

SCHEDULE A
ANNUAL BUDGET AND SUPPORTING
DOCUMENTATION BOJANALA
PLATINUM DISTRICT
MUNICIPALITY
2017/18 TO 2018/20

Adopted by Council on 31 May 2017

Council Resolution NO: R599/16/17

31/05/2017

BUDGET OF
BOJANALA DISTRICT MUNICIPALITY
DC37

2017/18 TO 2018/20
MEDIUM TERM REVENUE AND EXPENDITURE FORECAST

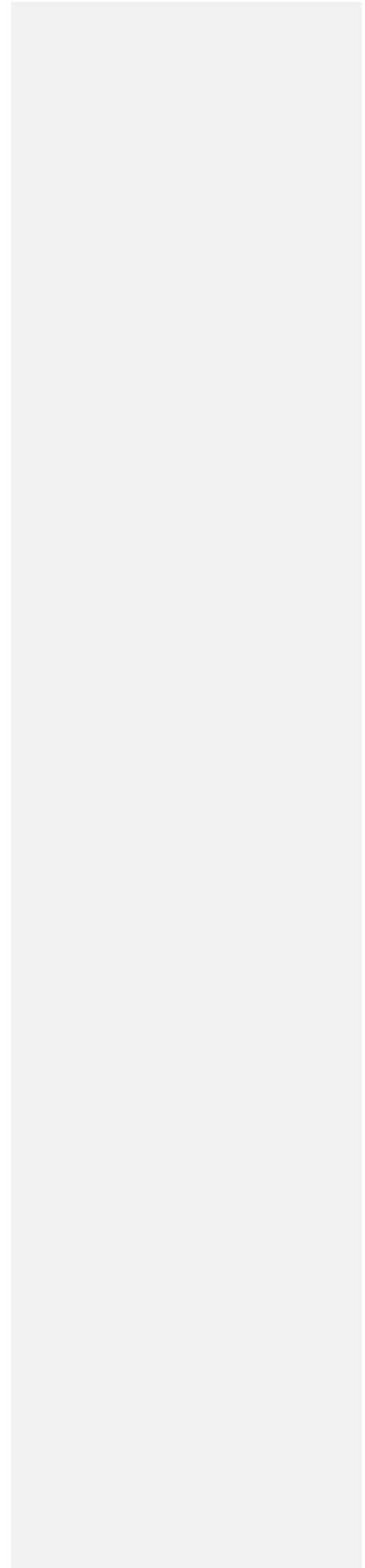


Table of Contents

ANNEXURE A 1

PART 1 – ANNUAL BUDGET 1

1.1 MAYOR’S REPORT 1-16

1.2 COUNCIL RESOLUTIONS 16-19

1.3 EXECUTIVE SUMMARY 19-20

1.4 OPERATING REVENUE FRAMEWORK 20-22

1.5 OPERATING EXPENDITURE FRAMEWORK 22-31

1.6 CAPITAL EXPENDITURE **ERROR! BOOKMARK NOT DEFINED.**

1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY **ERROR! BOOKMARK NOT DEFINED.**31-38

PART 2 – SUPPORTING DOCUMENTATION 38

2.1 OVERVIEW OF THE DRAFT BUDGET PROCESS 38-44

2.2 OVERVIEW OF ALIGNMENT OF DRAFT BUDGET WITH DRAFT IDP 410-44

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS 44-47

2.4 OVERVIEW OF BUDGET RELATED-POLICIES 44-47

2.5 OVERVIEW OF BUDGET ASSUMPTIONS 54

2.6 OVERVIEW OF BUDGET FUNDING 56

2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS 60

2.8 COUNCILLOR AND EMPLOYEE BENEFITS 64

2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW **52ERROR!**
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2.10 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS 90

2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS 91

2.12 CAPITAL EXPENDITURE DETAILS 95

2.13 LEGISLATION COMPLIANCE STATUS 102

2.14 OTHER SUPPORTING DOCUMENTS 103

2.15 MUNICIPAL MANAGER’S QUALITY CERTIFICATE 109

List of Tables

Table 29 MBRR Table SA 18 - Capital transfers and grant receipts 70

Table 30 MBRR Table A7 - Budget cash flow statement 56

Table 31 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation 58

Table 32 MBRR SA10 – Funding compliance measurement 59

Table 33 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds 62

Table 34 MBRR SA22 - Summary of councillor and staff benefits 80

MTREF

Table 35 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	65
Table 36 MBRR SA24 – Summary of personnel numbers	66
Table 39 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification).....	68
SA1 - Supporting detail to budgeted financial performance	103
Table 60 MBRR Table SA3 – Supporting detail to Statement of Financial Position ...	107

Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 Mayor`s Report

**PUO YA TEKANYETSOKABO
YA MASEPALA WA SEDIKA SA BOJANALA,
YA NGWAGA WA DITSHELETE WA 2017 / 18**

**KA
MEYARAMOGOLO WA SEDIKA**

Mme Fetsang MOKATI

Motsheganong a le 31, 2017

**2017 / 2018 BOJANALA PLATINUM DISTRICT MUNICIPALITY BUDGET
SPEECH DELIVERED BY THE EXECUTIVE MAYOR, Cllr FETSANG MOKATI
DURING A COUNCIL MEETING HELD IN THE BPDM OLD TOWN HALL ON
WEDNESDAY, 31st MAY 2017.**

- Speaker of Council, Councillor Asnath Molekwa
- Chief Whip of the Ruling Party, Councillor Simon Klaas
- Members of the Mayoral Committee
- Chairperson of the MPAC, Councillor Solomon David's
- Mayors and Speakers of our Local Municipalities
- Traditional Leaders and Members of the Traditional Houses
- Fellow Councillors
- The Acting Municipal Manager and the Entire Administration
- Members of the ward committees
- Representatives of all stakeholders present here
- Ladies and gentlemen Fellow South Africans
- Members of the Media
- Distinguished Guests

Bagaetsho Dumelang,

Madam Speaker it is a great honor and privilege to stand before this council as the executive mayor to deliver the first budget speech of the 4th generation IDP of the Bojanala Platinum District municipality.



/2...

Madam Speaker, allow me to take this opportunity to thank the current President of our glorious movement the ANC, Cde JG Zuma, for declaring this year as a year of Reginald Oliver Tambo, under the theme ... "UNITY IN ACTION"
Cde. OR was a selfless and remarkable leader, lawyer by profession and a humanist to the marrow. Cde. OR would have turned 100 years old had he have lived to this day. His legacy is still lives on.

As once said by the former President Nelson Mandela

I quote

"OLIVER LIVED BECAUSE HE HAD SURRENDERED HIS VERY BEING TO THE PEOPLE OF SOUTH AFRICA" end of quote

This signified the manner that OR had committed his being to freeing this land from the clutches of minority rule and institutionalized oppression.

As I table the 2017/2018 financial year budget of Bojanala Platinum District Municipality I am absolutely confident that this budget will change the lives of our people for the better.



/3...

The Premier of Bokone-Bophirima, Rre Supra Obakeng Ramoetsi Mahumapelo has launched the OR Tambo Public Service Excellence Awards as well as the OR Tambo Top Maths and Science achievers for all grade 12 learners in all our Villages, Township and Small Dorpies (VTSD) schools, we should rally around that call and work towards making it a living reality.

These two programs seek to enhance Cde. OR Tambo's dream of a better life for South Africans through service excellence and an educated nation.

Madam Speaker,

Let us remember that today – it's a World NO TOBACCO Day. We cannot ignore the impact that tobacco has in our society. Tobacco threatens our future and damages our health.

According to the World Health Organization – tobacco kills over 7 million people a year and costs trillions of rands in healthcare and lost productivity.

Bagaetsho ga go thari – gore re ka tlogela motsoko – mme le wa dinko tota.

On behalf of the members of this council, management and staff – allow me to send my condolences to Bapo ba Mogale Traditional House and the community of

MTREF

Bapong in Madibeng, of the passing of Kgosi Edward *Bob* Mogale who was laid to rest on the 27th of May 2017.



/4...

On Violence against women

Also allow me to also send my condolences on behalf of Bojanala Platinum District Municipality, to the family of Karabo Mokoena and all other families including those elderly people who have been raped and brutally killed.

Madam Speaker, let me stand here in full condemnation of these vicious attacks on women. The number of these violent crimes against women is very disturbing. Therefore let Us stand as leaders and make a call to Our communities to unite and identify these perpetrators that true and real justice can be applied to heal the broken hearts on the next of kin of the deceased.

There are many cases of murder, abductions – senseless acts of abuse within our society.

Few weeks ago, a 15 year old girl, was brutally murdered by unknown people in Dr Kenneth Kaunda District Municipality. Later a burnt body of this young girl was found in an open field at Extension 7 in Jouberton.

We are informed that a suspect has been arrested following this horrible acts of madness by these merciless animals.



/5...

Madam Speaker,

Shockingly, just yesterday, South Africans woke up with grieving hearts – sad news about another woman who had been killed. The body of Thembesile Yende, an Eskom employee was found lying dead in her office near Springs – this is after she was reported missing for more than ten days. We send our condolences to the family, friends and co-workers of this 29 year old woman, Thembesile Yende. We must all stand up fight against this abuse that is destroying our future.

MTREF

We also mourn together with the people of Madibeng who lost a courageous youth Ontlametse Phalatse from Hebron – who was laid to rest recently. Ontlametse was the first black South African to have been diagnosed with a disease called Progeria – a rare condition which causes rapid premature ageing.

Her life was inspiring that no matter the circumstances one must soldier on.

While in Madibeng – Madam Speaker – lets congratulate the Shalamuka Xitsonga Culture Group from Klipgat, which were invited to a month long activity in the South American country of Columbia.

Re ipela ka bone – gonne ba ne ba tsholeditse folaga ya naga ya rona ya Afrika Borwa – mme e le bana ba gone mo gae mo.



/6...

Allow me Madam Speaker to acknowledge,

Mr Ramaele David Gatebe for putting Bojanala Platinum District Municipality and Rustenburg in particular, on the map, for winning the 2016 Comrades Marathon Champion, Mr Gatebe is currently preparing to defend his championship.

Also Mr Godfrey Kenni Rangaka, who was awarded the freedom of the City of Rustenburg as the most loved and caring, pragmatic entrepreneur and philanthropist, with big investment in the township of Tlhabane.

Re le Masepala wa Sedika sa Bojanala – re ba rolela hutshe...

