



**DRAFT ANNUAL BUDGET OF**

# **King Cetshwayo District Municipality**

**2018/19 TO 2020/21**

**DRAFT MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

**MARCH 2018**

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## Abbreviations and Acronyms

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

## Part 1 – Annual Budget

### 1.1 Mayor's Report

*The Mayors report will be included once the Honourable Mayor has presented her 2018/2019 final budget Speech before Council on Wednesday, 28 March 2018.*

### 1.2 Council Resolutions

On 28 May 2018 the Council of King Cetshwayo District Municipality met in the Council Chambers of King Cetshwayo House to consider the final consolidated annual budget of the municipality for the financial year 2018/19. The Council approved and adopted the following resolutions:

1.2.1 The Council of King Cetshwayo District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

1.2.1.1 The final consolidated annual budget of the municipality and its entity for the financial year 2018/19 and the multi-year and single-year capital appropriations as set out in the following tables:

1.2.1.1(a) Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2 on page 39;

1.2.1.1(b) Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3 on page 41;

1.2.1.1(c) Consolidated Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4 on page 42; and

1.2.1.1(d) Consolidated Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5 on page 45.

1.2.1.2 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:

1.2.1.2(a) Consolidated Budgeted Financial Position as contained in Table A6 on page 47;

1.2.1.2(b) Consolidated Budgeted Cash Flows as contained in Table A7 on page 49;

1.2.1.2(c) Consolidated Cash backed reserves and accumulated surplus reconciliation as contained in Table A8 on page 50;

1.2.1.2(d) Consolidated Asset management as contained in Table A9 on page 51; and

1.2.1.2(e) Basic service delivery measurement as contained in Table A10 on Page 53.

1.2.2 The Council of King Cetshwayo District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018:

1.2.2.1 the tariffs for the supply of water, sanitation, solid waste, cemetery and other miscellaneous fees– as set out on page 11 of the Annexure.

### 1.3 Executive Summary – King Cetshwayo District Municipality

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 core business and service delivery priorities were again 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 non-core items. This has resulted in estimated expenditure of nearly R167 million for the 2018/19 financial year being reduced. Key areas where savings were realized was on staff costs due to reprioritisation of vacancies and limiting of overtime budget, as well as a reduction in the budget for the following expenditure types being printing and stationery, subsistence and travel, accommodation and catering. Furthermore, it be noted that that budget for overtime has been aligned to the Council's overtime policy where only employees earning below the threshold as determined by the Minister of labour as well as employees deemed to be performing essential and emergency work are catered for.

The Municipality has over the years embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people led government. Added to this is the rollout of smart prepaid meters in some of our local municipalities where King Cetshwayo is a water services provider.

Various National Treasury's MFMA Circulars were used to guide the compilation of the 2018/19 MTREF, with special emphasis on Circulars 89 and 91.

The main challenges experienced during the compilation of the 2018/19 MTREF can be summarised as follows:

- The on going difficulties in the national and global economy;
- The depreciation of the exchange rate and its effect on the economic growth and the job opportunities;
- Aging water and waste water infrastructure;
- The crippling effect of the drought that has persisted in the province and the King Cetshwayo district in particular which have necessitated the provision of water through water tankers which is a very expensive way of providing water;
- The backlogs, unavailability of water sources and severe drought that has affected the District in recent months and.
- The need to reprioritise projects and expenditure within the existing resource basket given the cash flow realities and declining cash position of the municipality;

- The increased cost of water treatment and reticulation which is placing upward pressure on service tariffs to residents. It be noted that King Cetshwayo's internally funded capital in terms of the draft budget accounts for only 2% of the total capital budget, most of the capital budget is grant funded mainly through MIG, RBIG and WSIG which is for backlog eradication and bulk pipeline infrastructure layout. Furthermore, it must be noted that the depreciation is now being partially cash backed which will assist in increasing own Capital spend going forward.
- The district is predominantly rural and households are sparsely located thereby making billing and credit control an expensive exercise.
- The cost to operate and maintain newly rolled out projects when collection does not break even when compared to associated costs like chemicals and electricity and in some instances tariffs of water boards and other neighbouring Water Service Authorities.

The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:

- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs; the King Cetshwayo District municipality has not attained that yet, but we intend to put together a strategy to move towards cost reflective tariffs with minimal impact on the consumer.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- An in-depth analysis was done for the following items and allocations to these items had to be supported by a motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
  - No new positions have been funded, except where another vacant position has been sacrificed to fund it;
  - Overtime limited to 2% of remuneration only for employees qualifying for such;
  - Furniture and office equipment;
  - Catering;
  - Conferences;
  - Ad-hoc travelling; and
  - Delegations.

In view of the aforementioned, the following table is an overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

**Table 1 Overview of the 2018/19 MTREF**

2018/2019 Multi Year Budget Summary - KCDM							
	2018/2019 Forecast Budget	2018/2019 Draft Budget	Change Amount	Change %	2019/2020 Budget	2020/2021 Budget	Total for MTREF
<b>Revenue by Source</b>							
- Grants & subsidies	366,356,000	371,990,000	5,634,000	1.54%	337,961,000	410,291,000	1,120,242,000
- Equitable Share	228,425,000	227,727,000	-698,000	-0.31%	243,622,000	264,560,000	735,909,000
- Levy Replacement Grant	249,115,000	249,115,000	-	0.00%	271,083,000	294,668,000	814,866,000
<b>Total Government Grant &amp; Subsidies</b>	<b>843,896,000</b>	<b>848,832,000</b>	<b>4,936,000</b>	<b>0.58%</b>	<b>852,666,000</b>	<b>969,519,000</b>	<b>2,671,017,000</b>
- Sundry Income	923,684	999,684	76,000	8.23%	1,155,265	1,288,581	3,443,531
- Interest Income	44,617,974	44,617,974	-	0.00%	47,295,052	50,132,755	142,045,781
<b>Total Other Income</b>	<b>45,541,658</b>	<b>45,617,658</b>	<b>76,000</b>	<b>0.17%</b>	<b>48,450,317</b>	<b>51,421,337</b>	<b>145,489,312</b>
Trading Services	92,086,273	86,460,640	-5,625,633	-6.11%	91,648,278	97,147,175	275,256,093
Borrowings - New Loan - Landfill Site	46,389,747	-	-46,389,747	0.00%	46,389,747	-	46,389,747
Acc DPN Reserve - Capex Funding	20,971,656	20,971,656	-	0.00%	-	-	20,971,656
Surplus Brought Forward (2017/2018) - VAT on Grants	40,570,880	40,570,880	-	0.00%	-	-	40,570,880
<b>Total Revenue</b>	<b>1,089,456,214</b>	<b>1,042,452,834</b>	<b>(47,003,380)</b>	<b>-4.31%</b>	<b>1,039,154,342</b>	<b>1,118,087,512</b>	<b>3,199,694,688</b>
<b>Expenditure</b>							
Non-trading services	230,609,779	227,543,547	(3,066,231.66)	-1.33%	239,720,182	252,024,970	719,288,699
Trading Services	423,659,604	441,470,672	17,811,068.45	4.20%	412,042,251	437,965,113	1,291,478,036
Operational IDP	139,823,067	121,526,755	-18,296,312	-13.09%	108,382,950	135,729,392	365,639,097
Capital IDP & Internal Fixed Assets	377,609,247	334,440,842	-43,168,405	-11.43%	366,486,847	380,068,000	1,080,995,689
<b>Total Expenditure</b>	<b>1,171,701,696</b>	<b>1,124,981,816</b>	<b>-46,719,880</b>	<b>-3.99%</b>	<b>1,126,632,231</b>	<b>1,205,787,475</b>	<b>3,457,401,522</b>
LESS : DEPRECIATION NOT CASH BACKED	82,245,482	82,528,982	283,500	0.34%	87,477,888	87,699,963	
<b>TOTAL EXPENDITURE EXCL. DEPN</b>	<b>1,089,456,214</b>	<b>1,042,452,834</b>	<b>-47,003,380</b>	<b>-4.31%</b>	<b>1,039,154,343</b>	<b>1,118,087,512</b>	<b>3,457,401,522</b>

It can be noted from the above table that the total revenue budget for the District for 2018/19 financial year is R1.042bn, whereas the total expenditure is expected to be R1.124bn. The amount of R82.5m relates to a depreciation provision which is currently not cash backed, to be noted that the total depreciation for the ensuing financial year is estimated at R92m.

Total operational expenditure, trading and non – trading services including operational IDP projects amounts to R791m for 2018/19 slightly decreasing to R760m in 2019/20 and again increasing to R826m in 2020/21 financial years.

The total capital budget for the 2018/19 financial year is R334m, increasing slightly to R366m and R380m in two outer years of the MTREF.

The detailed grant allocations from National Treasury, per the Division of Revenue Bill, 2018 was made available from the 21<sup>st</sup> February 2018 on National Treasury's website. Furthermore, Provincial allocations have not been gazetted and are expected to be announced in the next few days. To this end the grant allocations as published in the 2017 gazette have been used. An amount of R500,000 for Development Planning Shared Services grants, has been included in the 2018/19 budget.

The following table depicts the grant allocations as contained in the 2018 Division of Revenue Bill in comparison to the projections of the 2017 Division of Revenue Act grant allocation;



**Table 2 Overview of the 2018/19 grants allocation for the MTREF**

TOTAL ALLOCATIONS PER DORB 2018		DORA 2017	DORA 2018 MEDIUM TERM FORECAST				
Name of Grant	Responsible Dept	Budget 18/19 Forecast	Budget 18/19 Gazetted	Variance	% Change	Budget 19/20 Forecast	Budget 20/21 Forecast
Equitable Share	Finance	228,425,000	227,727,000	-698,000	0%	243,622,000	264,560,000
Levy Replacement Grant	Finance	249,115,000	249,115,000	-	0%	271,083,000	294,668,000
Local Finance Management Grant	Finance	1,000,000	1,000,000	-	0%	1,465,000	1,200,000
Municipal Infrastructure Grant	Technical	184,410,000	167,200,000	-17,210,000	-10%	170,818,000	180,826,000
Water Services Infrastructure Grant	Technical	73,000,000	73,000,000	-	0%	93,000,000	98,115,000
Rural Transport Services & Infrastructure	Technical	2,616,000	2,528,000	-88,000	-3%	2,678,000	2,833,000
EPWP Incentive Grant	Technical	-	7,762,000	7,762,000	100%	-	-
Regional Bulk Infrastructure Grant	Technical	104,830,000	120,000,000	15,170,000	13%	70,000,000	127,317,000
<b>Total Gazetted Grants</b>		<b>843,396,000</b>	<b>848,332,000</b>	<b>4,936,000</b>	<b>1%</b>	<b>852,666,000</b>	<b>969,519,000</b>

The Equitable Share allocation has seen a decrease of R698,000 when compared to the 2018/19 projections as Gazetted in the 2017 Division of Revenue Act.

The Water Services Infrastructure Grant has remained unchanged at R73m.

The Municipal Infrastructure Grant (MIG) has decreased by R17.2m from R184m to R167m.

The Regional Infrastructure Grant (RBIG) has increased by R17.1m from R104.8m to R120m.

The Expanded Public Works Incentive grant allocation for the 2018/19 financial year is R7.8m.

Trading Services charges are budgeted for at R86,4m, this is a decrease of R5,6m from the R92,1m that had been estimated in the 2017/18 MTREF.

It is anticipated that an amount of R41m in respect of VAT on MIG, WSIG and RBIG grants will be received from SARS, this has been factored into the 2018/19 budget and R21m for the Accumulated Depreciation Reserves, this will be used to augment the expenditure on capital projects as well to ensure proper functioning of the water schemes supplying potable water to our communities.

Other grants that have been allocated to the district are;

- Finance Management Grant, R1m
- Rural Transport Services and Infrastructure grant, R2.528m
- Planning Shared Services Grant (Provincial), R0.5m
- EPWP, R5.762m

The total operating expenditure (excluding operating IDP projects) for the 2018/19 financial year has been appropriated at R669m. It is expected that operational expenditure will decrease by 3% in the 2019/20 budget and again increase by 5.9% in the 2020/21 financial year.

The operational IDP projects budget for 2018/19 have decreased by 16% compared to the 2017/18 MTREF projections, in 2019/20 there is a decrease of 11 percent and then an increase of 25% in the 2020/21 financial year.

The capital budget of R334m for 2018/19 is 11% less when compared to the 2017/18 projections. The reduction is due to reduction of the grant allocations for infrastructure, mainly the MIG which has been reduced by R17m compared to the indicative amounts per the 2017 DORA. This is nonetheless offset by the increase of R17m in the Regional Bulk Infrastructure Grant. The capital programme increases to R366m in the 2019/20 financial year and then further increase to R380m in the 2020/2021 financial year, which translates to a total capital budget of R1.081b over the medium term.

Included in the 2019/20 capital budget is an amount of R46m which is required for the construction of cell 3 of the landfill site. It is anticipated that this funding will be raised through borrowings, although other alternate funding options are currently being investigated, such as Public Private Partnership (PPP). An amount of R900,000 for feasibility and design of cell 3 has been included in the 2017/18 budget and has been funded from the accumulated reserves. The tender for this has been awarded and is expected to be finalised in 2018/19 financial year.

To be noted that a substantial portion of the capital budget will be funded from the MIG, WSIG and the Regional Bulk Infrastructure Grant over MTREF, which has been gazetted for the 2018/19 financial year. The grant is aimed at accelerating the delivery of clean water to communities that do not have access to basic water services. The grant provides funding for municipalities to plan and implement various projects; including the construction of new infrastructure and the refurbishment and extension of existing water schemes, as well as interventions aimed at mitigating the effect of the drought in affected areas.

Capital grants will contribute 98% of capital expenditure for the 2018/19, 86% for 2019/20, and 99% for the 2021/21 financial year.

