within the GSDM area of jurisdiction. All budgeting comments and request from Communities were taken into consideration and where practical, the final 2014/2015 Budget was amended accordingly.

<b>LOCAL MUNICIPALITY</b>	<b>ACTUALDATE</b>	<b>VENUE</b>
Mkhondo	20/05/2014	Community Hall
Dipaleseng	19/05/2014	Community Hall
Dr Pixley Ka Isaka Seme	13/05/2014	Community Hall
Lekwa	26/05/2014	Community Hall
Msukaligwa	22/05/2014	Community Hall
Chief Albert Luthuli	16/05/2014	Community Hall
Govan Mbeki	20/05/2014	Community Hall

## **OVERVIEW OF THE BUDGET PROCESS AND THE ALIGNMENT OF THE ANNUAL BUDGET WITH THE IDP**

It must be noted that the Integrated Development Plan (IDP) was also reviewed and this process allowed the District to re-examine plans and strategies to include strategic matters reflected in the IDP. Also, to ensure that these plans contain strategies that informs Institutional and Financial Planning through the entire budget process.

Further, the final annual budget was fully aligned to the IDP process and will be linked to 12 outcomes of Government illustrated per the MFMA Circular no. 54 and the role of Local Government which include the following:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth
- An efficient, competitive and responsive economic infrastructure network
- Vibrant, equitable and sustainable rural communities and food security
- Sustainable human settlements and improved quality of household life
- A response and , accountable, effective and efficient local government system
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and world
- A development-orientated public service and inclusive citizenship

In addition in compiling the final Budget MFMA Circular No 70 MFMA and Circular No 72 attached herewith was taken into consideration.

### **FACTORS INFLUENCING THE BUDGET**

The headline inflation forecasts is recommended in terms of the MFMA Circular No 72 when preparing the 2014/2015 budgets and MTREF are as follows:

<b><u>Year</u></b>	<b><u>Percentage</u></b>
2014/2015	- 6.2%
2015/2016	- 5.9%
2016/2017	- 5.5%

## **FUNDING CHOICES AND MANAGEMENT ISSUES IN TERMS OF CIRCULAR**

Priority of expenditure still needs to take into consideration the following:

- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- Protecting the poor;
- Ensure that public investments, services regulations and incentives are focused in defined spatial areas (spatial targeting) to optimize overall connectivity and access to opportunities;
- Provide clear signals to private sector;
- Transport, human settlements, bulk infrastructure, economic infrastructure, land use management (e.g. zoning), tax and subsidy incentives;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- Securing the health of their assets base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance ;
- Expediting spending on capital projects that are funded by conditional grants;
- Ensuring that borrowed funds are invested in revenue generating assets as part of the capital programme; and
- To implement cost containment measures.

## **OTHER FUNDING CHOICES IN TERMS OF CIRCULAR**

Other choices that need to be considered are as follows:

- Eliminating non-priority spending
- Cash backing provided in Capital replacement reserves
- Budget and Accounting treatment of vat related to conditional Grant expenditure
- Accounting treatment of retention fees and conditional Grant funded projects
- Districts transferring funds to Local Municipalities
- Employee related costs whereby the multi-year salary and wage collective agreement for the period 01 July 2012 to 30 June 2015
- Renewal and repairs and maintenance of existing assets.
- Cost containment measures
- Achieving value for money and improved outcomes.
- General Expenditure
- Benefits to Mayors and Councillors – otherwise than provided for in the framework of the public office bearers Act 20 of 1998 is regarded as irregular expenditure and Municipality must recover that remuneration from the Political office bearer or member
- Budget Management issues dealt with in previous MFMA circulars No. 48,51,54,55,66 and 67.

## INCOME PROJECTIONS OVER THE ENSUING YEARS

### FINANCING: MULTI YEAR BUDGETS COMPARISONS

As illustrated per the table below is the Revenue Earning Projections in terms of the DORA Allocations, as well as the other funding options being contemplated

Detail	Budget 2014/2015 R	Budget 2015/2016 R	Budget 2016/2017 R
<b>Revenue</b>			
Grants	-274 781 000	-282 348 000	-287 203 000
Interest on investments	-3 420 000	-3 625 200	-3 842 710
Income from tariffs	-1 500 000	-1 500 000	-1 500 000
Other income	-538 160	-520 950	-552 200
DWA funding - RBIG	-107 000 000	-128 000 000	-144 801 000
Contribution Accumulated Surplus	-21 866 990	-6 230 430	-10 029 130
<b>Total Income</b>	<b>-409 106 150</b>	<b>-422 224 580</b>	<b>-447 928 040</b>

### Grant Income

The Revenue Replacement Grant Equitable Share and other related grants FMG,MSIG, increases are 1.1% in the 2014/2015 per annum on a year-on-year basis and 2.1% thereafter These funds are utilised to fund material infrastructural project expenditure on behalf of the seven local municipalities, within the GSDM area of jurisdiction. In addition, the unconditional grants are utilized to fund expenditure allocations in terms of the Administration Of the Act.

The Grant Income is made up as follows:

Detail	Budget 2014/2015 R	Budget 2015/2016 R	Budget 2016/2017 R
Equitable share Revenue replacement	265,947 000	270,998 000	275,685 000
Rural roads assets management systems grant	2,063 000	2,133 000	2,200 000
Local Government financial management grant	1,250 000	1,250 000	1,300 000
Municipal systems improvement grant	934 000	967 000	1,018 000
Expanded public works programme integrated grant for municipalities	1,587 000		
Infrastructure skills development grant	3,000 000	7,000 000	7,000 000
<b>Sub Total</b>	<b>274,781 000</b>	<b>282,348 000</b>	<b>287,203 000</b>
Regional bulk Infrastructure grant	107,000 000	128,000 000	144,801 000
<b>Total</b>	<b>374,781 000</b>	<b>410,348 000</b>	<b>432,004 000</b>

The Department of Water Affairs (DWA) have agreed to allocate funding regarding the RBIG Projects and are for the following Local Municipalities:

- Chief Albert Luthuli
- Msukaligwa
- Dipaleseng

### **Income from Tariffs**

The Tariff Income is pertinent to:

- Permit services
- Licensing services
- Analysis and Access to Documents or records for the following:-
  - Municipal Health and Environmental Services
  - Water quality Services (laboratory fees)
  - Library and Information Services
  - General services

### **Interest & Other Income**

Interest earnings are maximised and are likely to be received from the major financial institutions where current unspent and committed funding are held. Other income comprises the sale of tenders and telephone recoupment's etc.

Other material income earnings that are to be taken into consideration in funding the overall expenditure commitments, relating to the budget, is the utilization of the contribution accumulated surplus funds which is cash backed.

### **EXPENDITURE PROJECTIONS OVER THE ENSUING YEARS**

<b><u>EXPENDITURE</u></b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Allocations to Local Municipalities	53 252 720	52 500 000	52 500 000
Transfer Projects	18 210 910		
RBIG Projects	107 000 000	128 000 000	144 801 000
Departmental Allocations	41 913 100	44 983 000	42 850 000
Administration of the Act	176 529 420	185 541 580	196 577 040
Donations	200 000	200 000	200 000
Capital Expenditure	12 000 000	11 000 000	11 000 000
<b>Total Expenditure</b>	<b>409 106 150</b>	<b>422 224 580</b>	<b>447 928 040</b>

Further, expenditure is applied with a view to addressing backlogs in mainly service delivery type of projects. The project expenditure referred to above mainly relate to Road, Water, Water quality testing, Sanitation, Electricity Infrastructural Projects and Sports Facilities.

## **ALLOCATIONS TO LOCAL MUNICIPALITIES**

The Direct Allocations are earmarked for Local Municipalities over the three year MTREF period. With regard to the Direct Allocations these amounts relate to project expenditure financed on behalf of the seven local municipalities, which predominantly relate to infrastructural projects. Projects identified were for the amount of R53,252,620 as per attached documents.

With regard to the Departmental Allocations, funds were mainly applied towards bursaries, people with disabilities, municipal health, co-operatives, LED and Tourism etc. ensuring that other subsidiary activities are performed adequately.

## **DEPARTMENTAL ALLOCATIONS**

DETAIL	Budget	Budget	Budget
	2014/2015	2015/2016	2016/2017
<b>DEPARTMENT -OFFICE - EXE MAYOR</b>	<b>R</b>	<b>R</b>	<b>R</b>
MAYORAL EXCELLANCE AWARDS	600 000	600 000	600 000
MAYORAL IMBIZO'S	1 000 000	1 000 000	1 000 000
DONATIONS	200 000	200 000	200 000
CO-ORDINATION HIV AND AIDS	600 000	600 000	600 000
YOUTH DEVELOPMENT	300 000	300 000	300 000
WOMEN'S DEVELOPMENT CAPACITY	300 000	300 000	300 000
RELIGIOUS AFFAIRS(MORAL REGENA	100 000	100 000	100 000
OFFICE - RIGHTS OF THE CHILD	100 000	100 000	100 000
PEOPLE WITH DISABILITY	200 000	200 000	200 000
	<b>3 400 000</b>	<b>3 400 000</b>	<b>3 400 000</b>
<b>DEPARTMENT - PLANNING &amp; ECO DEV</b>			
TRADITIONAL AFFAIRS / PROJECTS	1 000 000	1 000 000	1 000 000
LED, TOURISM AND AGRICULTURE	1 000 000	1 000 000	1 000 000
IDP - NEW AND UPDATE	350 000	350 000	350 000
REGIONAL AIRPORT PLANNING	100	0	0
REG SPORT FACILITIES PLANNING	500 000	500 000	500 000
CO - OPERATIVES	500 000	500 000	500 000
MUNICIPAL PLANNING SECTOR PLAN	200 000	200 000	200 000
RURAL AND AGRI DEVELOPMENT	1 200 000	1 200 000	1 200 000
REVENUE COLLECTION/DATA CLEANS	1 100 000	1 100 000	1 100 000
PHEZUKOMKHONO - ALBERT LUTHULI	1 000 000	1 000 000	1 000 000
PHEZUKOMKHONO - MSUKALIGWA	975 000	975 000	975 000
PHEZUKOMKHONO - GOVAN MBEKI	650 000	650 000	650 000
PHEZUKOMKHONO - MKHONDO	1 000 000	1 000 000	1 000 000
PHEZUKOMKHONO - LEKWA	850 000	850 000	850 000
PHEZUKOMKHONO - DIPALESENG	650 000	650 000	650 000
PHEZUKOMKHONO - PIXLEY KA SEME	875 000	875 000	875 000
	<b>11 850 100</b>	<b>11 850 000</b>	<b>11 850 000</b>

## DEPARTMENTAL ALLOCATIONS (CONT.)

<b>DEPARTMENT - INFRA &amp; TECH SERVICES</b>			
UPDATE BULK WATER/SEWER REPORT	500 000	500 000	500 000
BULK WATER METERS	500 000	500 000	500 000
MANAGEMENT INFORMAT SYSTEMS	2 000 000	2 000 000	2 000 000
COMPREHENSIVE INFRASTRUC PLAN	500 000	500 000	500 000
ALLOCATION TO MUNICIPALITIES	71 463 630	52 500 000	52 500 000
RBIG PROJECTS	107 000 000	128 000 000	144 801 000
	<b>181 963 630</b>	<b>184 000 000</b>	<b>200 801 000</b>
<b>DEPARTMENT - CORPORATE SEVICES</b>			
BURSARIES	1 500 000	1 500 000	1 500 000
IT FOR THE REGION	300 000	300 000	300 000
CAPACITY BUILDING	1 000 000	1 000 000	1 000 000
COMMUNITY PARTICIPATION	1 000 000	1 000 000	1 000 000
ISD	3 000 000	7 000 000	7 000 000
VOTERS EDUCATION	1 000 000		
	<b>7 800 000</b>	<b>10 800 000</b>	<b>10 800 000</b>
<b>DEPARTMENT - COM &amp; SOCIAL SEVICES</b>			
CULTURE, SPORT & RECREATION	1 100 000	1 100 000	1 100 000
MUNICIPAL HEALTH & ENVIROMENT	950 000	950 000	950 000
GSCM MARATHON - ANNUAL EVENT	750 000	750 000	750 000
REG LIBRARY & INFORMATION SERV	650 000	650 000	650 000
	<b>3 450 000</b>	<b>3 450 000</b>	<b>3 450 000</b>
<b>DEPARTMENT - FINANCIAL SERVICES</b>			
EMERGENCY/CONTINGENCIES	500 000	500 000	500 000
OPERATION CLEAN AUDIT	5 000 000	5 000 000	5 000 000
	<b>5 500 000</b>	<b>5 500 000</b>	<b>5 500 000</b>
<b>OFFICE OF THE MUNICIPAL MANAGER</b>			
PROMOTION OF THE DISTRICT/COMM	1 800 000	1 800 000	1 800 000
	<b>1 800 000</b>	<b>1 800 000</b>	<b>1 800 000</b>
<b>DEPARTEMENTAL ALLOCATION - HUMAN SETTLEMENT</b>			
RURAL ROADS ASSET MAN SYSTEMS	2 063 000	2 133 000	0
ROAD MAITENANCE/ POTHOLE PROJECTS	2 000 000	2 000 000	2 000 000
DISASTER MANAGEMENT	750 000	750 000	750 000
	<b>4 813 000</b>	<b>4 883 000</b>	<b>2 750 000</b>
<b>TOTAL</b>	<b>220 576 730</b>	<b>225 683 000</b>	<b>240 351 000</b>