Mme Mmusakgotla,

Ke dinako tsa mariga tse – ke dira boikuelo mo baaging ba Sedika sa Bojanala – le baagi ka kakaretso mo nageng, gore ba itlhokomele mo meelong e e bakang dikotsi tsa matlhotlhapelo.

Ke gakolola ka se gonne – go na le Mme yo a sheleng lore – a shela mo mokhukung wa gaagwe mo Unit 8 ko Mogwase. Re romela molaetsa wa matshidiso ko lelapeng le masika a motswasetlhabelo yo wa melelo e e bakang dikotsi tse di utlwisang bothoko



/7...

A re itlhokomeleng bagaetsho – naga ya rona ya Afrika Borwa e ya lo tlhoka.

Madam Speaker,

I will be failing in my responsibilities – as the chairperson of the South African Local Government Association (SALGA) in the province, if I don't flag this concern now and here ...

We condemn in the strongest possible terms – the burning of the municipal building or community property in our municipalities. We are living in a democratic country, everyone has a constitutional right to protest, but I do not think there is a right to destroy property and hurt others.

Our Vision for the next five years

Our strategic vision for the next five (5) years is in full alignment with the Five (5) Concretes of the 5th Administration of Bokone Bophirima, namely **Rebranding, Repositioning and Renewal**.

The following are the 5 concretes:

1. VTSD – Villages, Townships, and Small Dorpies
2. ACT – Agriculture, Culture, and Tourism
3. RHR - Reconciliation, Healing and Renewal
4. Setsokotsane and
5. Saamwerk – Saamtrek



/8...

Ladies and Gentlemen allow me to applaud the province for embarking on a legislative process aimed at passing a VTSD Preferential Bill in the North West Provincial Legislature. This Bill that will see 70% procurement from local service providers as a step to enhance **Radical Economic Transformation** in the province.

This shall be realized through the activation of **Chambers of Commerce** which will act as a tool to prepare our service providers in order to comply with Municipal Finance Management Act (MFMA) procurement system.

Madam Speaker, allow me to bring it to the attention of the house that Bojanala Platinum District Municipality is not a Water Services Authority therefore we are not legible to receive **Municipal Infrastructure Grant (MIG)** funds.

It is a legislative mandate that we have converged here today, 30 days before the beginning of a new municipal financial year, that I present before your august house the **4th Generation Integrated Development Plan (IDP 2022) and its Medium Term Revenue & Expenditure Framework (MTREF) Budget** for Our District Municipality, Bojanala Platinum.



/9...

This budget, over and above the alignment to the 5 Concretes of the 5th Administration, is founded on the following principles:

- ✓ Institutional Transformation
- ✓ Organisational Development
- ✓ Basic Service Delivery
- ✓ Local Economic Development
- ✓ Municipal Financial Management and Viability
- ✓ Good Governance and Public Participation

These major Institutional Key Performance Areas (KPA's), are the pillars on which our proposed Fiscal Appropriation for the next 3 years hinges.

It is crafted in a manner such that our Line Function Departments are focused on delivering qualitatively, effectively and efficiently as required by law.

The following are the Departments through which services to Our People in this District will be delivered :

1. Local Economic Development, Tourism, Agriculture and Rural Development – headed by MMCs D Tlabyane & L Moate respectively;
2. Technical Services – headed by MMC L Madiba;
3. Health & Environmental Services – headed by MMC V Maluleka;
4. Community Development Services – headed by MMCs J Kgarimetsa and V Moche;
5. Budget & Treasury – headed by MMC B Mantsho;

/10...

6. Special Projects - (located in My office and guided by MMC F Gwegwe);
7. Regional Planning – headed by MMC N Rakolle; and
8. Corporate Support Services. This is an inwardly looking line function that ensure that all administrative matters of both Council and the Municipal Administration are effected. It is headed by MMC M Papa.

Having sketched out how our delivery system looks like, and its anchors, Honorable Speaker of our Council;
Members of the Mayoral Committee and MPAC;
Ladies and gentlemen,

It is my pleasure to table before this august house our proposed Fiscal Appropriation for the next medium expenditure cycle.

Our Fiscal stance is conservative though which cognisance of the redistributive nature a Developmental State has to adopt. It is aimed at building a Bojanala Platinum District Municipality that is a home of excellence, opportunities and a better life with limited resources at our disposal.



/11...

Madam Speaker,

In May 2016 our Council met here in order to propose a Budget that led to the following highlights:

Through our **Community Development Services, the following have been our achievements:**

- **Donation of *Rapid Response Units for Disaster Rapid Response:*** The local municipalities of Moretele and Kgetlengrivier each was allocated medium sized rapid response Fire engine worth R 2 million.
- **Response to incidents road accidents:** Our Fire and Emergency Rescue Services responded to over 500 vehicle roads accidents in the three local municipalities we are responsible for in terms of the powers and functions.
- **Completion of the Mmakau Sports facilities:** The Sports Complex in ward 19 has been completed, and will form part of Our Handover Month programme in the new Financial Year. This facility is equipped with a multi-purpose Hall, Tennis courts, Volleyball courts, Basketball pitches as well as a football pitch. BPDM spent R7 million on this multiyear project that was launched in 2014/15 financial year.



/12...

- **Non-State sector Expanded Public Works Programme (EPWP)** – through the memorandum of Understanding signed between the BPDM and Department of

MTREF

Public works, we have been able to create about 34 job opportunities through the R1,5m allocated to us.

Our social contribution to our local municipalities have seen a number of bereaved indigent families bury their loved ones in dignity. This support has been given in line with indigent policies from their respective local municipalities.

In the coming financial year - 2017/2018 as Bojanala District; we shall continue to provide support to our constituent local municipalities with our limited resources. Through our **Health & Environmental Services**, Madam Speaker we are proud to have provided the following services:

- **Air Quality Management** together with **Municipal Health services** have been able to earn BPDM over **R100 000** in revenue. This has been mainly through air pollution licensing as well as fines levied for violations of municipal health By-Laws.



/13...

- **Waste management Services:** We have been able to assist the local municipalities of Rustenburg and Kgetlengrivier to clear more than **50tons of waste and rubble** from either their waste transfer stations, and closure of illegal dumping sites.

Madam Speaker, honourable members of Council, ladies and gentlemen

In driving towards a more inclusive growth in our district, Our **Economic Development, Tourism, Agriculture and Rural Development Department** has been able to deliver on the following :

- **Enterprise development:** The establishment of Disake Sewing Project that is located in Moses Kotane local municipality ward 5. This project benefits our elderly and creates income for their sewing business Disake and Mokgwalaneng villages. You will note that this area is part of the Comprehensive Rural Development Program (CRDP) nodal points.



/14...

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- **Rural Development & Agriculture:** The Rural Development Agriculture functionaries have been working to infuse more energy and life into the envisaged Agri-Hub in Moretele local municipality. This hub is sited in Makanpastad, and together with a few Farmer Production Support Units across the district, will propel agriculture as an Economic Sector forward. We are also hoping that our farmers will also take the opportunity to participate in this process so that they can also be part of the fast growing agri-value chain.

The District Rural Development Plan (RDP) as has been ably developed by the Department for Rural Development and Land Reform will be formally adopted by Council soon.

- In an effort to make a positive impact on **Tourism development:** We have recently finalised the Tourism Master plan. This plan will push tourism development in our region forward.

It is our belief that together with Tourism associations, heritage associations new routes & products will be developed and grown to iconic status.



/15...

Infrastructure Development initiatives

Several infrastructure development projects have been activated, some completed while others are multi-year type projects.

To this end we have been able to :

- We have been able to complete a connector road in Letlhakeng within the Moses Kotane Local municipality, and as a multi-year projects, we will complete the entire 2km at the end on the 2017/18 Financial year.
- In this coming financial year, we shall be supporting Kgetlengrivier to reduce both unaccounted for water losses and interruptions replacement of old asbestos pipes with modern infrastructure.
- In Moretele LM we have spent nearly R8m in the VTSD areas of Slagboom, Cyferskuil, Waalman and Mogogelo, to bring our communities decent levels of sanitation as well safe drinking water.



/16...

Baagi ba Sedika sa Bojanala,

- We are inviting all of you to create a safe environment for our women and children in our society. To this end we have worked with, and will continue to collaborate with **Community Safety Forums, Department of Public Safety and the Police** to ensure that South Africans feel, and are Safe as the Medium Term Strategic Framework of Cabinet and the Outcomes of the Presidency enjoins us all.

Contribution from special projects...

The office of the Executive Mayor is seriously taking into consideration the plight of the vulnerable groups in the district. These include people living with Disability, the Elderly, Children, Women and the Youth.

The office will continue to support these groups so that they no longer feel marginalized in our society.



/17...

Mme Mmusakgotla,

Go tswa mo kantorong yame jaaka Majoro wa sedika – re kgonne mo nakong a fetileng go rotloetsa bana go tseba ko ditheong tsa thuto tse dikgolwane ka Mayoral Bursary Scheme.

Ke maikaelelo a rona jaaka sedika go tswela go ema bana ba rona nokeng – gore le bone ba bone botshelo jo bo tokafetseng ka thuto jaaka thebe ya bone.

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Mme mo ngwaga tekanyetsong e e felang ya 2016/2017 – re kgonne go duela seelo sa madi a a kana ka R 1,3 million gore basha bale 26 ba tswetse dithuto tsa bone ko ditheong tsa thuto tse di kgolwane.

Re santse re le mo go tsa thuto – kantoro yame e bolotse letsholo la go tlhotlhomisa le go netefatsa gore basha ba – ba falola dithuto sentle – le gore re ele tlhoko fa madi a puso a dirisiwa ka mokgwa o o tshwanetseng.

The new intake which shall see more students' afforded an opportunity to study further in the financial year 2017 /18 will resume as soon as this budget is passed and the selection process shall be guided by our bursary policy for transparency and fairness.



/18...

Madam Speaker,
Ladies and Gentlemen

It will be dishonest of me to say we inherited a well-oiled machine. We battled at the outset with difficult structural issues related to our relationship with Auditor General of South Africa, a process that is still on the mend.

We are now moving steadily towards achieving a clean audit as was the case five years ago. It is an arduous task I must emphasize honorable Councilors.

Our beloved Bojanala District is predominantly a rural district municipality, with a huge population concentration in the urban areas, making decision related to spatial planning an interesting challenge.

It is common knowledge nearly half of the population of the North West resides in our district, further that the more than 56% of the economic output of this province is generated within this district. Jaanong batho ba ikatametsa fa meepong.



