

**SCHEDULE A**

**ANNUAL BUDGET AND  
SUPPORTING DOCUMENTATION  
BOJANALA PLATINUM DISTRICT  
MUNICIPALITY**

**2016/17 TO 2017/19**

**Adopted by Council on 30 May 2016**

**Council Resolution R523/15/16**

**30/05/2016**

FINAL BUDGET OF

**BOJANALA DISTRICT**

**MUNICIPALITY**

**DC37**

2016/17 TO 2017/19  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECAST

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## Abbreviations and Acronyms

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

## Part 1 – Annual Budget

The Integrated Development Plan (IDP) we are presenting is the strategic blueprint for Bojanala Platinum District Municipality that communicates to the community of Bojanala Platinum service delivery priorities within its jurisdiction.

The drafting of the IDP requires a lengthy planning process, and involves a wide range of role players from inside and outside the municipality. The process therefore needs to be properly organized and prepared.

As a result municipalities are required to prepare an Operational Plan (commonly known as a Process Plan) which indicate what needs to happen, by when, whom and where and includes the costs estimates for facilitating the process.

It is very important for municipalities to adhere to this plan in order to fulfil the legal requirements of Section 28 of the Local Government Municipal Systems Act of 2000. The processes to be followed in preparing our IDP's are as well guided by White Paper on Local Government promulgated in 1998.

The plan take cognizance of the successes and challenges of the entire district and outlines projects designed to circumvent the identified service delivery challenges. It also gives an overall framework for development and focuses on economic and social development of the district as a whole.

The plan endeavoured to represent the development priorities contained in the election 2014 election manifesto of the ruling party as well as our constitutional mandate as the sphere of government closer to the people. It is however, of significance to take note that the plan acknowledges the fact that the district is predominantly rural in nature and requires area based service delivery methodologies to ensure equitable service delivery provisioning in both towns and rural nodes.

It gives me pleasure as the Executive Mayor to report to our stakeholders that the partnership between Bojanala Platinum District Municipality as the provider of services and communities as the end-users of those services has once again been successful in assisting the district to plan its responses to the developmental aspirations of its people for the 2016/17 financial year.

This IDP document is thus a direct result of yet another extensive consultative process. It is an expression of the general interest of our people and a mirror that reflects the holistic.

Although much still needs to be done to alleviate poverty and create an environment conducive to economic growth, we strive for the best in ensuring alignment of our IDP and Budget. We will continue to support Council in ensuring that its core functions are maintained.

Yours in the struggle to move South Africa, North West and Bojanala forward.

**CLLR. LOUIS DIREMELO**  
**EXECUTIVE MAYOR**

## 1.1 Council Resolutions

On 30 May 2016 the Council of Bojanala District Municipality met in Council chamber to consider the annual budget of the municipality for the financial year 2016/17. The Council approved and adopted the following resolutions: no.R523/15/16

1. The Bojanala Platinum District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2016/17 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification)
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type)
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position;
    - 1.2.2. Budgeted Cash Flows;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation;
    - 1.2.4. Asset management a
    - 1.2.5. Basic service delivery measurement.
2. To give proper effect to the municipality's annual budget, the Council Bojanala Platinum District Municipality approves:
  - 2.1. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.
  - 2.2. That the salaries for officials be adjusted with effect from 1<sup>st</sup> July 2016 based on the percentage as approved by the South African Local Government Bargaining Council (including Section 57 Managers).
  - 2.3. That the salary packages of the Municipal Manager and Section 57 managers be adjusted with 8, percent with effect from 1 July 2016.
  - 2.4. That the salaries and allowances of councillors be adjusted with the percentage approved by the Minister for Cooperative Governance and Traditional Affairs in terms of the Remuneration of Public Office Bearers Act, 1998 after concurrence of the responsible MEC have been obtained.
  - 2.5. That the amendments to the Budget related policies be approved as discussed in paragraph 2.4 and indicated in the policy documents hereto attached.

## 1.2 Executive Summary

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

The municipality'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. The 2016/17 revised budget focussed on saving measures, and reprioritising of projects

National Treasury's MFMA Circulars No. 51, 54, 55, 58 and 59, 66, 67, 70, 71, 78 and 79 were used to guide the compilation of the 2016/17 MTREF.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- Non-attendance of senior managers who are decision makers to IDP forum
- Bloated structure
- Aging and poorly maintained water, roads and community infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- 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 2016/17 to 2017/2019 MTREF:

- The 2016/17 Budget priorities and targets, as well as the base line allocations contained in that Budget were adopted as the upper limits for the new baselines for the 2016/17 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Heads of departments as well as political offices should exercise strict control over the under mentioned expenditure:
  - Special Projects;
  - Consultant Fees;
  - Special Events;
  - Refreshments and entertainment;
  - Ad-hoc travelling;
  - Subsistence, Travelling & Conference fees (national & international) and
  - Telephone expenses.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/17 Medium-term Revenue and Expenditure Framework:



**Table 1 Consolidated Overview of the 2015/2016 MTREF**

Description	Adjustment Budget	Budget Year	Budget Year +1	Budget Year +2
R Thousand	2015/2016	2016/2017	2017/2018	2018/2019
	R,000	R,000	R,000	R,000
Total Operating Revenue	298 238	315 050	319 849	342 649
<b>Total Operating Expenditure</b>	<b>298 230</b>	<b>298 801</b>	<b>301 000</b>	<b>320 148</b>
Surplus/(Deficit) for the year	8	16 249	18 849	22 501
<b>Total Capital Expenditure</b>	<b>2 855</b>	<b>2 156</b>	<b>2 254</b>	<b>2 417</b>

Total operating revenue has grown by 5.6 per cent or R16 812 million for the 2016/17 financial year when compared to the 2015/16 Adjustments Budget. For the two outer years, operational revenue will increase by 1.5 and 7.1 per cent respectively, equating to a total revenue growth of R163 812 million over the MTREF when compared to the 2015/16 financial year.

Total operating expenditure for the 2016/17 financial year has been appropriated at R298 801 Million and translates into a budgeted surplus of R16 249. When compared to the 2015/16 Adjustments Budget, operational expenditure has increased by 571 thousand or 0.2 per cent in the 2016/17, the reason for the slight increase is because we have reduced the nice to have transactions and budget for the line items that we did not budget for in the past financial year

The capital budget of R2.1 million for 2016/17 is 24.4 per cent lower when compared to the 2015/16 Adjustment Budget because of projections of new vehicles in the 2015/16 budget review. Bojanala municipality capital budget is mainly for other asset, consist of furniture, computers and vehicles.

### 1.3 Operating Revenue Framework

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 balancing expenditures against realistically anticipated revenues.