## ADMINISTRATION OF THE ACT

Detail	Budget	Budget	Budget
	2014/2015	2015/2016	2016/17
<b><u>COUNCIL</u></b>			
Executive Mayor & Mayoral Committee	9 452 930	10 020 120	10 621 330
Speaker, Chief Whip & Councillors	6 995 370	7 415 090	7 859 990
Council Support	5 893 610	6 247 220	6 622 040
<b>TOTAL: Council</b>	<b>22 341 910</b>	<b>23 682 430</b>	<b>25 103 360</b>
<b><u>MUNICIPAL MANAGER</u></b>			
Municipal Manager	3 789 510	4 016 880	4 257 890
Internal Audit	6 112 500	6 479 240	6 867 990
<b>TOTAL: Municipal Manager</b>	<b>9 902 010</b>	<b>10 496 120</b>	<b>11 125 880</b>
<b><u>PLANNING &amp; ECONOMIC DEVELOPMENT</u></b>			
Planning Services	8 471 180	8 979 450	9 518 210
IDP	1 113 830	1 180 640	1 251 500
<b>TOTAL: Planning &amp; Economic Development</b>	<b>9 585 010</b>	<b>10 160 090</b>	<b>10 769 710</b>
<b><u>CORPORATE SERVICES</u></b>			
Building	24 178 300	25 628 990	27 166 730
IT	7 855 150	8 326 460	8 826 050
Legal	2 940 040	3 116 440	3 303 440
Human Resources	5 000 260	5 300 290	5 618 300
Administration	13 011 830	13 792 530	14 620 120
Communication, Marketing & Tourism	2 846 000	3 016 780	3 197 770
<b>TOTAL: Corporate Services</b>	<b>55 831 580</b>	<b>59 181 490</b>	<b>62 732 410</b>
<b><u>FINANCE</u></b>			
Finance	8 908 270	9 442 760	10 009 330
Supply Chain Management	7 484 720	6 606 960	7 003 390
Municipal Management & Support	1 388 650	1 471 970	1 560 280
Carwash	131 780	0	0
MSIG	934 000	967 000	1 018 000
<b>TOTAL: Finance</b>	<b>18 847 420</b>	<b>18 488 690</b>	<b>19 591 000</b>
<b><u>MUNICIPAL INFRASTRUCTURE &amp; SERVICES</u></b>			
Planning, Implementation & Support	7 406 290	7 850 660	8 321 710
Infrastructure Maintenance	6 807 210	7 215 660	7 648 560
Water & Sanitation	8 550 530	9 063 560	9 607 390
<b>TOTAL: Municipal Infrastructure &amp; Services</b>	<b>22 764 030</b>	<b>24 129 880</b>	<b>25 577 660</b>
<b><u>COMMUNITY &amp; SOCIAL SERVICES</u></b>			
Community & Social Services	8 525 080	9 036 560	9 578 760
Municipal Health Services	13 892 690	14 726 260	15 609 800
<b>TOTAL: Community &amp; Social Services</b>	<b>22 417 770</b>	<b>23 762 820</b>	<b>25 188 560</b>
<b><u>HUMAN SETTLEMENT &amp; PUBLIC SAFETY</u></b>			
Human settlement	6 548 920	6 851 850	7 172 970
Disaster Management	8 290 770	8 788 210	9 315 490
<b>TOTAL: Human Settlement &amp; Public Safety</b>	<b>14 839 690</b>	<b>15 640 060</b>	<b>16 488 460</b>
<b>GRAND TOTAL</b>	<b>176 529 420</b>	<b>185 541 580</b>	<b>196 577 040</b>

## **EXPENDITURE BREAKDOWN – With reference to the Administration of the Act Allocations**

Detail	Budget	Budget	Budget
	2014/2015	2015/2016	2016/2017
	R	R	R
Salaries and wages	87 673 270	92 861 230	98 432 920
Social Contributions	19 463 600	20 631 360	21 869 250
Councillor Allowances	12 412 850	13 157 630	13 947 090
Depreciation	18 745 970	19 870 720	21 062 970
Repair and Maintenance	4 221 460	4 381 750	4 554 650
Finance Cost	3 550 800	2 437 000	2 583 220
Contracted Services	1 910 000	2 024 600	2 146 080
General Expenditure	28 551 470	30 177 290	31 980 860
<b>TOTAL</b>	<b>176 529 420</b>	<b>185 541 580</b>	<b>196 577 040</b>

## **DONATIONS**

During the course of the 2014/2015 and ensuing financial years applications are normally received for Council to consider whether assistance may be rendered toward community related projects in dire need of financial support.

During the course of the ensuing years the following amounts are recommended.

Year	Amount (R)
2014/2015	200,000
2015/2016	200,000
2016/2017	200,000

## **FINANCING OF THE BUDGET**

Detail	Budget	Budget	Budget
	2014/2015	2015/2016	2016/2017
	R		
<b>Revenue</b>			
Grants	-274 781 000	-282 348 000	-287 203 000
Interest on investments	-3 420 000	-3 625 200	-3 842 710
Income from tariffs	-1 500 000	-1 500 000	-1 500 000
Other income	-538 160	-520 950	-552 200
DWA funding - RBIG	-107 000 000	-128 000 000	-144 801 000
Contribution Accumulated Surplus	-21 866 990	-6 230 430	-10 029 130
<b>Total Income</b>	<b>-409 106 150</b>	<b>-422 224 580</b>	<b>-447 928 040</b>
<b>Expenditure</b>			
Allocations to Local Municipalities	53 252 720	52 500 000	52 500 000
Transfer Projects	18 210 910		
RBIG Projects	107 000 000	128 000 000	144 801 000
Departmental Allocations	41 913 100	44 983 000	42 850 000
Administration of the Act	176 529 420	185 541 580	196 577 040
Donations	200 000	200 000	200 000
Capital Expenditure	12 000 000	11 000 000	11 000 000
<b>TOTAL EXPENDITURE</b>	<b>409 106 150</b>	<b>422 224 580</b>	<b>447 928 040</b>

## CAPITAL BUDGET

Detail	Budget	Budget	Budget
	2014/2015	2015/2016	2016/17
	<u>R</u>	<u>R</u>	<u>R</u>
Regional Convention Centre/District Disaster Centre	1 000 000		
Lab equipment	1 000 000	1 000 000	1 000 000
Disaster Centres	5 000 000	5 000 000	5 000 000
Vehicles/Construction Equipment	4 000 000	3 000 000	3 000 000
Office furniture and equipment	500 000	500 000	500 000
Computer equipment	500 000	1 500 000	1 500 000
<b>Sub-Total</b>	<b>12 000 000</b>	<b>11 000 000</b>	<b>11 000 000</b>

## RECOMMENDATIONS OF THE EXECUTIVE MAYOR

1. That the final Budget for 2014/2015, 2015/2016, and 2016/2017 **BE APPROVED**.
2. That the final multi-year Annual Budget of Capital and Operating Expenditure as illustrated per the table below for 2014/2015, 2015/2016 and 2016/2017, **BE APPROVED**.

## INCOME PROJECTIONS OVER THE ENSUING YEAR

<b>Detail</b>	<b>Budget 2014/2015 R</b>	<b>Budget 2015/2016</b>	<b>Budget 2016/2017</b>
<b>Revenue</b>			
Grants	-274 781 000	-282 348 000	-287 203 000
Interest on investments	-3 420 000	-3 625 200	-3 842 710
Income from tarriffs	-1 500 000	-1 500 000	-1 500 000
Other income	-538 160	-520 950	-552 200
DWA funding - RBIG	-107 000 000	-128 000 000	-144 801 000
Contribution Accumulated Surplus	-21 866 990	-6 230 430	-10 029 130
<b>Total Income</b>	<b>-409 106 150</b>	<b>-422 224 580</b>	<b>-447 928 040</b>

## EXPENDITURE PROJECTIONS OVER THE ENSUING YEARS

<b>EXPENDITURE</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Allocations to Local Municipalities	53 252 720	52 500 000	52 500 000
Transfer Projects	18 210 910		
RBIG Projects	107 000 000	128 000 000	144 801 000
Departmental Allocations	41 913 100	44 983 000	42 850 000
Administration of the Act	176 529 420	185 541 580	196 577 040
Donations	200 000	200 000	200 000
Capital Expenditure	12 000 000	11 000 000	11 000 000
<b>Total Expenditure</b>	<b>409 106 150</b>	<b>422 224 580</b>	<b>447 928 040</b>

## DEPARTMENTAL ALLOCATIONS

### PROJECTS: MULTI YEAR BUDGETS COMPARISONS

Detail	Budget	Budget	Budget
	2014/15	2015/16	2016/17
	R	R	R
<b>DEPARTMENT -OFFICE - EXE MAYOR</b>			
MAYORAL EXCELLANCE AWARDS	600 000	600 000	600 000
MAYORAL IMBIZO'S	1 000 000	1 000 000	1 000 000
DONATIONS	200 000	200 000	200 000
CO-ORDINATION HIV AND AIDS	600 000	600 000	600 000
YOUTH DEVELOPMENT	300 000	300 000	300 000
WOMEN'S DEVELOPMENT CAPACITY	300 000	300 000	300 000
RELIGIOUS AFFAIRS(MORAL REGENA	100 000	100 000	100 000
OFFICE - RIGHTS OF THE CHILD	100 000	100 000	100 000
PEOPLE WITH DISABILITY	200 000	200 000	200 000
	<b>3 400 000</b>	<b>3 400 000</b>	<b>3 400 000</b>
<b>DEPARTMENT - PLANNING &amp; ECO DEV</b>			
TRADITIONAL AFFAIRS / PROJECTS	1 000 000	1 000 000	1 000 000
LED, TOURISM AND AGRICULTURE	1 000 000	1 000 000	1 000 000
IDP - NEW AND UPDATE	350 000	350 000	350 000
REGIONAL AIRPORT PLANNING	100	0	0
REG SPORT FACILITIES PLANNING	500 000	500 000	500 000
CO - OPERATIVES	500 000	500 000	500 000
MUNICIPAL PLANNING SECTOR PLAN	200 000	200 000	200 000
RURAL AND AGRI DEVELOPMENT	1 200 000	1 200 000	1 200 000
REVENUE COLLECTION/DATA CLEANS	1 100 000	1 100 000	1 100 000
PHEZUKOMKHONO - ALBERT LUTHULI	1 000 000	1 000 000	1 000 000
PHEZUKOMKHONO - MSUKALIGWA	975 000	975 000	975 000
PHEZUKOMKHONO - GOVAN MBEKI	650 000	650 000	650 000
PHEZUKOMKHONO - MKHONDO	1 000 000	1 000 000	1 000 000
PHEZUKOMKHONO - LEKWA	850 000	850 000	850 000
PHEZUKOMKHONO - DIPALESENG	650 000	650 000	650 000
PHEZUKOMKHONO - PIXLEY KA SEME	875 000	875 000	875 000
	<b>11 850 100</b>	<b>11 850 000</b>	<b>11 850 000</b>
<b>DEPARTMENT - INFRA &amp; TECH SERVICES</b>			
UPDATE BULK WATER/SEWER REPORT	500 000	500 000	500 000
BULK WATER METERS	500 000	500 000	500 000
MANAGEMENT INFORMAT SYSTEMS	2 000 000	2 000 000	2 000 000
COMPREHENSIVE INFRASTRUC PLAN	500 000	500 000	500 000
ALLOCATION TO MUNICIPALITIES	71 463 630	52 500 000	52 500 000
RBIG PROJECTS	107 000 000	128 000 000	144 801 000
	<b>181 963 630</b>	<b>184 000 000</b>	<b>200 801 000</b>
<b>DEPARTMENT - CORPORATE SEVICES</b>			
BURSARIES	1 500 000	1 500 000	1 500 000
IT FOR THE REGION	300 000	300 000	300 000
CAPACITY BUILDING	1 000 000	1 000 000	1 000 000
COMMUNITY PARTICIPATION	1 000 000	1 000 000	1 000 000
ISD	3 000 000	7 000 000	7 000 000
VOTERS EDUCATION	1 000 000		
	<b>7 800 000</b>	<b>10 800 000</b>	<b>10 800 000</b>