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/19...

Madam Speaker,

In order to capitalize on the facts as stated earlier, in the next three months I will be launching an Economic Advisory Council that will sit every quarter. This Council will be composed by finest economic and social thinkers and will be able to herd together.

This Council will amongst other things, advise our municipality on the best economic & enterprise development policy to implement locally as well as assist with mobilizing funding and project implementation of high level catalytic projects. This will be achieved through the Village, Townships and Small Dorpies program.

This in our view Madam Speaker and honourable Councillors, is our simple interpretation of ensuring radical and social economic transformation.

Further, the old Central Business Districts of Brits and Rustenburg have experienced serious capital flight and economic leakages, in a Saamtrek Saamwerk philosophy BPDM will be implementing a targeted Urban Renewal programme in conjunction with the National Treasury and the two local municipalities of Madideng and Rustenburg.



/20...

I will come back with details on this ambitious programme in the next three months.

Madam Speaker allow me to table Our proposed Budget:

Our total income for the next financial year, i.e. 2017 /18 is R 319 million and will grow steadily to R339 million in the 2019/202 financial year.

This is made up mainly of the grants and subsidies as we do not have any direct trading services, this limits our revenue projections.

Further components of our proposed MTREF Budget are the following in summary:

Source of Revenue	Allocation
1. Equitable Share	R 313 million
2. Expanded Public Works Programme (EPWP)	R 1,7 million
3. Finance Management Grant (FMG)	R 1,250 million
4. Rural Road Assets Management Grant (RRAMS)	R 2,3 million
5. Interest Revenue	R 1,1 million

MTREF

6. Other Income / Revenue	R 630 thousand
Total allocation	R 320m

/21...

The proposed budget tabled today has undergone stringent cost cutting measures to ensure that we only focus on those items that would ensure that we provide the best services to our community.

While we may not have been able to please all of you honourable councillors, we are committed to doing much more in relation to streamlining our Budget towards a more consolidated appropriation by 2018/20

Departments have ensured that no effort is spared to cut down costs that are not crucial. Day-to-day operational costs have been narrowed down to the bare essentials.

In terms of our **operating revenue...**

Our operating revenue has decreased by R2.3 million for the 2017/18 financial year when compared to the 2016/17 Adjustments Budget.

This has been caused by the fact that the municipality has received an amount of R7 956 million from Seta as conditional grant (Abasebenzi) of which for the 2017/18 financial there will be a zero allocation.

Please Councillors make sure that you complete your IRP forms and do the right thing.

/22...

The total operating expenditure for the 2017/18 financial year has been appropriated at R301 million and translates into a budgeted surplus of R18 670 million, when compared to the 2016/17 Adjustments Budget, operational expenditure has decreased by -6% per cent in the 2017/18, the reason for the decreased is because we have reduced it to have transactions and reserves .

The capital budget of R3.5 million for 2017/18 is 5.5% per cent higher when compared to the 2016/17 Adjustment Budget. Bojanala municipality capital budget is mainly for other asset, vehicles, office furniture, and ICT technology as tools of trade.

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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.

**/23...**

The budgeted allocation for employee related costs for the 2017/18 financial year indicate a need to come up with a turnaround strategy to reduce the high value.

Surely this impact so badly on our capital budget hence we shall embark on route to either supplement the budget or reduce on employee cost.

As part of the municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized. The high percentage of salaries is more than the circular 71 of Ratio of at least 35% of the total operating budget and ours is 56% excluding councillors,

The cost associated with the remuneration of councillors is determined by the Minister of Cooperative 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 % percent has been provided in the 2017/18 budget.

Mme Mmusakgotla, Magosi a rona aa tlotlegang,
BoRre le BoMme,

Ke tsaya tshono eno gore ke lo sedimose tse sengwe gape se se botlhokwa se eleng karolo ya rona le go boloka ngwao tsa rona jaaka bana ba ga Lowe.

**/24...****Support to S'khumbuzo in Kayakulu**

Go ya ka tekanyetso e re nang le yona, re tsile go tswelala go tshegetsa Magosi a rona jaaka re dirile ka moletlo wa S'Khumbozo ko Kayakulu.

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Seno Mme Mmusakgotla le Magosi a tlotlegang, ke maikano a rona re le masepala wa Sedika sa Bojanala, e leng go tshegetsisa Magosi le go boloka tirisano mmogo go ya pele.

Uniforms to 3 schools in Mabaalstad

Re sa le fao, masepala wa Bojanala o setse re thusitse bana ba dikolo tse di latelang ka yunifomo ya sekolo. Ke dikolo tsa ko Mabalstadt – tsone ke Keoagile Primary School, Puso Primary School le Moefi High School.

Madam Speaker,

The municipality continues to provide financial and technical support to our local municipalities towards sound financial management and better audit opinion. It is however, still relevant to acknowledge that more commitment, determination and close cooperation is still obligatory from all our partners so that we translate the foundation laid into a meaningful and lasting improvement on our peoples living conditions.



/25...

I wish to thank our communities, councilors, our local municipalities, traditional leaders, business and national and provincial governments and all stakeholders for their support and joint effort in striving to make Bojanala District a better place to live in.

This Budget is guided by practical prioritization determined by the realities of our resources capacity informed by our local municipalities and other stakeholders as defined by Chapter five (5) of Local Government Municipal Systems Act No. 32 of 2001.

Madam Speaker, I think I should say that again – the Bojanala Platinum District Municipality unlike other district municipality in the province, is not a Water Services Authority and therefore is only dependent on grants as a source of revenue and income

In conclusion Madam Speaker,

Allow me to acknowledge and appreciate the role played by combine effort of the following structures in accelerating service delivered and putting Bojanala on top of Bokone Bophirima and one amongst the best in the country.

MTREF



/26...

Members of the Mayoral Committee,
Members of the MPAC & Audit Committee,
Honorable Councilors (all political parties)
Acting Municipal Manager,
Acting Chief Financial Officer,
Senior Management,
Chief of Staff

And the entire staff for having worked sleepless nights to ensure that the aspirations and wishes of our community do get necessary attention.

We can only achieve great things if we work together and I believe that this was a team effort. The credit is shared by all who played a part in tabling this final product today.

As we move forward in reflecting and implementing our programmes, we need to make sure that we have the same commitment, dedication, cooperation, collective leadership and excellent performance that we continue to make Bojanala Platinum District Municipality a star of the province of Bokone Bophirima.

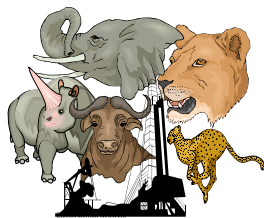


/27...

Honorable Madam Speaker,

It is therefore my pleasure to present to council the IDP and Budget for the Financial Year 2017 / 18 for Consideration and Approval.

Ke a leboga – gore lo be lo nkadimile ditsebe tsa lona Bagaetsho ...



1.2 Council Resolutions

On 31 May 2017 the Council of Bojanala District Municipality met in white hall to consider the final annual budget of the municipality for the financial year 2017/18. The Council approved and adopted the following resolutions: no.

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 draft annual budget of the municipality for the financial year 2017/18 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) as contained in Table 18 on page 31;
- 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 33;
- 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 37; and
- 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 34.

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 as contained in Table 20 on page 35;
- 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 41;
- 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 22 on page 37;
- 1.2.4. Asset management as contained in Table 23 on page 39; and
- 1.2.5. Basic service delivery measurement as contained in Table 24 on page 41.

2. To give proper effect to the municipality's annual budget, the Council Bojanala Platinum District Municipality approves:

MTREF

- 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 1st July 2017 based on the percentage as approved by the South African Local Government Bargaining Council (Excluding Section 57 Managers).
- 2.3. That the salary packages of the Municipal Manager and Section 57 managers be adjusted with 7.4%, percent with effect from 1 July 2017.
- 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.

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 2017/18 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, 71,75,74,85 and 86 were used to guide the compilation of the 2017/18 MTREF.

The main challenges experienced during the compilation of the 2017/18 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- 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 bloated structure that continue to exceed the ratio of at least 35% of the operating budget according to the circular 71.
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2017/178 to 2018/2020 MTREF:

MTREF

- The 2017/18 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 2017/18 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.

1.3 Executive Summary

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.

MTREF

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 2017/18 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. Fetsang Mokate
EXECUTIVE MAYOR

Comment [JC1]: Change name

Comment [DD2R1]:

Comment [DD3R1]:

Comment [DD4R1]:

Comment [DD5R1]:

1.4 In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2015/2016 MTREF

Description	Final 2016/17	Budget year 2017/18	Budget year + 1 2018/19	Budget year + 2 2019/20
R Thousands	R,000	R,000	R,000	R,000
Total Operating Revenue	323,376	320,143	327,029	339,075
Total Operating Expenditure	320,409	301,473	322,275	338,639
Surplus/Deficit for the year	2,967	18,670	4,754	436
Total Capital Expenditure	2,234	3,523	24,041	4,267

Description	Decrease R 2017/18	Decrease % 2017/18	Increase R 2018/19	Increase % 2018/19	Increase R 2019/20	Increase % 2019/20
R Thousands						
Total Operating Revenue	2,313	-0.72%	5,966	1.82%	12,046	3.55%
Total Operating Expenditure	724	-0.23%	33,061	9.34%	19,918	5.33%

MTREF

Total operating revenue has decreased by 0.72% per cent or R2.3 million for the 2017/18 financial year when compared to the 2016/17 Adjustments Budget. For the two outer years, operational revenue will increase by 1.8 and 3.5 per cent respectively, equating to a total revenue growth of R20.3 million over the MTREF when compared to the 2016/17 financial year.

Total operating expenditure for the 2017/18 financial year has been appropriated at R301

Million and translates into a budgeted surplus of R19 million, the surplus will be used for the following: Provisions, Finance lease and creditors. When compared to the 2016/17 Adjustments Budget, operational expenditure has decreased by 0.23% per cent in the 2017/18, the reason for the decreased is because we have reduced it is to have transactions and budget for the line items that we did not budget for in the past financial years.

The operating cash surplus for the two outer years steadily increases to R18 million for the 2018/19 which is 1.82%, and for the 2019/20 the surplus is 3.5%. These surpluses will be used to further ensure cash backing of reserves and funds.

The capital budget of R2.3 million for 2017/18 is 5.5% per cent higher when compared to the 2016/17 Adjustment Budget. 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 302 943 million for 2016/17 financial year and increases to R318 413 million by 2017/18. The 2018/19 financial year increase is 2.4 percent and 2019/20 is 3.6%.