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

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

**Percentage growth in revenue by main revenue source**

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 and transfers totals R 313 million 2016/17 financial year and increases to R318 million by 2016/17. The 2017/18 financial year increase is 0.8 percent and 2018/19 is 7 percent. Our income is from equitable share.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipts**

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	1 586	1 798	1 361	1 000	1 000	1 000	1 000	1 000	1 020	1 030
Transfers recognised - operational	249 305	263 399	271 947	298 978	297 088	297 088	297 088	313 650	318 489	341 267
Other own revenue	-	-	685	150	150	150	150	400	340	352
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>250 891</b>	<b>265 197</b>	<b>273 993</b>	<b>300 128</b>	<b>298 238</b>	<b>298 238</b>	<b>298 238</b>	<b>315 050</b>	<b>319 849</b>	<b>342 649</b>

The Rural Asset Management System grant of R2 175 million is to collect road infrastructure data and also to perform visual assessment on road infrastructure in the district; the condition of the grant is for operating. The income is from the equitable share interest from the investment and other revenue. The increase on revenue from 2015/16 is 5.6%.

**Operating Expenditure Framework:**

The municipality's expenditure framework for the 2016/17 budget and MTREF is informed by the following:

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

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

**Table 11 Summary of operating expenditure by standard classification item**

DC37 Bojanala Platinum - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19

Expenditure By Type	Ref	2012/13	2013/14	2014/15	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Employee related costs	2	130 953	128 683	138 838	131 057	145 071	145 071	145 071	161 677	171 899	182 748
Remuneration of councillors			12 505	14 304	15 800	16 262	16 262	16 262	17 137	18 131	19 183
Debt impairment	3										
Depreciation & asset impairment	2	7 144	6 657	12 990	5 000	-	-	-	5 000	5 300	5 618
Finance charges		17	355	-	319	319	319	319	250	265	281
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8			1 821	1 531	2 388	2 388	2 388	1 600	1 693	1 791
Contracted services		-	-	14 654	54 463	74 293	74 293	74 293	17 036	18 024	19 069
Transfers and grants		74 432	81 457	79 569	2 000	500	500	500	24 802	17 960	20 312
Other expenditure	4, 5	50 639	32 159	42 144	46 973	59 397	59 397	59 397	71 300	67 729	71 146
Loss on disposal of PPE			841	41							
<b>Total Expenditure</b>		<b>263 184</b>	<b>262 656</b>	<b>304 362</b>	<b>257 143</b>	<b>298 230</b>	<b>298 230</b>	<b>298 230</b>	<b>298 801</b>	<b>301 000</b>	<b>320 148</b>

The budgeted allocation for employee related costs for the 2016/17 financial year totals R16 million, which equals 11.4% per cent of the total operating expenditure. The municipality has budgeted 5miliion for the payment lieu of leave, because of the term of councillors and the secretary end in August 2016 therefore we made provision. Based on the estimated inflation rate and tendencies in the labour market, salary increases have been factored into this budget at a percentage increase of 8 per cent for the 2016/17 financial year. The reason for an annual increase of 5.5per cent has been included in the two outer years of the MTREF. As part of the municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized.

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). Provision for a possible increase of 5.4 percent has been provided in the 2016/17 budget.

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 of asset consumption. Budget appropriations in this regard total R5 million for the 2016/17 financial and equates to 6.2 per cent of the total assets. Note that the correct depreciation as per amended Annual financial statement is 6 million. As per our asset register most of our asset are fully depreciated therefore there is no need to increase municipal depreciation. Other materials decrease by 33% because the municipality has bought new vehicles and most of our expenditure was for repairs and maintenance as a result not much repairs and maintenance will be needed on them.

Other materials comprise of amongst others the purchase of licences renewal, materials for maintenance, cleaning materials and chemicals. In line with the municipality's repairs and maintenance plan this group of expenditure has been prioritised as far as possible to ensure sustainability of the Assets.

The contracted service has decreases by 77.1 percent as compare to 2015/16 financial year, because the municipality has split the projection of the contracted services to cash transfer to other municipality and non-cash transfer as advised by the Provincial Treasury.

Other expenditure comprises of various line items relating to the daily operations of the municipality. The is 20 percent increased for the other expenditure reason being we have reduced the contracted service by 77.1 and split to transfer of grants and other expenditure hence the is significant growth. The municipality has also make provision for lease,

depreciation, creditors and payments in lieu of leave that is current provision because most employees their contract finished on 2016/17 financial year.

## Figure 1 Main operational expenditure categories for the 2016/17 financial year

### 1.3.1 Priority given to repairs and maintenance

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 these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance: repairs and Maintenance of the municipality is mainly on vehicle maintenance and building.

**Table 12 Operational repairs and maintenance**

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Asset management</b>	1										
Asset register summary (WDV)		26	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		7 144	6 657	12 990	5 000	-	-	5 000	5 000	5 300	5 618
Renewal of Existing Assets		-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance		-	-	-	1 531	2 388	2 388	1 600	1 600	1 693	1 791

During the compilation of the 2016/17 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality's Assets and historic deferred maintenance. To this end, repairs and maintenance was substantially decreased by 33 per cent in the 2016/17 financial year.

### Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- 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.
- Financial management reforms emphasises 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:
  - The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - Capital expenditure is balanced by capital funding sources, of which
    - Transfers recognised is reflected on the Financial Performance Budget;
    - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - 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 for cash backed.

4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2016/17, when a small surplus is reflected.

**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 7 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 'whole of government' reports.

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

1. Total revenue is R315 650 million in 2016/17 and escalates to R318 829 million by 2017/18 by 2018/19 is R342 649 million which 4.6 per cent. This represents a year-on-year increase of 7.5.
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF for the two outer years. The equitable share remains to be most important part of the municipality's revenue base.

**Figure 3 Expenditure by major type**

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>	1									
Vote 1 - Community Development		-	-	-	-	-	-	-	-	-
Vote 2 - Environmental & Health Services		-	-	-	-	-	-	-	-	-
Vote 3 - Municipal Manager's Office		-	-	-	-	-	-	-	-	-
Vote 4 - Municipal council		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Support Services		-	-	-	-	-	-	-	-	-
Vote 6 - Economic Development Agric and Tourism		-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury Office		251 037	267 117	273 993	301 093	301 093	-	315 050	318 829	342 649
Vote 8 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 9 - Mayoral Executive		-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	251 037	267 117	273 993	301 093	301 093	-	315 050	318 829	342 649
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Community Development		-	55 628	60 681	66 287	77 525	-	75 006	78 357	84 431
Vote 2 - Environmental & Health Services		-	30 182	31 008	28 171	32 906	-	35 833	39 806	43 134
Vote 3 - Municipal Manager's Office		-	25 059	28 676	22 496	30 971	-	23 893	25 544	27 312
Vote 4 - Municipal council		-	22 883	26 317	23 864	30 160	-	26 256	28 065	26 072
Vote 5 - Corporate Support Services		-	42 036	47 085	42 723	49 812	-	55 358	52 487	47 967
Vote 6 - Economic Development Agric and Tourism		-	9 446	14 070	9 313	12 751	-	14 736	15 778	16 844
Vote 7 - Budget and Treasury Office		266 087	15 141	19 156	25 550	19 676	-	27 822	26 964	28 721
Vote 8 - Technical Services		-	31 071	32 116	26 679	28 592	-	27 740	20 986	32 338
Vote 9 - Mayoral Executive		-	17 974	20 130	12 061	18 691	-	12 156	13 013	13 330
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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	266 087	249 421	279 239	257 143	301 084	-	298 801	301 000	320 148
<b>Surplus/(Deficit) for the year</b>	2	(15 050)	17 696	(5 246)	43 950	9	-	16 249	17 829	22 501