<b>DEPARTMENT - COM &amp; SOCIAL SEVICES</b>			
CULTURE, SPORT & RECREATION	1 100 000	1 100 000	1 100 000
MUNICIPAL HEALTH & ENVIROMENT	950 000	950 000	950 000
GSCM MARATHON - ANNUAL EVENT	750 000	750 000	750 000
REG LIBRARY & INFORMATION SERV	650 000	650 000	650 000
	<b>3 450 000</b>	<b>3 450 000</b>	<b>3 450 000</b>
<b>DEPARTMENT - FINANCIAL SERVICES</b>			
EMERGENCY/CONTINGENCIES	500 000	500 000	500 000
OPERATION CLEAN AUDIT	5 000 000	5 000 000	5 000 000
	<b>5 500 000</b>	<b>5 500 000</b>	<b>5 500 000</b>
<b>OFFICE OF THE MUNICIPAL MANAGER</b>			
PROMOTION OF THE DISTRICT/COMM	1 800 000	1 800 000	1 800 000
	<b>1 800 000</b>	<b>1 800 000</b>	<b>1 800 000</b>
<b>DEPARTEMENTAL ALLOCATION - HUMAN SETTLEMENT</b>			
RURAL ROADS ASSET MAN SYSTEMS	2 063 000	2 133 000	0
ROAD MAITENANCE/ POTHOLE PROJECTS	2 000 000	2 000 000	2 000 000
DISASTER MANAGEMENT	750 000	750 000	750 000
	<b>4 813 000</b>	<b>4 883 000</b>	<b>2 750 000</b>
<b>TOTAL</b>	<b>220 576 730</b>	<b>225 683 000</b>	<b>240 351 000</b>

## ADMINISTRATION OF THE ACT: MULTI YEAR BUDGET COMPARISONS

Detail	Budget		
	2014/2015	2015/2016	2016/17
	R	R	R
<b><u>COUNCIL</u></b>			
Executive Mayor & Mayoral Committee	9 452 930	10 020 120	10 621 330
Speaker, Chief Whip & Councillors	6 995 370	7 415 090	7 859 990
Council Support	5 893 610	6 247 220	6 622 040
<b>TOTAL: Council</b>	<b>22 341 910</b>	<b>23 682 430</b>	<b>25 103 360</b>
<b><u>MUNICIPAL MANAGER</u></b>			
Municipal Manager	3 789 510	4 016 880	4 257 890
Internal Audit	6 112 500	6 479 240	6 867 990
<b>TOTAL: Municipal Manager</b>	<b>9 902 010</b>	<b>10 496 120</b>	<b>11 125 880</b>
<b><u>PLANNING &amp; ECONOMIC DEVELOPMENT</u></b>			
Planning Services	8 471 180	8 979 450	9 518 210
IDP	1 113 830	1 180 640	1 251 500
<b>TOTAL: Planning &amp; Economic Development</b>	<b>9 585 010</b>	<b>10 160 090</b>	<b>10 769 710</b>
<b><u>CORPORATE SERVICES</u></b>			
Building	24 178 300	25 628 990	27 166 730
IT	7 855 150	8 326 460	8 826 050
Legal	2 940 040	3 116 440	3 303 440
Human Resources	5 000 260	5 300 290	5 618 300
Administration	13 011 830	13 792 530	14 620 120
Communication, Marketing & Tourism	2 846 000	3 016 780	3 197 770
<b>TOTAL: Corporate Services</b>	<b>55 831 580</b>	<b>59 181 490</b>	<b>62 732 410</b>
<b><u>FINANCE</u></b>			
Finance	8 908 270	9 442 760	10 009 330
Supply Chain Management	7 484 720	6 606 960	7 003 390
Municipal Management & Support	1 388 650	1 471 970	1 560 280
Carwash	131 780	0	0
MSIG	934 000	967 000	1 018 000
<b>TOTAL: Finance</b>	<b>18 847 420</b>	<b>18 488 690</b>	<b>19 591 000</b>
<b><u>MUNICIPAL INFRASTRUCTURE &amp; SERVICES</u></b>			
Planning, Implementation & Support	7 406 290	7 850 660	8 321 710
Infrastructure Maintenance	6 807 210	7 215 660	7 648 560
Water & Sanitation	8 550 530	9 063 560	9 607 390
<b>TOTAL: Municipal Infrastructure &amp; Services</b>	<b>22 764 030</b>	<b>24 129 880</b>	<b>25 577 660</b>
<b><u>COMMUNITY &amp; SOCIAL SERVICES</u></b>			
Community & Social Services	8 525 080	9 036 560	9 578 760
Municipal Health Services	13 892 690	14 726 260	15 609 800
<b>TOTAL: Community &amp; Social Services</b>	<b>22 417 770</b>	<b>23 762 820</b>	<b>25 188 560</b>
<b><u>HUMAN SETTLEMENT &amp; PUBLIC SAFETY</u></b>			
Human settlement	6 548 920	6 851 850	7 172 970
Disaster Management	8 290 770	8 788 210	9 315 490
<b>TOTAL: Human Settlement &amp; Public Safety</b>	<b>14 839 690</b>	<b>15 640 060</b>	<b>16 488 460</b>
<b>GRAND TOTAL</b>	<b>176 529 420</b>	<b>185 541 580</b>	<b>196 577 040</b>

**EXPENDITURE BREAKDOWN – With reference to the Administration of the Act Allocations**

Detail	Budget	Budget	Budget
	2014/2015	2015/2016	2016/2017
	<b>R</b>	<b>R</b>	<b>R</b>
Salaries and wages	87 673 270	92 861 230	98 432 920
Social Contributions	19 463 600	20 631 360	21 869 250
Councillor Allowances	12 412 850	13 157 630	13 947 090
Depreciation	18 745 970	19 870 720	21 062 970
Repair and Maintenance	4 221 460	4 381 750	4 554 650
Finance Cost	3 550 800	2 437 000	2 583 220
Contracted Services	1 910 000	2 024 600	2 146 080
General Expenditure	28 551 470	30 177 290	31 980 860
<b>Total</b>	<b>176 529 420</b>	<b>185 541 580</b>	<b>196 577 040</b>

3. That the capital budget tabled below, **BE APPROVED**.

YEAR	AMOUNT R
2014/2015	12,000,000
2015/2016	11,000,000
2016/2017	11,000,000

4. That the Imbizo's were advertised, **BE NOTED**.

5. That the following consultative meetings were held, **BE NOTED**

LOCAL MUNICIPALITY	ACTUALDATE	VENUE
Mkhondo	20/05/2014	Community Hall
Dipaleseng	19/05/2014	Community Hall
Dr Pixley Ka Isaka Seme	13/05/2014	Community Hall
Lekwa	26/05/2014	Community Hall
Msukaligwa	22/05/2014	Community Hall
Chief Albert Luthuli	16/05/2014	Community Hall
Govan Mbeki	20/05/2014	Community Hall

That the projects for the Local Municipalities for the 2014/2015 financial years, **BE NOTED**.



6. That, the tables referred to in annexure C-1 to C-64 and attached to this report in terms of the New Budget Format and reporting regulations, **BE APPROVED.**
- |      |              |   |   |
|------|--------------|---|---|
| 6.1  | Table A1     | - | Budget Summary  |
| 6.2  | Table A2     | - | Budgeted financial performance by Standard Classification     |
| 6.3  | Table A3     | - | Budgeted financial performance by vote                        |
| 6.4  | Table A4     | - | Budgeted financial performance by revenue source & expen.type |
| 6.5  | Chart A1     | - | Revenue by Municipal Vote Classification                      |
| 6.6  | Chart A2a    | - | Expenditure by Municipal Vote                                 |
|      | Chart A2b    |   |   |
| 6.7  | Chart A3     | - | Revenue by Standard Classification                            |
| 6.8  | Chart A4     | - | Expenditure by Standard Classification                        |
| 6.9  | Chart A5/A   | - | Revenue by source - major                                     |
| 6.10 | Table A5     | - | Budgeted Capital Expenditure by vote, Std Class and funds     |
| 6.11 | Chart A6     | - | Revenue by source - minor                                     |
| 6.12 | Chart A7     | - | Expenditure by type   |
| 6.13 | Table A6     | - | Budgeted financial position                                   |
| 6.14 | Table A7     | - | Budgeted cash flow  |
| 6.15 | Table A8     | - | Cash back reserves/ accumulated surplus reconciliation        |
| 6.16 | Table A9     | - | Asset Management  |
|      | a) Table A10 | - | Basic service delivery measurement                            |
7. That, the following budget related policies/ MFMA Circulars, which was previously approved in 2012/13, **BE NOTED.**
- |     |   |
|-----|---|
| 7.1 | Supply Chain Management Policy to be noted  |
| 7.2 | Cash Management and Investment Policy to be noted   |
| 7.3 | Budget Policy to be noted   |
| 7.4 | Virement Policy to be noted   |
| 7.5 | Fixed asset policy to be noted  |
| 7.6 | Proposed Tariffs For Municipal Health and Environmental services/ water quality services to be approved |
| 7.7 | MFMA Circular No 70   |
| 7.8 | MFMA Circular No 72   |
- 8 That: the organogram attached herewith, which was previously approved in May 2012/13, **BE NOTED.**
9. That, the Municipal Manager be delegated to authorize the Quality Certificate relating to the Annual Budget and supporting documentation attached per **Annexure D, BE APPROVED.**
10. That the service delivery and budget implementation plan (SDBIP) for the 2014/2015 financial year be submitted to the Executive Mayor in terms of the MFMA regulations as illustrated on once final approval of the budget by Council is undertaken, **BE NOTED.**

*Gert Sibande District Municipality*

**DIRECT ALLOCATIONS**

**PROJECTS ALLOCATED**

**TO THE SEVEN**

**LOCAL MUNICIPALITIES**

**FOR 2014/2015; 2015/16 & 2016/2017  
YEARS**

<b>ALBERT LUTHULI</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET 2014/2015</b>	<b>BUDGET 2015/2016</b>	<b>BUDGET 2016/2017</b>
<b>130</b>		<b>GRANTS TRANSFER</b>			
130	256505	SILOBELA SEWER RETICULATION	5,000,000	0	0
130	256539	STADIUM ELUKWATINI	0	0	0
130	256602	SILOBELA ROADS	0	0	0
130	256700	REFURBISH STADIUMS CAR/ELUKWAT	0	0	0
130	256701	REG BULK INFRASTRUCTURE EMPU,M	500,000	0	0
130	256702	OPERATIONS & MAINTENANCE SUPPO	0	0	0
130	256703	WATER QUALITY TESTING	300,000	0	0
130	256704	SANITATION (VIP'S)	1,000,000	0	0
130	256705	ROADS (UPGRADE)	0	0	0
130	256706	POTHOLES	0	0	0
130	256707	NEW BOREHOLES	1,000,000	0	0
130	256708	ALBERT LUTHULI COUNCIL CHAMBER	100	0	0
130	256772	REG BULK INFRASTRUCTURE EERSTE	500,000	0	0
<b>130</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>8,300,100</b>	<b>7,500,000</b>	<b>7,500,000</b>