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

MTREF

Table 4 Operating Transfers and Grant Receipts

DC37 Bojanala Platinum - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		252 826	262 408	269 876	298 978	320 417	320 417	318 413	325 329	337 325
Local Government Equitable Share										
Local Government Equitable Share		246 049	255 854	262 980	293 747	310 435	310 435	313 057	321 870	333 726
RSC Levy Replacement		1 172	1 327	1 250						
Finance Management		954	890	934	1 250	1 250	1 250	1 250	1 000	1 000
Energy Efficiency and Demand Management		1 129	2 327	1 191	930	5 000	5 000			
EPWP Incentive				3 521	1 041	1 557	1 557	1 747	-	-
Rural Assets Management Grant		3 521	2 010		2 010	2 175	2 175	2 359	2 459	2 599
Provincial Government:		-	-	-	-	725	-	-	-	-
Rural Assets Management Grant						725				
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	252 826	262 408	269 876	298 978	321 142	320 417	318 413	325 329	337 325
Capital Transfers and Grants										
National Government:		-	-	2 071	2 156	2 234	2 234	-	-	-
Other capital transfers/grants <i>[insert desc]</i>				2 071	2 156	2 234	2 234			
Provincial Government: Other capital transfers/grants <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
District Municipality: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	2 071	2 156	2 234	2 234	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		252 826	262 408	271 947	301 134	323 376	322 651	318 413	325 329	337 325

The Rural Asset Management System grant of R2 359 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 operation.

Operating Expenditure Framework:

The municipality's expenditure framework for the 2017/18 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;

MTREF

- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- 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 2017/18 budget and MTREF (classified per main type of operating expenditure):

Table 11 Summary of operating expenditure by standard classification item

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year 2019/20
	1	A	B	C	D	E	F	G	H	I
Other Municipal Staff										
Basic Salaries and Wages		68,605	74,391	81,591	66,930	93,908		100 382	107,245	114,7
Pension and UIF Contributions		11,154	11,965	12,705	15,099	20,593		18,574	19,875	21,2
Medical Aid Contributions		6,730	8,388	8,820	6,718	7,016		9,189	9,833	10,5
Overtime		4,700	5,647	4,970	4,497	4,083		1,278	1,368	1,4
Performance Bonus		3,721	1,530	2,156		–		–	–	
Motor Vehicle Allowance	3	12,651	11,235	11,514	14,095	17,015		11,644	12,459	13,3
Cellphone Allowance	3	686	949	744	1,445	2,049		1,000	1,070	1,1
Housing Allowances	3	2,469	3,479	3,894	3,302	1,346		4,188	4,481	4,7
Other benefits and allowances	3	7,498	11,098	12,443	2,823	4,127		18,228	19,504	4,9
Payments in lieu of leave					7,946					
Long service awards								3 210	3 435	3 6
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		118,215	128,683	138,838	122,855	150,138	–	167,963	179,268	191,8

MTREF

Sub Total - Other Municipal Staff	0	8.9%	7.9%	(11.5%)	22.2%	(100.0%)	-	7.0%	7.0%
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The budgeted allocation for employee related costs for the 2017/18 financial year totals R167 963 million, which equals 55.6% per cent of the total operating expenditure. 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 7 per cent for the 2017/18 financial year. The reason for an annual increase of 7% per 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 high percentage of salaries is more than the circular 71 by 20% because of fire and Environmental health and municipality did not collect any revenue.

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 5.8% percent has been provided in the 2017/18 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 R5.3 million for the 2017/18 financial and equates to 14% 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 depreciation therefore there is no need to increase municipal depreciation. Implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

The contract service is used for the projects of the locals as they are not included on our assets register we transfer them to the locals after the completion.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Growth has been limited to -5 to 6 per cent for 2017/18 and curbed at 7% per cent for the two outer years, indicating that significant cost savings have been already realised. The municipality have budget for lease, depreciation, and creditors.

Figure 1 Main operational expenditure categories for the 2017/18 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

MTREF

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
by Expenditure Item	8										
Employee related costs											
Other materials		2 903	2 260		1 600	2 370	2 370		3 256	3 745	
Contracted Services										3 988	
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	2 903	2 260	-	1 600	2 370	2 370	-	3 256	3 745	3 988

During the compilation of the 2017/18 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 increased by 37.38 per cent in the 2017/18 financial year.

Explanatory notes to MBRR Table A1 - Budget Summary

1. 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).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms 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:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and

MTREF

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 2015/16, when a small surplus is reflected.

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

Functional Classification Description	Ref	2013/14			2014/15			2015/16			Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20						
Revenue - Functional	1															
<i>Governance and administration</i>		267 117	273 993	312 253	315 050	323 376	323 376	320 143	327 029	339 075						
Executive and council		-	-	-	-	-	-	-	-	-						
Finance and administration		267 117	273 993	312 253	315 050	323 376	323 376	320 143	327 029	339 075						
Internal audit		-	-	-	-	-	-	-	-	-						
<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>		-	-	-	-	-	-	-	-	-						
Energy sources		-	-	-	-	-	-	-	-	-						
Water management		-	-	-	-	-	-	-	-	-						
Waste water management		-	-	-	-	-	-	-	-	-						
Waste management		-	-	-	-	-	-	-	-	-						
Other	4	-	-	-	-	-	-	-	-	-						
Total Revenue - Functional	2	267 117	273 993	312 253	315 050	323 376	323 376	320 143	327 029	339 075						
Expenditure - Functional																
<i>Governance and administration</i>		277 133	304	307 116	145 485	158 299	158 299	151 940	148 679	149 218						
Executive and council		-	-	-	62 305	61 519	61 519	63 855	65 285	67 859						
Finance and administration		277 133	304	307 116	83 180	96 779	96 779	88 085	83 394	81 359						
Internal audit		-	-	-	-	-	-	-	-	-						
<i>Community and public safety</i>		-	-	-	52 170	109 223	109 223	112 238	117 011	124 596						
Community and social services		-	-	-	52 170	16 337	16 337	15 866	15 924	17 009						
Sport and recreation		-	-	-	-	-	-	-	-	-						
Public safety		-	-	-	-	58 669	58 669	58 886	62 580	66 590						
Housing		-	-	-	-	-	-	-	-	-						
Health		-	-	-	-	34 216	34 216	37 487	38 507	40 996						
<i>Economic and environmental services</i>		-	-	-	42 276	42 276	42 276	37 294	55 099	74 792						
Planning and development		-	-	-	-	14 536	14 536	16 334	17 069	18 233						
Road transport		-	-	-	-	27 740	27 740	20 960	38 029	56 559						
Environmental protection		-	-	-	-	-	-	-	-	-						
<i>Trading services</i>		-	-	-	-	-	-	-	-	-						
Energy sources		-	-	-	-	-	-	-	-	-						
Water management		-	-	-	-	-	-	-	-	-						
Waste water management		-	-	-	-	-	-	-	-	-						
Waste management		-	-	-	-	-	-	-	-	-						
Other	4	-	-	-	-	-	-	-	-	-						
Total Expenditure - Functional	3	277 133	304	307 116	197 655	309 797	309 797	301 473	320 788	348 605						
Surplus/(Deficit) for the year		(10 016)	273 689	5 137	117 395	13 579	13 579	18 670	6 241	(9 530)						

- 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.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 17 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	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		267 117	273 993	312 253	315 050	323 376	-	320 143	327 029	339 075
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]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	267 117	273 993	312 253	315 050	323 376	-	320 143	327 029	339 075
Expenditure by Vote, to be appropriated	1									
Vote 1 - Community Development		-	-	-	-	75 006	-	74 752	78 504	83 150
Vote 2 - Environmental & Health Services		-	-	-	-	35 833	-	37 487	39 368	41 904
Vote 3 - Municipal Manager's Office		-	-	-	-	22 907	-	35 176	36 901	40 114
Vote 4 - Municipal council		-	-	-	-	26 456	-	28 679	23 590	24 742
Vote 5 - Corporate Support Services		-	-	-	-	56 457	-	48 582	62 652	64 493
Vote 6 - Economic Development Agric and Tourism		-	-	-	-	14 536	-	16 334	19 269	20 033
Vote 7 - Budget and Treasury Office		277 134	304 362	307 116	-	40 322	-	32 685	27 596	28 565
Vote 8 - Technical Services		-	-	-	-	27 740	-	27 778	34 395	35 472
Vote 9 - Mayoral Executive		-	-	-	-	12 156	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	277 134	304 362	307 116	-	311 414	-	301 473	322 275	338 475
Surplus/(Deficit) for the year	2	(10 017)	(30 369)	5 137	315 050	11 962	-	18 670	4 754	600

References

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality.

Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

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

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		1,798	1,361	2,637		1,100			1,100	1,150	1,200
Interest earned - outstanding debtors											
Dividends received											
Fines, penalties and forfeits											
Licences and permits											
Agency services											
Transfers and subsidies		263,399	271,947	306,593		321,606			318,413	325,329	337,325
Other revenue	2	1,920	685	1,943	-	670	-	-	640	550	550
Gains on disposal of PPE				1,079							
Total Revenue (excluding capital transfers and contributions)		267,117	273,993	312,253	-	323,376	-	-	320,063	327,029	339,075
Expenditure By Type											
Employee related costs	2	128,683	138,838	146,374	-	156,139	-	-	170,721	182,671	195,458
Remuneration of councillors		12,505	14,304	13,721		17,127			18,172	19,207	20,283
Debt impairment	3										
Depreciation & asset impairment	2	6,657	12,990	4,337	-	4,000	-	-	6,500	6,871	7,255
Finance charges		355	-	-		250			250	264	279
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	2,260	1,821	1,810		2,370			3,006	3,177	3,355
Contracted services		10,925	94,224	-	-	74,303	-	-	63,376	66,988	70,740
Transfers and subsidies		81,457	-	81,868	-	3,000	-	-	3,000	3,171	3,349
Other expenditure	4, 5	33,451	42,144	58,935	-	63,221	-	-	52,432	55,421	58,525
Loss on disposal of PPE		841	41	72							
Total Expenditure		277,134	304,362	307,116	-	320,409	-	-	317,456	337,771	359,243
Surplus/(Deficit)		(10,017)	(30,369)	5,137	-	2,967	-	-	3,607	(10,742)	(20,168)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									3,823	4,041	4,267