## 1.4 Operating Revenue Framework

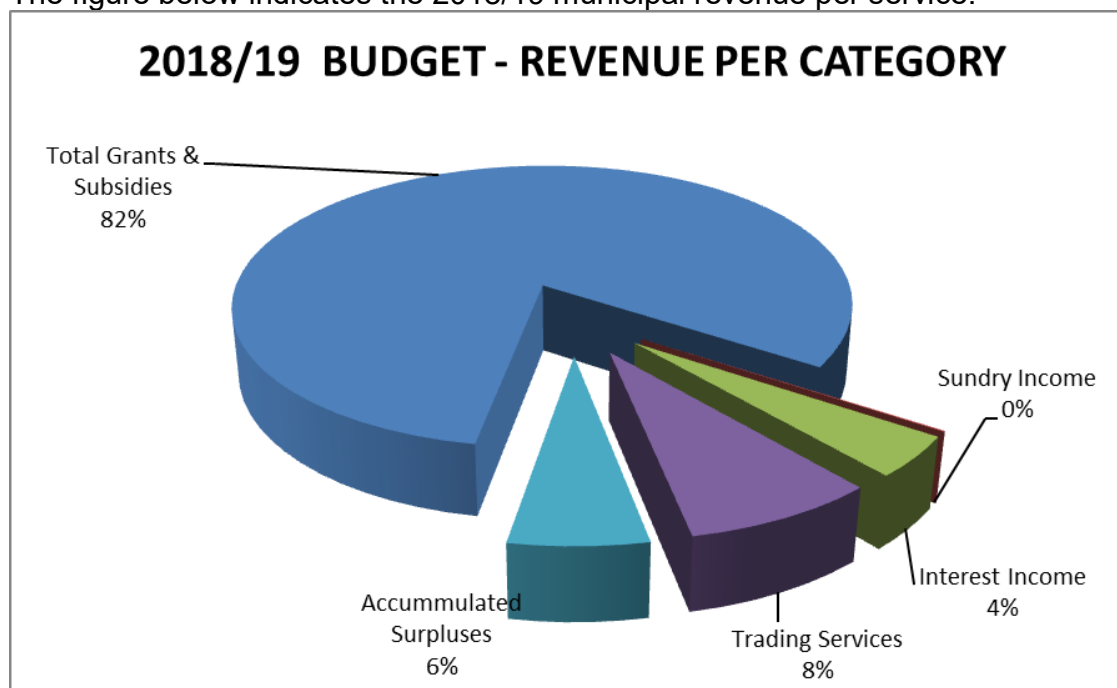
For King Cetshwayo District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty, coupled with the global economic crisis. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and 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 the Municipality and expected economic development;
- Efficient revenue management, which aims to ensure a 84 per cent annual collection rate for Water, Sanitation and Solid Waste service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The rollout of prepaid water meters (smart meters) to all indigent consumers and new water projects;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service, while taking into account the affordability levels of the consumers;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and Incentive policies and rendering of free basic services; and
- Tariff policies of the Municipality.

**Figure 2 Revenue per Classification for the 2018/19 financial year**

The figure below indicates the 2018/19 municipal revenue per service.



The above graph depicts the municipality's reliance on grants and subsidies making up 82% of the revenue source. Trading Services is the second at only 8%, interest income 4%, sundry income below 0% and accumulated surpluses at 6%.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

**Table 3 Summary of revenue classified by main revenue source**

DC28 King Cetshwayo District - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)								
Description	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21	%
<b>Revenue By Source</b>								
Service charges - water revenue	48 122	7%	48 346	7%	51 246	7%	54 321	7%
Service charges - sanitation revenue	8 400	1%	8 265	1%	8 858	1%	9 390	1%
Service charges - refuse revenue	20 824	3%	29 566	4%	31 340	4%	33 220	4%
Rental of facilities and equipment	6 595	1%	105	0%	111	0%	118	0%
Interest earned - external investments	42 033	6%	44 308	7%	46 966	7%	49 784	6%
Interest earned - outstanding debtors	310	0%	310	0%	329	0%	348	0%
Fines, penalties and forfeits	8	0%	9	0%	9	0%	10	0%
Licences and permits	106	0%	112	0%	126	0%	134	0%
Transfers recognised - operational	600 279	88%	515 246	76%	527 489	75%	587 809	76%
Other revenue	32 282	5%	34 359	5%	35 231	5%	36 289	5%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>758 959</b>	<b>112%</b>	<b>680 625</b>	<b>100%</b>	<b>701 706</b>	<b>100%</b>	<b>771 423</b>	<b>100%</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, Gazette 32141, issued 17 April 2009, 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.

Revenue generated from service charges forms a minimal percentage of the internally generated funds of the Municipality, that being the interest on investments and service charges. The Interest on external investments has been increased by 5 percent when compared with the 2017/18 Adjustments Budget, this is due to the higher repo rate as currently approved by the reserve bank. The total percentage revenue generated from water services charges increases slightly from R48.3m in 2018/19 to R54.3m by 2020/21. The water sales contribution to the total service charges revenue is 56% for 2018/19, 2019/20 and the 2020/21 financial years. The above table excludes revenue foregone arising from rebates associated with the tariff policies of the Municipality.

Solid Waste is the second largest revenue source with R29 million rand expected for the 2018/19 financial year and is expected to increase to R33 million by 2020/21. Another source of revenue is 'other revenue' which consists of various items such as income received from issuing of tender documents, map production and miscellaneous fees. The municipality will review the tariffs of these items on an annual basis to ensure we steadily move to a point where these are cost reflective and market related.

Operating grants and transfers totals R520million in the 2018/19, R537 million in the 2019/20 financial year and further increasing to R594 million in 2020/21.

Tariff-setting is a very important and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality. The proposed tariffs were discussed at length in the Budget Steering Committee and management committee meetings and a consensus was reached to increase the tariffs in such a way that it will have a minimal impact on the citizens of the district, mostly the vulnerable being the poor. To counter the effect of drought and as a deterrent to water wastage, tariffs for the higher domestic users have been increased while consumers who use 6kl or below per month will not be charged.

National Treasury, in its MFMA Circulars 89 and 91 issued in December 2017 and March 2018 respectively, continues to encourage municipalities to keep increases in tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment which will in turn result in a huge debtors book.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities.

The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions, over and above being cross subsidised by the equitable share. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### **1.4.1 Sale of Water and Impact of Tariff Increases**

The water Tariffs have been increased on average by 10% for the lower band of consumers and 6% for commercial users as a result of increases in the cost of chemicals and maintenance of the ageing infrastructure in some areas, as well as the bulk cost from Eskom and other major suppliers. It must be noted that consideration has been given to National Treasury's objective of tariffs being cost reflective, however Council has considered the plight of poor residents in the tariff determination process and have thus agreed on an increase which though higher than National Treasury's guideline also attempts to attain cost reflective tariffs over the long term. The free basic water of 6kl is still applicable in the coming financial year only to domestic consumers who consume less than 6kl of water per month.

The roll out of prepaid meters commenced in the 2013/2014 financial year and the impact thereof have started to materialise from the 2017/2018 financial year, wherein a gradual reduction in arrear debts is being realised. However cognisance must be drawn to the possibility that consumers who have prepaid systems may start exercising water conservation mechanisms and thus reduce their demand for potable water which may affect the revenue generated. The cost of providing the water function in far exceeds the revenue generated is therefore cross subsidised from both the equitable share and the levy replacement grant.

The proposed tariffs for households (residential) and non-residential consumers are detailed on Annexure C of the medium term budget report.

In taking cognisance of the country wide shortage of fresh water supplies the municipality have for the first time in the 2015/2016 financial year, introduced an additional tariff step, aimed at discouraging excessive water consumption through a high tariff. Furthermore it was noted that despite continuous communiqué during period of drought, many residents fail to heed Councils call for water reduction, therefore it was considered prudent to introduce as from 2015/2016 a tariff applicable during drought conditions, which is considerably higher than the normal rates.

#### **1.4.2 Sanitation and Impact of Tariff Increases**

As a result of all local municipalities having to comply with the Municipal Property Rates Act, Act 6 of 2004, it is now possible to calculate the sanitation tariffs for the district based on the new valuation rolls from these municipalities. The valuation rolls per KZ has been completed and the district has utilised these in the calculation of the

sanitation tariffs, hence the implementation of the new sanitation tariffs commenced in the 2010/11 financial year. The tariff increase for 2018/2019 has been determined at 10%.

Domestic Sewer tariffs have been revised to R0,00723c per rand value of the property.

Business sewer has also been revised to R0.00723c per rand value of the business property.

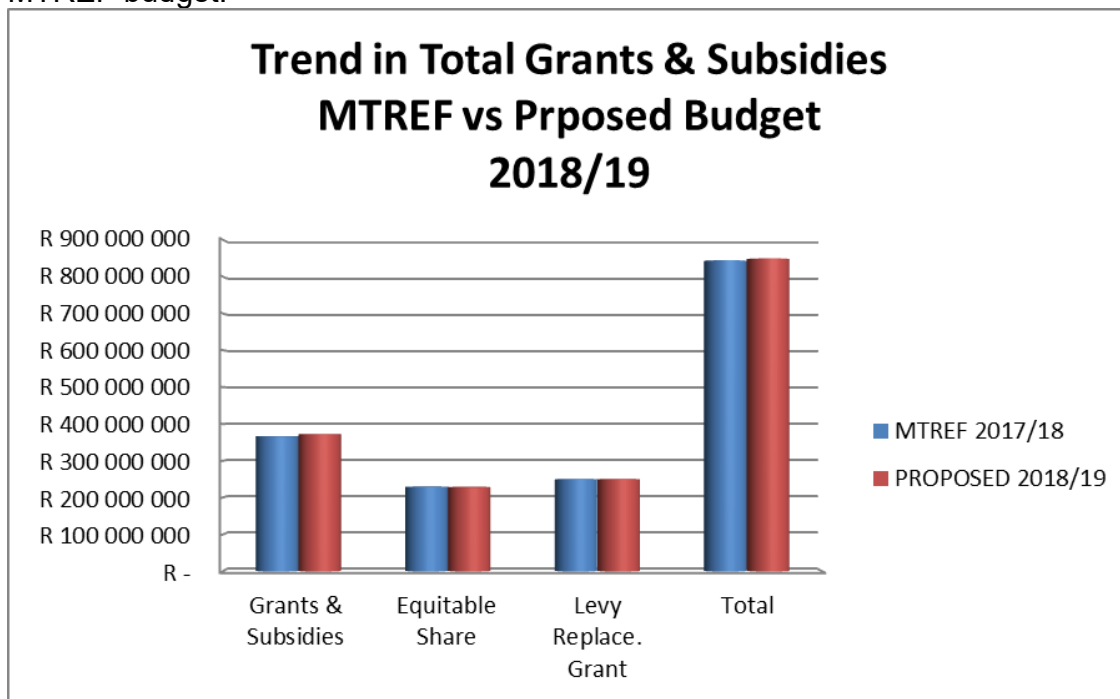
A detailed listing of applicable sanitation tariffs is contained on Annexure C of the medium term budget report.

#### 1.4.3 Regional Solid Waste – Landfill Site

The average increase in the tariff for the 2018/2019 year is 10%. Following the feasibility studies performed, Council needs to increase its solid waste tariffs above inflationary levels for several years, for the site to become financially viable. It must be further noted that cost reduction initiatives must be implemented as the current high cost of maintaining the site cannot be continuously be passed on to our consumers.

#### Figure 3 Grant Revenue for the Draft Budget 2018/19 vs MTREF Budget 2017/18

The below graph pictorially depicts the municipality's dependency on grants equating to a total of R849m for the 2018/19 financial year compared to R937m for the 2017/18 MTREF budget.



## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- The Operations and Maintenance costs of the District's 284 water schemes.
- Balanced budget constraints (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the Water Services Development Plan and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):



**Table 4 Summary of operating expenditure by standard classification item**

<b>DC28 King Cetshwayo - Table A4 Consolidated Budgeted Financial Performance (revenue an</b>			
<b>Description</b>	<b>2018/19 Medium Term Revenue &amp; Expenditure Framework</b>		
	<b>Budget Year 2018/19</b>	<b>Budget Year +1 2019/20</b>	<b>Budget Year +2 2020/21</b>
<b>R thousand</b>			
<b>Expenditure By Type</b>			
Employee related costs	240 384	254 492	269 541
Remuneration of councillors	12 870	13 617	14 434
Debt impairment	2 828	4 050	4 293
Depreciation & asset impairment	93 058	98 625	104 526
Finance charges	5 322	10 130	9 194
Bulk purchases	28 534	30 251	32 029
Other materials	31 382	34 389	36 174
Contracted services	298 254	228 614	264 632
Transfers and grants	3 210	3 798	4 425
Other expenditure	108 197	116 665	121 689
Loss on disposal of PPE			
<b>Total Expenditure</b>	<b>824 039</b>	<b>794 630</b>	<b>860 936</b>

Operational Budget including employee costs is R669m, an increase of R14.7m from the 2018/19 indicative budget approved in the 2017/18 MTREF.

The salary increase of 6% has been factored into the draft budget for 2018/19. However, as the 2017/18 is the final year for the collective wage agreement, negotiations are currently underway between organized labour and employer body, SALGA. The 6% increase is an average increase from the previous year. The final increase will be factored into the final budget to serve in Council in May if the negotiations would be concluded by then.

A total of R155m has been put aside for the Repairs and maintenance of the municipal assets. This figure includes an amount for work performed by a Service Support Agency for the operation, repairs and maintenance of the Assets. The ratio of the repairs and maintenance to the carrying value of assets is currently 6%. It is important that the asset maintenance plan is finalized so that a proper budget which will link to the maintenance plan is provided for.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. The total budget for Councillors' allowances for the 2017/18 financial year is R13.5m. An estimated increase of 6% has been applied for the Councillors remuneration.

The provision for debt impairment was determined based on an annual collection rate of between 90 and 95 per cent and the Credit and Debt Collection Policy of the Municipality. For the 2018/19 financial year this amount equates to R2.8 million and escalates to R4 million by 2019/20. While this expenditure is considered to be a non-

cash flow item, it informs the total cost associated with rendering the services of the municipality, the municipality's realistically anticipated revenues and the depreciation also has to be cash backed.

Provision for depreciation and asset impairment has been informed by the Municipality's Property, Plant & Equipment Policy. Depreciation is considered to be a rate at which the asset is being consumed. Budget provisions in this regard total R93 million for the 2018/19 financial year and equates to 11 per cent of the total operating expenditure. To be noted that the implementation of GRAP 17 accounting standard has meant bringing a number of assets previously not included in the assets register onto the register. This exercise was done for the 2010/2011 financial year and has resulted in a significant increase in depreciation in relation to prior years. To be noted that the accumulated depreciation for the municipality amounts to R434m as per 2017/18 Annual Financial Statements. However, R9.3m of the 2018/19 financial year's depreciation is cash backed to provide for the Capital Reserve and this will continue over the medium term provided the municipality's revenues do not change.