<b>MSUKALIGWA</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
			<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>150</b>		<b>GRANTS TRANSFER</b>			
150	256607	DAVEL REFURBISH SEWER PLANT	0	0	0
150	256609	SEWER UPGRADE KHAYELIHLE	0	0	0
150	256610	WATER RETICULATION KHAYELIHLE	0	0	0
150	256643	REFURBISH TORBANITE DAM	0	0	0
150	256709	WESS/KHAYEL OUTFALL SEWER LINE	3,000,000	0	0
150	256710	WESSELTON ROAD UPGRADE (PAVING	0	0	0
150	256711	REG BULK INFRASTRUCTURE	7,700,000	0	0
150	256712	OPERATIONS & MAINTENANCE SUPPO	0	0	0
150	256713	WATER QUALITY TESTING	300,000	0	0
150	256714	SANITATION (VIP'S)	1,000,000	0	0
150	256715	POTHOLES	0	0	0
150	256716	NEW BOREHOLES	1,000,000	0	0
150		REG BULK INFRASTRUCTURE SHEEPMOOR	500,000		
150		UPGRAD GSDM ENTRANCE/MORGENZON ROAD	2,000,000		
<b>150</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>15,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>

<b>GOVAN MBEKI</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
			<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>160</b>		<b>GRANTS TRANSFER</b>			
160	256516	ROADS IN BETHAL	0	0	0
160	256611	LEANDRA ROADS	0	0	0
160	256612	EMZINONI ROADS	0	0	0
160	256614	BOREHOLES	0	0	0
160	256615	BETHAL ELECTRICITY REFUND	0	0	0
160	256616	KINROSS ROADS	0	0	0
160	256718	UPGRADING SPORT FACILITIES	2,400,000	0	0
160	256719	EMBALENHLE SEWER NETWORK	0	0	0
160	256720	OPERATIONS & MAINTENANCE SUPPO		0	0
160	256721	WATER QUALITY TESTING	300,000	0	0
160	256722	SANITATION (VIP'S)	0	0	0
160	256723	POTHOLES	0	0	0
160	256724	NEW BOREHOLES	1,000,000	0	0
160	256725	BOREHOLES MAINTENANCE	0	0	0
160	256771	EMBA SEWER NETWORK RET	2,000,000	0	0
<b>160</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>5,700,000</b>	<b>7,500,000</b>	<b>7,500,000</b>

<b>MKHONDO</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
			<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>172</b>		<b>GRANTS TRANSFER</b>			
172	256428	DRIEFONTEIN WTW INCREASE CAP	412,738	0	0
172	256727	DRIEFONTEIN UPGRADING WTW	1,080,000	0	0
172	256731	REG BULK INFRASTRUCTURE DRIEFO	752,620	0	0
172	256732	REG BULK INFRASTRUCTURE MANDUN	500,000	0	0
172	256733	OPERATIONS & MAINTENANCE SUPPO	0	0	0
172	256734	WATER QUALITY TESTING	400,000	0	0
172	256735	SANITATION (VIP'S)	1,000,000	0	0
172	256737	NEW BOREHOLES	1,000,000	0	0
172	256738	PIET RETIEF SEWER TREATM PLANT	0	0	0
172	256739	BOREHOLES MAINTENANCE	300,000	0	0
172	256770	PROCUREMENT CONSTR EQUIPMENT	0	0	0
172	256775	DIRKIESDORP 2 ML RESERVOIR	5,000,000		
<b>172</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>10,445,358.00</b>	<b>7,500,000.00</b>	<b>7,500,000.00</b>

<b>LEKWA</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
			<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>180</b>		<b>GRANTS TRANSFER</b>			
180	256270	RAISING MAIN WTW/OLS STANDERSK	1,000,000	0	0
180	256626	10 ML WATER TREATMENT PLANT	3,600,000	0	0
180	256740	REG BULK INFRASTRUCTURE EERSGE	500,000	0	0
180	256741	REG BULK INFRASTRUCTURE STANDE	0	0	0
180	256742	OPERATIONS & MAINTENANCE SUPPO	1,000,000	0	0
180	256743	UPGRADING SPORT FACILITY	0	0	0
180	256744	WATER QUALITY TESTING	300,000	0	0
180	256745	SANITATION (VIP'S)	1,000,000	0	0
180	256746	POTHOLES	0	0	0
180	256747	NEW BOREHOLES	1,000,000	0	0
180	256750	BOREHOLES MAINTENANCE	0	0	0
180	256767	UPGRAD SUBSTATION WTP LEKWA	2,110,000	0	0
180	256768	REPLACE SEWER PIPES SAKHILE	0	0	0
<b>180</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>10,510,000</b>	<b>7,500,000</b>	<b>7,500,000</b>

<b>DIPALESENG</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
			<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>184</b>		<b>GRANTS TRANSFER</b>			
184	256528	SIYATHEMBA UPGRAD/REFURB ROADS	0	0	0
184	256630	BALFOUR TOWN ROADS	300,000	0	0
184	256751	REG BULK INFRASTRUCTURE BALFOU	2,208,172	0	0
184	256752	UPGRADING SPORT FACILITY	1,000,000	0	0
184	256753	OPERATIONS & MAINTENANCE SUPPO	0	0	0
184	256754	WATER QUALITY TESTING	300,000	0	0
184	256756	POTHOLES	0	0	0
184	256766	PURCHASE OF LAND FOR CEMETRY	0	0	0
<b>184</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>3,808,172</b>	<b>7,500,000</b>	<b>7,500,000</b>



<b>DR PIXLEY KA ISAKA SEME</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
			<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>190</b>		<b>GRANTS TRANSFER</b>			
190	256637	VOLKSRUST WTP CONST BULK SUPPL	0	0	0
190	256638	AMERSFOORT WTW COMPL PUMPLINE	3,700,000	0	0
190	256761	WATER QUALITY TESTING	400,000	0	0
190	256762	SANITATION (VIP'S)	0	0	0
190	256763	POTHOLES	0	0	0
190	256764	NEW BOREHOLES	0	0	0
190	256773	DAGGAKRAAL BULK WATER SUPPLY	600,000	0	0
190	256774	AMERSFOORT SEWER RET/OUTFALL S	12,500,000	0	0
<b>190</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>17,200,000</b>	<b>7,500,000</b>	<b>7,500,000</b>

<b>RBIG ALBERT LUTHULI</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
			<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>330</b>		<b>GRANTS TRANSFER</b>			
330	256663	REGIONAL BULK EERSTEH/EKULINDE	24,000,000	28,000,000	20,000,000
330	256664	REGIONAL BULK EMPULUZI/METULA	0	0	10,000,000
330		LUSHUSHWANE BULK WATER SCHEME	24,497,000	25,000,000	25,801,000
<b>330</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>48,497,000</b>	<b>53,000,000</b>	<b>55,801,000</b>
<b>RBIG - MSUKALIGWA</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
			<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>350</b>		<b>GRANTS TRANSFER</b>			
350	256665	REGIONAL BULK ERMELO/WESSELTON	23,000,000	38,000,000	40,000,000
350		AMSTERDAM/SHEEPMOOR BULK WATER	15,503,000	15,000,000	
<b>350</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>38,503,000</b>	<b>53,000,000</b>	<b>40,000,000</b>
<b>RBIG - DIPALESENG</b>					
<b>Department</b>	<b>Account Code</b>	<b>Description</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
			<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>384</b>		<b>GRANTS TRANSFER</b>			
384	256666	REGIONAL BULK BALFOUR/SIYATHEM	20,000,000	22,000,000	49,000,000
<b>384</b>		<b>TOTAL GRANTS TRANSFER</b>	<b>20,000,000</b>	<b>22,000,000</b>	<b>49,000,000</b>

# *Gert Sibande District* *Municipality*

**NEW BUDGET FORMAT PREPARED IN TERMS OF GAZETTE NO. 32141 MUNICIPAL BUDGET AND REPORTING REGULATIONS (MBRR)**

**ANNUAL BUDGET**



2014/2015/2015/2016 & 2016/2017

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**Budget Related Policies Refer Annexure A**

- Supply Chain Management Policy with amendments
- Supply Chain Management Standard Operating Procedures Manual
- Municipal Health Tariff Policy
- Cash Management and Investment Policy
- Budget Policy
- Virement Policy
- Fixed Asset Policy
- MFMA Circular No. 70
- MFMA Circular No 72

# *Gert Sibande District Municipality*



## VISION

*"A District Municipality striving to Excel in Good Governance and Quality Infrastructure"*

## MISSION

*Ensuring a better life for all in the District through:*

- *Municipal Infrastructure Development*
- *Economic and Tourism Promotion*
- *Functioning Ward Committee System*
- *Community and Stakeholder Participation*
- *Efficient Systems and Administration*
- *Human Development*

## **CORPORATE VALUES**

- *Customer Focus*
- *Accountability*

- *Responsiveness*
- *Service Oriented*

## **NEW DISCLOSURE REQUIREMENTS**

### **ANNUAL BUDGET 2014/15; 2015/16 & 2016/17 YEARS IN TERMS OF THE MUNICIPAL BUDGET AND REPORTING REGULATIONS (MBRR)**

In order to comply with the legislative requirements in terms of the new format initiatives promulgated in terms of the Gazette No 32141, Municipal Budgets and Reporting Regulations (MBRR) the Annual Budget comprises of three (3) main parts with Supporting Information, Charts and explanations of trends and deviations.

#### **Part 1 – Annual Budget Disclosures.**

These Annexures contain Tables A1 – A10 and Charts 1 – 10. Further, under Part 1 is the Foreword of the Executive Mayor and Schedule 1 – Draft Resolution on approval of the Annual Budget.

#### **Part 2 – Supporting Documents.**

The supporting tables SA1 – SA37 – also Schedules 1 (Personnel Budget) and Schedule 2 (Budget related Policies) are illustrated on pages 76 to 127 herewith.

As per schedule 2 the Budget related Policies per Annexure A are as follows:

- Supply Chain Management Policy with amendments, to be approved.
- Supply Chain Management Standard Operating Procedures Manual, be approved.
- The Municipal Health Tariff Policy, be approved
- Approved Cash Management and Investment Policy, be noted
- Approved Budget Policy, be noted
- Approved Virement Policy, be noted
- Approved Fixed Asset Policy, be noted
- MFMA Circular no. 67 & 68, be noted

#### **Part 3 – Service Delivery and Budget Implementation Plans.**

That the Service Delivery and Budget Implementation Plan (SDBIP) for the 2013/2014 financial will be submitted to the Executive Mayor in terms of the MFMA regulations once final approval of the Budget by Council is undertaken.

### **NEW FORMAT**

The new format relating to the 2013/2014 budget and the ensuing years is set out on the following pages 29 - 127.

# **FOREWORD**

## **BY THE EXECUTIVE MAYOR ON THE ANNUAL BUDGET FOR THE 2014/2015, 2015/2016 AND 2016/2017 FINANCIAL YEARS**

It gives me great pleasure to present the Final Budget for the 2014/2015 and ensuing years in terms of the Medium Term Revenue and Expenditure Framework (MTREF).

The budget has been fully aligned to the Integrated Development Plan for the 2014/2015 financial year. Further, there had been budget consultation meetings regarding all the GSDM's constituent Local Municipalities. In addition consultations were held with various Stakeholders using the Annual IDP / Budget Mayoral Outreaches, IDP Representative Forum and other IGR Structures Institutionalized within our Municipality. These consultations ensured that all Key Stakeholders had the ability to participate fully and meaningfully and thereby comment on the Budget before Council's final adoption process is undertaken.