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

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

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Community Development		-	-	-	-	-	-	-	-	-	-
Vote 2 - Environmental & Health Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Municipal Manager's Office		-	1 214	663	531	521	-	-	1 000	1 058	1 119
Vote 4 - Municipal council		-	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Support Services		48 961	6 036	311	234	2 234	-	-	1 050	1 113	1 177
Vote 6 - Economic Development Agric and Tourism		-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical Services		-	-	1 096	200	100	-	-	107	113	120
Vote 9 - Mayoral Executive		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		48 961	7 249	2 071	965	2 855	-	-	2 156	2 284	2 417
Total Capital Expenditure - Vote		48 961	7 249	2 071	965	2 855	-	-	2 156	2 284	2 417

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (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. Single-year appropriations have been done and amount to R2 156 thousand for 2016/17 and for two outer years.
3. Single-year capital expenditure has been appropriated at R2 156 thousand for the 2016/17 financial year and remains relatively constant over the MTREF at levels of R2 284 thousand and R2 417 thousand respectively for the two outer years.

Bojanala District Municipality 2016/17 Annual Budget and MTREF  
**Explanatory notes to Table A6 - Budgeted Financial Position**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		2 589	3 984	164	2 589	2 589			18 205	23 108	31 413
Call investment deposits	1	-	1	131	15 500	15 500	-	-	7 022	9 020	8 540
Consumer debtors	1	-	1 639	2 988	-	-	-	-	-	-	-
Other debtors		9 586	1 265	13							
Current portion of long-term receivables											
Inventory	2										
<b>Total current assets</b>		<b>12 176</b>	<b>6 889</b>	<b>3 296</b>	<b>18 089</b>	<b>18 089</b>	<b>-</b>	<b>-</b>	<b>25 227</b>	<b>32 128</b>	<b>39 953</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	36 450	39 612	28 948	38 974	38 974	-	-	31 104	33 260	35 677
Agricultural											
Biological											
Intangible		26									
Other non-current assets											
<b>Total non current assets</b>		<b>36 476</b>	<b>39 612</b>	<b>28 948</b>	<b>38 974</b>	<b>38 974</b>	<b>-</b>	<b>-</b>	<b>31 104</b>	<b>33 260</b>	<b>35 677</b>
<b>TOTAL ASSETS</b>		<b>48 651</b>	<b>46 501</b>	<b>32 244</b>	<b>57 063</b>	<b>57 063</b>	<b>-</b>	<b>-</b>	<b>56 331</b>	<b>65 388</b>	<b>75 630</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	-	1 777	839	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	22 803	31 365	29 151	1 500	1 500	-	-	6 000	6 361	6 742
Provisions					14 162	14 162			1 500	1 600	1 700
<b>Total current liabilities</b>		<b>22 803</b>	<b>33 142</b>	<b>29 990</b>	<b>15 662</b>	<b>15 662</b>	<b>-</b>	<b>-</b>	<b>7 500</b>	<b>7 961</b>	<b>8 442</b>
<b>Non current liabilities</b>											
Borrowing		-	2 059	-	-	-	-	-	-	-	-
Provisions					9 370	-	-	-	8 000	8 640	9 331
<b>Total non current liabilities</b>		<b>-</b>	<b>2 059</b>	<b>-</b>	<b>9 370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 000</b>	<b>8 640</b>	<b>9 331</b>
<b>TOTAL LIABILITIES</b>		<b>22 803</b>	<b>35 202</b>	<b>29 990</b>	<b>25 032</b>	<b>15 662</b>	<b>-</b>	<b>-</b>	<b>15 500</b>	<b>16 601</b>	<b>17 773</b>
<b>NET ASSETS</b>	5	<b>25 849</b>	<b>11 299</b>	<b>2 254</b>	<b>32 032</b>	<b>41 401</b>	<b>-</b>	<b>-</b>	<b>40 831</b>	<b>48 788</b>	<b>57 858</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)	4	25 849	11 299	2 254	32 032	41 401	-	-	40 831	48 788	57 858
Reserves		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>25 849</b>	<b>11 299</b>	<b>2 254</b>	<b>32 032</b>	<b>41 401</b>	<b>-</b>	<b>-</b>	<b>40 831</b>	<b>48 788</b>	<b>57 858</b>

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- 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.
- providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions noncurrent;
  - Changes in net assets; and
  - Reserves
- 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. 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 A7 - Budgeted Cash Flow Statement**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges									-	-	-
Service charges									-	-	-
Other revenue			1 920	611	150	150			400	247	352
Government - operating	1	244 268	263 399	272 789	298 978	298 978			313 650	318 489	340 907
Government - capital	1				965	965			-	-	-
Interest		1 586	1 798	1 491	1 000	1 000			1 000	1 020	1 030
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(263 684)	(259 867)	(267 652)	(299 114)	(297 409)			(291 743)	(309 130)	(327 928)
Finance charges		(17)	(355)	(438)	(319)	(319)			(250)	(265)	(281)
Transfers and Grants	1			-	(1 000)	(500)			(3 000)	(3 174)	(3 358)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(17 846)</b>	<b>6 895</b>	<b>6 802</b>	<b>660</b>	<b>2 865</b>	<b>-</b>	<b>-</b>	<b>20 057</b>	<b>7 187</b>	<b>10 722</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			706						-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		12 922	(5 307)	(9 146)	(965)	(2 855)			(2 156)	(2 284)	(2 417)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>12 922</b>	<b>(4 601)</b>	<b>(9 146)</b>	<b>(965)</b>	<b>(2 855)</b>	<b>-</b>	<b>-</b>	<b>(2 156)</b>	<b>(2 284)</b>	<b>(2 417)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		65	(879)	(1 345)					-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>65</b>	<b>(879)</b>	<b>(1 345)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(4 858)</b>	<b>1 416</b>	<b>(3 689)</b>	<b>(305)</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>17 901</b>	<b>4 903</b>	<b>8 305</b>
Cash/cash equivalents at the year begin:	2	623	2 568	3 984	294	294			304	18 205	23 108
Cash/cash equivalents at the year end:	2	(4 236)	3 984	294	(11)	304			18 205	23 108	31 413

**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. The cash flow statement is exclusive of the provision for leave bonus, finance lease and depreciation

**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. Therefore the budget of the municipality is funded with risk because of the creditors.