Finance charges consist primarily of the repayment of interest on long-term loans.. These charges make up 6 per cent (R5.3 million) of the total operating expenditure for 2018/19. This expenditure item is expected to increase by 2019/20 due to the proposed loan of R45m which will be used to fund the construction of cell 3 of the landfill site. To be noted that the municipality annually appoints a reputable credit rating agency to determine the creditworthiness and the financial health of the municipality.

Bulk purchases are directly informed by the purchase of bulk water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The budget for bulk purchases in 2018/19 amounts to R25m.

Contracted services consists mainly of the SSA contract, this expenditure item amounts to a total of R298m for 2018/19. To be noted that as part of the tender specifications, WSSA also undertakes repairs and maintenance of the water schemes in the King Cetshwayo District, the total budget for this tender is budgeted for at R155m for the 2018/19 financial year.

This function was outsourced after a thorough investigation as required by section 78 of the Municipal Systems Act. The current tender was awarded during the 2013/14 financial year and has been extended on a month to month basis pending the finalisation of the section 78 report is has been tabled before Council and council will soon and this will then determine a way forward in so far as the SSA contract is concerned.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6 per cent for 2018/19 – 2020/2021 MTREF.

The following table gives a breakdown of the main expenditure categories for the 2018/19 financial year.

#### **1.5.1 Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2018/19 budget and MTREF provide for extensive growth in the area of asset maintenance.

During the compilation of the 2018/19 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. Repairs and maintenance has been budgeted for at R155 million for the 2018/19 financial year including the operations and maintenance contract. In relation to the total operating expenditure, repairs and maintenance is currently 6% of the total net carrying value of the PPE.

#### **1.5.2 Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement) on page 53.

The cost of the social package of the registered indigent households is largely financed by National government through the local government equitable share received in terms of the annual Division of Revenue Act.

**Figure 5 Operational Expenditure by Vote (Incl. IDP Projects) for the 2018/19 financial year.**

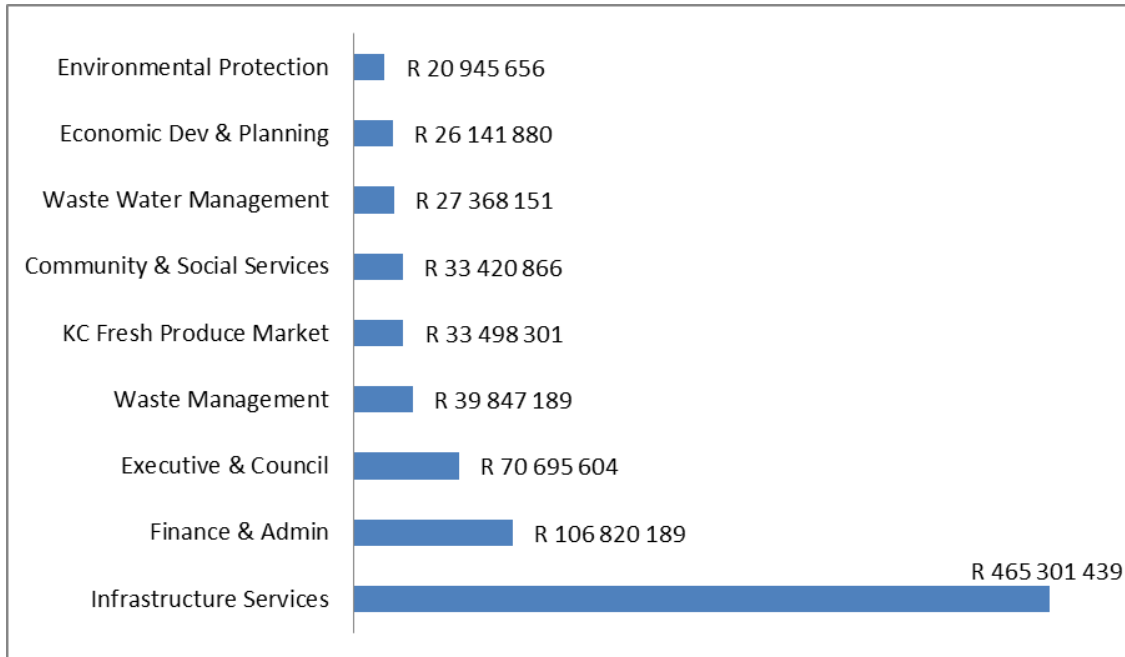




Table 5: - Summary of the Operational IDP Projects (Typical Workstream) for the medium Term

Operational IDP Budget Per Vote						
	2018/2019	2018/2019	Change	Change	2019/2021	2020/2021
	Forecast Budget	Draft Budget	Amount	%	Budget	Budget
	R	R	R		R	
BOARD & GENERAL EXPENSES	1,140,000	1,407,000	267,000	23%	1,140,000	1,729,500
DEPARTMENT OF THE MUNICIPAL MANAGER	4,160,000	5,285,000	1,125,000	27%	4,610,000	6,077,500
PERFORMANCE MANAGEMENT UNIT	200,000	200,000	-	0%	300,000	450,000
LEGAL SERVICES UNIT	400,000	300,000	-100,000	-25%	470,000	680,000
PUBLIC PARTICIPATION UNIT	-	200,000	200,000	#DIV/0!	417,500	790,000
<b>Executive &amp; Council</b>	<b>5,900,000</b>	<b>7,392,000</b>	<b>1,492,000</b>	<b>#DIV/0!</b>	<b>6,937,500</b>	<b>9,727,000</b>
MANAGEMENT SERVICES / HR	1,390,000	1,180,000	-210,000	-15%	1,430,000	1,646,500
EXECUTIVE FINANCE	600,000	500,000	-100,000		400,000	350,000
BUDGETS & REPORTING	500,000	500,000	-	0%	300,000	399,000
SUPPLY CHAIN MANAGEMENT	470,000	720,000	250,000	53%	832,750	980,000
MANAGEMENT ACCOUNTS & REPORTING	695,000	695,000	-	0%	735,000	630,000
ASSET CARE CENTRE	550,000	550,000	-	0%	830,000	450,000
<b>Finance &amp; Admin</b>	<b>4,205,000</b>	<b>4,145,000</b>	<b>-60,000</b>	<b>0%</b>	<b>4,527,750</b>	<b>4,455,500</b>
COMMUNITY SERVICES DIVISION	8,900,000	10,197,600	1,297,600	15%	9,267,500	10,089,450
DISASTER MANAGEMENT	1,170,000	1,170,000	-	0%	1,170,000	1,520,000
<b>Community &amp; Social Total</b>	<b>10,070,000</b>	<b>11,367,600</b>	<b>1,297,600</b>	<b>22%</b>	<b>10,437,500</b>	<b>11,609,450</b>
MUNICIPAL HEALTH SERVICES	350,000	196,000	-154,000	-44%	750,000	913,000
<b>Environmental Health Total</b>	<b>350,000</b>	<b>196,000</b>	<b>-154,000</b>	<b>0%</b>	<b>750,000</b>	<b>913,000</b>
ECONOMIC DEVELOPMENT	8,204,500	6,394,050	-1,810,450	-22%	9,217,000	10,472,500
DEVELOPMENT PLANNING & ENVIRONMENT	1,200,000	986,000	-214,000	-18%	1,782,200	2,104,000
<b>Planning &amp; Develop. Total</b>	<b>9,404,500</b>	<b>7,380,050</b>	<b>-2,024,450</b>	<b>-35%</b>	<b>10,999,200</b>	<b>12,576,500</b>
SANITATION	25,450,000	23,604,158	-1,845,842	-7%	250,000	15,736,642
<b>Waste Water Management Total</b>	<b>25,450,000</b>	<b>23,604,158</b>	<b>-1,845,842</b>	<b>-5%</b>	<b>250,000</b>	<b>15,736,642</b>
PROJECT MANAGEMENT UNIT - MIG	100,000	100,000	-	0%	100,000	100,000
AUXILLARY INFRASTRUCTURE SERVICES	2,616,000	2,616,000	-	0%	2,766,000	2,833,000
WATER SERVICES AUTHORITY DIVISION	3,030,000	2,880,000	-150,000	-5%	3,885,000	4,835,300
WATER SERVICES PROVIDER DIVISION - SSA	73,727,567	58,225,947	-15,501,620	-21%	63,200,000	67,000,000
CONSUMER BILLING & CREDIT CONTROL	350,000	500,000	150,000	43%	650,000	905,000
WATER USE EFFICIENCY	3,990,000	1,890,000	-2,100,000	-53%	2,510,000	3,237,500
PROCESS MANAGEMENT	1,230,000	1,230,000	-	0%	1,370,000	1,800,500
<b>Water</b>	<b>85,043,567</b>	<b>67,441,947</b>	<b>-17,601,620</b>	<b>-39%</b>	<b>74,481,000</b>	<b>80,711,300</b>
<b>TOTAL</b>	<b>140,423,067</b>	<b>121,526,755</b>	<b>-18,896,312</b>	<b>-16%</b>	<b>108,382,950</b>	<b>135,729,392</b>

## 1.6 Capital expenditure

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

Description	2018/19 Medium Term Revenue & Expenditure Framework					
	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21	%
<b>R thousand</b>						
<b>Capital Expenditure per Vote</b>						
Executive & Council	410	0%	100	0%	100	0%
Finance & Administration	1 920	1%	1 870	1%	2 250	1%
Community & Social	–	0%	–	0%	–	0%
Public Safety	–	0%	–	0%	–	0%
Planning & Economic Development	100	0%	100	0%	–	0%
Environmental Protection	300		300		200	
Waste Management	575	0%	46 390	13%	–	0%
Waste Water Management	46 096	14%	48 674	13%	30 002	8%
Water Distribution	285 040	85%	269 053	73%	347 516	91%
Other	352	0%	201	0%	413	0%
<b>Total Capital Budget</b>	<b>334 793</b>	<b>100%</b>	<b>366 688</b>	<b>100%</b>	<b>380 481</b>	<b>100%</b>

### Capital Expenditure by Vote for the 2018/19 financial year.

For 2018/19 an amount of R285 million has been appropriated for the development of water infrastructure which represents 95 per cent of the total capital budget, decreasing to 87% in 2019/20 and again increasing to 99% in the 2020/21 financial year. Infrastructure gets the biggest share of the capital budget followed by Finance and Administration at R1.7m for the 2018/19 financial year.

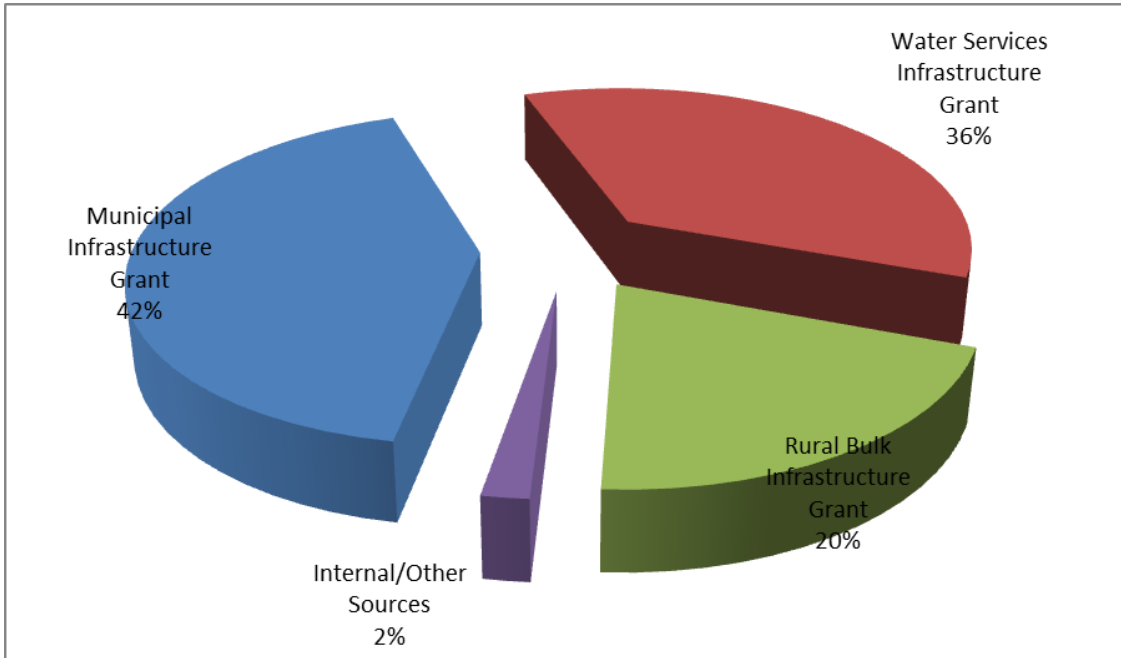
Included in the 2019/20 capital budget is an amount of R46m which is required for the construction of cell 3 of the landfill site. It is anticipated that this funding will be raised through borrowings, although other alternate funding options are currently being investigated, such as Public Private Partnership (PPP). The tender for the design and planning has been awarded in the 2017/18 financial year and it is expected to be finalised in the 2018/19 financial year.