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(10,017)	(30,369)	5,137	-	2,967	-	-	7,430	(6,701)	(15,901)
Taxation											
Surplus/(Deficit) after taxation		(10,017)	(30,369)	5,137	-	2,967	-	-	7,430	(6,701)	(15,901)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(10,017)	(30,369)	5,137	-	2,967	-	-	7,430	(6,701)	(15,901)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(10,017)	(30,369)	5,137	-	2,967	-	-	7,430	(6,701)	(15,901)

MTREF

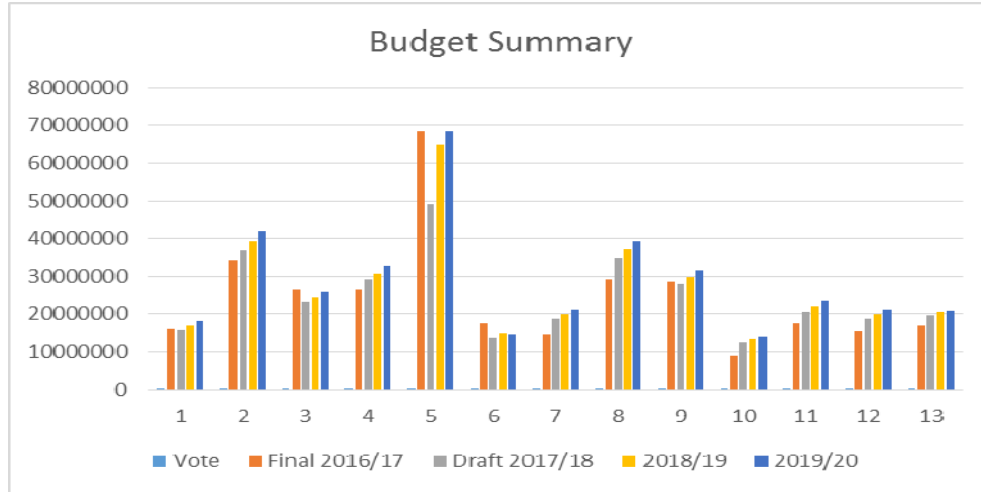
Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		1 798	1 361	2 637	1 000	1 100	1 100		1 100	1 150	1 200
Interest earned - outlanding debtors											
Dividends received											
Fines, penalties and forfeits											
Licences and permits											
Agency services											
Transfers and subsidies		263 399	271 947	306 593	313 650	321 606	321 606		318 413	325 329	337 325
Other revenue	2	1 920	685	1 943	400	670	670	-	630	550	550
Gains on disposal of PPE				1 079							
Total Revenue (excluding capital transfers and contributions)		267 117	273 993	312 253	315 050	323 376	323 376	-	320 143	327 029	339 075
Expenditure By Type											
Employee related costs	2	128 683	138 838	146 374	161 677	156 139	156 139	-	167 693	179 268	191 850
Remuneration of councillors		12 506	14 304	13 721	17 137	17 127	17 127		18 172	19 314	18 024
Debt impairment	3										
Depreciation & asset impairment	2	6 657	12 990	4 337	5 000	4 000	4 000	-	6 000	6 871	7 255
Finance charges		355	-	-	250	250	250		250	264	279
Bulk purchases	2	-	-	-	-	-	-		-	-	-
Other materials	8	2 260	1 821	1 810	1 600	2 370	2 370		3 256	3 177	3 355
Contracted services		10 925	94 224	-	17 036	74 303	74 303		17 163	17 873	18 060
Transfers and subsidies		81 457	-	81 868	24 802	3 000	3 000		17 275	21 697	22 349
Other expenditure	4, 5	33 451	42 144	58 935	71 298	63 221	63 221		71 664	73 812	77 467
Loss on disposal of PPE		841	41	72							
Total Expenditure		277 134	304 362	307 116	298 800	320 409	320 409	-	301 473	322 275	338 639

1. Total revenue is R323 376 million in 2016/17 and there is a decrease of R320 143 million in 2017/18 which is -0.1%. This represents a year-on-year increase of 4.1. The decrease realized is due to the Grants the municipality received during the 2016/17 financial year which is 7million from SETA for the internship programme coordinated by the municipality, and also the Energy Efficiency grant which we received for this financial year but for the budgeted year the municipality's allocation is Zero hence we experience the decrease
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 most important part of the municipality's revenue base.

Figure 3 Expenditure by major type

MTREF



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

DC37 Bojanala Platinum - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
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		-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure to be appropriated</u>	2										
Vote 1 - Community Development		-	-	-	-	-	-	445	713	753	
Vote 2 - Environmental & Health Services		-	-	-	-	-	-	200	211	223	
Vote 3 - Municipal Manager's Office		-	-	-	1,000	1,000	-	150	159	167	
Vote 4 - Municipal council		-	-	-	-	-	-	205	217	229	
Vote 5 - Corporate Support Services		5,307	2,071	-	1,050	1,127	-	1,503	1,588	1,677	
Vote 6 - Economic Development Agric and Tourism		-	-	-	-	-	-	200	211	223	
Vote 7 - Budget and Treasury Office		-	-	47,486	-	-	-	200	211	223	
Vote 8 - Technical Services		-	-	-	107	107	-	490	518	547	
Vote 9 - Mayoral Executive		-	-	-	-	-	-	200	211	223	
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		5,307	2,071	47,486	2,157	2,234	-	3,523	4,041	4,267	
Total Capital Expenditure - Vote		5,307	2,071	47,486	2,157	2,234	-	3,823	4,041	4,267	
Capital Expenditure - Functional											
<i>Governance and administration</i>		1,417	5,307	2,071	-	2,127	-	2,258	2,387	2,520	
Executive and council		1,417				1,000		555	587	619	
Finance and administration			5,307	2,071		1,127		1,703	1,800	1,901	
Internal audit											
<i>Community and public safety</i>		-	-	-	-	-	-	875	925	977	
Community and social services								200	211	223	
Sport and recreation											
Public safety								445	502	530	
Housing											
Health								200	211	223	
<i>Economic and environmental services</i>		15,162	-	-	-	107	-	690	729	770	
Planning and development		15,162				107		200	211	223	
Road transport											
Environmental protection								490	518	547	

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

<i>Trading services</i>		2,684	-	-	-	-	-	-	-	-	-
Energy sources											
Water management		2,684									
Waste water management											
Waste management											
<i>Other</i>											
Total Capital Expenditure - Functional	3	19,263	5,307	2,071	-	2,234	-	-	3,523	4,041	4,267
Funded by:											
National Government		17,846	5,307	2,071		2,234					
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	17,846	5,307	2,071	-	2,234	-	-			
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		1,417									
Total Capital Funding	7	19,263	5,307	2,071	-	2,234	-	-			

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (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 million for and R - Zero budget year.
3. Single-year capital expenditure has been appropriated at R3.5 million for the 2017/18 financial year and remains relatively constant over the MTREF at levels of R4 million and R 4.2 million respectively for the two outer years.

Table 20 MBRR Table A6 - Budgeted Financial Position

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash		3 984	164	2 582	16 383	16 383	16 383	16 383	23 871		
Call investment deposits	1	-	-	-	7 022	7 022	7 022	7 022	7 120	8 325	8 965
Consumer debtors	1	1 639	358	-	-	-	-	-	-	-	-
Other debtors		1 265	1 866	5 046							
Current portion of long-term receivables											
Inventory	2										
Total current assets		6 888	2 388	7 628	23 405	23 405	23 405	23 405	30 991	8 325	8 965
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associates											
Property, plant and equipment	3	39 612	42 737	47 486	31 104	31 104	31 104	31 104	48 755	51 388	54 163
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		39 612	42 737	47 486	31 104	31 104	31 104	31 104	48 755	51 388	54 163
TOTAL ASSETS		46 500	45 125	55 114	54 509	54 509	54 509	54 509	79 746	59 713	63 128
LIABILITIES											
Current liabilities											
Bank overdraft	1	5 040									
Borrowing	4	1 777	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	31 365	27 505	49 540	6 000	6 000	6 000	6 000	31 770	7 500	7 140
Provisions		14 162	19 233			2					
Total current liabilities		52 344	46 737	49 540	6 000	6 002	6 000	6 000	31 770	7 500	7 140
Non current liabilities											
Borrowing		2 059	839	-	-	-	-	-	4 086	4 100	4 300
Provisions		-	-	-	8 000	8 000	8 000	8 000	3 210	-	-
Total non current liabilities		2 059	839	-	8 000	8 000	8 000	8 000	7 296	4 100	4 300
TOTAL LIABILITIES		54 403	47 576	49 540	14 000	14 002	14 000	14 000	39 066	11 600	11 440
NET ASSETS	5	(7 903)	(2 451)	5 574	40 509	40 508	40 509	40 509	40 680	48 113	51 688
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		(8 646)	(5 194)	2 831	38 083	38 082	38 083	38 083	29 946	36 799	39 764
Reserves	4	743	2 743	2 743	2 426	2 426	2 426	2 426	10 734	11 314	11 924

Explanatory notes to Table A6 - Budgeted Financial Position

- 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 21 MBRR Table A7 - Budgeted Cash Flow Statement

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates											
Service charges											
Other revenue		1 920	611		400	150	150	150	630	550	550
Government - operating	1	263 399	272 789	306 593	313 650	322 026	297 088	297 088	318 413	325 329	337 325
Government - capital	1							2 855			
Interest		1 798	1 361	2 637	1 200	1 100	1 000	1 000	1 100	1 150	1 200
Dividends											
Payments											
Suppliers and employees		(259 867)	(279 877)	(291 094)	(291 746)	(304 276)	(304 276)	(304 276)	(278 758)	(296 043)	(309 174)
Finance charges		(355)			(249)	(25)	(25)	(25)	(250)	(264)	(279)
Transfers and Grants	1				(3 000)	(3 000)	(3 000)	(3 000)	(21 372)	(21 697)	(22 349)
NET CASH FROM/(USED) OPERATING ACTIVITIES		6 895	(5 115)	18 136	20 255	15 975	(6 208)	(6 208)	19 763	9 025	7 273
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		684		934							
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(5 307)	(2 071)	(16 653)	(2 156)	(2 234)	(2 234)	(2 234)	(3 593)	(4 041)	(4 267)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 623)	(2 071)	(15 719)	(2 156)	(2 234)	(2 234)	(2 234)	(3 593)	(4 041)	(4 267)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(879)									
NET CASH FROM/(USED) FINANCING ACTIVITIES		(879)	-	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		1 394	(7 186)	2 418	18 099	13 741	(8 442)	(8 442)	16 170	4 984	3 006
Cash/cash equivalents at the year begin:	2	2 589	3 984	164	2 589	608	3 984	3 984	7 800	23 970	28 954
Cash/cash equivalents at the year end:	2	3 983	(3 203)	2 582	20 688	14 349	(4 458)	(4 458)	23 970	28 954	31 960

References

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

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	3 983	(3 203)	2 582	20 688	14 349	(4 458)	(4 458)	23 970	28 954	31 960
Other current investments > 90 days		(5 039)	3 367	-	2 717	9 056	27 863	27 863	7 021	(20 629)	(22 995)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(1 056)	164	2 582	23 405	23 405	23 405	23 405	30 991	8 325	8 965
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	28 461	25 519	49 540	6 000	6 000	6 000	6 000	10 255	7 500	7 140
Other provisions											
Long term investments committed	4										
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		28 461	25 519	49 540	6 000	6 000	6 000	6 000	10 255	7 500	7 140
Surplus(shortfall)		(29 517)	(25 354)	(46 958)	17 405	17 405	17 405	17 405	20 736	825	1 825

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

MTREF

1. 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.
2. 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".