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(4 236)	3 984	294	(11)	304	-	-	18 205	23 108	31 413
Other current investments > 90 days		6 825	1	1	18 100	17 785	-	-	7 022	9 020	8 540
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2 589</b>	<b>3 985</b>	<b>295</b>	<b>18 089</b>	<b>18 089</b>	<b>-</b>	<b>-</b>	<b>25 227</b>	<b>32 128</b>	<b>39 953</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	22 803	31 365	26 472	1 500	1 500	-	-	6 000	6 361	6 742
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>22 803</b>	<b>31 365</b>	<b>26 472</b>	<b>1 500</b>	<b>1 500</b>	<b>-</b>	<b>-</b>	<b>6 000</b>	<b>6 361</b>	<b>6 742</b>
<b>Surplus(shortfall)</b>		<b>(20 213)</b>	<b>(27 380)</b>	<b>(26 177)</b>	<b>16 589</b>	<b>16 589</b>	<b>-</b>	<b>-</b>	<b>19 227</b>	<b>25 767</b>	<b>33 211</b>

## Explanatory notes to Table A9 - Asset Management

- 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.
- National Treasury has recommended that municipalities should allocate to repairs and maintenance 8 per cent of PPE. The municipality is not in a position to meet the requirements due to its limited revenue base, and again the municipality asset is only other asset, the district does not have the infrastructure

DC37 Bojanala Platinum - Table A9 Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		56 038	7 250	2 071	965	2 855	-	2 156	2 284	2 417
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		26	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>2</b>	<b>56 064</b>	<b>7 250</b>	<b>2 071</b>	<b>965</b>	<b>2 855</b>	<b>-</b>	<b>2 156</b>	<b>2 284</b>	<b>2 417</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>									
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	31 104	33 388	35 805
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		26	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31 104</b>	<b>33 388</b>	<b>35 805</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		7 144	6 657	12 990	5 000	-	-	5 000	5 300	5 618
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	-	-	-	1 531	2 388	2 388	1 600	1 693	1 791
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6,7	-	-	-	1 531	2 388	2 388	1 600	1 693	1 791
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>7 144</b>	<b>6 657</b>	<b>12 990</b>	<b>6 531</b>	<b>2 388</b>	<b>2 388</b>	<b>6 600</b>	<b>6 993</b>	<b>7 409</b>

## Part 2 – Supporting Documentation

### 1.4 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 Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

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 municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality's revenue and tariff setting 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.

#### 1.4.1 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 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

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

ACTIVITIES	MONTH
<b>Review and finalisation of the IDP/Budget process plan with the guidance of the Municipal Finance Management Act and Municipal Systems Act.</b> <b>Consultation on the 2015/16 IDP Framework and IDP/Budget process plan with all stakeholders.</b> <b>Tabling of the IDP/Budget process plan.</b>	<b>July – Aug 2015</b>
<b>IDP/Budget process plan made public.</b> <b>Presentation of the IDP Framework and Process Plan to the 1<sup>st</sup> IDP Representative Forum</b> <b>IDP Context and Process</b> <b>Community Needs analysis and prioritisation and by local municipalities.</b>	<b>Sept – Oct 2015</b>

<b>Consolidation &amp; Presentation of community needs/issues to the IDP Managers Forum</b>	
<b>Presentation of the status quo to the 2<sup>nd</sup> District IDP Representative Forum.</b>	<b>Nov 2015</b>
<b>Mid Term Performance and Budget Review</b> Review/development of strategic priorities review of municipal vision and mission. Determination of strategic objectives for service delivery and development for next three year budget including review of provincial and national sector and strategic plans.	<b>Dec 2015 – Jan 2016</b>
<b>Tabling of 2014/15 Annual Report to Council.</b> Publication of the Annual Report and commencement of the MPAC work with public on the content of the Annual Report. District IDP Manager`s Forum: Review/identification of the projects in line with reviewed municipal objectives and priorities. IDP Forum Meetings to consider the preliminary drafts of the IDPs and budgets, incl. Revised Tariffs for municipal services of all municipalities. Presentation of municipal priorities and proposed projects to sector departments. Presentation of BPDM of programmes/projects by Sector Departments Tabling and approval of the Adjustment budget.	<b>Jan-Feb 2016.</b>     <b>Jan – Feb 2016</b>
<b>Consolidation and confirmation of final programmes &amp; projects from internal &amp; external departments</b> Submission of budget inputs by Municipal Departments. Consolidation of budget inputs to finalise draft IDP/Budget for the next three financial years.	<b>Jan-Feb 2016.</b>
<b>Submission of the draft budget, IDP and plans for the next three years to management, Executive Mayor, Portfolio committees , Mayoral Committee.</b>	<b>Feb 2016 – March 2016</b>
<b>Issue notice of Council meeting to consider proposed IDP/Budget.</b> Tabling of Draft IDP/Budget to council. Consideration of 2013/14 Annual Report by Council Adoption of oversight report by Council The tabled documents are sent to prescribe organs of state.	<b>Mar 2016</b>
<b>Community participation and stakeholders' consultations on the draft IDP/Budget.</b> Public comments and comments from other organs of state are taken into consideration and where necessary, amendments are made to the IDP and Budget. Budget Analysis by Provincial and National Treasury. Feedback session by Provincial Treasury on the budget analysis. Political inputs on the final drafts	<b>April – May 2016</b>
<b>Tabling of IDP/Budget for final approval to Council.</b> Copies of the approved IDP/Budget are sent to prescribe organs of state. Copies of the approved IDP/Budget are made public.	<b>May – Jun 2016</b>
<b>Drafting and approval of Service Delivery Budget Implementation Plan (SDBIP)</b> Approved Top Layer SDBIP is made public. Performance agreements are submitted to the Executive Mayor	<b>Jun 2016 July 2016</b>

#### 1.4.2 IDP and Service Delivery and Budget Implementation Plan

The municipality'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:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- 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 2016/17 MTREF, based on the approved 2015/16 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 2016/17 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 2015/16 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.

#### 1.4.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2016/17 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 2016/17 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Performance trends
- The approved 2015/16 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 78, has been taken into consideration in the planning and prioritisation process.

## 1.5 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 municipality, 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 municipality 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 municipality's response to these requirements.

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

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

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 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 25 IDP Strategic Objectives**

2016/17 Financial Year	2017/19 MTREF
1. Provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Economic growth and development that sustainable job creation	2. Economic growth and development that leads to sustainable job creation
3. Fight poverty and build clean, healthy, safe and sustainable communities Integrated Social Services for empowered and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5. Promote sound governance Ensure financial sustainability Optimal institutional transformation to ensure capacity to achieve set objectives	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality 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:
  - o Provide electricity;
  - o Provide water;
  - o Provide sanitation;
  - o Provide roads and storm water;
  - o Provide municipal planning services; and
  
2. Economic growth and development that leads to sustainable job creation by:
  - o Ensuring there is a clear structural plan for the municipality;
  - o Ensuring planning processes function in accordance with set timeframes;
  - o 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:
  - o Working with strategic partners such as SAPS to address crime;

- Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.
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 municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

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:

- Strengthening the analysis and strategic planning processes of the municipality; Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.