**Table 6: - Summary Capex for the Medium Term**

	Capital Budget per Vote					
	2018/2019	2018/2019	Change	Change	2019/2020	2020/2021
	Forecast Budget	Draft Budget	Amount	%	Budget	Budget
	R	R	R		R	R
BOARD & GENERAL EXPENSES	100,000	230,000	(130,000)	-130%	100,000	100,000
ADMINISTRATIVE SERVICES DIVISION		100,000	(100,000)	#DIV/ 0!	-	-
DEPARTMENT OF THE MUNICIPAL MANAGER	-	180,000	(180,000)	#DIV/ 0!	-	-
PUBLIC PARTICIPATION UNIT	-	50,000	(50,000)	#DIV/ 0!	-	-
<b>Executive &amp; Council</b>	<b>100,000</b>	<b>560,000</b>	<b>(460,000)</b>	<b>-460%</b>	<b>100,000</b>	<b>100,000</b>
BUDGETS & REPORTING	500,000	500,000	-	0%	500,000	500,000
INFORMATION & COMMUNICATIONS TECHN	800,000	800,000	-	0%	920,000	1,150,000
MANAGEMENT ACCOUNTS & REPORTING	450,000	20,000	430,000	96%	-	
ASSET CARE CENTRE	-	450,000	(450,000)	#DIV/ 0!	450,000	600,000
<b>Finance &amp; Admin</b>	<b>1,750,000</b>	<b>1,770,000</b>	<b>(20,000)</b>	<b>-1%</b>	<b>1,870,000</b>	<b>2,250,000</b>
AIR QUALITY	300,000	300,000	-	0%	300,000	200,000
<b>Environmental Protection</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>0%</b>	<b>300,000</b>	<b>200,000</b>
ECONOMIC DEVELOPMENT	50,000	50,000	-	0%	50,000	-
DEVELOPMENT PLANNING & ENVIRONMENT	50,000	50,000	-	0%	50,000	-
<b>Planning &amp; Development</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>0%</b>	<b>100,000</b>	<b>-</b>
TECHNICAL FACILITY SERVICES - LANDFILL	46,389,747	575,000	45,814,747	99%	46,389,747	-
<b>Waste Management</b>	<b>46,389,747</b>	<b>575,000</b>	<b>45,814,747</b>	<b>99%</b>	<b>46,389,747</b>	<b>-</b>
MUNICIPAL INFRASTRUCTURE & IMPLEMENT	325,919,500	237,489,500	88,430,000	27%	211,503,461	277,151,000
WATER SERVICES AUTHORITY DIVISION	1,050,000	8,050,000	(7,000,000)	-667%	20,050,000	15,000,000
WATER SERVICES PROVIDER DIVISION - SSA	2,000,000	1,500,000	500,000	25%	1,500,000	2,250,000
WATER USE EFFECIENCY		38,000,000	(38,000,000)	#DIV/ 0!	36,000,000	53,115,000
<b>Water Distribution</b>	<b>328,969,500</b>	<b>285,039,500</b>	<b>43,930,000</b>	<b>13%</b>	<b>269,053,461</b>	<b>347,516,000</b>
SANITATION	-	46,096,342	(46,096,342)	#DIV/ 0!	48,673,639	30,002,000
<b>Waste Water Management</b>	<b>-</b>	<b>46,096,342</b>	<b>(46,096,342)</b>	<b>#DIV/0!</b>	<b>48,673,639</b>	<b>30,002,000</b>
<b>TOTAL</b>	<b>377,609,247</b>	<b>334,440,842</b>	<b>89,264,747</b>	<b>(3)</b>	<b>366,486,847</b>	<b>380,068,000</b>



The figure below indicates the municipality's 2018/19 Capital Budget by Funding Source.



**Figure 7 Capital Budget by Funding Source for the 2018/19 financial year**

## **KING CETHSWAYO FRESH PRODUCE MARKET**

Section 87(1) of the MFMA states that the board of directors of a municipal entity must for each financial year submit a proposed budget for the entity to its parent municipality not later than 150 days before the start of the financial year or earlier if requested by the parent municipality. When calculating the 150 days (being 5 months) it is therefore required for the municipal entity to submit its proposed budget by the end of January. While this will be a draft budget, the board of directors and the parent municipality have 50 days after that to review the budget and assess the priorities and objectives and make necessary recommendations to the proposed budget as stated in Section 87(2) of the MFMA. The revised budget is then required to be submitted 100 days before the start of the financial year (sometime in mid-March).

## **OVERVIEW OF THE ANNUAL BUDGET PROCESS**

The budget is prepared as the enabler to the implementation of the recently revised strategic plan and the annual performance plan (budget implementation plan/scorecard) of the entity.

- In line with Section 87 of the MFMA, the entity will be required to meet the following deadlines in respect of the 2018/2019 budget process:
- Submission of the proposed budget for 2018/2019 by no later than 31 January 2018 (150 days before the start of the financial year).
- Submission of the revised budget for 2018/2019 by no later than 20 March 2018 (100 days before the start of the financial year).
- Approval of the entity's budget (by the board of directors) by no later than 31 May 2018.

**SUMMARY OF THE KCFPM BUDGET FOR 2018/19**

Table 1 below provides a summary of the proposed budget for income and expenditure for the entity, for the 2018/19 financial year.

**Summary of income and expenditure budget for the 2018/19 medium-term budget**

REVENUE	MTREF BUDGET		
	2018/19	2019/20	2020/21
Grants and subsidies - KCDM	3 000 000	2 000 000	1 000 000
Sales	30 300 680	32 118 721	34 045 844
Other	-	-	-
<b>TOTAL REVENUE</b>	<b>33 300 680</b>	<b>34 118 721</b>	<b>35 045 844</b>

**COST OF SALES**

Purchases - Fresh Produce	15 417 044	15 879 555	16 038 351
	<b>15 417 044</b>	<b>15 879 555</b>	<b>16 038 351</b>
<b>CONTRACTED SERVICES</b>	<b>6 847 970</b>	<b>7 190 369</b>	<b>7 406 080</b>
Contracted Services - Transportation	5 961 230	6 259 292	6 447 070
Contracted Services (Security)	516 000	541 800	558 054
Contracted Services (Legal Services)	240 000	252 000	259 560
Contracted Services - Professional services	130 740	137 277	141 395

**EXPENSES**

<b>Employee Related Costs</b>	<b>7 025 394</b>	<b>7 238 556</b>	<b>7 455 712</b>
Employees on Long Term Contract	6 301 300	6 490 339	6 685 049
Interns Stipend	72 000	74 160	76 385
Provident Fund	186 494	192 089	197 851
Contracted Services - Company Secretary	120 000	126 000	129 780
Casual Workers	345 600	355 968	366 647
<b>Board Related Cost</b>	<b>720 000</b>	<b>756 000</b>	<b>793 800</b>
Directors Emoluments/Fees	600 000	630 000	661 500
Board Travelling & Accommodation	120 000	126 000	132 300
<b>Administration Cost</b>	<b>3 420 085</b>	<b>3 419 688</b>	<b>3 522 278</b>
Advertisements	30 000	30 900	31 827
Software Systems	75 000	77 250	79 568
Printing & Stationery	100 000	103 000	106 090
Bank charges	37 300	38 419	39 572
Telephone/Internet	69 885	71 982	74 141
Catering	23 000	23 690	24 401
Accommodation	100 000	103 000	106 090
Travelling	100 000	103 000	106 090
Insurance	120 000	123 600	127 308
Postal Services	5 000	5 150	5 305
Licences	80 400	82 812	85 296
Fuel & Oil	230 000	236 900	244 007
Stores & Materials	140 000	144 200	148 526
Repairs & Maintenance	12 000	12 360	12 731
Subscription/Membership Fees	10 500	10 815	11 139
Strategic Review	60 000	61 800	63 654
Rental - Equipment	271 000	279 130	287 504
Rental - Buildings	110 000	113 300	116 699
Electricity	222 000	228 660	235 520
Rates	234 000	241 020	248 251
Internal Audit Fees	370 000	381 100	392 533
External Audit Fees	270 000	278 100	286 443
Training-Board Development	100 000	50 000	51 500
Training - Staff	100 000	53 000	54 590
Provision for Depreciation	550 000	566 500	583 495
<b>TOTAL EXPENDITURE</b>	<b>33 430 493</b>	<b>34 484 167</b>	<b>35 216 221</b>
<b>Less Depreciation - Not Cash Backed</b>	<b>550 000</b>	<b>566 500</b>	<b>583 495</b>
<b>Total Expenditure Excluding Depreciation</b>	<b>32 880 493</b>	<b>33 917 667</b>	<b>34 632 726</b>
<b>Operating Surplus/Deficit</b>	<b>420 187</b>	<b>201 054</b>	<b>413 118</b>

**Table 2: Summary of proposed project financing from projected surplus**

<b>PROJECT FINANCING FROM PROJECTED SURPLUS</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Marketing and Corporate Branding	67 808	-	-
<b>TOTAL PROJECT FUNDING</b>	<b>67 808</b>	<b>-</b>	<b>-</b>

**Table 3: Summary of proposed capital financing from projected surplus**

<b>Capital Expenditure</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Market Infrastructure - Development of nursery	142 539	-	-
IT Infrastructure	71 897	-	93 532
Machinery and Equipment - Market	97 887	-	150 000
Buildings and other fixed structures	40 056	201 054	169 586
<b>TOTAL CAPITAL PROJECTS</b>	<b>352 379</b>	<b>201 054</b>	<b>413 118</b>

Balance	-0	-	0
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## REVENUE

Operating grants and subsidies relates to the grant provided by the parent municipality which is aimed at ensuring continued operation of the entity as it works on developing the regional market and also looking for other revenue streams that will ensure profitability and viability, thus removing reliance on funding from the shareholder. A budget of R4 million was proposed for 2018/19 which has been reduced by R1 million as per the allocation from the parent municipality for the 2018/2021 budget.

Operating income (NSNP) is based on the 3-year contract with the Department of Education for the supply of fresh produce to schools for the period from July 2017 – June 2020.

## EXPENDITURE

The entity revised its expenditure budget of R34.004 million to 32.880 million for the 2018/2019 financial year which includes spending directly related to the contract for the delivery of fresh produce to schools such as transportation of fresh produce.

The major cost drivers for the entity currently are as follows:

- Purchase of fresh produce with a budget of R15.417 million for 2018/2019 that will cater for the purchase of fresh produce from local emerging farmers for supply to schools within the King Cetshwayo district as per the contract with the Department of Education. The entity will make effort to benchmark prices to ensure better results at the end of the financial year. The budgeted spending for 2018/2019, when compared with 2016/2017 budget, shows a significant increase due to the revised menu from the department which the entity must comply with as it is a critical aspect of the contract.

- Transportation of fresh produce, was budgeted at R6.911 million for 2018/2019. The entity has reduced this cost to R5.961 million by implementing the new model of calculating transportation cost for the transporters who deliver from the hubs to the schools. R300 that was paid for labour for the transporters did not form part of 2018/2019 budget as it was an audit finding in 2016/2017 financial year and also the km from home to the hub shall no longer be paid. The bulk transport cost was reduced drastically as the produce for the satellite hubs gets delivered straight to the satellite hub.
- Employee related costs revised from a budget of R6.919 million to R7.025 million. The proposed budget was inclusive of provident fund contributions by the employer which has now been treated as an employee cost, Senior Management package is total cost to company. A proposed budget of R600 000 for a project manager's salary for eThekweni also contributed to the reduction, this cost shall be accounted for as a spending for eThekweni programme.
- Company secretary (R120 000.00) and casual workers (R345 600.00) were budgeted under contracted services which has now been moved to employee cost.

#### Other significant expenditure items

- An amount of R720 000 is budgeted for the allowances and travel and accommodation of directors for board meetings, board committee meetings and other conferences and meetings attended in capacity as the entity's board members.
- Contracted services (excluding transportation): The entity has budgeted for security services (R516 000), Legal Services (R240 000).

## CAPITAL EXPENDITURE FINANCING

Table 3 below shows the revised Projects and Capital Expenditure for 2018/19 based on the surplus between Revenue and Expenditure.

<b>Table 2: Summary of proposed project financing from projected surplus</b>			
<b>PROJECT FINANCING FROM PROJECTED SURPLUS</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Marketing and Corporate Branding	67 808	-	-
<b>TOTAL PROJECT FUNDING</b>	<b>67 808</b>	<b>-</b>	<b>-</b>
<b>Table 3: Summary of proposed capital financing from projected surplus</b>			
<b>Capital Expenditure</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Market Infrastructure - Development of nursery	142 539	-	-
IT Infrastructure	71 897	-	93 532
Machinery and Equipment - Market	97 887	-	150 000
Buildings and other fixed structures	40 056	201 054	169 586
<b>TOTAL CAPITAL PROJECTS</b>	<b>352 379</b>	<b>201 054</b>	<b>413 118</b>
Balance	-0	-	0

The entity has prepared a revised budget that sees the operating surplus being allocated towards projects and capital expenditure during the years

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Honourable Speaker, Mayor, Deputy Mayor and the Council Whip, on the administration side it consists of the Municipal Manager and senior officials of the municipality.

The primary aims of the Budget Steering Committee is 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.

### 2.2 Schedule of Key Deadlines

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 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

The IDP and budget time schedule were tabled in the Budget Steering Committee in August 2018 and was then subsequently submitted to the Financial Services Portfolio Committee, Exco, and Council in August 2018. The Key dates applicable to the process were:

- **August 2018** – The Mayor tables the Schedule of Key deadlines to the relevant Council Committees;
- **September 2018** – Detail departmental budget proposals (capital and operating) submitted to the Budget Office for consolidation and assessment against the financial planning guidelines;
- **January 2019**- Council considers the 2018/19 Mid-year Review in terms of section 72 of the MFMA;
- **February 2019**- Council considers the 2018/19 Adjustments Budget;

- **March 2018**– Multi-year budget proposals are submitted to the Budget Steering Committee for consideration and further deliberation;
- **March 2018**- Tabling in the Financial Services Portfolio Committee, Exco and Council of the draft 2018/19 IDP and 2018/19 MTREF for consideration;
- **April/May 2018** – Public consultation, IDP Roadshows;
- **May 2018**– 2018/19 MTREF, taking into consideration comments received from the public, comments from National and Provincial Treasuries, and updated information from the most recent Division of Revenue Bill and financial framework;
- **May 2018** - Tabling of the final 2018/19 MTREF before Council for consideration and approval.
- **June 2018** - finalisation of the 2018/19 IDP review

There were minor deviations from the key dates set out in the Budget Time Schedule tabled in Council, however, the dates were still within the legislated timelines.

### **2.3 Process For Integration Of The IDP & Preparation Of The Budget**

The budget process is integrated with the review of the IDP through the IDP review mechanism. The outcome of consultation feeding into the preparation and review of the IDP is taken into account in the budget process.

Planning and Economic Development arranged alignment forums, of which key outcomes were considered in the review of the IDP and for inclusion in the 2018/2019 Multi-Year Budget Consultation for the preparation of the King Cetshwayo IDP.

### **2.4 Process to Record and Integrate Input from the Community**

Planning & Economic Development recorded inputs from the alignment forums and with Road shows have been held in October and November 2017 in each Local Municipality Area to provide feedback on the tabled Budget / IDP.