This year's 2014/2015 budget was primarily based on the twelve outcomes reflected in the National Treasury Guidelines as well as mandates which are as follows:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth
- An efficient, competitive and responsive economic infrastructure network
- Vibrant equitable and sustainable rural communities and food security
- Sustainable human settlements and improved quality of household life
- A response and, accountable, effective and efficient local government system
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and World
- A development-orientated public service inclusive citizenship

The primary goals to be attained by the District Municipality relate to appropriate service delivery objectives and funds had to be reprioritized to cater for the dire needs of communities. Historically and even in the 2014/2015 financial year it is likely that at least **80%** of the Infrastructural budget would be spent in accordance with the targets set in the IDP.

In terms of the Division of Revenue Act (DORA) funds have been promulgated for the District at increases of approximately 1- 2% on a year on year basis and the District expends the majority of its funds on infrastructural projects relating to projects within the area of jurisdiction of the local municipalities. These projects are mainly infrastructural relating to Electricity, Water, Sanitation, Roads, Operation & Maintenance and other related projects. Further, the District has been adopting a prudent approach in the equitable distribution of grant funding and the applicable allocations to the LM's. Once again the budget has been prepared on the basis of addressing backlogs relating to basic services and the refurbishment of existing network services. In addition, a major priority of the District has been to earmark funding towards addressing the major concerns relating to the quality of municipal drinking water and failures in the management of waste water.

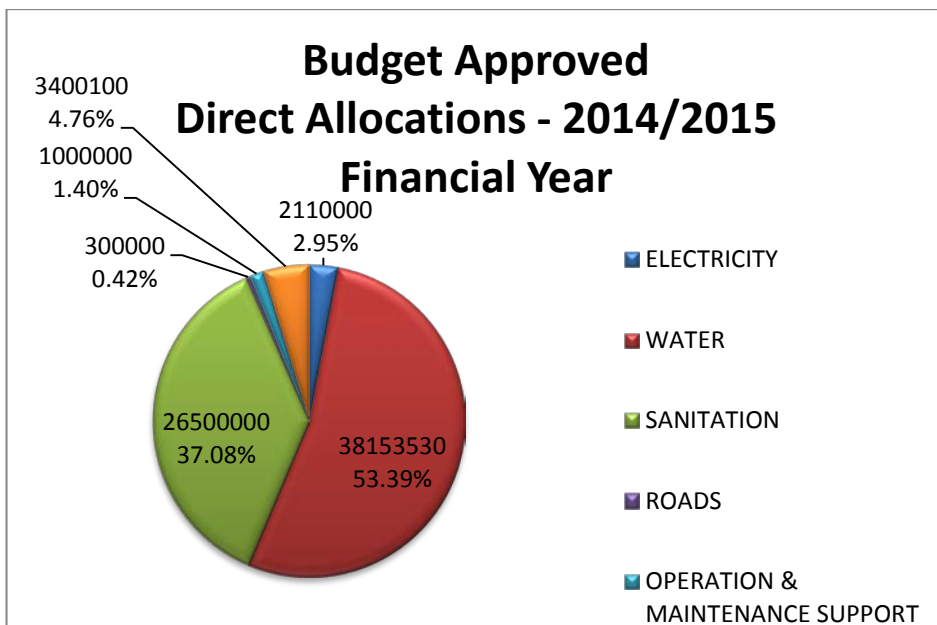


The District has always maintained strong financial viability in undertaking its business operations. In addition the 2014/2015 budget has been prepared with a view of implementing significant cost curtailment initiatives and once again the major portion of funding has been directed towards addressing essential service delivery activities, thereby excluding non essential items.

The District would be administering a budget of R409 million for the 2014/2015 financial year. It must be noted that the major portion of Council’s funds will be applied towards priority Infrastructural Projects to ensure Service Delivery is achieved rapidly thereby addressing the community’s dire needs especially in the Rural Areas.

The main categories of projects whereby funding would be applied are as follows:-

<u>Project Category</u>	<u>Amount</u> <u>R</u>	
<b>FINAL BUDGET</b>		
<b>DIRECT ALLOCATIONS - 2014/2015 Financial Year</b>		
ELECTRICITY	2110000	2.95%
WATER	38153530	53.39%
SANITATION	26500000	37.08%
ROADS	300000	0.42%
OPERATION & MAINTENANCE SUPPORT	1000000	1.40%
OTHER	3400100	4.76%
	<b>71463630</b>	<b>100.00%</b>



As illustrated above and in order to ensure that the above-mentioned objectives are achieved, funding of R13,0 million is to be applied predominately towards addressing the degenerating road conditions, R73,2 million for water and sanitation projects and R3,5 million for electricity in all Local Municipalities.

However, it must be noted that backlogs amounting to R135,4 million within the GSDM area of jurisdiction are as follows and they pose huge challenges regarding adequate service delivery for the respective communities:

Electricity	R31m
Water & Sanitation	R68,4m
Operation & Maintenance Support / Other	R36m

Hence, the above-mentioned backlogs need to be addressed as a matter of urgency amongst all spheres of Government as well as key stakeholders.

During the 2013/14 financial year the laboratory was fully functional. Further, the primary goal during the 2014/2015 financial year is to ensure that the laboratory achieves Accreditation Status. One of the main objectives of the testing of water samples at the Ermelo Laboratory will be to ensure that the contaminated water would now be made safe for drinking purposes. Once again in order for the laboratory to achieve its SANS – 17025 status this laboratory will ensure that high quality controls relating to clean water will be implemented and be maintained over the ensuing financial years. The laboratory currently has been equipped with first world standard type of equipment in order to ensure that the SANS – 17025 status is achieved. Further, the District continues to provide basic water and sanitation, to our rural communities and funding applied to these activities as illustrated above amounts to R73,2 million.

The District during the course of the 2013/2014 financial year had officially opened a Library and is currently stocked with books, periodicals and other related learning materials which will benefit the general public at large.

The District as a result of its latest employee statistics and with the minimum proposed vacant positions anticipated is likely to reach the **27** % employee administrative costs in comparison relative to the total budget. In terms of the MFMA Circular municipalities must take into account the multi year's salary and wage collective agreement for the period 1 July 2012 to 30<sup>th</sup> June 2015. The agreement provide for a wage increase based on the average CPI for the period 1<sup>st</sup> February 2013 until 31<sup>st</sup> January 2014, plus 1.% for the 2014/15 financial year(with effect of 1st July 2014). Hence municipalities are advised to provide for increases related to salaries and wages for the 2014/15 financial year budget year of 6.2%. Increases up to 10% has been accordingly been provided for to cater for mandatory increases as well as any other anomalies that are likely to occur.

It must be noted that the Executive Summary and the supporting documentation attached herewith, illustrates in detail the various funding allocations for the ensuing 2014/2015 financial year and with a view of complying with Section 22 (B)(1) of the MFMA, the Budget needs to be submitted to National –and- Provincial Treasury by no later than the 30<sup>th</sup> June 2014.

## RECOMMENDATIONS OF THE EXECUTIVE MAYOR

1. That the final Budget for 2014/2015, 2015/2016, and 2016/2017 **BE APPROVED**.
2. That the final multi-year Annual Budget of Capital and Operating Expenditure as illustrated per the table below for 2014/2015, 2015/2016 and 2016/2017, **BE APPROVED**.

## INCOME PROJECTIONS OVER THE ENSUING YEAR

<b>Detail</b>	<b>Budget 2014/2015 R</b>	<b>Budget 2015/2016</b>	<b>Budget 2016/2017</b>
<b>Revenue</b>			
Grants	-274 781 000	-282 348 000	-287 203 000
Interest on investments	-3 420 000	-3 625 200	-3 842 710
Income from tarriffs	-1 500 000	-1 500 000	-1 500 000
Other income	-538 160	-520 950	-552 200
DWA funding - RBIG	-107 000 000	-128 000 000	-144 801 000
Contribution Accumulated Surplus	-21 866 990	-6 230 430	-10 029 130
<b>Total Income</b>	<b>-409 106 150</b>	<b>-422 224 580</b>	<b>-447 928 040</b>

## EXPENDITURE PROJECTIONS OVER THE ENSUING YEARS

<b>EXPENDITURE</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Allocations to Local Municipalities	53 252 720	52 500 000	52 500 000
Transfer Projects	18 210 910		
RBIG Projects	107 000 000	128 000 000	144 801 000
Departmental Allocations	41 913 100	44 983 000	42 850 000
Administration of the Act	176 529 420	185 541 580	196 577 040
Donations	200 000	200 000	200 000
Capital Expenditure	12 000 000	11 000 000	11 000 000
<b>Total Expenditure</b>	<b>409 106 150</b>	<b>422 224 580</b>	<b>447 928 040</b>

# DEPARTMENTAL ALLOCATIONS

## PROJECTS: MULTI YEAR BUDGETS COMPARISONS

Detail	Budget	Budget	Budget
	2014/15	2015/16	2016/17
	R	R	R
<b>DEPARTMENT -OFFICE - EXE MAYOR</b>			
MAYORAL EXCELLANCE AWARDS	600 000	600 000	600 000
MAYORAL IMBIZO'S	1 000 000	1 000 000	1 000 000
DONATIONS	200 000	200 000	200 000
CO-ORDINATION HIV AND AIDS	600 000	600 000	600 000
YOUTH DEVELOPMENT	300 000	300 000	300 000
WOMEN'S DEVELOPMENT CAPACITY	300 000	300 000	300 000
RELIGIOUS AFFAIRS(MORAL REGENA	100 000	100 000	100 000
OFFICE - RIGHTS OF THE CHILD	100 000	100 000	100 000
PEOPLE WITH DISABILITY	200 000	200 000	200 000
	<b>3 400 000</b>	<b>3 400 000</b>	<b>3 400 000</b>
<b>DEPARTMENT - PLANNING &amp; ECO DEV</b>			
TRADITIONAL AFFAIRS / PROJECTS	1 000 000	1 000 000	1 000 000
LED, TOURISM AND AGRICULTURE	1 000 000	1 000 000	1 000 000
IDP - NEW AND UPDATE	350 000	350 000	350 000
REGIONAL AIRPORT PLANNING	100	0	0
REG SPORT FACILITIES PLANNING	500 000	500 000	500 000
CO - OPERATIVES	500 000	500 000	500 000
MUNICIPAL PLANNING SECTOR PLAN	200 000	200 000	200 000
RURAL AND AGRI DEVELOPMENT	1 200 000	1 200 000	1 200 000
REVENUE COLLECTION/DATA CLEANS	1 100 000	1 100 000	1 100 000
PHEZUKOMKHONO - ALBERT LUTHULI	1 000 000	1 000 000	1 000 000
PHEZUKOMKHONO - MSUKALIGWA	975 000	975 000	975 000
PHEZUKOMKHONO - GOVAN MBEKI	650 000	650 000	650 000
PHEZUKOMKHONO - MKHONDO	1 000 000	1 000 000	1 000 000
PHEZUKOMKHONO - LEKWA	850 000	850 000	850 000
PHEZUKOMKHONO - DIPALESENG	650 000	650 000	650 000
PHEZUKOMKHONO - PIXLEY KA SEME	875 000	875 000	875 000
	<b>11 850 100</b>	<b>11 850 000</b>	<b>11 850 000</b>
<b>DEPARTMENT - INFRA &amp; TECH SERVICES</b>			
UPDATE BULK WATER/SEWER REPORT	500 000	500 000	500 000
BULK WATER METERS	500 000	500 000	500 000
MANAGEMENT INFORMAT SYSTEMS	2 000 000	2 000 000	2 000 000
COMPREHENSIVE INFRASTRUC PLAN	500 000	500 000	500 000
ALLOCATION TO MUNICIPALITIES	71 463 630	52 500 000	52 500 000
RBIG PROJECTS	107 000 000	128 000 000	144 801 000
	<b>181 963 630</b>	<b>184 000 000</b>	<b>200 801 000</b>
<b>DEPARTMENT - CORPORATE SEVICES</b>			
BURSARIES	1 500 000	1 500 000	1 500 000
IT FOR THE REGION	300 000	300 000	300 000
CAPACITY BUILDING	1 000 000	1 000 000	1 000 000
COMMUNITY PARTICIPATION	1 000 000	1 000 000	1 000 000
ISD	3 000 000	7 000 000	7 000 000
VOTERS EDUCATION	1 000 000		
	<b>7 800 000</b>	<b>10 800 000</b>	<b>10 800 000</b>