The 2016/17 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 26 MBRR Table SA4-Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Basic Service delivery												
Good Governance and Public Participation												
Economic Development and rural development Municipal Transformation & Organisational Development												
Municipal Financial Viability and Management				251 037	267 117	273 993	301 093	301 093	301 093	315 050	316 158	338 490
Allocations to other priorities			2									
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	<b>251 037</b>	<b>267 117</b>	<b>273 993</b>	<b>301 093</b>	<b>301 093</b>	<b>301 093</b>	<b>315 050</b>	<b>316 158</b>	<b>338 490</b>

**Table 27 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
(Technical dept) Basic Service delivery		A				1 096	200	100		107	113	120
		B										
Community Development		C										
		D										
Economic Development and rural development		E										
Corporate Support Services		F		48 961		311	234	2 234		1 050	1 113	1 177
Municipal Financial Viability and Management		G										
Municipal Managers office and council,		H			4 622	663	531	521		1 000	1 058	1 119
		I										
		J										
Health		K		7 104								
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
<b>Total Capital Expenditure</b>			1	56 065	4 622	2 071	965	2 855	-	2 156	2 284	2 417

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

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
(Technical dept) Basic Service delivery	Provision electricity, water, sanitation, roads & stormwater, and planning services			44 176	31 071	32 116	26 679	28 592		27 740	20 986	32 338
Community Development	Ensure effective accountability system through community participation and development of both elected representatives &			51 734	55 628	60 781	63 221	77 525		16 337	15 871	17 047
Economic Development and rural development	Ensure effective participation in the economic activities of the region and contribute to growth & employment			8 095	9 446	14 070	9 313	12 751		14 736	15 678	16 735
Corporate Support Services	through skills development, ensure an effective and efficient municipal administration			38 320	42 036	47 085	45 789	49 812		51 457	34 906	40 410
Municipal Financial Viability and Management	through institution of effective controls, financial management and reporting, ensure municipal viability			26 189	15 141	19 156	25 550	19 676		27 822	32 388	43 453
Municipal Managers office and council,	ensure effective participation in the the municipality			45 326	65 916	75 123	58 421	79 822		62 305	63 293	66 802
Health				27 856	30 182	31 008	28 171	32 906		35 833	39 753	43 077
Allocations to other priorities												
<b>Total Expenditure</b>				<b>241 697</b>	<b>249 421</b>	<b>279 339</b>	<b>257 143</b>	<b>301 084</b>	<b>-</b>	<b>236 230</b>	<b>222 875</b>	<b>259 862</b>

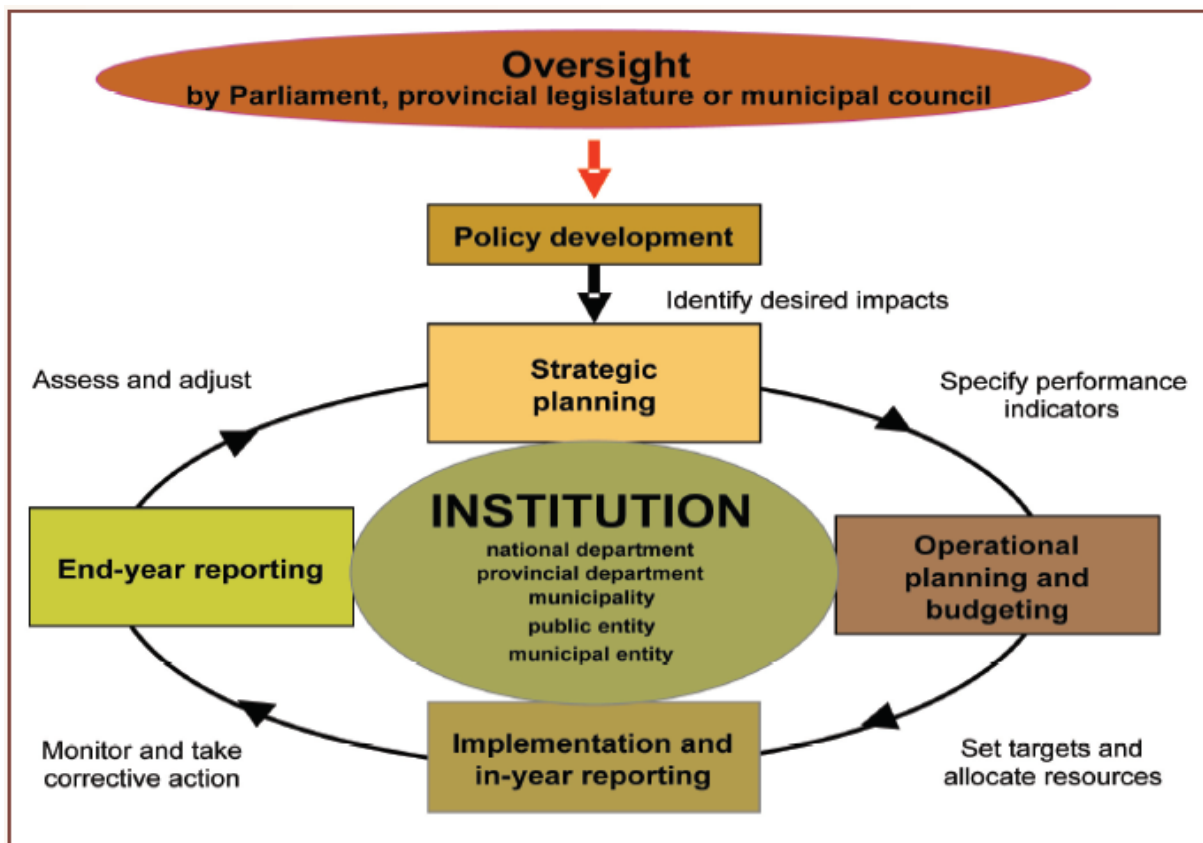
## 1.6 Measurable performance objectives and indicators

DC37 Bojanala Platinum - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Vote 1 - TECHNICAL SERVICES</b>										
Function 1 - (name)		100.0%								
Sub-function 1 - (name)										
<i>Insert measure's description</i>										
Roads	12kms of roads paved	100.0%			50.6%			29.79%	29.45%	33.74%
Sub-function 2 - (name)										
<i>Insert measure's description</i>										
Sanitation	420 hh connected	100.0%			24.4%			17.83%	17.67%	20.24%
Sub-function 3 - (name)										
<i>Sector plans</i>										
water related projects	500 hh connected	2.0%			24.4%			35.7%	35.35%	40.50%
Function 2 - (name)										
Sub-function 1 - (name)										
<i>transport planning</i>	review transport planning							1.9%	1.87%	2.1%
Sub-function 2 - (name)										
<i>support maintenance of rural assets</i>	Rural O&M improved				12.0%			11.9%	12.72%	0.0%
Sub-function 3 - (name)										
<b>Vote 2 - Community Development</b>		1.0%								
Function 1 - (Sports facilities developed)										
Sub-function 1 - (construct sports facility)										
<i>enhance Disaster Planning &amp; response</i>					16.0%			28.0%	34.81%	34.81%
Poverty alleviation		100.0%			8.4%			45.0%	45.28%	45.28%
Sub-function 2 - (name)										
<i>Insert measure's description</i>		7.0%								
Local Economic Development										
Sub-function 3 - Marketing & Promotion										
<i>district promotion</i>	number promotion events				13.0%			25.0%	24.93%	24.93%
Function 2 - (name)		2.0%								
Sub-function 1 - enterprise support										
<i>enterprises supported</i>	Number	7.0%			11.0%			19.0%	10.12%	19.68%
Sub-function 2 - rural development										
<i>number of enterprise supported</i>	Number	7.0%			11.0%			23.0%	22.58%	22.58%
Sub-function 3 - Agricultural support										
<i>number of projects launched</i>	Number				43.0%			20.0%	19.68%	19.68%
<b>Vote 3 - Financial support to moretele &amp; kgetlebg</b>		0.0%								
Function 1 - provide support for the clean		0.0%								
Sub-function 1 - (name)										
<i>% audit queries &amp; findings eliminated</i>	Projects undertaken on				6.8%			31.0%	42.57%	43.19%
<i>% audit queries &amp; findings eliminated</i>										
Sub-function 2 - (name)										
<i>Insert measure's description</i>										
Sub-function 3 - (name)										
<i>Insert measure's description</i>										
Function 2 - Municipal Health & Environment		5.0%								
Sub-function 1 - climate adaptation		5.0%								
<i>number of initiatives launched</i>	number of initiatives launched	4.0%			3.2%			10.0%	10.45%	14.92%
<i>number of air quality monitoring reports</i>	number of air quality							10.0%	10.45%	10.45%
Sub-function 2 - Waste management										
<i>number of waste management projects implemented</i>	number of waste				4.1%			24.0%	23.88%	23.88%
Sub-function 3 - (name)										
<i>Insert measure's description</i>										
And so on for the rest of the Votes										