***Community Members listening attentively during the November IDP/Budget Roadshows***

## 2.5 Process And Media Used To Provide Information On The Budget And IDP To The Community

Some of the tools used for communicating the Budget/IDP, as contained in the Public Relations / Communication Strategy, are:

- Road shows in uMhlathuze, Mfolozi, Nkandla, Mthonjaneni & uMlalazi Municipalities annually in April during the Budget/IDP comment phase and in October after Council approval of the IDP/Budget
- Monthly external newsletter *IzindabaEzimtoti*
- Monthly internal newsletter *Ezisematheni*
- King Cetshwayo website [www.kingcetshwayo.gov.za](http://www.kingcetshwayo.gov.za)
- Annual Service Commitment Charter booklet published as and when needed
- Annual Report – publication planned for January each year.
- Print media press releases as and when required to local and provincial newspapers
- Adverts in local and provincial newspapers as required
- IDP Representative Forum meetings
- District LED Forum meetings
- District Mayors' Forum meetings



*Her Worship, The Mayor NNP Mkhulisi during the Amakhosi Roadshow in November 2017.*

## 2.6 Alignment Of Budget With IDP

The budget was prepared using the following IDP inputs:

- Situational Analysis
- The outputs of the consultations with the various stakeholders.
- Priority Development Issues
- Strategic approach

The information from the above processes was included in the budget according to the IDP prioritisation model. A preparation of the municipal Integrated Development Plan (IDP) has been prepared for the 2017/18 - 2021/22 as required by the Municipal Systems Act and the MFMA. The document contains information on the following:

- Vision for the King Cetshwayo District Municipality
- Strategic Focus Areas
- Long-term goals or outcomes for the resident communities
- Alignment with national, provincial and district plans
- Consideration of service delivery and funding of housing, health and transport
- Description of prioritisation systems used for allocating resources to objectives
- Amendments to the IDP
- The consultative process undertaken to review the IDP

The Budget Steering Committee has been operational since the inception of the IDP preparation process. The committee acts as a support to the IDP preparation process.

## 2.7 IDP FOCUS AREAS

The integrated development approach of the King Cetshwayo District Municipality focuses on the combination of basic needs approach and economic development. As such, the district has been investing in physical, social and economic development aspects. Its investment has been founded on the approach of responding to areas of greatest need and areas with potential for greatest returns in terms of economic development.

The King Cetshwayo District Municipality also focuses on its core functions as referenced in Section 84(1) of the Municipal Structures Act (No. 117 of 1998). The following table provides a summary of only those core functions (shaded areas) for the King Cetshwayo District Municipality:

**POWERS AND FUNCTIONS**

In terms of Circular 8/2008: 2008/09 Capacity Assessments and Recommendations: Adjustment of Powers and Functions between District and Local Municipalities in terms of Section 85 of the Local Government: Municipal Structures Act 1998, the uThungulu Distri

			281	282	283	284	285	286
1	S 84(1)(a)	Integrated development planning for the district municipality including Development Plan for the local municipalities within the area of the District Municipality						
2	S 84(1)(b)	Potable water supply that effects a significant proportion of the municipalities in the district						
3	S 84(1)(C)	Bulk supply of electricity						
4	S 84(1)(d)	Domestic waste-water and sewage disposal system						
5	S 84(1)(e)	Solid waste disposal sites serving the area of the District Municipality as a whole						
6	S 84 (1)(f)	Municipal roads which form an integrated part of a road transport system for the area of the district municipality as a whole						
7	S 84 (1)(g)	Regulation of passenger transport services						
8	S 84 (1)(h)	Municipal airport serving the area of the district municipality as a whole						
9	S 84 (1)(i)	Municipal health serving the area of the district municipality as a whole						
10	S 84 (1)(j)	Fire fighting services for district municipality as a whole						
11	S 84 (1)(k)	Fresh produce markets and (abattoirs) serving the area of the district municipality as a whole						
12	S 84 (1)(l)	Cemeteries and crematoria						
13	S 84 (1)(m)	Promotion of local tourism for the district municipality						
14	S 84 (1)(n)	Municipal public works relating to any of the above function or and other functions assigned to the district municipality						
	S 84 (1)(o)	The receipt, allocation and if applicable distribution of grants made to the district municipality						
16	S 84 (1)(p)	The imposition and collection of taxes, levies and duties as related to the above functions or may be assigned to the District Municipality in terms of national						
18	Sched 4 B	Building regulations						
22	Sched 4 B	Local Tourism						
40	Sched 5 B	Licencing and control of undertakings that sell food to the public						
50	Sched 5 B	Refuse removal, refuse dumps, solid waste disposal and cleansing services						

	Allocated functions to the District
	Functions omitted from existing enactment in terms of Extraordinary Provincial Gazette of KZN Vol3 No 299 dated 30 June 2009

## 2.8 IDP Strategic Objectives

The above is compartmentalized into the following eleven development strategies for the district:

<b>STRATEGIC PRIORITIES</b>	<b>PROGRAMMES</b>
<b>Municipal Transformation and Organisational Development.</b>	
	Human Resource Development
	Information & Communication Technology Services
	Administrative Services
	Individual Performance Management
	Organisational Performance Management
	Institutional Development
	Integrated Development Planning
<b>Municipal Financial Viability and Management.</b>	
	Financial management
	Budgeting and reporting
	Revenue Enhancement
	Expenditure control
	Improved Audit Opinion
<b>Good Governance and Public Participation.</b>	
	Public Relations & Communications
	Intergovernmental Relations
	Public Participation
	Batho Pele Principles
	Community Participation
	Nation-building and good governance.
	Improved Ward Information
<b>Infrastructure Development and Service Delivery.</b>	
	Electricity & Alternative Energy
	Regional Solid Waste
	Regional Cemeteries and Crematoria
	Municipal Roads and Public Transport Services
	Municipal Airports
	Municipal Public Works
	Regional Fresh Produce Market
	Abattoir
	ICT Infrastructure
	Rail Networks
	Harbour

<b>STRATEGIC PRIORITIES</b>	<b>PROGRAMMES</b>
<b>Basic Services Provision</b>	
	Access to Water (Potable Water and Waste Water)
	Access to Sanitation
	Potable Water, Waste Water and Sanitation
	Drought relief
	Upgrading of Water Services Networks
	Water Services Authority and Planning
	Access to Electricity (Energy)
	Access to Solid Waste (Regional Solid Waste)
	Regional Cemeteries and Crematoria
	Free Basic Services
	Improved access to basic services
	Improved access to Free Basic Services
<b>Local Economic Development</b>	
	Local Economic Development
	Local Economic Development of prioritised groups
	Local Tourism Development
	Agricultural Development
	Business and Industrial Development
	Community Work programme implemented and cooperatives supported
<b>Sustainable Human Settlement &amp; Land Management</b>	
	Internal Fixed Assets
	Spatial Planning & Development
	Nodal Planning & Development
	Land Use Management
	Land Reform
	Housing
<b>Human Resource Development</b>	
	Education
	Skills Development
<b>Rural Development &amp; food security</b>	
	Sustainable Livelihoods
	Rural development
	Agrarian Reform

<b>STRATEGIC PRIORITIES</b>	<b>PROGRAMMES</b>
<b>Community Development &amp; Social Services</b>	
	Municipal Health
	Air Quality Management
	Safety & Security
	Crime Prevention
	Community, Service, Facilities and Actions
	Sport & Recreation Programme
	Disaster Management
	Marginalised Groups
	HIV/AIDS
	Culture, Arts & Heritage
<b>Environmental &amp; Resource Management</b>	
	Integrated Environmental Management
	Coastal Management
	Responses to Climate Change

The 2018/2019 MTREF has therefore been directly informed by the above strategic objectives and the IDP.

## 2.9 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

### 2.9.1 PROVISION OF CLEAN WATER AND MANAGING WASTE WATER

King Cetshwayo District Municipality is a Water Services Authority (WSA) in terms of the Minister's determination of the municipal powers and function in terms of section 84 (b) and (d) of the Municipal Structures Act, Act 117 of 1998. The WSA functions are clearly defined in chapter 3 of the Water Services Act, Act 108 of 1997.

The WSA function status is only applicable to the four local municipalities namely;

Mfolozi Municipality	KZ 281
uMlalazi Municipality	KZ 284
Mthonjaneni Municipality	KZ 285
Nkandla Municipality	KZ 286

Based on the aforementioned functions, a detailed Water Services Development Plan (WSDP) was prepared indicating the challenges facing the municipality. King Cetshwayo is predominantly rural with only 20% being urban incorporating surrounding townships. The backlogs are reflected below;

#### Water Supply Backlog based on the 2011 census data

Basic Service	Number of Households (HH) with access	Number of HH without access	Backlog in Percentage based on 2011 Stats of 116 367 HH in the District
Access to Water	73213	43154	37
Access to Sanitation	79523	36844	32

Based on the table above, it is clear that the municipality is faced with the challenge of ensuring that the 37% (43154) households that have now been provided with water or have access to piped water and enjoys uninterrupted service.

To successfully achieve this mammoth task, the WSA undertook a Section 78 capacity assessment as prescribed in the Municipal Systems Act, Act 32 of 2000. This was done to assess the capacity of all local municipalities to ascertain if they would be able to undertake the Water Services Provider (WSP) function.

The outcome of this service indicated that all five municipalities would not be able to manage water services provision function within the extended areas. It be noted that the previous town councils only had capacity and resources to provide water services within their old boundaries. The newly established wall to wall municipalities resulted in massive extensions of the municipal boundaries with the inclusion of vast rural areas with limited infrastructure.

The 73213 households receive water from over 250 water schemes. These water projects receive water from the following sources: boreholes, springs, rivers through weirs, dams and from bulk pipeline from other neighbouring municipalities.

Access to sanitation stands at 79523 of household served by rural sanitation (VIP) as well as water borne sewerage systems in urban areas except for Mbonambi Town which is entirely on septic tanks. That means our sanitation backlog is about 36844 households representing 32%.

#### 2.9.2 WATER SERVICES PROVIDER STATUS

In view of the fact that all local municipalities did not have capacity to undertake the WSP function, King Cetshwayo entered into a service level agreement with the local municipalities, excluding KZ 282 to



provide the WSP function for their entire respective servicing areas. This required that the municipality provide all resources and capacity to ensure that all systems were operational.

To achieve this successfully, King Cetshwayo opted for the services of a service support agent (SSA) for rural schemes. Currently in the year ahead, King Cetshwayo has budgeted R123m for the WSP function. The town supply schemes are operated and managed by UDM. King Cetshwayo appointed the service of a service support agent WSSA.

In addition to the maintenance of rural schemes, the municipality is also responsible for the maintenance of rudimentary water supply facilities such as boreholes, standard developments schemes and protected localized springs which do not have piped network due to low yields.

In areas where boreholes and springs have dried up and where there is no prospect of groundwater, the municipality provide water with water tankers. As alluded earlier in the book, this cost has been increasing annually and no funding has been forthcoming from National and Provincial Government.

### **2.9.3 WATER QUALITY ISSUES**

The municipality is taking the water quality issue very seriously. From last year, the municipality started to make budget provision to address water quality issues. Currently water quality is managed based on the Department of Water Affairs guidelines. These guidelines were reviewed in April 2009 to conform to the SANS 241 standard (blue and green drop). With the introduction of the blue drop performance rating, this standard was improved to only consider water conforming to the class 1 classification.

King Cetshwayo is doing internal monitoring by sampling all its water schemes on a monthly basis and submit those results to DWA through an electronic reporting system. In addition to this, all water plants are equipped with chlorine test meters. The samples are taken on a daily basis for chlorine level monitoring. This also includes the turbidity testing. Most of King Cetshwayo water quality has always been above the 80% compliance. The bulk failures are received from boreholes and spring sources mostly in areas without electricity.

#### *EFFLUENT QUALITY*

The effluent samples are taken on a monthly basis and the results are submitted to DWA.

These systems are in Eshowe Town and at Melmoth. Most of the failure are on the oxidation ponds where excessive grown of vegetation has occurred.

#### *WATER SAFETY PLAN*

Previously the municipality did not have a water safety plan as this was not compulsory. A budget provision was made available in the 2012/13 financial year with similar provisions made in the outer years. In March 2012, a draft water safety plan was sent to the Department of Water Affairs for approval.

It is important to state that all designs of bulk schemes had been based on 36 to 48hr storages. Since 2006, the municipality has embarked on a strategy to move away from unreliable local sources such as boreholes and springs as they are susceptible to groundwater fluctuations and are the first points of failure during drought.

#### *PROBLEMS EXPERIENCED BY THE MUNICIPALITY*

- Huge number of backlogs still to be addressed by the municipality
- Ageing infrastructure in the towns
- Vast areas without water requiring carting of water by tankers
- Diminishing groundwater causing boreholes to dry or affecting water quality
- Negative impact on water supply due to high demand arising from excessive garden watering due to the "One House One Garden" which is a National Government campaign.
- Lack of metering in rural areas
- Vandalism of infrastructure by some community members
- Persistent drought in the district which has necessitated restrictions on the supply of water in some areas as well as interventions such as transporting water by water tankers, which is costly.
- Serious illegal water abstraction and abuse
- Insufficient funds for proper asset management

- Lack of capacity
- Serious challenges with the management of the Support Service Agent contract.

#### ❑ **STEPS TO ADDRESS THE ABOVE PROBLEMS**

All the problems reflected above are covered in detail in the WSDP. The main intervention required to fast track the eradication of these problems is the topping up at least 30% of MIG funding to cover the increasing operational cost.

It should also be noted that as the new infrastructure is implemented, more funding is required for the operation and maintenance of these assets. King Cetshwayo has written a letter to the National Planning Commission requesting a policy review on MIG funding to address the operation and maintenance issues.

### **2.9.4 WATER CONSERVATION AND WATER DEMAND MANAGEMENT (WC/WDM)**

King Cetshwayo District Municipality has taken the issue of WC/WDM seriously. Council has approved the Water Conservation and Water Demand Management Strategy for King Cetshwayo and its implementation is underway. In pursuance of this, a new section known as Water Use Efficiency (WUE) has been created and tasked with the responsibility of implementing the strategy. This section is headed by a Senior Manager. The first priority is to determine the level of non-revenue water and set targets to reduce based on the WC/WDM plan.

A service provider has been appointed to carryout analysis of various systems and do zoning and installation of bulk meters for the purpose of water balances. Another service provider has been appointed to replace conventional meters with smart meters and to carryout leak repairs in the customers' properties. These repairs will be a once off activity. Thereafter, our customers will be expected to manage their leaking appliances. In areas where we are experiences high rate of defaulters, the smart meters will be put of pre-paid mode.