<b>DEPARTMENT - COM &amp; SOCIAL SEVICES</b>			
CULTURE, SPORT & RECREATION	1 100 000	1 100 000	1 100 000
MUNICIPAL HEALTH & ENVIROMENT	950 000	950 000	950 000
GSCM MARATHON - ANNUAL EVENT	750 000	750 000	750 000
REG LIBRARY & INFORMATION SERV	650 000	650 000	650 000
	<b>3 450 000</b>	<b>3 450 000</b>	<b>3 450 000</b>
<b>DEPARTMENT - FINANCIAL SERVICES</b>			
EMERGENCY/CONTINGENCIES	500 000	500 000	500 000
OPERATION CLEAN AUDIT	5 000 000	5 000 000	5 000 000
	<b>5 500 000</b>	<b>5 500 000</b>	<b>5 500 000</b>
<b>OFFICE OF THE MUNICIPAL MANAGER</b>			
PROMOTION OF THE DISTRICT/COMM	1 800 000	1 800 000	1 800 000
	<b>1 800 000</b>	<b>1 800 000</b>	<b>1 800 000</b>
<b>DEPARTEMENTAL ALLOCATION - HUMAN SETTLEMENT</b>			
RURAL ROADS ASSET MAN SYSTEMS	2 063 000	2 133 000	0
ROAD MAITENANCE/ POTHOLE PROJECTS	2 000 000	2 000 000	2 000 000
DISASTER MANAGEMENT	750 000	750 000	750 000
	<b>4 813 000</b>	<b>4 883 000</b>	<b>2 750 000</b>
<b>TOTAL</b>	<b>220 576 730</b>	<b>225 683 000</b>	<b>240 351 000</b>

## ADMINISTRATION OF THE ACT: MULTI YEAR BUDGET COMPARISONS

Detail	Budget		
	2014/2015	2015/2016	2016/17
	R	R	R
<b><u>COUNCIL</u></b>			
Executive Mayor & Mayoral Committee	9 452 930	10 020 120	10 621 330
Speaker, Chief Whip & Councillors	6 995 370	7 415 090	7 859 990
Council Support	5 893 610	6 247 220	6 622 040
<b>TOTAL: Council</b>	<b>22 341 910</b>	<b>23 682 430</b>	<b>25 103 360</b>
<b><u>MUNICIPAL MANAGER</u></b>			
Municipal Manager	3 789 510	4 016 880	4 257 890
Internal Audit	6 112 500	6 479 240	6 867 990
<b>TOTAL: Municipal Manager</b>	<b>9 902 010</b>	<b>10 496 120</b>	<b>11 125 880</b>
<b><u>PLANNING &amp; ECONOMIC DEVELOPMENT</u></b>			
Planning Services	8 471 180	8 979 450	9 518 210
IDP	1 113 830	1 180 640	1 251 500
<b>TOTAL: Planning &amp; Economic Development</b>	<b>9 585 010</b>	<b>10 160 090</b>	<b>10 769 710</b>
<b><u>CORPORATE SERVICES</u></b>			
Building	24 178 300	25 628 990	27 166 730
IT	7 855 150	8 326 460	8 826 050
Legal	2 940 040	3 116 440	3 303 440
Human Resources	5 000 260	5 300 290	5 618 300
Administration	13 011 830	13 792 530	14 620 120
Communication, Marketing & Tourism	2 846 000	3 016 780	3 197 770
<b>TOTAL: Corporate Services</b>	<b>55 831 580</b>	<b>59 181 490</b>	<b>62 732 410</b>
<b><u>FINANCE</u></b>			
Finance	8 908 270	9 442 760	10 009 330
Supply Chain Management	7 484 720	6 606 960	7 003 390
Municipal Management & Support	1 388 650	1 471 970	1 560 280
Carwash	131 780	0	0
MSIG	934 000	967 000	1 018 000
<b>TOTAL: Finance</b>	<b>18 847 420</b>	<b>18 488 690</b>	<b>19 591 000</b>
<b><u>MUNICIPAL INFRASTRUCTURE &amp; SERVICES</u></b>			
Planning, Implementation & Support	7 406 290	7 850 660	8 321 710
Infrastructure Maintenance	6 807 210	7 215 660	7 648 560
Water & Sanitation	8 550 530	9 063 560	9 607 390
<b>TOTAL: Municipal Infrastructure &amp; Services</b>	<b>22 764 030</b>	<b>24 129 880</b>	<b>25 577 660</b>
<b><u>COMMUNITY &amp; SOCIAL SERVICES</u></b>			
Community & Social Services	8 525 080	9 036 560	9 578 760
Municipal Health Services	13 892 690	14 726 260	15 609 800
<b>TOTAL: Community &amp; Social Services</b>	<b>22 417 770</b>	<b>23 762 820</b>	<b>25 188 560</b>
<b><u>HUMAN SETTLEMENT &amp; PUBLIC SAFETY</u></b>			
Human settlement	6 548 920	6 851 850	7 172 970
Disaster Management	8 290 770	8 788 210	9 315 490
<b>TOTAL: Human Settlement &amp; Public Safety</b>	<b>14 839 690</b>	<b>15 640 060</b>	<b>16 488 460</b>
<b>GRAND TOTAL</b>	<b>176 529 420</b>	<b>185 541 580</b>	<b>196 577 040</b>

**EXPENDITURE BREAKDOWN – With reference to the Administration of the Act Allocations**

Detail	Budget	Budget	Budget
	2014/2015	2015/2016	2016/2017
	<b>R</b>	<b>R</b>	<b>R</b>
Salaries and wages	87 673 270	92 861 230	98 432 920
Social Contributions	19 463 600	20 631 360	21 869 250
Councillor Allowances	12 412 850	13 157 630	13 947 090
Depreciation	18 745 970	19 870 720	21 062 970
Repair and Maintenance	4 221 460	4 381 750	4 554 650
Finance Cost	3 550 800	2 437 000	2 583 220
Contracted Services	1 910 000	2 024 600	2 146 080
General Expenditure	28 551 470	30 177 290	31 980 860
<b>Total</b>	<b>176 529 420</b>	<b>185 541 580</b>	<b>196 577 040</b>

3. That the capital budget tabled below, **BE APPROVED**.

YEAR	AMOUNT R
2014/2015	12,000,000
2015/2016	11,000,000
2016/2017	11,000,000

4. That the Imbizo's were advertised, **BE NOTED**.

5. That the following consultative meetings were held, **BE NOTED**

LOCAL MUNICIPALITY	ACTUALDATE	VENUE
Mkhondo	20/05/2014	Community Hall
Dipaleseng	19/05/2014	Community Hall
Dr Pixley Ka Isaka Seme	13/05/2014	Community Hall
Lekwa	26/05/2014	Community Hall
Msukaligwa	22/05/2014	Community Hall
Chief Albert Luthuli	16/05/2014	Community Hall
Govan Mbeki	20/05/2014	Community Hall

That the projects for the Local Municipalities for the 2014/2015 financial years, **BE NOTED**.

6. That, the tables referred to in annexure C-1 to C-64 and attached to this report in terms of the New Budget Format and reporting regulations, **BE APPROVED**.

6.1	Table A1	-	Budget Summary
6.2	Table A2	-	Budgeted financial performance by Standard Classification
6.3	Table A3	-	Budgeted financial performance by vote
6.4	Table A4	-	Budgeted financial performance by revenue source & expen.type
6.5	Chart A1	-	Revenue by Municipal Vote Classification
6.6	Chart A2a	-	Expenditure by Municipal Vote
	Chart A2b		
6.7	Chart A3	-	Revenue by Standard Classification
6.8	Chart A4	-	Expenditure by Standard Classification
6.9	Chart A5/A	-	Revenue by source - major
6.10	Table A5	-	Budgeted Capital Expenditure by vote, Std Class and funds
6.11	Chart A6	-	Revenue by source - minor
6.12	Chart A7	-	Expenditure by type
6.13	Table A6	-	Budgeted financial position
6.14	Table A7	-	Budgeted cash flow
6.15	Table A8	-	Cash back reserves/ accumulated surplus reconciliation
6.16	Table A9	-	Asset Management
	a. Table A10	-	Basic service delivery measurement

7. That, the following budget related policies/ MFMA Circulars, which was previously approved in 2012/13, **BE NOTED**.

7.1	Supply Chain Management Policy to be noted
7.2	Cash Management and Investment Policy to be noted
7.3	Budget Policy to be noted
7.4	Virement Policy to be noted
7.5	Fixed asset policy to be noted
7.6	Proposed Tariffs For Municipal Health and Environmental services/ water quality services to be approved
7.7	MFMA Circular No 70
7.8	MFMA Circular No 72

8. That: the organogram attached herewith, which was previously approved in May 2012/13, **BE NOTED**.

9. That, the Municipal Manager be delegated to authorize the Quality Certificate relating to the Annual Budget and supporting documentation attached per **Annexure D, BE APPROVED**.

10. That the service delivery and budget implementation plan (SDBIP) for the 2014/2015 financial year be submitted to the Executive Mayor in terms of the MFMA regulations as illustrated on once final approval of the budget by Council is undertaken, **BE NOTED**.



# **REPORT OF THE CHIEF FINANCIAL OFFICER**

## **EXECUTIVE SUMMARY ON THE 2014/2015, 2015/2016 AND 2016/2017 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) FINAL BUDGET**

In terms of the MFMA Guidelines Circular No 72 per Annexure A it is recommended that the District should take the following inflation parameters into consideration in preparing the 2014/2015 budgets and MTREF.

<u>Year</u>		<u>Percentage</u>
2014/2015	-	6.2%
2015/2016	-	5.9%
2016/2017	-	5.5%

The District has adopted a conservative approach when projecting income and has been prudent in earmarking funds towards Capital Expenditure and Operating Expenditure. Once again considerable emphasis has been placed on the funding of Infrastructural Projects within the GSDM's area of jurisdiction. Further, emphasis has once again been placed on the recommendations by National Treasury relating to the twelve outcomes for Service Delivery. Prominence has been given to the creation of job opportunities directly or indirectly through the budgeting process and in this regard an amount of R6,000,000 has been provided for the Job Creation Fund – Phezukomkhono for the 2014/15 financial year.

In terms of the latest balance sheet of the District, Council is in a favourable position of maintaining strong financial viability. In addition with sound financial management the District has the ability of requesting additional grants from National Treasury, DBSA as well as other leading Financial Institutions in order to expand on Service Delivery requirements and consequently eradicate backlogs experienced by the local municipalities. In addition, it is proposed that business plans are submitted to National Treasury/DBSA to access additional grants that may be allocated towards the funding of pilot projects earmarked by National Treasury.

Outlined below is the Annual Budget consisting of three (3) main parts with supporting information charts and explanations of trends and deviations.