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 municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's 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:

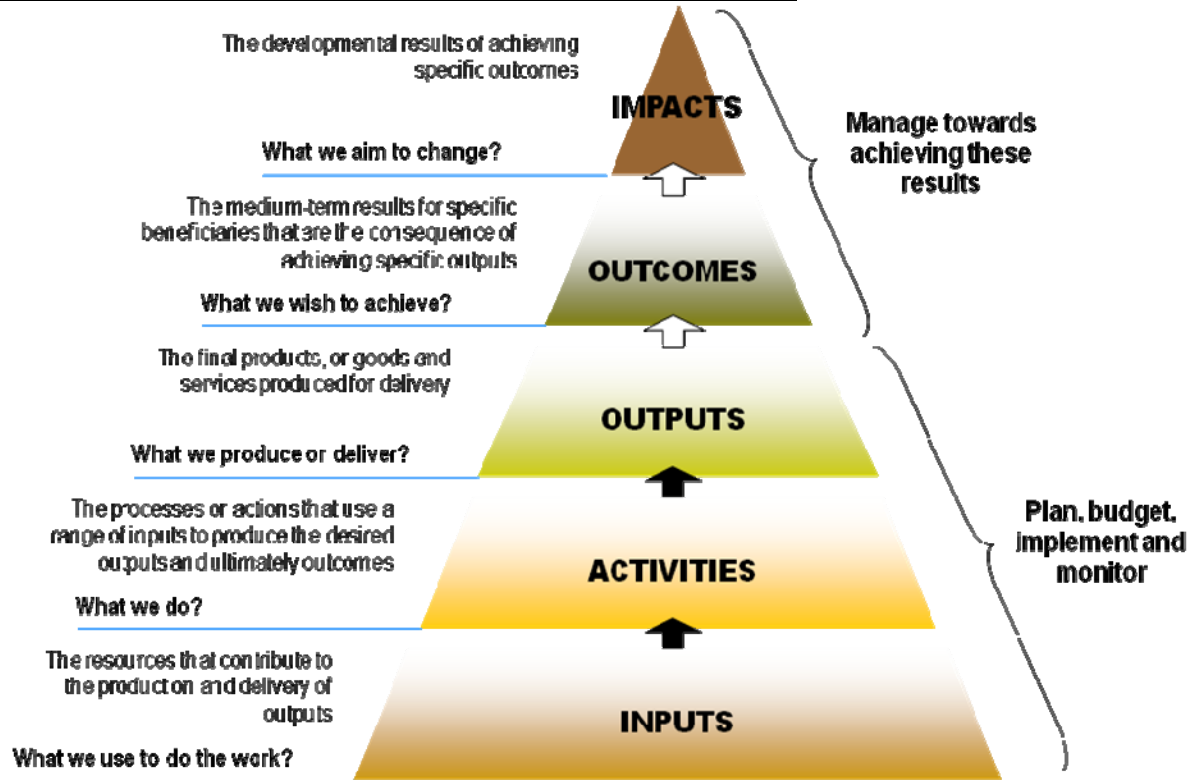


**Figure 2 Planning, budgeting and reporting cycle**

The performance of the municipality 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 Bojanala Platinum District Municipality therefore has adopted one integrated performance management system which encompasses:

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

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



## 1.6.1 Performance indicators and benchmarks

### 1.6.1.1 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. Bojanala does not have any borrowing in this stage. The following financial performance indicators have formed part of the compilation of the 2016/17 MTREF.

### 1.6.1.2 Safety of Capital

*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 loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. During the 2016/17 financial year the ratio deteriorated to a level 0 per cent. As part of the planning guidelines that informed the compilation of the 2016/17 MTREF ensuring proper cash-backing of reserves and funds has been considered a prudent financial sustainability objective.

### 1.6.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 0 hence at no point in time should this ratio be less than 1. For the 2016/17 MTREF the current ratio is 1.0 in the 2016/17 financial year and 1 and 1 for the two outer years of the MTREF. Going forward the municipality will correct these.

*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.

### 1.6.1.4 Creditors Management

- The municipality 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 municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

## 1.6.2 Budget Approval Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

### **1.6.3 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in December 2015. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on. A Standard Operating Procedure Manual on SCM has been developed and implemented.

### **1.6.4 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 municipality's system of delegations. The Budget and Virement Policy was approved by Council in May 2014.

### **1.6.5 Cash Management and Investment Policy**

The Municipality's Cash Management and Investment Policy were amended by Council in May 2010. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing 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.

All the above policies that available at the municipality:

- Budget policy
- Cash and investment management Policy;
- Virement Policy;
- Assets Policy; and
- Supply chain policy

## **1.7 Overview of budget assumptions**

### **1.7.1 External factors**

The official unemployment rate rose to 8 percent of the labour force.

It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2015 will be 3 per cent rising to 3.8 per cent by 2016.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

### **1.7.2 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 2016/17 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 50% (Excluding depreciation) per cent of total operating expenditure in the 2016/17 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. Credit rating outlook

The rating definitions are:

- Short term : Prime – 1
- Short-Term Debt Ratings (maturities of less than one year)
- Prime-1 (highest quality)
- Long-term : Aa3
- Defined as high-grade. "Aa" rated are judged to be of high quality and are subject to very low credit risk.

### **1.7.3 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.

### **1.7.4 Salary increases**

Provision has been made for a 8% salary increase in terms of the guidelines from National Treasury

### **1.7.5 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:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- 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.

### 1.7.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

## 1.1 Overview of budget funding

### Figure 8 Sources of capital revenue for the 2016/17 financial year

Capital grants and receipts equates to per cent of the total funding source which represents R2.1 million for the 2016/17 financial year and increase to R2.4 million 1.1 percent.

As explained earlier, the capital of the municipality is mainly for the other assets e.g. vehicles, computers and office equipment.