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate 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.

DC37 Bojanala Platinum - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	-	-	2,234	-	3,823	4,041	4,267
Operational Buildings		-	-	-	-	107	-	200	211	223
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	107	-	200	211	223
Computer Equipment		-	-	-	-	1,000	-	1,400	1,480	1,563
Furniture and Office Equipment		-	-	-	-	327	-	923	975	1,030
Transport Assets		-	-	-	-	800	-	1,300	1,374	1,451
Operational Buildings		-	-	-	-	107	-	200	211	223
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	107	-	200	211	223
Computer Equipment		-	-	-	-	1,000	-	1,400	1,480	1,563
Furniture and Office Equipment		-	-	-	-	327	-	923	975	1,030
Transport Assets		-	-	-	-	800	-	1,300	1,374	1,451
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	-	-	2,234	-	3,823	4,041	4,267
EXPENDITURE OTHER ITEMS										
<u>Depreciation</u>	7	-	-	-	-	-	-	6,500	6,871	7,255
<u>Repairs and Maintenance by Asset Class</u>	3	12,990	-	5,000	-	-	-	3,006	3,177	3,355
Operational Buildings		-	-	-	-	-	-	1,445	1,527	1,613

Bojanala District Municipality 2017/18 Annual Budget and

MTREF									
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	1,445	1,527	1,613
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	571	603	637
Intangible Assets	-	-	-	-	-	-	571	603	637
Computer Equipment	-	-	-	-	-	-	50	53	56
Furniture and Office Equipment	12,990	-	5,000	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	940	994	1,049
Libraries Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	12,990	-	5,000	-	-	-	9,506	10,047	10,610

Part 2 – Supporting Documentation

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.

1.3.2 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
<p>Review and finalisation of the IDP/Budget process plan with the guidance of the Municipal Finance Management Act and Municipal Systems Act.</p> <p>Consultation on the 2015/16 IDP Framework and IDP/Budget process plan with all stakeholders.</p> <p>Tabling of the IDP/Budget process plan.</p>	July – Aug 2016
<p>IDP/Budget process plan made public.</p> <p>Presentation of the IDP Framework and Process Plan to the 1st IDP Representative Forum</p> <p>IDP Context and Process</p> <p>Community Needs analysis and prioritisation and by local municipalities.</p> <p>Consolidation & Presentation of community needs/issues to the IDP Managers Forum</p>	Sept – Oct 2016
<p>Presentation of the status quo to the 2nd District IDP Representative Forum.</p>	Nov 2016
<p>Mid Term Performance and Budget Review</p> <p>Review/development of strategic priorities review of municipal vision and mission.</p> <p>Determination of strategic objectives for service delivery and development for next three year budget including review of provincial and national sector and strategic plans.</p>	Dec 2016 – Jan 2017
<p>Tabling of 2014/15 Annual Report to Council.</p> <p>Publication of the Annual Report and commencement of the MPAC work with public on the content of the Annual Report.</p> <p>District IDP Manager’s Forum: Review/identification of the projects in line with reviewed municipal objectives and priorities.</p> <p>IDP Forum Meetings to consider the preliminary drafts of the IDPs and budgets, incl. Revised Tariffs for municipal services of all municipalities.</p> <p>Presentation of municipal priorities and proposed projects to sector departments.</p> <p>Presentation of BPDM of programmes/projects by Sector Departments</p> <p>Tabling and approval of the Adjustment budget.</p>	<p>Jan-Feb 2017.</p> <p>Jan – Feb 2017</p>
<p>Consolidation and confirmation of final programmes & projects from internal & external departments</p> <p>Submission of budget inputs by Municipal Departments.</p> <p>Consolidation of budget inputs to finalise draft IDP/Budget for the next</p>	Jan-Feb 2017

MTREF

three financial years.	
Submission of the draft budget, IDP and plans for the next three years to management, Executive Mayor, Portfolio committees , Mayoral Committee.	Feb 2017 – March 2017
Issue notice of Council meeting to consider proposed IDP/Budget. 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.	Mar 2017
Community participation and stakeholders' consultations on the draft IDP/Budget. 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	April – May 2017
Tabling of IDP/Budget for final approval to Council. Copies of the approved IDP/Budget are sent to prescribe organs of state. Copies of the approved IDP/Budget are made public.	May – Jun 2017
Drafting and approval of Service Delivery Budget Implementation Plan (SDBIP) Approved Top Layer SDBIP is made public. Performance agreements are submitted to the Executive Mayor	Jun 2017 July 2017

1.3.3 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 2017/18 MTREF, based on the approved 2017/18 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 2017/18 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-

MTREF

year and third quarter performance against the 2017/18 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.

1.3.4 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2017/18 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 2017/18 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Performance trends
- The approved 2017/18 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.

1.4 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.

MTREF

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 2017/18 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 25 IDP Strategic Objectives

2016/17 Financial Year	2017/18 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,

MTREF

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;
 - o Ensuring safe working environments by effective enforcement of building and health regulations;
 - o Promote viable, sustainable communities through proper zoning; and
 - o 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:
 - o Optimising effective community participation in the ward committee system; and
 - o Implementing Batho Pele in the revenue management strategy.

- 5.1 Promote sound governance through:
 - o Publishing the outcomes of all tender processes on the municipal website

- 5.2 Ensure financial sustainability through:
 - o Reviewing the use of contracted services
 - o 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
 - o 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.

MTREF

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 2015/16 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	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
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	323 376	323 376	320 143	327 029	339 075
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	251 037	267 117	273 993	301 093	323 376	323 376	320 143	327 029	339 075

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

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
(Technical dep) Basic Service delivery				44 176	31 071	32 116	26 679	27 740		93 376	121 317	128 349
Community Development				51 734	55 628	60 781	63 221	16 337		15 866	17 024	18 259
Economic Development and rural development				8 095	9 446	14 070	9 313	14 736		16 334	19 269	20 033
Corporate Support Services				38 320	42 036	47 085	45 789	51 457		49 044	62 652	64 493
Municipal Financial Viability and Management				26 189	15 141	19 156	25 550	27 822		39 503	27 596	28 565
Municipal Managers office and council				45 326	65 916	75 123	58 421	62 305		50 325	35 049	37 034
Health				27 856	30 182	31 008	28 171	35 833		37 487	39 368	41 904
Allocations to other priorities												
Total Expenditure			1	241 697	249 421	279 339	257 143	236 230	-	301 934	322 275	338 639

MTREF

Table 28 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure
 DC37 Bojanala Platinum - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
(Technical dept) Basic Service delivery		A				1 096		107		490	518	547
		B										
Community Development		C								675	713	753
		D										
Economic Development and rural development		E								200	211	223
Corporate Support Services		F		48 961		311		1 127		1 503	1 588	1 677
Municipal Financial Viability and Management		G								200	211	223
Municipal Managers office and council		H			4 622	663		1 000		525	587	619
		I										
		J										
Health		K		7 104							211	223
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	56 065	4 622	2 071	-	2 234	-	3 593	4 040	4 266

The municipality does not have the infrastructure project, the budget is mainly for the office equipment furniture and fittings vehicles and computers, the district is not rendering any services hence the budget is minimal.

MTREF

1.5 Measurable performance objectives and indicators

DC37 Bojanala Platinum - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Vote 1 - vote name		100.0%								
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
1 sports facility constructed	30kms of roads paved	100.0%			50.6%	50.6%		52.0%	54.0%	55.0%
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Local Economic Development	Household connections	100.0%			24.4%	24.4%		26.5%	27.0%	28.0%
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
	water connections	2.0%			0.6%	0.6%		2.0%	2.0%	2.0%
					24.4%	24.4%		25.0%	26.0%	26.5%
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
	Number	9km%								
	Number	..								
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
	Kilometers	17kms%			12.0%	12.0%		12.0%	12.5%	13.0%
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
	Number									
		1.0%								
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
% audit queries & findings eliminated	Number	100.0%			16.0%	16.0%		17.0%	17.5%	19.0%
% audit queries & findings eliminated					8.4%	8.4%				
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
		7.0%								
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
	Number	2.0%			13.0%	13.0%		13.2%	13.9%	15.0%
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
	Number	7.0%			11.0%	11.0%		12.0%	13.0%	14.5%
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
	Number	7.0%			11.0%	11.0%		12.3%	13.1%	15.6%
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
	Number				43.0%	43.0%		44.0%	46.0%	48.0%
		0.0%								
Vote 3 - vote name		0.0%								
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
	Percentage				6.8%	6.8%		7.0%	7.2%	8.0%
	Percentage									

MTREF

Sub-function 2 - (name)									
<i>Insert measure/s description</i>									
Sub-function 3 - (name)		5.0%							
<i>Insert measure/s description</i>		5.0%							
Function 2 - (name)									
Sub-function 1 - (name)	number	4.0%							
<i>Insert measure/s description</i>	number			3.2%	3.2%		4.0%	4.1%	4.9%
	number								
Sub-function 2 - (name)									
<i>Insert measure/s description</i>				4.1%	4.1%		5.0%	5.2%	5.2%
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:

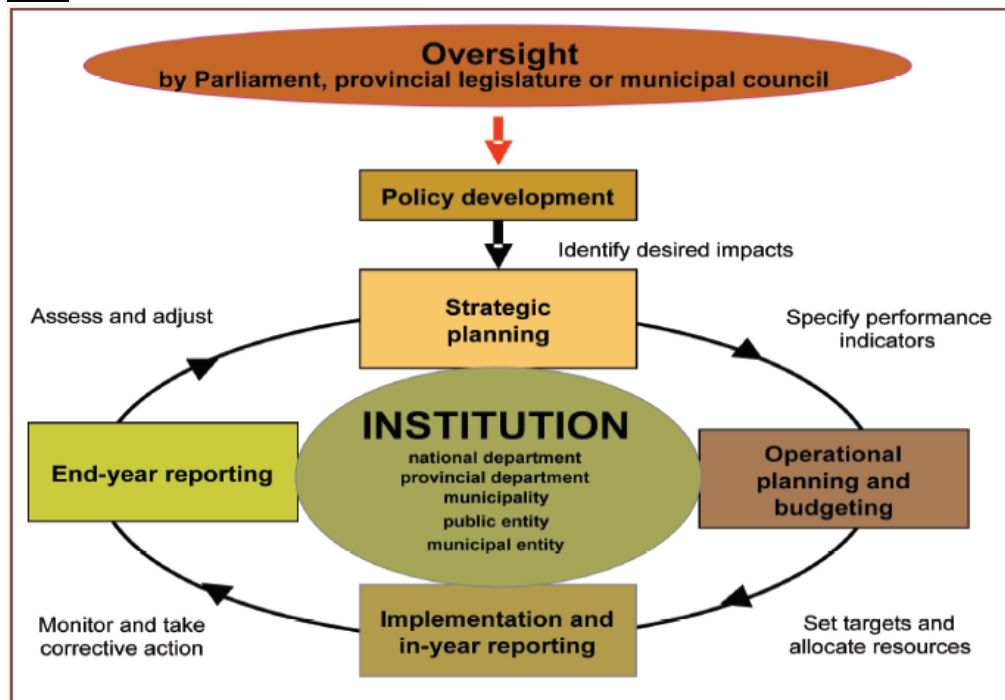


Figure 2 Planning, budgeting and reporting cycle

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:

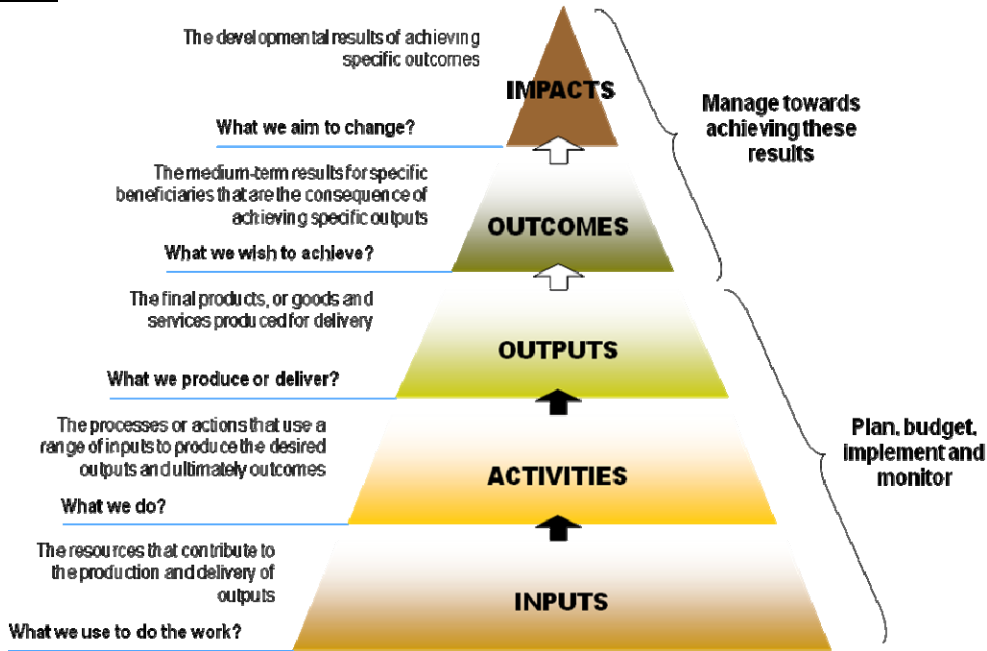


Figure 3 Definition of performance information concepts

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

MTREF

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/18 MTREF.

Table 30 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	0.4%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	33.2%	0.0%	0.0%	17.9%	14.1%	14.1%	0.0%	14.5%	15.5%	15.9%
Borrowed funding of own capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	277.1%	30.6%	0.0%	0.0%	0.0%	0.0%	0.0%	38.1%	36.2%	36.1%
Liquidity											
Current Ratio	Current assets/current liabilities	0.1	0.1	0.2	3.9	3.9	3.9	3.9	1.0	1.1	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.1	0.1	0.2	3.9	3.9	3.9	3.9	1.0	1.1	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	0.1	3.9	3.9	3.9	3.9	1.0	1.1	1.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratespayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	1.1%	0.8%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))										
Creditors to Cash and Investments		787.6%	-858.8%	1918.8%	29.0%	41.8%	-134.6%	-134.6%	42.8%	25.9%	22.3%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kWh)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	48.2%	50.7%	46.9%	51.3%	48.3%	48.3%	0.0%	52.4%	54.8%	56.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	51.5%	54.3%	51.6%	46.6%	46.4%	0.0%		58.1%	60.7%	61.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.8%	0.7%	0.0%	0.5%	0.7%	0.7%		1.0%	1.0%	1.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	2.6%	4.7%	1.4%	1.7%	1.3%	1.3%	0.0%	2.0%	2.2%	2.2%
DP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/(Debt service payments due within financial year)	2.7	0.8	4.7	1.3	1.3	1.3	-	1.5	1.4	1.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	(0.1)	0.1	1.1	0.6	(0.2)	-	1.2	1.4	1.5

1.5.1 Performance indicators and benchmarks

1.5.1.1 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 2017/18 MTREF.

1.5.1.2 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

MTREF

loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. During the 2015/16 financial year the ratio was at level 0 per cent for three consecutive years no changes has been realized. As part of the planning guidelines that informed the compilation of the 2017/18 MTREF ensuring proper cash-backing of reserves and funds has been considered a prudent financial sustainability objective, it is very difficult for the municipality dependant 100% on the share of Equity to develop a strategy for cash backing especially in this political climax

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1.5.1.3 *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 2017/18 MTREF the current ratio is 0.1 in the 2017/18 financial year and 0.1 and 0.1 for the two outer years of the MTREF with no improvements remain same. Going forward will be necessary for the municipality to 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 2 is to 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

1.5.1.4 *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. The municipality

1.5.2 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.

1.5.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in December 2005. 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.

1.5.4 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.

1.5.5 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

1.6 Overview of budget assumptions

1.6.1 External factors

The official unemployment rate rose to 7.9 percent of the labour force.

It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2017 will be 3 per cent rising to 3.8 per cent by 2018.

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.

1.6.2 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 2017/18 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 46% (Excluding depreciation) per cent of total operating expenditure in the 2017/18 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.

1.6.3 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.

1.6.4 Salary increases

Provision has been made for a 6.8% salary increase in terms of the guidelines from National Treasury

1.6.5 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.

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

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2017/18 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 2014/15 financial year

Capital grants and receipts equates to per cent of the total funding source which represents R765 thousand for the 2015/16 financial year and decrease to R84 thousands or 2.58.

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

1.6.7 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

DC37 Bojanala Platinum - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges									-	-	-
Other revenue		1,920	611		400	150	150	150	550	550	550
Government - operating	1	263,399	272,789	306,593	313,650	322,026	297,088	297,088	319,413	325,329	337,325
Government - capital	1					-	2,855	2,855	-	-	-
Interest		1,798	1,361	2,637	1,200	1,100	1,000	1,000	1,100	1,150	1,200
Dividends									-	-	-
Payments											

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

Suppliers and employees		(259,867)	(279,877)	(291,094)	(291,746)	(304,276)	(304,276)	(304,276)	(307,456)	(328,978)	(352,007)
Finance charges		(355)			(249)	(25)	(25)	(25)	(250)	(268)	(286)
Transfers and Grants	1				(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,210)	(3,435)
NET CASH FROM/(USED) OPERATING ACTIVITIES		6,895	(5,115)	18,136	20,255	15,975	(6,208)	(6,208)	10,357	(5,427)	(16,653)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		684		934					-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(5,307)	(2,071)	(16,653)	(2,156)	(2,234)	(2,234)	(2,234)	(3,823)	(4,041)	(4,267)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4,623)	(2,071)	(15,719)	(2,156)	(2,234)	(2,234)	(2,234)	(3,823)	(4,041)	(4,267)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(879)							-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(879)	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		1,394	(7,186)	2,418	18,099	13,741	(8,442)	(8,442)	6,534	(9,468)	(20,920)
Cash/cash equivalents at the year begin:	2	2,589	3,984	164	2,589	608	3,984	3,984	-	6,534	(2,934)
Cash/cash equivalents at the year end:	2	3,983	(3,203)	2,582	20,688	14,349	(4,458)	(4,458)	6,534	(2,934)	(23,854)

The above table shows that the cash and cash equivalents of the municipality have a surplus of R 153thousand.

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?

MTREF

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
DC37 Bojanala Platinum - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	3,983	(3,203)	2,582	20,688	14,349	(4,458)	(4,458)	6,534	(2,934)	(23,854)
Other current investments > 90 days		(5,039)	3,367	-	2,717	9,056	27,863	27,863	(6,534)	2,934	23,854
Non-current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(1,056)	164	2,582	23,405	23,405	23,405	23,405	-	-	-
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	28,461	25,519	49,540	6,000	6,000	6,000	6,000	-	-	-
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		28,461	25,519	49,540	6,000	6,000	6,000	6,000	-	-	-
Surplus(shortfall)		(29,517)	(25,354)	(46,958)	17,405	17,405	17,405	17,405	-	-	-

From the above table it can be seen that the cash and investments available shows figures that are dropping during the 2015/2016 and increase in outer years of the MTREF. The following graph provide an analyses 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

1.6.8 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

MTREF

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

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	3 983	(3 203)	2 582	20 688	14 349	17 725	17 725	23 970	28 954	31 960
Cash + investments at the yr end less applications - R'000	18(1)b	2	(29 517)	(25 354)	(46 958)	17 405	17 405	17 405	17 405	20 736	825	1 825
Cash year end/monthly employee/supplier payments	18(1)b	3	0.2	(0.1)	0.1	1.1	0.6	0.8	-	1.2	1.4	1.5
Surplus/Deficit excluding depreciation offsets: R'000	18(1)	4	(10 017)	(30 369)	5 137	16 290	2 967	2 967	-	18 670	4 754	438
Service charge rev % change - macro CPIX target exclusive	18(1)a(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratespayer & Other revenue	18(1)a(2)	6	100.0%	89.3%	0.0%	100.0%	22.4%	22.4%	0.0%	100.0%	100.0%	100.0%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c(19)	8	100.0%	100.0%	35.1%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(23.4%)	126.9%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	5.7%	4.3%	0.0%	5.1%	7.6%	7.6%	10.5%	6.7%	6.2%	6.2%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

1.6.8.1 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 is contained in Table 25. 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.