## **PART 1 –ANNUAL BUDGET**

The attached Annexures contain tables A1 to A10 and the recommendations / resolutions that are to be approved by Council with the respective Supporting Schedules which includes the following:

Report of the Executive Mayor

Schedule 1 : Recommendation / Resolution for the 2014/20145, 2015/2016 and  
2016/2017 annual budget

### **Executive summary**

### **Annual Budget Tables**

	<b>page</b>	
Table A1	45	- Budget Summary
Table A2	46	- Budgeted financial performance (revenue and expenditure) by Standard Classification
Table A3	47	- Budgeted financial performance by vote
Table A4	48	- Budgeted financial performance by revenue source & expenditure
Chart A1	49	- Revenue by Municipal Vote Classification
Chart A2a	50	- Expenditure by Municipal Vote
Chart A2(b Trend)	51	- Expenditure by Municipal Vote
Chart A3	52	- Revenue by Standard Classification
Chart A4	53	- Expenditure by Standard Classification
Chart A5a	54	- Revenue by source - major
Table A5	55	- Budgeted Capital Expenditure by vote, Std Class and funding
Chart A6	56	- Revenue by source - minor
Chart A7	57	- Expenditure by type
Table A6	58	- Budgeted Financial Position
Table A7	60	- Budgeted Cash Flow
Table A8	61	- Cash back reserves/ accumulated surplus reconciliation
Table A9	62	- Asset Management
Table A10	63	- Basic Service Delivery Measurement

## Executive summary – financial performance

**Table A1 – Budget Summary**

As illustrated on table “A1” is a consolidated budget summary on the revenue and expenditure relating to the 2013/2014 budget and ensuing years. The total revenue that would be generated over the three year MTREF period is as follows:

<b>Detail</b>	<b>Budget 2014/2015 R</b>	<b>Budget 2015/2016 R</b>	<b>Budget 2016/2017 R</b>
<b>Revenue</b>			
Grants	-274 781 000	-282 348 000	-287 203 000
Interest on investments	-3 420 000	-3 625 200	-3 842 710
Income from tariffs	-1 500 000	-1 500 000	-1 500 000
Other income	-538 160	-520 950	-552 200
DWA funding - RBIG	-107 000 000	-128 000 000	-144 801 000
Contribution Accumulated Surplus	-21 866 990	-6 230 430	-10 029 130
<b>Total Income</b>	<b>-409 106 150</b>	<b>-422 224 580</b>	<b>-447 928 040</b>

The revenue replacement grant that increases by approximately 1-2% on a year-on-year basis is applied to fund material Infrastructural Project Expenditure on behalf of the seven local municipalities within the GSDM area of jurisdiction. The project expenditure referred to above mainly relate to Electricity, Water and Sanitation, Roads, Operational and Maintenance and Other related projects.

Further, expenditure is applied with a view to addressing backlogs in mainly service delivery type of projects. The District is contemplating loan funding so as to ensure its financial resources and contributions to local municipalities would be increased thereby allowing the District to carry out additional work. In addition, based on the strength of the financial position of the District in terms of its balance sheet the District is in a position to attract material loan funding. Also it must be noted that there are certain Key State Owned Governmental Financial Institutions that are willing to provide the much needed funding at extremely attractive interest rates. The need to obtain external funding is deemed to be prudent in terms of the leverage funding principles as internal funding resources may be released and be reprioritized towards Capital Expenditure.

## EXPENDITURE PROJECTIONS OVER THE ENSUING YEARS

<b>Expenditure</b>	<b>Budget 2014/2015 R</b>	<b>Budget 2015/2016 R</b>	<b>Budget 2016/2017 R</b>
Allocations to Local Municipalities	53 252 720	52 500 000	52 500 000
Transfer Projects	18 210 910		
RBIG Projects	107 000 000	128 000 000	144 801 000
Departmental Allocations	41 913 100	44 983 000	42 850 000
Administration of the Act	176 529 420	185 541 580	196 577 040
Donations	200 000	200 000	200 000
Capital Expenditure	12 000 000	11 000 000	11 000 000
<b>Total Expenditure</b>	<b>409 106 150</b>	<b>422 224 580</b>	<b>447 928 040</b>

As illustrated per the table above a material part of the funding is applied towards Infrastructural Projects.

With regard to Operating Costs this relates to the funding of Salaries and Wages (33%) and General Expenditure (13%).

**Table A2 – Budgeted Financial Performance** (Revenue & Expenditure by st Classification – p 46)

The table “A2” illustrates details on the budgeted financial performance by standard classification. The categories illustrated on this table are related to Governance and Administration, Community and Public Safety (Health issues) and Economic and Environmental Services.

**Table A3 – Budgeted Financial Performance by vote** Revenue & Expenditure by Municipal vote – p 47)

This table addresses the revenue & expenditure by vote which is relating globally to Council, MM, Corporate Services, Finance, Municipal Infrastructure Services and Community and Social Services.

**Table A4 – Budgeted Financial Performance – Revenue and Expenditure**

Table “A4” and supporting tables “SA1” and “SA2” provides details on the budgeted financial performance by revenue source and expenditure type. Further, table “A4” is graphically represented in: -

Chart 1 - Revenue by Municipal Vote Classification

Chart 2 - Expenditure by Municipal Vote

Chart 3 - Revenue by Standard Classification

With regard to the 2011/2012 financial year the audited results for total revenue reflected an amount of R291,3 million. During the mid-year 2012/2013 assessment the Budgeted Revenue was realigned from R403,8 million to R360,6 million.

The year-on-year increases relating to Operating Expenditure was pegged at approximately 6-10% per annum where appropriate. The Operating Expenditure allocations are graphically illustrated in the following charts.

Chart 4 - Expenditure by Standard Classification refer pg 53

Chart 5 - Revenue by Source - major refer pg 54

**Table A5 – Budgeted Cap Expenditure by Vote Std Classification and funding** refer pg 55

Chart 6 - Revenue by Source Minor refer pg 56

Chart 7 - Expenditure by Type refer pg 57

**Table A6 – Budgeted Financial Position** refer pg 58

**Table A7 – Budgeted Cash Flows** refer pg 60

**Table A8 - Cash backed Reserves – Accumulated surplus reconciliation** refer pg 61

**Table A9 - Asset Management** refer pg 62

**Table A10 - Basic Service Level Agreement** refer pg 63

**PERSONNEL BUDGET  
NEW POSITIONS ONLY**

**CORPORATE SERVICES**

NAME	TASK	JOB TITLE
<b>ADMINISTRATION</b>		
Vacant	5	Reprographic Officer
<b>IT</b>		
VACANT	15	ICT Security Specialist
VACANT	11	IT Technician

**PLANNING & ECONOMIC DEVELOPMENT**

NAME	TASK	JOB TITLE
<b>PLANNING SERVICES</b>		
VACANT	7	EPWP Officers

**COMMUNITY AND SOCIAL DEVELOPMENT**

NAME	TASK	JOB TITLE
<b>MUNICIPAL HEALTH SERVICES</b>		
VACANT	13	Snr Environment & Health Officer
VACANT	13	Snr Environment & Health Officer
VACANT	12	EHP
VACANT	12	EHP
VACANT	12	EHP
VACANT	12	EHP
VACANT	12	EHP
VACANT	5	Intern
VACANT	5	Intern
VACANT	5	Intern
VACANT	5	Intern
VACANT	5	Intern

## COUNCIL SUPPORT

NAME	TASK	JOB TITLE
<b>Council Support Services</b>		
<b>Office of the Mayor</b>		
VACANT	17	Senior Manager: Office of the Mayor
VACANT	11	Senior admin Officer: Council Support

## HUMAN SETTLEMENT

NAME	TASK	JOB TITLE
<b>HUMAN</b>		
VACANT		General Manager
VACANT	8	Executive Secretary

<b>DISASTER MANAGEMENT</b>		
VACANT	16	Manager: Disaster Management
<b><u>DISASTER CENTRE MKHONDO</u></b>		
VACANT	11	Disaster Management Officer
<b><u>DISASTER CENTRE ALBERT LUTHULI</u></b>		
VACANT	12	Admin Officer: D Centre
VACANT	3	General Assistant

## INFRASTRUCTURE

NAME	TASK	JOB TITLE
<b><u>LABORATORY</u></b>		
VACANT	15	Manager: Quality Systems
VACANT	15	Manager: Chemistry
VACANT	11	Snr Technician: AA Machine
VACANT	11	Snr Technician: IC Machine
VACANT	5	Water Samplers

**TABLE A1**

**TO**

**TABLE A10**

**BUDGET  
RELATED  
POLICIES,  
PROCEDURES &  
CIRCULARS**

**Are attached**

**PER ANNEXURE A**



# **PART 2**

# **SUPPORTING DOCUMENTS**

## **PART 2 – SUPPORTING DOCUMENTS**

Included in Part 2 are supporting tables “SA1” to “SA37” and the information relating to these supporting tables is as follows:

### **Overview of the Annual Budget Process**

It must be noted that a Draft Integrated Development Plan (IDP) was tabled in May 2014. This process allows the District to re-examine plans and strategies to include additional issues and to ensure that these plans are strategies that inform Institutional and Financial Planning through the entire budget process.

The IDP revision process and budget process time table was approved in August 2013 and this indicated all the key deadlines relating to the review of the IDP and the preparation of the MTREF budget.

As highlighted, Community Consultation Meetings were held during the months of May 2014. These meetings, in the main reflected firstly, on the actual performance / deliverables rolled out in the 2013/2014 (six months ending December 2013) and 2014/2015, 2015/2016 and 2016/2017 financial year and the way forward. The key deadlines in the budget process plan for the preparation and review of the budget document as well as the IDP document and the preparation of the multi-year IDP / Budget is outlined on the next page:

## **BUDGET PROCESS PLAN – TIMES SCHEDULE OF KEY DEADLINES**

<b>Month</b>	<b>Financial year 2012/2013</b>	<b>Financial year 2013/2014</b>	<b>Financial year 2014/2015</b>
July 2013	Commence process to close all accounts and prepare 2012/2013 Statutory Financial Statements	Monthly financial report for June 2013 including expenditure on staff benefits and results of cash flow for 2012/2013	<ul style="list-style-type: none"> <li>- Drafting of IDP Process Plans by Local Municipalities as per the District Framework Plan.</li> <li>- First sitting of the IDP-RF to deliberate on the review and implementation M&amp; E process</li> <li>- Complete Budget Process and Financial Management Calendar</li> <li>- Table budget process and financial calendar to Council.</li> </ul>
August 2013	Complete Statutory Annual Financial Statements for the 2012/2013 financial year and submit it to Auditor-General by 31 August 2013  Finalise narrative on 2012/2013 Annual Report to coincide with actual performance results for the respective financial year	Monthly financial report for July 2013	<ul style="list-style-type: none"> <li>- Phase 1 IDP: Analysis phase – Assessment of performance and changing needs</li> </ul>
September 2013	Complete Annual Report	Monthly financial report for August 2013	<ul style="list-style-type: none"> <li>- Update policies, priorities, objectives and determine revenue for next three years</li> <li>- Determine allocations to Local Municipalities</li> <li>- Review strategies in terms of Phase 2 of the IDP</li> </ul>
October 2013	Auditing of Financial Statements and Performance Audit by office of the Auditor-General  Furnishing Management comments on audit queries etc.	<ul style="list-style-type: none"> <li>- Monthly / Quarterly Financial Report for September 2013, including expenditure on staff remuneration and cash flow report.</li> <li>- Report of Executive Mayor on implementation of budget and financial state of affairs of the</li> </ul>	<ul style="list-style-type: none"> <li>- Determine allocations to Local Municipalities, review projects and align it with Council's priorities</li> <li>- Phase 3 of the IDP</li> </ul>

<b>Month</b>	<b>Financial year 2012/2013</b>	<b>Financial year 2013/2014</b>	<b>Financial year 2014/2015</b>
		municipality	
November 2013	Receive and discuss management letter from Auditors with Auditor-General. Receive final audit report and issue management comments on queries accordingly	Monthly financial report for October 2013	<ul style="list-style-type: none"> <li>- Engage with National and Provincial Departments to share plans on national expenditure frameworks</li> <li>- Complete phase 4 of IDP-integration</li> <li>- Complete departmental budgets</li> </ul>
December 2013	<ul style="list-style-type: none"> <li>- Reports in relation to the preparation of the Annual Report to be submitted by the Municipal Manager, Section 57 Managers and Mayoral Department.</li> <li>- Collation of reports</li> <li>- Auditor-General's final report to be included in the Annual Report.</li> </ul>	Monthly financial report for November 2013	<ul style="list-style-type: none"> <li>- Consolidation of departmental budgets and plans</li> <li>- First Draft IDP finalized</li> <li>- Preparation of the Adjustment Budget</li> <li>- Departmental Heads to submit updated information regarding the Adjustment Budget.</li> </ul>