### **2.9.5 PERFORMANCE INDICATORS AND BENCHMARKS**

#### *2.9.5.1 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. In this regard the Municipality has been independently rated by Global credit rating co. for the past three years and has received an A- rating for its long term credit worthiness. This is indicative of high certainty of timely payment and liquidity factors that are strong and supported by good fundamental protection factors. As with all other municipalities, King Cetshwayo District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. As alluded to in table A6 above, the municipality has settled an INCA bullet loan early, amounting to R21 m thereby reducing overall borrowings and lowering gearing..

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to monitored to ensure we maintain a healthy gearing ratio.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet

its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. Cognisance must be taken of the impact borrowings will have on future tariffs for service charges.

2.9.5.5 Employee costs as a percentage of operating revenue remains fairly stable over the MTREF, with 29% in 2018/19 financial year. This is primarily owing to the increases in services charges being aligned to inflationary targets which determine the increase in expenses inclusive of employee costs.

#### **2.9.6 Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Council. With the exception of water, only registered indigents qualify for the free and subsidised services.

For the 2018/19 financial year approximately 2400 registered indigents have been provided for in the budget with this figure increasing to 2600 by 2020/21. In terms of the Municipality's indigent policy registered households are entitled to 10kl free water, and subsidised sanitation costs.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the statistics for free water supplied.

## **2.10 Overview of budget related-policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The Budget related policies of the municipality have been reviewed and vetted by the Legal Services section of the KCDM. These policies will be taken to the Rules Committee and will be taken to Exco and Council for final approval together with the final 2018/2019 multi year budget in May 2018. These policies are as follows;

- Incentive Policy
- Indigent Policy
- Investment and Banking Policy
- Property, Plant and Equipment
- Tariff Policy
- Credit Control and Debt collection Policy (Bylaws)
- Virement Policy
- Budget policy
- Long Term Financial Planning Policy
- Funding & Reserves Policy
- Borrowing Policy
- Supply Chain Management
- Creditors and Employee Related Payments Policy
- Fleet Management Policy

## **2.11 Legislation compliance status**

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

### **2.11.1 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.

### **2.11.2 Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme and has employed a total of over twenty interns since the inception of this programme. Currently there are five in the employ of the municipality, three of these interns have finished Certificate in Municipal Development Programme through Wits Business School.

### **2.11.3 Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA. This Office is headed by a permanently employed Chief Financial Officer.

**2.11.4 Audit Committee and Municipal Public Accounts Committee**

An Audit Committee and the Municipal Public Accounts Committee has been established and is fully functional.

**2.11.5 Service Delivery and Implementation Plan**

The detail SDBIP document is at a draft stage and will be finalised after approval of the final budget and is directly aligned and informed by the 2018/19 MTREF. The draft SDBIP will be finalised in terms of Section 53(1) of the MFMA.

## OFFICE OF THE MUNICIPAL MANAGER : 2018/2019

## COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

Item no:	OPMS Indicator no:	DGDP Ref:	Implementation Plan Ref:	PERFORMANCE TARGET	UNIT OF MEASUREMENT	BASELINE 2017/2018	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE		BUDGET ALLOCATION FOR 2017/2018	BUDGET REMAINING AT YEAR END
								TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL		
<b>1</b>	<b>MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT</b>																
1.1	1.1.4, 1.1.5	2.2; 6.2, 6.4	Internal	Ensure the Skills Development of targeted Staff (300) and Councillors (20) in accordance with the WSP by 30 June 2019	Number of Staff trained	300	75	75	75	75	75	75	75				
					Number of Councillors trained	20	5	5	5	5	5						
1.2				Ensure Compliance to the Employment Equity Plan for the 2017/2018 financial year by appointing and skilling the Employment Equity Manager and reviewing the Employment Equity targets by 30 September 2017	Date of appointment and the skilling of the Employment Equity Manager	30-Sep-18	30-Sep-18										
					Date of Review of the Employment Equity Targets for the 2017/2018 financial year.	30-Sep-18	30-Sep-18										
1.3	Internal	6.2; 6.4	Internal	Ensure effective functioning of the Employment Equity Committee by allocating budget for the implementation of the Employment Equity Plan and the development of the Diversity Management Plan.	Percentage allocation of budget for the implementation of the Employment Equity Plan and the development of Diversity Management Plan.	100%	100%	100%	100%	100%	100%	100%	100%				
					Date of approval of Final Diversity Management Plan by Council	30 June 2019						30 June 2019					
1.4				Ensure annual report to Council and to the Department of Labour on the achievements set out in the Employment Equity Plan.	Date of submission of EEA2 and EEA4 to DOL.		31-Jan-18					31-Jan-18					

1.5	4.1.1	6.3, 6.4		Ensure the implementation of MSCOA by 30 June 2019	Date of implementation of MSCOA		30-Jun-18								30 June 2019			
<b>2</b>	<b>BASIC SERVICE DELIVERY</b>																	
2.1	5.2.2	6.4	MM5.10	Conduct community satisfaction survey to establish the perceptions of the district's performance and service rendering and report to Council by 30 June 2019	Date of submission of community satisfaction survey report to Council	New	30-Jun-18								30-Jun-18			
<b>3</b>	<b>LOCAL ECONOMIC DEVELOPMENT</b>																	
3.1	7.1.1	6.4	MM5.2	Enhance Stakeholder Relations by meeting with external stakeholders at least once per quarter to secure funding for community initiatives	Number of stakeholder relations meeting held		4	1		1				1				
<b>4</b>	<b>FINANCIAL VIABILITY AND MANAGEMENT</b>																	
4.1	4.1.1, 4.1.2	6.3, 6.4	Internal	Ensure a financially sustainable district by efficiently and effectively spending of all allocated grants by 30 June 2019	Percentage spent on CAPEX		100%	10%		30%			60%		100%			
					Percentage spent on OPEX		100%	10%		30%		60%		100%				
4.2	4.1.1, 4.1.2	6.3, 6.4	Internal	Ensure 100% compliance with MFMA in accordance with the MFMA Dashboard	Percentage of MFMA compliance according to MFMA Dashboard	100%	100%	100%		100%			100%		100%			
4.3	4.1.2	6.3, 6.4	Internal	Maintain an Unqualified Audit opinion for the 2017/2018 financial year.	Attainment of unqualified Audit opinion	Unqualified Audit Report	Unqualified Audit Report											Unqualified Audit Report



					Percentage of Internal Audit findings addressed		100%	100%		100%		100%					
4.4	4.2.1, 4.2.2, 4.2.3	6.3, 6.4	Internal	Ensure financial sustainability and viability of the organisation by maintaining the cost coverage and the outstanding service debtors to revenue quarterly and the debt coverage ratio bi-annually.	Debt coverage ratio		17.00			17.00				17.00			
					Outstanding debtors to revenue ratio		0.8					0.8					
					Cost coverage ratio		3.00	3.00		3.00	3.00		3.00				
4.5	4.4	6.3, 6.4	Internal	Ensure the implementation of revenue enhancement strategies by ensuring that 84% of debt is collected quarterly.	Percentage debt collection		84%	84%		84%		84%					
4.6	4.5	6.3, 6.4		Ensure that 84% of payments are processed in line with the approved payment process.	Percentage of invoices paid within 30 days from receipt of invoices, statements, and credible, accurate and reliable payment documentation submitted timeously from user departments		84%	84%		84%		84%					
4.7	4.7	6.3, 6.4	Internal	Ensure that 100% of conditional grants and subsidies are spent by 30 June 2018	Percentage of grants and subsidies spent		100%	30%		60%		75%		100%			
4.8	4.5	6.3, 6.4		Ensure at least 90% spend on the quarterly allocated annual operating budget per quarter	Percentage of the annual operating budget spent per quarter.		100%	22.5%		45%		67.5%		90%			
<b>5</b>	<b>GOOD GOVERNANCE</b>																
5.1	Internal	Internal	Internal	Conduct weekly, monthly and quarterly meetings, in preparation of Clean Audit 2019, with staff and political leadership to improve information sharing and communicate policies	Number of weekly MANCO meetings held		48	13		11		11		13			
					Percentage of MANCO meetings chaired		80%	80%		80%		80%		80%			
					Number of quarterly staff meetings held		4	1		1		1		1			

				and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities.	Number of Leadership meetings held		24	7		5		5		7			
					Number of quarterly meetings with the Deputy Municipal Managers		4	1		1		1		1			
5.2	Internal	6.2, 6.4	Internal	Enhance tracking of the implementation of ExCo and Council resolutions within 30 days after Council meeting and submit quarterly report on council actions and timelines to MPAC.	Percentage of resolutions actioned within 30 days after Council meeting.		80%	80%		80%		80%		80%			
					Number of Actions and Timelines quarterly reports to MPAC.		4	1		1		1		1			
5.3	5.1.1, 5.1.2	6.2, 6.4	Internal	Improve Intergovernmental Relations with all local municipalities in the District by convening Intergovernmental Forums quarterly.	Number of Quarterly Municipal Manager's Forum meetings convened		4	1		1		1		1			
					Number of Quarterly Mayor's Forum meetings facilitated		4	1		1		1		1			
5.4	5.2.3	6.2, 6.4	MM5.6	Ensure the hosting of the Annual State of the District Address by 30 June 2019.	Date of SODA		30-Jun-18							30-Jun-18			
5.5	5.2.1	6.2, 6.4	MM5.10	Conduct 2 rounds of IDP Roadshows per local municipality as part of the public participation and consultation process of the IDP by 30 June 2019.	Number of IDP Roadshows		14			7				7			
5.6	5.3.1, 5.3.2	6.2, 6.4	Internal	Ensure the implementation of the Performance Management Framework for 2017/2018 through the measurement, reporting and assessment of performance of the municipality as an institution. Ensure oversight functionality by conducting quarterly and annual audits by Internal Auditor and AG on performance management information in	Number of Performance Agreements signed by 31 July 2018		6	6									
					Date of completion of Annual 2017/2018 Performance Assessment		31-Dec-18			31-Dec-18							
					Date of submission of 2017/2018 Assessment Results to PAC		31-Dec-18			31-Dec-18							
					Number of consolidated quarterly SDBIP reports to EXCO		4	1		1		1		1			
					Date of completion of Quarter 1 Performance Assessment		31-Dec-18			31-Dec-18							

				preparation for Clean Audit 2019.	Date of completion of Quarter 2 Performance Assessment		31-Mar-18					31-Mar-18					
					Date of completion of Quarter 3 Performance Assessment		30-Jun-18						30-Jun-18				
					Number of Quarterly Internal Audit Reviews		4	1		1		1	1				
					Date of submission of 2017/2018 Annual Performance Report to AG		31-Aug-18	31-Aug-18									
					Date of submission of Mid-Year Performance Report to Council		25-Jan-18					25-Jan-18					
					Date of approval of 2017/2018 Performance Agreements by Council		30-Jun-18						30-Jun-18				
					Date of approval of 2017/2018 SDBIP by Council		30-Jun-18						30-Jun-18				
					Date of approval of 2017/2018 OPMS Scorecard by Council		30-Jun-18						30-Jun-18				
5.7	5.3.1	6.2; 6.4	Internal	Promote accountability of employees and organisation in using resources and ensuring that implementation objectives of the SDBIP are met.	Percentage of achievement on organisational SDBIP performance targets set		80%	80%		80%		80%			80%		
5.8	5.4.1 ;5.4.2	Internal	Internal	Promote a performance management culture by ensuring cascading of performance management to all Senior Managers of King Cetshwayo by 30 June 2019.	Date of review of PMS Policy		30-Jun-18						30-Jun-18				
					Date of review of PMS Framework		30-Jun-18					30-Jun-18					
					Date of completion of Senior Managers' scorecards		30-Jun-18					30-Jun-18					
5.9	5.5.1, 5.5.2	6.2; 6.4	Internal	Ensure compliance to the Back 2 Basics Programme by ensuring submission of monthly reports to DCOG and	Number of B2B reports submitted to DCOG by the specified date		12	3		3		3		3			

				quarterly to KZN CoGTA by the specified dates.	Number of B2B reports submitted to KZN CoGTA by the specified date		4	1		1		1		1			
5.10	Internal	Internal	Internal	Conduct at least 4 Municipal Public Accounts Committee (MPAC) meetings to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality in preparation of Clean Audit 2019.	Number of quarterly MPAC meetings		4	1		1		1		1			
<b>6. CROSS CUTTING</b>																	
6.1	5.9	6.2, 6.4	Internal	Ensure the Approval of the 2017-2022 IDP by 30 June 2019	Date of submission of Draft IDP to Council		31-Mar-18							31-Mar-18			
					Date of approval of Final IDP by Council		30-Jun-18								30-Jun-18		
6.2	6.1.1	6.2, 6.4	Internal	Ensure the implementation of the Spatial Planning and Land Use Management Act (SPLUMA) and the roll-out thereof to local municipalities by 30 June 2019.	Date of roll out of SPLUMA by 30 June 2018		30-Jun-18									30-Jun-18	
6.3	7.1.1	6.2, 6.4	MM1.1	Ensure the implementation of the Integrated District Education Programme through the hosting of the Annual Matric Achievers Awards by 31 January 2019.	Date of Annual Matric Achievers Awards		31-Jan-18							31-Jan-18			
6.4	Internal	6.2, 6.4	MM5.10 ; MM2.2	Facilitate district Clean up campaigns with the local municipalities by 30 June 2019.	Number of clean up campaigns conducted by 30 June 2019		4	1	-	1				1		1	

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: TECHNICAL SERVICES: 2018/2019

COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

Item no:	OPMS Indicator no:	DGDP Ref:	Implementation Plan Ref:	PERFORMANCE TARGET	UNIT OF MEASUREMENT	BAS ELIN E 17/18	ANNU AL TARG ET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
								TAR GET	AC TU AL	TARGE T	ACTUAL	TARGET	ACTUAL	TARGET	AC TU AL
1				<b>TECHNICAL EXECUTIVE</b>											
1.1	4.1.1	6.1 ; 6.2	Internal	Ensure 100% expenditure on CAPEX, OPEX, WSIG, RBIG and MIG annual expenditure programmes with no over-expenditure by 30 June 2018	Percentage of budgeted amount expenditure on OPEX		100%	10%		30%		60%		100%	
					Percentage of budgeted amount expenditure on CAPEX		100%	10%		30%		60%		100%	
					Percentage of budgeted amount expenditure on WSIG		100%	10%		45%		65%		100%	