1.6.8.2 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 significantly for the period 2015/2016 to 2016/17, moving from 1.1 to 1.2 with the adopted 2017/18 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.

MTREF*1.6.8.3 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.

1.6.8.4 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 creditors accounts within 30 days.

1.6.8.5 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 Table 60 MBRR SA34C on page 90.

1.6.8.6 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.

1.7 Expenditure on grants and reconciliations of unspent funds**Table 41 MBRR SA19 - Expenditure on transfers and grant programmes**

DC37 Bojanala Platinum - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		249,305	260,398	269,876	298,978	320,417	-	318,413	325,329	337,325
Local Government Equitable Share										
Local Government Equitable Share		246,049	255,854	262,980	293,747	310,435		313,057	321,870	333,726

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

RSC Levy Replacement									
Finance Management	1,172	1,327	1,250	1,250	1,250		1,250	1,000	1,000
Energy Efficiency and Demand Management	954	890	934	930	5,000				
EPWP Incentive	1,129	2,327	1,191	1,041	1,557		1,747	-	-
Rural Assets Management Grant			3,521	2,010	2,175		2,359	2,459	2,599
Provincial Government:	-	-	-	-	725	-	-	-	-
Rural Assets Management Grant					725				
District Municipality: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>	-	-	-	-	-	-	1,000	-	-
<i>Capacity Building</i>							1,000	-	-
Total operating expenditure of Transfers and Grants:	249,305	260,398	269,876	298,978	321,142	-	319,413	325,329	337,325
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	-	-	2,071	965	2,234	-	-	-	-
			2,071	965	2,234				
Other capital transfers/grants <i>[insert desc]</i>									
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>									
District Municipality: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	-	-	2,071	965	2,234	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	249,305	260,398	271,947	299,943	323,376	-	319,413	325,329	337,325

MTREF

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

DC37 Bojanala Platinum - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts				271,947	299,943	322,651		318,413	325,329	337,325
Conditions met - transferred to revenue		-	-	271,947	299,943	322,651	-	318,413	325,329	337,325
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts						725		1,000	-	-
Conditions met - transferred to revenue		-	-	-	-	725	-	1,000	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	271,947	299,943	323,376	-	319,413	325,329	337,325
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	271,947	299,943	323,376	-	319,413	325,329	337,325
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

MTREF

DC37 Bojanala Platinum - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Transfers to other municipalities											
<i>Moses kotane & Madibeng</i>											
Kgetleng Local Municipality & Rustenburg	1	81 457	-	81 868	1 000	1 500	1 500		1 000	1 586	1 674
Moretele Local Municipality					1 000	1 500	1 500		1 000	1 586	1 674
Total Cash Transfers To Municipalities:		81 457	-	81 868	2 000	3 000	3 000	-	2 000	3 171	3 349
Cash Transfers to Entities/Other External Mechanisms											
<i>Moses kotane & Madibeng</i>											
Total Cash Transfers To Entities/Ems*	2	-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Moses kotane & Madibeng</i>											
Total Cash Transfers To Other Organs Of State:	3	-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Moses kotane & Madibeng</i>											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Moses kotane & Madibeng</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	81 457	-	81 868	2 000	3 000	3 000	-	2 000	3 171	3 349
Non-Cash Transfers to other municipalities											
<i>Local municipalities</i>											
Total Non-Cash Transfers To Municipalities:	1	-	-	-	22 802	-	-	-	15 275	18 526	19 000
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Moses kotane & Madibeng</i>											
Total Non-Cash Transfers To Entities/Ems*	2	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Moses kotane & Madibeng</i>											
Total Non-Cash Transfers To Other Organs Of State:	3	-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Moses kotane & Madibeng</i>											
Total Non-Cash Grants To Organisations	4	-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Moses kotane & Madibeng</i>											
Total Non-Cash Grants To Groups Of Individuals:	5	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	22 802	-	-	-	15 275	18 526	19 000
TOTAL TRANSFERS AND GRANTS	6	81 457	-	81 868	24 802	3 000	3 000	-	17 275	21 697	22 349

MTREF



Table 44 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

DC37 Bojanala Platinum - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		701,069		155,195			856,263
Chief Whip			668,688		487,419			1,156,107
Executive Mayor			847,598		495,997			1,343,595
Deputy Executive Mayor								-
Executive Committee			12,280,803		2,534,736			14,815,539
Total for all other councillors								-
Total Councillors	8	-	14,498,157	-	3,673,347			18,171,504
Senior Managers of the Municipality	5							
Municipal Manager (MM)								-
Chief Finance Officer								-
								-
								-
								-
								-
<i>List of each official with packages >= senior manager</i>								
Municipal Manager			588,678	1,152,939				1,741,617
Chief Financial Services			882,179	468,535				1,350,714
Community Development			750,723	177,129				927,852
Environmental & Health Services			396,764	645,026				1,041,790

Bojanala District Municipality 2017/18 Annual Budget and

MTREF

Municipal Manager and Senior Managers	3	7		7				7		7
Other Managers	7	29	21	8				29	21	8
Professionals		27	24	-	-	-	-	27	24	-
<i>Finance</i>		23	20					23	20	
<i>Spatial/town planning</i>										
<i>Information Technology</i>		4	4					4	4	
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>										
Technicians		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>		155	152	3				155	152	3
Clerks (Clerical and administrative)		71	56	15				71	56	15
Service and sales workers		100	101					100	101	
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations		48	48					48	48	
TOTAL PERSONNEL NUMBERS	9	466	402	62	-	-	-	466	402	62
% increase					(100.0%)	(100.0%)	(100.0%)	-	-	-
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

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

DC37 Bojanala Platinum - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20		
Revenue - Functional																		
<i>Governance and administration</i>		22 759	121	140	11 630	186	175 226	221	224	109 502	134	-	-	320 143	327 029	339 075		
Executive and council														-	-	-		
Finance and administration		22 759	121	140	11 630	186	175 226	221	224	109 502	134	-	-	320 143	327 029	339 075		
Internal audit														-	-	-		
<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>														-	-	-		
Energy sources														-	-	-		
Water management														-	-	-		
Waste water management														-	-	-		
Waste management														-	-	-		
<i>Other</i>														-	-	-		
Total Revenue - Functional		22 759	121	140	11 630	186	175 226	221	224	109 502	134	-	-	320 143	327 029	339 075		
Expenditure - Functional																		
<i>Governance and administration</i>		12 544	12 668	12 494	12 408	12 599	12 905	12 352	12 384	12 574	12 433	12 584	13 992	151 940	148 679	149 218		
Executive and council		5 474	5 549	5 370	5 405	5 600	5 549	5 566	5 599	5 348	5 425	5 478	3 452	63 855	62 265	67 858		
Finance and administration		7 070	7 121	7 126	7 003	6 999	7 357	6 786	6 785	7 226	7 008	7 106	10 500	88 085	83 394	81 359		
Internal audit														-	-	-		
<i>Community and public safety</i>		10 338	6 408	10 645	8 350	6 457	10 182	10 283	10 007	9 971	10 219	10 670	8 708	112 238	117 011	124 596		
Community and social services		1 526	1 224	1 357	1 260	1 369	1 204	1 213	1 326	1 326	1 368	1 426	1 471	15 866	15 924	17 009		
Sport and recreation														-	-	-		
Public safety		5 963	2 026	6 286	3 988	2 103	5 968	5 965	5 785	5 689	5 978	5 987	3 150	58 886	62 580	66 590		
Housing														-	-	-		
Health		3 040	3 158	3 003	3 103	2 986	3 010	3 106	3 897	2 957	2 875	3 258	4 087	37 487	38 607	40 985		
<i>Economic and environmental services</i>		2 870	3 288	3 716	3 853	3 285	2 444	2 548	3 449	3 813	2 709	4 115	1 003	37 294	55 099	74 792		
Planning and development		1 555	1 690	1 457	1 437	1 000	1 090	1 426	1 501	1 688	1 503	1 490	500	16 334	17 069	18 233		
Road transport		1 315	1 599	2 259	2 416	2 285	1 356	1 123	2 148	2 125	1 206	2 626	503	20 960	38 029	56 559		
Environmental protection														-	-	-		
<i>Trading services</i>														-	-	-		
Energy sources														-	-	-		
Water management														-	-	-		
Waste water management														-	-	-		
Waste management														-	-	-		
<i>Other</i>														-	-	-		
Total Expenditure - Functional		25 752	22 365	26 856	24 611	22 341	25 533	25 183	26 040	26 358	25 361	27 369	23 702	301 473	320 788	348 605		
Surplus/(Deficit) before assoc.		(2 993)	(22 244)	(26 716)	(12 981)	(22 155)	149 693	(24 962)	(25 816)	83 144	(25 227)	(27 369)	(23 702)	18 670	6 241	(9 530)		
Share of surplus/(deficit) of associate														-	-	-		
Surplus/(Deficit)	1	(2 993)	(22 244)	(26 716)	(12 981)	(22 155)	149 693	(24 962)	(25 816)	83 144	(25 227)	(27 369)	(23 702)	18 670	6 241	(9 530)		

2.12 Legislation compliance status

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

MTREF

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 and we are left with 4, 1 resigned.

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 2017/18 MTREF in May 2017 directly aligned and informed by the 2017/18 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. At this stage the municipality did not have any approved budget related policies stage the mayoral committee has returned all the policies,

2.13 Municipal manager's quality certificate

I Tshepo Lenake, acting 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: Tshepo Lenake
Acting - Municipal Manager of Bojanala Platinum District Municipality (DC37)

Signature

Date