January 2014	Table Annual report, audited Financial Statements, Audit Report and comments thereon to Council. Make public Annual Report in terms of section 127(5) of the MFMA.	<ul style="list-style-type: none"> <li>- Monthly / Quarterly Financial Report including expenditure on staff remuneration and cash flow statement for December 2013.</li> <li>- Report of Executive Mayor on implementation of budget and financial state of affairs of the municipality.</li> </ul> <p>Mid-year assessment on:</p> <ul style="list-style-type: none"> <li>- Service delivery performance against targets and performance indicators and budget implementation plan.</li> <li>- Reports on assessment to National and Provincial Treasury.</li> <li>- Monthly financial report</li> </ul>	<ul style="list-style-type: none"> <li>- Finalise draft budget and table to Executive Mayor</li> <li>- 2<sup>nd</sup> IDP-RF consider the Draft IDP</li> <li>- Draft IDP ready for Council approval</li> <li>- Executive Mayor tables draft budget to Council</li> <li>- Tabling of Adjustment Budget to Mayoral Committee &amp; Council for approval.</li> </ul>
February 2014	Forward comments of Council on audit report and possible action plans in terms of the audit report to the Auditor-General, MEC for Finance and MEC for Local Government and Housing.	Monthly financial report for January 2014.	<ul style="list-style-type: none"> <li>- Inform Local Municipalities on allocation to them in terms of section 37(2) of the MFMA</li> <li>- Program for consultation with Local Municipalities to be drawn up</li> </ul>
March 2014	Oversight Committee to consider the Annual Report and submit Oversight Report to Council.	Monthly financial report for February 2014.	<p>Consultation on draft budget with stakeholders as follows:</p> <ul style="list-style-type: none"> <li>- National Treasury</li> <li>- Provincial Treasury</li> <li>- Local Municipalities</li> <li>- 3<sup>rd</sup> IDP-RF consider Draft IDPs with complete projects lists from NG and PG</li> <li>- Publish IDP for 21 days public comments</li> </ul>

April 2014	Oversight Report publicise for comments in terms of Section 129(3) of the MFMA.	<ul style="list-style-type: none"> <li>- Monthly/ Quarterly Financial Report for March 2014 including expenditure on staff benefits and results of cash flow for 3<sup>rd</sup> quarter.</li> <li>- Report of Executive Mayor on implementation of budget and financial state of affairs of Council</li> </ul>	<ul style="list-style-type: none"> <li>- Verifications of Budget-IDP Alignment</li> <li>- Update IDP project list</li> </ul>
May 2014	-	Monthly financial report for April 2014.	<ul style="list-style-type: none"> <li>- 4<sup>th</sup> IDP-RF consider the alignment of the IDP and Budget prior Council approval</li> <li>- Council approves budget and IDP for next financial year</li> <li>- Publish budget and IDP within 14 days of approval</li> <li>- Complete service delivery and budget implementation plan and table to Executive Mayor 28 days after budget has been approved</li> </ul>
June 2014	-	Monthly financial report for May 2014. Year end cut off procedures to be implemented. Verification of fixed assets and cash on hands and other related balance sheet assertions	Complete performance contract of section 57 employees

The above IDP/Budget deadline processes were met and the 2013/2014 Final Budget together with the ensuing years is now being tabled for approval at the next Council Meeting to be held on the 30<sup>th</sup> May 2013.

## **OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN**

The annual budget had been fully aligned to the IDP process and is linked to the twelve outcomes, which are:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth
- An efficient, competitive and responsive economic infrastructure network
- Vibrant equitable and sustainable rural communities and food security
- Sustainable human settlements and improved quality of household life
- A response and, accountable, effective and efficient local government system
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and World
- A development-orientated public service inclusive citizenship

Further, in terms of the IDP process the District is committed to undertake on an overall basis the following:

- The rendering of services in an efficient, effective and economical manner to all customers.
- The ensuring that Financial and Institutional Resources are maximized.
- Where practical attending to Gender and Key Social Development Programmes..
- The regular view of Management Systems, internal controls and procedures to ensure that the effectiveness of these systems is sustainable.
- The introduction of initiatives relating to LED programmes.
- Maintaining effective co-operations with the relevant Stakeholders.
- To ensure skilled, motivated and committed workforce.
- Full compliance with the Batho Pele Principles.

## **PERFORMANCE INDICATORS AND BENCHMARKS**

Supporting table “SA8” provides details on the financial indicators and benchmarks. The table budget was compiled considering the following main key performance indicators as a benchmark:

<b>DETAILS</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>
<b><u>REVENUE MANAGEMENT</u></b>			
Outstanding debt to revenue	0%	0%	0%
<b><u>OTHER INDICATORS</u></b>			
Employee related cost	27.2%	29.5%	29.2%
Remuneration	30.2%	32.7%	32.4%

## **OVERVIEW OF BUDGET RELATED POLICIES**

It must be noted that the purpose of budget related and financial policies is to provide a sound environment to manage the financial affairs of the District. The following are key budget related policies:

- Budget Policy - this policy sets out the principles which must be followed in preparing a medium term revenue and expenditure framework budget. Further, it ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
- Investment Policy - this policy ensures that cash resources are managed in the most efficient and effective manner.
- Asset Management Policy – this policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment assets.
- Accounting Policy – this policy relates to the basis of presentation of the Annual Financial Statements in accordance with Generally Recognized Accounting Practices (GRAP).
- Supply Chain Management Policy – this policy is prepared in terms of Section 111 of the Municipal Finance Management Act, Act 56 of 2003. The application of this policy is to provide effective, fair, equitable, transparent and cost effective systems, when procuring goods and services of contractors and other related business matters. Currently in the 2012/13 year the Supply Chain Management Policy has been enhanced to take into consideration the latest Legislation as well as Best Practices.
- Supply Chain Management Standard Operating Procedures Manual.
- Transport and Subsistence Policy – this policy ensures that the reimbursement of travelling and subsistence costs relating to officials and councilors undertaking official business are properly administered – this policy needs to be updated on an annual basis.
- Short Term Insurance and Known Risks and Liabilities Policy – the main objective of this policy is to ensure Council’s assets are secure.
- Virement Policy – the main objectives of this policy is to allow flexibility in the use of budget funds to enable management to act on occasions as disasters, unforeseen expenditure of savings identified etc. as they arise to accelerate service delivery in a financially responsible manner. Further, another objective is to give Heads of Departments greater flexibility in managing their budgets.
- Credit Control & Debt Collection Policy
- Donations Policy – this policy will address the allocations of funding for community related projects.
- Municipal Health Policy

## **OVERVIEW OF BUDGET ASSUMPTIONS**

The District had been faced with major challenges, and these were taken into consideration in the preparation of the budget. Also the districts limiting factor are related to funding resources and institutional capacity requirements. In addition there are compelling demands made on the funding resources and priority had to be given initially to multi-year projects.

With regard to escalation over the ensuing Medium Term Revenue and Expenditure Framework (MTREF) and to accommodate price increases on materials as well as staff costs, an overall amount of approximately 10% on a year-on-year basis in this regard was included in the budget. Council awaits the directive from the Bargaining Council regarding Salary and Wage increases.



## **OVERVIEW OF BUDGET FUNDING**

In order to ensure that a balanced budget is achieved internal working capital which is cash backed amounting to R21,8 million was applied towards meeting proposed relevant project expenditure.

## **FUNDING REQUIREMENT FOR THE PROJECT AND CAPITAL EXPENDITURE**

In terms with the IDP process, the required Capital Project Expenditure over the next three years amounts to R34 million. With regard to Project Expenditure the cumulative expenditure over the three year MTREF Budget period amounts to R556.20 million.(Inclusive of RBIG Projects)

The funding sources that would be applied towards Project and Capital Budget Expenditure are as follows:

<b>Detail</b>	<b>Budget 2014/2015 R</b>	<b>Budget 2015/2016</b>	<b>Budget 2016/2017</b>
<b>Revenue</b>			
Grants	-274 781 000	-282 348 000	-287 203 000
Interest on investments	-3 420 000	-3 625 200	-3 842 710
Income from tariffs	-1 500 000	-1 500 000	-1 500 000
Other income	-538 160	-520 950	-552 200
DWA funding - RBIG	-107 000 000	-128 000 000	-144 801 000
Contribution Accumulated Surplus	-21 866 990	-6 230 430	-10 029 130
<b>Total Income</b>	<b>-409 106 150</b>	<b>-422 224 580</b>	<b>-447 928 040</b>

Committed Cash Flows that are currently invested on a short term basis with the respective Financial Institutions earn interest at approximately 5,3% per annum.

## **EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES**

In terms of the Division of Revenue Act, 2014/2015 and ensuing years allocations to the District by National Treasury are Gazetted.

The supporting tables "SA18", "SA19" and "SA20" provide details of planned expenditure against each allocation and grants that are received. During the current MTREF period the following grants have been allocated to the district.

## **Grant Income- Local Government MTEF Allocations as per Division of Revenue Act**

<b>Detail</b>	<b>Budget 2014/2015 R</b>	<b>Budget 2015/2016 R</b>	<b>Budget 2016/2017 R</b>
Equitable share Revenue replacement	265,947 000	270,998 000	275,685 000
Rural roads assets management systems grant	2,063 000	2,133 000	2,200 000
Local Government financial management grant	1,250 000	1,250 000	1,300 000
Municipal systems improvement grant	934 000	967 000	1,018 000
Expanded public works programme integrated grant for municipalities	1,587 000		
Infrastructure skills development grant	3,000 000	7,000 000	7,000 000
<b>Sub Total</b>	<b>274,781 000</b>	<b>282,348 000</b>	<b>287,203 000</b>
Regional bulk Infrastructure grant	107,000 000	128,000 000	144,801 000
<b>Total</b>	<b>374,781 000</b>	<b>410,348 000</b>	<b>432,004 000</b>

## **TRANSFERS AND GRANTS MADE BY THE DISTRICT**

As reflected in table “SA2” are the details regarding allocations made by the District to the Local Municipalities.

<b>DETAILS</b>	<b>2014/2015 RM</b>	<b>2015/2016 RM</b>	<b>2016/2017 RM</b>
Total allocations to the 7 LM’s	178.4	180.5	197.3

## **COUNCILLOR AND STAFF BENEFITS**

The supporting tables “SA22”, “SA23” and “SA24” illustrates the costs regarding Councillor Allowances and Employee Remuneration Expenditure and are categorized as follows:-

- Councillors for the District – SA22
- Municipal Manager and Senior Managers – SA23
- Other Municipal Staff – Personnel numbers – SA24

## **BUDGET MONTHLY TARGETS FOR REVENUE EXPENDITURE AND CASH FLOW**

The supporting tables “SA25” and “SA27” disclose the monthly targets for operating revenue by source, operating expenditure by type as well as a consolidated projected of revenue and expenditure by vote, whilst supporting table “SA29” provides monthly projections for capital expenditure by vote.

All the above schedules will be included in the final SDBIP which relates to the National Treasury Format per table **as Part 3.**

The SDBIP furnishes a detailed cash flow plan of the manner in which income would be earned as well as expenditure incurred during the financial 2013/2014 year.

### **BUDGET MONTHLY CASH FLOW**

The supporting table “SA30” provides a consolidated projection of cash flow for the budget setting out receipts by source and payments by type, both operating and capital categorized per month for the budget year.

### **CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

There are no commitments in this regard relating to contracts with financial obligations beyond three (3) years.

### **CAPITAL EXPENDITURE ON NEW ASPECTS BY ASSET CLASS**

The supporting table “SA34” discloses capital expenditure by asset class and table “SA36” provides a list of capital projects.

### **PART 3 –ANNUAL BUDGETS AND SDBIP’S FOR INTERNAL DEPARTMENTS**

A high level executive summary is attached in these Annexures

- Report by the Chief Financial Officer on the Final SDBIP which include the following Annexures:
  - Supporting Table SA 25 - Monthly projections of revenue for each source and expenditure type.
  - Supporting Table SA 27 - Monthly projection of operating revenue and expenditure by vote
  - Supporting Table SA 29 - Monthly projections of capital expenditure by vote
- Executive summaries for internal departments.
- Departmental Annual Operating Budget.
- Departmental detailed Capital Expenditure.

### **COMPLIANCE WITH LEGISLATION**

The district fully complies with the following legislation:

- Local Government: Municipal Structures Act 117 of 1998, as amended.
- Local Government: Municipal Systems Act No. 32 of 2000, as amended
- Local Government: Local Government Finance Act, Act 56 of 2004
- National Treasury Circulars: In terms of the Municipal Systems / Municipal Finance Management Act.