#### 1.1.1 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 understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- 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
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table 38 MBRR Table A7 - Budget cash flow statement**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges									-	-	-
Service charges									-	-	-
Other revenue			1 920	611	150	150			400	247	352
Government - operating	1	244 268	263 399	272 789	298 978	298 978			313 650	318 489	340 907
Government - capital	1				965	965			-	-	-
Interest		1 586	1 798	1 491	1 000	1 000			1 000	1 020	1 030
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(263 684)	(259 867)	(267 652)	(299 114)	(297 409)			(291 743)	(309 130)	(327 928)
Finance charges		(17)	(355)	(438)	(319)	(319)			(250)	(265)	(281)
Transfers and Grants	1			-	(1 000)	(500)			(3 000)	(3 174)	(3 358)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(17 846)</b>	<b>6 895</b>	<b>6 802</b>	<b>660</b>	<b>2 865</b>	<b>-</b>	<b>-</b>	<b>20 057</b>	<b>7 187</b>	<b>10 722</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			706						-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		12 922	(5 307)	(9 146)	(965)	(2 855)			(2 156)	(2 284)	(2 417)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>12 922</b>	<b>(4 601)</b>	<b>(9 146)</b>	<b>(965)</b>	<b>(2 855)</b>	<b>-</b>	<b>-</b>	<b>(2 156)</b>	<b>(2 284)</b>	<b>(2 417)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		65	(879)	(1 345)					-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>65</b>	<b>(879)</b>	<b>(1 345)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(4 858)</b>	<b>1 416</b>	<b>(3 689)</b>	<b>(305)</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>17 901</b>	<b>4 903</b>	<b>8 305</b>
Cash/cash equivalents at the year begin:	2	623	2 568	3 984	294	294			304	18 205	23 108
Cash/cash equivalents at the year end:	2	(4 236)	3 984	294	(11)	304			18 205	23 108	31 413

The above table shows that the cash and cash equivalents of the municipality have a surplus of R 18 405 million

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:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- 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 39 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(4 236)	3 984	294	(11)	304	-	-	18 405	25 065	23 468
Other current investments > 90 days		6 825	1	1	18 100	17 785	-	-	5 000	5 000	5 000
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2 589</b>	<b>3 985</b>	<b>295</b>	<b>18 089</b>	<b>18 089</b>	<b>-</b>	<b>-</b>	<b>23 405</b>	<b>30 065</b>	<b>28 468</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	22 803	31 365	26 472	1 500	1 500	1 500	1 500	6 000	6 361	6 742
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>22 803</b>	<b>31 365</b>	<b>26 472</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>6 000</b>	<b>6 361</b>	<b>6 742</b>
<b>Surplus(shortfall)</b>		<b>(20 213)</b>	<b>(27 380)</b>	<b>(26 177)</b>	<b>16 589</b>	<b>16 589</b>	<b>(1 500)</b>	<b>(1 500)</b>	<b>17 405</b>	<b>23 704</b>	<b>21 726</b>

From the above table it can be seen that the cash and investments available shows figures that are dropping during the 2016/2017 and there is no sign of increase in outer years of the MTREF. The following graph provides an analysis of the trends relating cash and cash equivalents and the cash back reserves/accumulated funds reconciliation over a seven year perspective.

**Figure 10 Cash and cash equivalents/cash backed reserves accumulated funds**

### 1.1.2 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 40 MBRR SA10 – Funding compliance measurement**

#### 1.1.2.1 Cash/cash equivalent position

The municipality'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.

The municipality's cash position is positive for previous financial and is strictly consistent.

### 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. 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.

#### *1.1.2.2 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 National Treasury Equitable share and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality 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. Notably, the ratio has been increasing by 1 percent for the period 201/2015 to 2016/17, moving from 0.0 to 0.4 with the adopted 2015/16 MTREF. As indicated above the municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward but is difficult because we only get our revenue from Grants and subsidies.

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.

#### *1.1.2.3 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 municipality has budgeted for all transfers.

#### *1.1.2.4 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the municipality's policy of settling debtor's accounts within 30 days.

#### *1.1.2.5 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. A detail of the municipality's strategy pertaining to asset management and repairs and maintenance is contained in SA34C on page 90.

#### *1.1.2.6 Asset renewal/rehabilitation expenditure level*

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. Further details in this regard are contained in SA34b.

## 1.2 Expenditure on grants and reconciliations of unspent funds

Table 41 MBRR SA19 - Expenditure on transfers and grant programmes

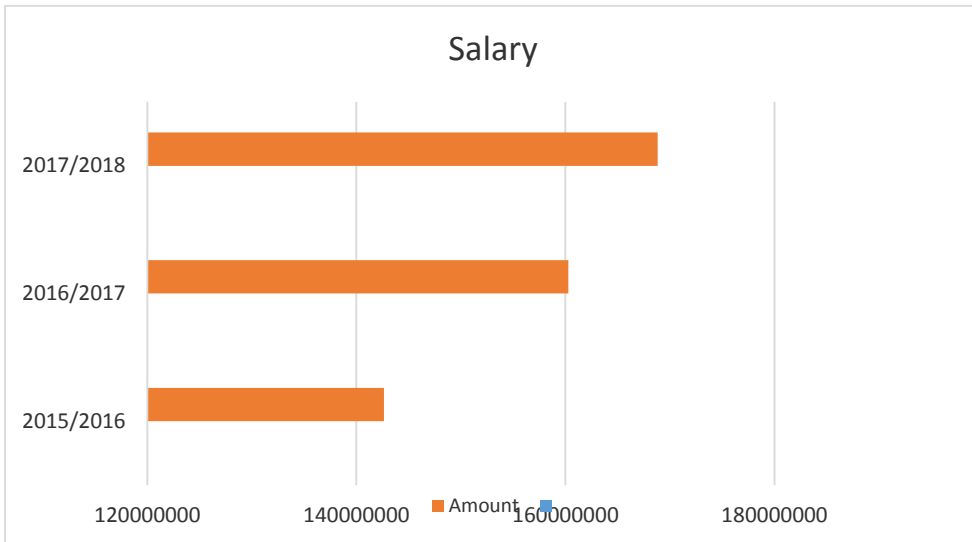
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		249 305	260 398	269 876	298 978	-	-	310 769	316 205	338 490
Local Government Equitable Share										
Local Government Equitable Share		246 049	255 854	262 980	293 747			300 787	312 671	325 065
RSC Levy Replacement										
Finance Management		1 172	1 327	1 250	1 250			1 250	1 250	1 000
Energy Efficiency and Demand Management		954	890	934	930			5 000	-	10 000
EPWP Incentive		1 129	2 327	1 191	1 041			1 557	-	-
Rural Assets Management Grant				3 521	2 010			2 175	2 284	2 425
Provincial Government:		-	-	-	-	-	-	725	-	-
Capacity building Fire								725		
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>249 305</b>	<b>260 398</b>	<b>269 876</b>	<b>298 978</b>	<b>-</b>	<b>-</b>	<b>311 494</b>	<b>316 205</b>	<b>338 490</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	-	2 071	965	-	-	2 156	2 284	2 417
Other capital transfers/grants <i>[insert desc]</i>				2 071	965			2 156	2 284	2 417
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>										
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>-</b>	<b>-</b>	<b>2 071</b>	<b>965</b>	<b>-</b>	<b>-</b>	<b>2 156</b>	<b>2 284</b>	<b>2 417</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>249 305</b>	<b>260 398</b>	<b>271 947</b>	<b>299 943</b>	<b>-</b>	<b>-</b>	<b>313 650</b>	<b>318 489</b>	<b>340 907</b>