					Percentage of budgeted amount expenditure on RBIG	100%	10%	45%	65%	100%
					Percentage of budgeted amount expenditure on MIG	100%	20%	45%	70%	100%
1.2	5.5.1, 5.5.2	6.1	Internal	Submit the Monthly Back to Basics report and Quarterly Back to Basics report to the Office of the Municipal Manager by the date specified by the PMS Office	Number of Back to Basics Monthly reports submitted	12	3	3	3	3
					Number of Back to Basics Quarterly reports submitted	4	1	1	1	1
1.3	4.3	6.2; 6.3; 6.4	F4.1	Ensure the submission of assets for updating of the Fixed Asset Register for the Technical Services Department by submitting details of new assets to the Asset Department within 60 days after the completion of the project.	• Percentage of assets submitted for capturing on asset register	100%	100%	100%	100%	100%
1.4	1.1.3, 1.1.4	6.2	Internal	Develop a Competency Plan for Senior Managers within the department by 31 December 2018	Date of completion of Competency Plan	31-Dec-18		31-Dec-18	-	-
					Staff identified for training as per the competency plan	31-Dec-18		31-Dec-18	-	-
1.5	5.3.1, 5.3.2	6.2	CS 3.4	Ensure the cascading of effective Performance Management System by 30 June 2018	Date of completion for the development of Performance Plans for all Senior Managers within the Technical Services	31-Dec-18		31-Dec-18		

					Department													
					Date of Performance Assessments for Senior Managers		31 March 2019 & 30 June 2019					31-Mar-19					30-Jun-19	
<b>2</b>					<b>MUNICIPAL STANDARD CHARTS OF ACCOUNTS (MSCOA)</b>													
2.1	Internal	4.4; 6.1, 6.2,6.3,6.4	Internal	Ensure attendance to quarterly MSCOA steering committee meetings by DMM and monthly MSCOA meetings by Senior Managers	Number of monthly MSCOA meetings attended by Senior Managers	12	3		3			3					3	
					Number of MSCOA Steering Committee meetings attended by DMM	4	1		1			1			1			
<b>3</b>					<b>BUDGET PLANNING</b>													
3.1	4.1.1	6.2	Internal	Ensure the implementation of the 2017/2018 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	Number of quarterly procurement progress reports	4	1		1			1					1	

4													
BUDGETING AND REPORTING													
4.1	4.1.1	6.2	Internal	Prepare and submit monthly budget reports for the department and report to the Budget and Treasury Office by the due dates stipulated from the Budget Office	Number of budget reports submitted to the Budget and Treasury Office by the due dates stipulated from the Budget Office	11	2	2	4	3			
4.2	4.1.1	6.2	Internal	Ensure at least 90% spend on the quarterly allocated annual operating budget per quarter	Percentage of the annual operating budget spent per quarter.	90%	22.5%	45%	67.5%	100%			
5													
EXPENDITURE CONTROL													
5.1	4.5	6.2	Internal	Ensure payments certificates are submitted to Expenditure within 5 working days of receipt	Percentage of payment certificates submitted to expenditure section	100%	100.0%	100%	100.0%	100%			
6													
WATER SERVICES													
6.1	2.1.2	Internal	6.1.3	Implement the Capacitation Plan for the Urban Component by 30 June 2018 as per Section 78 assessment and report quarterly progress to the portfolio committee by the 2nd PC meeting after quarter ends.	Date of tender advertisement								
					Date of appointment of service providers	31-Mar-18			31-Mar-18				



				Number of progress reports to portfolio by the 2nd PC meeting after quarter ends	4	1	1	1	1	
<b>7</b>	<b>MUNICIPAL INFRASTRUCTURE IMPLEMENTATION</b>									
7.1	2.4.1, 2.4.2, 2.4.3	4.5	T4.12, T4.15, T4.17, T4.18, T4.19, T4.20, T4.21, T4.23, T4.25	Ensure the eradication of backlogs in the district by providing 2000 new households with access to basic water services. Report quarterly to the Technical Portfolio Committee by the 2nd PC meeting after quarter ends on the number of households with access to water as well as the new water connections.	Percentage of households with access to basic water	68.43 %	67.14%	67.57%	68.00%	68.43%
				Number of households with access to basic water	79639	78139	78639	79139	79639	
				Number of new water connections	2 000	500	500	500	500	
				Number of progress reports by the 2nd PC meeting after quarter ends	4	1	1	1	1	
7.2	2.5.1, 2.5.2, 2.5.3	4.5	T4.82, T4.83, T4.84, T4.85, T4.86	Ensure the eradication of backlogs in the district by providing 5000 new households with access to free basic sanitation. Report quarterly to the Technical Portfolio Committee by the 2nd PC meeting after quarter ends on the number of new sanitation connections as well as households with access to free basic	Percentage of households with access to basic sanitation	87.08 %	83.85%	84.73%	86.00%	87.08%
				Number of households with access to sanitation services	10133 4	97584	98834	100084	101334	

				sanitation.	Number of new sanitation connections	5 000	1 250	1 250	1 250	1 250
					Number of progress reports by the 2nd PC meeting after quarter ends	4	1	1	1	1
7.3	4.8	6.1, 6.4	Internal	Implement Regional Cemetery upgrades as part of Phase II D through the construction of a new fence and gate by 30 June 2019.	Finalisation of the appointment of service provider	31-Mar-18			31-Mar-18	
					Percentage completion of regional cemetery upgrades	50%	10%	30%	40%	50%
					Number of progress reports by the 2nd PC meeting after quarter ends	4	1	1	1	1
7.4	2.1.1	4.5	T4.50 to T4.54	Commence with the upgrade of the water and waste water services network repairs in Nkandla, Melmoth, Mtunzini, Mbonambi and Gingindlovu and report quarterly progress to the Portfolio Committee by the 2nd PC meeting after quarter ends.	Percentage completion of prioritized Mtunzini network repairs	100%	10%	30%	60%	100%
					Percentage completion of prioritized Melmoth network repairs	100%	10%	30%	60%	100%
					Percentage completion of prioritized Mbonambi network repairs	100%	10%	30%	60%	100%

					Percentage completion of prioritized Gingindlovu network repairs	100%	10%	30%	60%	100%
					Percentage completion of prioritized Nkandla network repairs	100%	10%	30%	60%	100%
					Number of reports to portfolio by the 2nd PC meeting after quarter ends	4	1	1	1	1
7.5	3.2.2	1.3	T1.21	Ensure the functioning of EPWP Incentive projects within the King Cetshwayo District by creating <b>600</b> new jobs under projects being implemented for the 2017/2018 financial year. Report quarterly statistics to the portfolio committee by the 2nd PC meeting after quarter ends.	Number of new jobs created	600	150	150	150	150
					Number of progress reports to portfolio by the 2nd PC meeting after quarter ends	4	1	1	1	1
8				<b>OPERATIONS MAINTENANCE AND MONITORING</b>						
8.1	2.2.1	6.4	Internal	Maintain the Regional Solid Waste Site as well as the transfer station in order to ensure effective operation of the sites by ensuring compliance with the permit conditions. Submit quarterly report to the portfolio committee by the 2nd PC meeting after quarter ends	Number of compliance monitoring committee meetings held	4	1	1	1	1
					Number of quarterly compliance Internal Audit report	4	1	1	1	1

					Number of progress reports by the 2nd PC meeting after quarter ends	4	1	1	1	1		
8.2	Internal	3.2	T6.9	Ensure improved health and safety conditions by implementing recommendations made by the Occupational Health and Safety Committee within the budget by 30 June 2019. Submit quarterly report to PC by the 2nd PC meeting after quarter ends. Submit OHS Annual expenditure report to Council by the 30 June 2019.	Percentage of budget spent within 2017/2018 financial year addressing OHS problems identified in 2017/2018 financial year by OHS Committee	50%	15%	25%	35%	50%		
					Number of reports submitted to PC by 2nd PC meeting after quarter ends	4	1	1	1	1		
					Date of OHS Annual expenditure report to Council	30-Jun-19					30-Jun-19	
<b>9</b>	<b>WATER AND WASTE WATER (PROCESS SECTION)</b>											
9.1	2.4.1; 2.4.2; 2.4.3	4.5	T5.4	Improve the quality of drinking water by 15 % for all water treatment plants by 30 June 2019	Percentage Compliance to SANS 241 : 2015	85%	70%	75%	80%	85%		
				Submit quarterly report on improvement to PC by the 2nd PC meeting after quarter ends	Number of reports to the PC by the 2nd PC meeting after quarter ends.	4	1	1	1	1		
9.2	2.5.1; 2.5.2; 2.5.3	4.5	T5.5	Improve quality of waste water by 15 % for all waste water treatment plants by 30 June 2019	Percentage Compliance to General Authorisation Standards/ Works Licence	50%	35%	40%	45%	50%		

				Submit quarterly report on improvement to PC by the 2nd PC meeting after quarter ends	Number of reports to the PC by the 2nd PC meeting after quarter ends.	4	1	1	1	1
<b>10</b>	<b>WATER USE EFFICIENCY</b>									
10.1	2.4.1	4.5	T4.32, T4.56	Ensure the implementation of the UDM Water Conservation Demand Management Strategy by installing 2000 replacement meters by 30 June 2019.	Number of replacement meters installed	2000	500	500	500	500
10.2	2.4.1	4.5	T4.40	Repair 100% of identified household leaks by 30 June 2019 and report quarterly progress to the Technical Services Portfolio Committee by 2nd PC meeting after quarter ends	Percentage of leaks repaired	100%	100%	100%	100%	100%
					Number of progress reports by the 2nd PC meeting after quarter ends	4	1	1	1	1

DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: FINANCIAL SERVICES: 2018/2019

COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

Item no:	OPMS Indicator no:	DGDPP Ref:	Implementation Plan Ref:	PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE 17/18	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
								TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
<b>1</b>	<b>FINANCE EXECUTIVE</b>														
1.1	5.5.1, 5.5.2	6.1	Internal	Submit the Monthly and Quarterly Back to Basics report to the Office of the Municipal Manager by the specified date and submit quarterly Back to Basics report except where Finance is reliant on Technical Services department for information.	Number of Back to Basics Monthly reports submitted	12	12	3		3		3		3	
					Number of Back to Basics Quarterly reports submitted	4	4	1		1		1		1	
1.2	1.1.3, 1.1.4	6.2	Internal	Develop a Competency Plan for Senior Managers within the department by 31 December 2018	Date of completion of Competency Plan	New						-	-	-	
					Staff identified for training as per the competency plan	New					-	-	-		
1.3	5.3.1, 5.3.2	6.2	CS 3.4	Ensure the cascading of effective Performance Management System by 30 June 2018	Date of completion of the development of Performance Plans for all Senior Managers within the Financial Services Department	New									
					Performance Assessments of Senior Managers	New					31-Mar-19		30-Jun-18		
1.4	1.1.1.	6.2	Internal	Ensure the allocation of budget for the Diversity Management and Equity Plan per quarter.	Percentage allocation of budget for the implementation of the Diversity Management and Equity Plan	New	100%	100%		100%		100%		100%	
<b>2</b>	<b>MUNICIPAL STANDARDS CHARTS OF ACCOUNTS (MSCOA)</b>														

2.1	Internal	4.4 6.1, 6.2, 6.3, 6.4	Internal	Ensure attendance to quarterly MSCOA meetings by DMM and monthly MSCOA meetings by Senior Managers	Number of monthly MSCOA meetings attended by Senior Managers	New	12	3		3		3	
2.2					Number of MSCOA Steering Committee meetings attended by DMMs	New	4	1		1		1	
<b>3</b>	<b>BUDGET PLANNING</b>												
3.1	4.1.1	6.2	Internal	Ensure the implementation of the 2017/2018 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	Number of quarterly procurement progress reports to portfolio by the 2nd PC after quarter ends	New	4	1		1		1	
<b>4</b>	<b>EXPENDITURE CONTROL</b>												
4.1	4.5	6.2	Internal	Ensure payments certificates are submitted to Expenditure Section within 5 working days of receipt	Percentage of payment certificates submitted to the expenditure section	New	100%	100%		100%		100%	
<b>5</b>	<b>BUDGETING AND REPORTING</b>												
5.1	4.1.1	6.2, 6.3	Internal	Prepare and submit final 2017/2018 budget to Council for approval by 31 May 2018 in terms of section 24 (1) of the MFMA and to Provincial and National Treasury by 14 June 2018 as per the budget regulation section 35 (a) of Government Gazette No 32141.	Date of Submission of Budget time schedules to Council	25-Aug-15	31-Aug-18	31-Aug-18					
					Date of Submission of Draft Budget to Council	16-Mar-17	31-Mar-19			31-Mar-19			
					Date of approval of Final Budget by Council	25-May-17	31-May-19				31-May-19		
					Date of submission to NT and PT	08-Jun-17	14-Jun-19				14-Jun-19		
5.2	4.1.1	6.2, 6.3	Internal	Prepare and submit the Mid-Year Financial Review of the 2017/2018 budget to the Mayor by 25 January 2019 in terms of section 72 (1) of	Date of submission of S72 report to Mayor	14-Jan-17	25-Jan-19				25-Jan-19		

				the MFMA and Provincial and National Treasury immediately after the submission to the Mayor as per budget regulation section 24 (3) of Government Gazette No 32141.	Date of submission of S72 report to NT and PT	15-Jan-17	27-Jan-19					27-Jan-19		
5.3	4.1.1	6.2, 6.3	Internal	Prepare and submit the adjustments budget, if required, to Council by 28 February 2018 as per section 24 (3) of the MFMA and Provincial and National Treasury within 10 working days after the submission to the Mayor as per budget regulation section 24 (3) of Government Gazette No 32141	Date of submission of adjustments budget to Council	24-Feb-17	28-Feb-19					28-Feb-19		
					Date of submission of adjustments budget to NT and PT	09-Mar-17	14-Mar-19				14-Mar-19			
5.4	4.1.1	6.2	F6.2, F6.3	Ensure the implementation of mSCOA by reporting bi-monthly on progress to the Finance Portfolio Committee and ensure compliance by 31/3/2019	Number of reports to portfolio committee at the 2nd PC meeting after month ends	2	6	1		1		2		2
5.5	4.1.1	6.2, 6.3	F6.7, F6.9	Prepare and submit monthly financial reports to the Mayor, Provincial and National Treasury in terms of section 71 (1) of the MFMA within 10 working days after month end and submit to the Financial Services Portfolio Committee by the 2nd PC meeting after quarter ends.	Number of S71 reports submitted to the Mayor within 10 days after month end	13	12	3		2		4		3
					Number of S71 reports submitted to portfolio committee by the 2nd PC meeting after quarter ends	11	12	3		3		3		3
5.6	4.1.1	6.2, 6.3, 6.4	Internal	Ensure the review of the Budget, Virement, Funding & Reserve policy and Long Term Financial Plan. Submit to Council for approval by 31 May 2019.	Number of policies reviewed	4	4							4
					Date of approval by Council			31-May-19					31-May-19	
5.7	4.1.1	6.2	Internal	Ensure at least 90% spend on the quarterly allocated annual operating budget per quarter	Percentage of the annual operating budget spent per quarter.	New	90%	22.5%		45%		67.5%		90%
<b>6</b>	<b>REVENUE ENHANCEMENT</b>													
6.1	4.2.1, 4.4	6.3, 6.4	F5.8	Ensure that 90% of defaulters on non-payment in urban areas (Gingindlovu, Mtunzini,	Percentage of defaulters receiving notifications monthly	97.2%	90%	90%		90%		90%		90%