**Table 42 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts				271 947	299 943			312 925	318 489	340 907
Conditions met - transferred to revenue		-	-	271 947	299 943	-	-	312 925	318 489	340 907
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts								725		
Conditions met - transferred to revenue		-	-	-	-	-	-	725	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		-	-	271 947	299 943	-	-	313 650	318 489	340 907
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		-	-	271 947	299 943	-	-	313 650	318 489	340 907
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash Transfers to other municipalities</b>											
<i>Moses kotane &amp; Madibeng</i>											
Kgetleng Local Municipality & Rustenburg	1		81 457		1 000	500	500	500	1 500	1 587	1 679
Moretele Local Municipality					1 000	-			1 500	1 587	1 679
<b>Total Cash Transfers To Municipalities:</b>		-	81 457	-	2 000	500	500	500	3 000	3 174	3 358
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Moses kotane &amp; Madibeng</i>											
2											
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>											
<i>Moses kotane &amp; Madibeng</i>											
3											
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Moses kotane &amp; Madibeng</i>		74 432		79 569							
<b>Total Cash Transfers To Organisations</b>		74 432	-	79 569	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b>											
<i>Moses kotane &amp; Madibeng</i>											
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	74 432	81 457	79 569	2 000	500	500	500	3 000	3 174	3 358
<b>Non-Cash Transfers to other municipalities</b>											
<i>Local municipalities</i>											
1									21 802	14 786	16 954
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	21 802	14 786	16 954
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Moses kotane &amp; Madibeng</i>											
2											
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
<i>Moses kotane &amp; Madibeng</i>											
3											
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
<i>Moses kotane &amp; Madibeng</i>											
4											
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
<i>Moses kotane &amp; Madibeng</i>											
5											
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	21 802	14 786	16 954
<b>TOTAL TRANSFERS AND GRANTS</b>	6	74 432	81 457	79 569	2 000	500	500	500	24 802	17 960	20 312





**Table 45 MBRR SA24 – Summary of personnel numbers**

DC37 Bojanala Platinum - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		29		29	29		29	29		29
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	4		4	7		7	7		7
Other Managers	7	20	20	9	29	21	8	29	21	8
Professionals		28	28	-	26	23	-	27	24	-
<i>Finance</i>		22	22		23	20		23	20	
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>		6	6		3	3		4	4	
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Technicians		134	134	15	155	152	3	155	152	3
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Clerks (Clerical and administrative)		45	45	5	71	56	15	71	56	15
Service and sales workers		111	80		100	101		100	101	
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations		94	94		48	48		48	48	
<b>TOTAL PERSONNEL NUMBERS</b>	9	465	401	62	465	401	62	466	402	62

**Table 48 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		136 150	-	2 940	102 971	-	-	-	-	73 149	-	-	(0)	315 210	320 014	342 459
Executive and council																
Budget and treasury office		136 150		2 940	102 971					73 149			(0)	315 210	320 014	342 459
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>																
Planning and development																
Road transport																
Environmental protection																
<i>Trading services</i>																
Electricity																
Water																
Waste water management																
Waste management																
<i>Other</i>																
<b>Total Revenue - Standard</b>		136 150	-	2 940	102 971	-	-	-	-	73 149	-	-	(0)	315 210	320 014	342 459
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		13 248	13 310	13 295	13 443	12 976	12 922	13 446	13 108	13 166	13 412	13 406	(247)	145 485	146 675	143 679
Executive and council		5 176	5 175	5 169	5 173	5 170	5 165	5 155	5 126	5 129	5 123	5 215	5 530	62 305	54 807	66 939
Budget and treasury office		3 360	3 456	3 441	3 646	3 006	3 144	3 401	3 004	3 335	3 659	3 690	(9 318)	27 822	40 214	42 766
Corporate services		4 712	4 679	4 685	4 625	4 800	4 613	4 890	4 979	4 701	4 631	4 502	3 542	55 358	51 655	33 974
<i>Community and public safety</i>		9 329	9 324	9 346	9 258	9 326	9 275	9 316	9 317	9 330	9 333	9 357	8 329	110 839	118 163	127 565
Community and social services		4 370	4 369	4 359	4 359	4 369	4 326	4 357	4 349	4 345	4 357	4 388	4 224	52 170	55 677	60 181
Sport and recreation																
Public safety		4 959	4 956	4 987	4 900	4 957	4 949	4 959	4 969	4 986	4 976	4 969	4 105	58 669	62 486	67 384
Housing																
Health																
<i>Economic and environmental services</i>		3 562	3 593	3 355	3 454	3 161	3 397	3 564	3 553	3 566	3 584	3 889	3 801	42 476	36 162	48 905
Planning and development		1 250	1 250	1 249	1 252	1 159	1 254	1 320	1 207	1 221	1 236	1 254	1 084	14 736	15 176	16 567
Road transport																
Environmental protection		2 312	2 343	2 106	2 201	2 002	2 143	2 243	2 346	2 348	2 348	2 635	2 716	27 740	20 986	32 338
<i>Trading services</i>																
Electricity																
Water																
Waste water management																
Waste management																
<i>Other</i>																
<b>Total Expenditure - Standard</b>		26 138	26 227	25 995	26 156	25 462	25 593	26 325	25 978	26 062	26 329	26 651	11 883	298 801	301 000	320 148
<b>Surplus/(Deficit) before assoc.</b>		110 012	(26 227)	(23 055)	76 815	(25 462)	(25 593)	(26 325)	(25 978)	47 087	(26 329)	(26 651)	(11 883)	16 409	19 014	22 311
Share of surplus/(deficit) of associate																
<b>Surplus/(Deficit)</b>	1	110 012	(26 227)	(23 055)	76 815	(25 462)	(25 593)	(26 325)	(25 978)	47 087	(26 329)	(26 651)	(11 883)	16 409	19 014	22 311

## 2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### 1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

### 2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the first intake in 2010 five were employed permanently, and we have appointed another six in 2012 and appointed two and one has been appointed another institution. The municipality have appointed another 5 on the 31 August 2014.

### Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

3. Audit Committee

An Audit Committee has been established and is fully functional assisting our two local kgetleng and Moses kotane.

4. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2016/17 MTREF in May 2016 directly aligned and informed by the 2016/17 MTREF.

5. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module in electronic format is available to all financial staff.

8. Policies

All financial related policies are reviewed on an annual bases or whenever the need arises and submitted with the budget for adoption by council.

## 2.13 Municipal manager's quality certificate

I Innocent Sirhova, municipal manager of Bojanala Platinum District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual draft budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Innocent Sirhova

Municipal Manager of Bojanala Platinum District Municipality (DC37)

Signature \_\_\_\_\_

Date