				Eshowe, Kwambonambi, Melmoth and Nkandla) receive notifications monthly and submit quarterly reports to the Financial Services Portfolio Committee by the 2nd PC meeting after quarter ends.	Number of reports to portfolio committee by the 2nd PC meeting after quarter ends	10	4	1	1	1	1		
6.2	4.2.2, 4.4	6.3, 6.4	F6.8	Implement the Revenue Enhancement Plan by conducting 4 revenue workshops per quarter with the community to promote revenue policies which benefit the poor and to further enhance revenue collection. Submit quarterly report by the 2nd PC meeting after quarter ends	Number of revenue workshops	28	16	4	4	4	4		
					Number of reports to portfolio committee by the 2nd PC meeting after quarter ends	10	4	1	1	1	1		
6.3	4.2.2, 4.4	6.3, 6.4	F6.8	Report on the Financial Viability of King Cetshwayo DM and the achievement of 84% debtors collection target by submitting quarterly report to portfolio by the 2nd PC meeting after quarter ends	Percentage debt collection	91.25%	84%	84%	84%	84%	84%		
					Number of reports to portfolio committee by the 2nd PC meeting after quarter ends	10	4	1	1	1	1		
6.4	4.7	6.3, 6.4	Internal	Submit monthly Grant reports to the relevant Provincial Departments on all DORA grants received within 10 working days after month end in terms of section 71 (5) of the MFMA.	Number of grant reports submitted to relevant Departments	12	12	3	3	3	3		
6.5	4.4	6.2, 6.3, 6.4	F6.8	Ensure the review of the Credit and Debt Control, Tariff, Incentive and Indigent policies and submit to Council for approval by 31 May 2019	Number of policies reviewed	4	4	research policies	submit to Bud SC	workshop to rules	4		
					Date of approval by Council	25-May-17	31-May-19					31-May-19	
<b>7 SUPPLY CHAIN MANAGEMENT</b>													
7.1	4.6	6.2, 6.3, 6.4	F6.1.8	Submit the annual report on the Supply Chain Management policy review to Financial Services Portfolio Committee by 31 May 2019	Date of approval of the reviewed Supply Chain Management Policy by Council	25-May-17	31-May-19	research policies	submit to Bud Section	workshop to rules	31-May-19		

7.2				Prepare and Submit Annual report by 31 August 2018 on the implementation of the Supply Chain Management policy for 2017/2018 financial year to the Finance Portfolio Committee within 30 days after year end	Date of submission of Annual 17/18 SCM report to portfolio	29-Jul-15	31-Aug-18	31-Aug-18										
7.3	4.1.1 ; 4.6	Internal	Internal	Control and monitor stores by conducting quarterly total stock counts and report to the Portfolio Committee by the 2nd PC meeting after quarter ends. Ensure submission of Annual Variance report to the Portfolio Committee within two months after the financial year ends	Date of submission of Annual Variance report to portfolio	29-Jul-15	31-Aug-18	31-Aug-18										
					Number of reports to portfolio committee by the 2nd PC meeting after quarter ends	10	4	1	1	1	1	1						
					Number of quarterly total stock counts	4	4	1	1	1	1	1						
<b>8 EXPENDITURE CONTROL</b>																		
8.1	4.5	Internal	Internal	Monitor the payment of creditors and salaries by submitting monthly cash flow statement reports to the Finance Portfolio Committee by the 2nd PC meeting after quarter ends	Percentage of salary payments made within 7 days after month end	1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
					Number of reports to portfolio committee by the 2nd PC meeting after quarter ends	12	4	1	1	1	1	1						
<b>9 ASSET MANAGEMENT</b>																		
9.1	4.1.1	6.4	F6.7	Ensure the review and approval of the Asset policy by 31 May 2019	Date of approval of Asset Policy by Council	25-May-17	31-May-19	research policies	submit to Bud SC	workshop to rules	31-May-18							
<b>10 MANAGEMENT ACCOUNTS</b>																		
10.1	4.1.1	6.2, 6.3, 6.4	F6.7, 6.9	Complete and formally submit the 2017/2018 financial statements to the Auditor General by 31 August 2018 in terms of section 126 (2) of the MFMA.	Date of submission of AFS to AG	28-Aug-15	31-Aug-18	31-Aug-18										
10.2	4.1.1	6.2, 6.3, 6.4	F 6.9	Complete and formally submit the 2017/2018 Consolidated Annual Financial Statements to the Auditor General by 30 September 2018 in terms of section 126 (b) of the MFMA.	Date of submission of Consolidated AFS to AG	30-Sep-15	30-Sep-18	30-Sep-18										

10.3	4.1.1	6.2, 6.3, 6.4	F6.7, 6.9	Submit the Financial Audit Report of 2017/2018 financial year to Council by 31 January 2018 in terms of section 121 (1) of the MFMA.	Date of submission of Financial Audit Report to Council	10-Dec-15	31-Jan-19					31-Jan-19		
10.4	4.1.1	6.2, 6.3, 6.4	Internal	Ensure the review of the Borrowing & Cash and Banking policies and submit to Council for approval by 31 May 2019.	Number of policies reviewed	2	2	research policies	submit to Bud Section	workshop to rules	2			
					Date of approval	25-May-17	31-May-19					31-May-19		

## DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES:2018/2019

## COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

SDBIP No	OPMS Ref No/ DGD Ref No/ Implementation Plan No	PERFORMANCE TARGET	RESPONSIBLE PERSON	BASELINE 2014/2015	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
						TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
<b>1 COMMUNITY EXECUTIVE</b>													
1.1	1.1.3;1.1.4/6.2/ internal	Develop a Competency Plan for Senior Managers within the department by 31 December 2018. Identify staff for training interventions as per the competency plan by 31 December 2018	Date of completion of the Departmental staff competency Plan	New							-	-	
			Staff identified for training as per the competency plan	New						31-Mar-19	-	30-Jun-19	
1.2	5.4.1, 5.2.2/6.2/ Internal	Ensure the cascading of effective Performance Management System by 30 June 2019	Date of completion for the development of Performance Plans for all Senior Managers within the Department	New									
			Date of Performance Assessments of Senior Managers	New						31-Mar-19		30-Jun-19	
<b>2 MUNICIPAL STANDARD CHARTS OF ACCOUNTS (MSCOA)</b>													
2.1	4.1/4.4, 6.1, 6.2,6.3,6.4, / INTERNAL	Ensure attendance to quarterly MSCOA meetings by DMM and monthly MSCOA meetings by Senior Managers	Number of monthly MSCOA meetings attended by Senior Managers	New	12	3		3		3		3	
			Number of MSCOA Steering Committee meetings attended by DMM	New	4	1		1		1		1	



6.2	7.10.1 to 7.10.5/ 3.1, 3.2/ C3.19 to C.24	Implement 5 programmes by 30 June 2019 for marginalised groups such as Women, Men, Youth, Senior Citizens and the Disabled. Report quarterly progress to portfolio committee at the 2nd PC meeting after quarter ends.	Number of Senior Citizens Forum meetings held	5	4	1		1		1		1		
			Date of Man's March against Alcohol and Drug Abuse	05-Nov-15	30-Jun-19						###	###	##	
			Number of youth programmes implemented	9	2	1							1	
			Number of Women's Forum meetings held	4	4	1			1		1		1	
			Number of District Disability Forum meetings held	5	4	1			1		1		1	
			Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	8	4	1			1		1		1	
6.3	7.11/3.1/ C 3.11 & C3.17	Ensure the implementation of Operation Sukuma Sakhe by ensuring that 100% of identified needs are met within available budget. Report quarterly to portfolio committee at the 2nd PC meeting after quarter ends	Percentage of identified needs assisted	100%	100%	100%		100%		100%		100%		
			Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	4	4	1			1		1		1	
6.4	7.8/C3.25	Ensure the promotion of culture, arts and heritage within King Cetshwayo by contributing financially to the Annual SATMA Awards by 31 October 2018. Submit report on event to the Community Services Portfolio Committee at the 2nd PC meeting after quarter ends.	Percentage of budgeted amount spent on SATMA Awards	100%	100%	50%		100%						
			Number of reports on event to portfolio committee at the 2nd PC meeting after quarter ends	0	1					1				
7			<b>AIR QUALITY MANAGEMENT</b>											
7.1	INTERNAL/5.4/C5.4	Ensure the implementation of the Air Quality Management Plan by conducting inspections at all 8 identified sites by 30 June 2019	Number of identified areas inspected	9	8	2		2		2		2		
			Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	4	4	1		1		1		1		
8			<b>SPORTS DEVELOPMENT</b>											
8.1	INTERNAL /3.2/C3.27	Ensure implementation of King Cetshwayo Sports Development Plan by 31 December 2018. Identify and assist programmes for development by 30 June 2019. Report quarterly on the implementation thereof to the	Date of implementation of Sports Development Plan	New	31-Dec-18			31-Dec-17						
			Percentage of identified programmes assisted as per Sports Development Plan	New	100%			50%		75%		100%		

		portfolio committee at the 2nd PC meeting after quarter ends	Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	New	4	1		1		1		1		
8.2	7.4.1 & 7.5/3.2/C3.28, C3.32	Ensure the participation and contribution towards to the District Elimination Games by 31 October 2018 and SALGA Games by 31 December 2018 and report quarterly progress to the Community Services Portfolio Committee at the 2nd PC meeting after quarter ends	Percentage of budgeted amount spent	100%	100%	25%		75%		100%				
			Date of District Elimination Games	19-Sep-17	31-Oct-18			31-Oct-18						
			Date of SALGA Games	2017/12/10-14	31-Dec-18			31-Dec-18						
			Number of codes participating	16	16									
			Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	4	3	1		1		1				
8.3	7.4.2/3.2/C3.29	Facilitate the District Golden Games for elderly people by 31 July 2018 and report to the Community Services Portfolio Committee at the 2nd PC meeting after quarter ends	Date of Golden Games	05-Aug-17	31-Jul-18	31-Jul-18								
			Number of progress reports to portfolio Committee at the 2nd PC meeting after quarter ends	1	1			1						
8.4	7.4.3/3.2/C3.30	Host the Mayoral Cup to promote local athletes by 30 September 2018 and report thereon to the Community Services Portfolio Committee at the 2nd PC meeting after quarter ends	Date of Mayoral Cup	05-Sep-17	30-Sep-18	30-Sep-18								
			Number of reports on event to portfolio committee at the 2nd PC meeting after quarter ends	1	1			1						
8.5	7.4.4/3.2/C3.31	Facilitate the Annual King Cetshwayo District Marathon by 30 November 2018 and report on event to the Community Services Portfolio Committee at the 2nd PC meeting after quarter ends	Date of advertisement	25-Sep-17	30-Sep-18	30-Sep-18								
			Date of stakeholder liaison meeting	2017/08/20 ; 2017/10/31	31-Oct-18			31-Oct-18						
			Date of King Cetshwayo Marathon	05-Nov-17	30-Nov-18			30-Nov-18						
			Number of reports on event to portfolio committee at the 2nd PC meeting after quarter ends	1	1					1				
<b>9</b>		<b>DISASTER MANAGEMENT</b>												
9.1	INTERNAL/1.3/INTERNAL	Ensure the activation of the Disaster Management Volunteers Programme by training 200 volunteers on fire fighting activities by 30 June 2018 and submit 3 quarterly progress reports to the PC by the 2nd PC after the quarter ends.	Number of volunteers trained	New	200					100		100		
			Number of progress report to portfolio committee at the 2nd PC meeting after quarter ends	New	4	1		1		1		1		
9.2	7.6.1/INTERNAL/C5.10	Ensure the procurement of 10 temporary shelters for inclusion in disaster management stock items by 31 December 2018.	Date of appointment of the service provider	New	31-Dec-18			31-Dec-18						
			Number of temporary shelters procured	New	10			10						

			Number of progress report to portfolio committee at the 2nd PC meeting after quarter ends	New	1					1			
<b>10</b>		<b>ENVIRONMENTAL HEALTH</b>											
10.1	INTERNAL / 3.1	Ensure implementation of the Bilharzia Control Plan by conducting 12 awareness campaigns by 30 June 2019. Submit quarterly report to the portfolio by the 2nd PC after quarter ends.	Number of awareness campaigns conducted	New	12	3		3		3		3	
			Number of quarterly progress reports submitted to PC by the 2nd PC meeting after quarter ends	New	4	1		1		1		1	



DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: PLANNING SERVICES:2018/2019															
COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE															
Item no:	OPMS No:	DGGP Ref:	Implementation Plan Ref:	PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE 15/16	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
								TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
1	PLANNING EXECUTIVE														
1.1	4.1.1	Internal	Internal	Ensure that the Planning Executive expenditure on OPEX projects is within the approved budget for the 2017/2018 financial year.	Total OPEX percentage of budgeted amount spent for the 2017/18 Financial Year	100%	100%	20%		50%		75%		100%	
1.2	1.1.3, 1.1.4	Internal	Internal	Develop a Competency Plan for Senior Managers within the department by 31 December 2017	Date of completion of the Departmental staff competency Plan	New									
					Staff identified for training as per the assessment outcome	New									
1.3	5.3.1, 5.3.2, 5.3.3	Internal	Internal	Ensure the cascading of effective Performance Management System by 30 June 2018	Date of completion of the development of Performance Plans for all Senior Managers within the Planning and Economic Development Department	New									

					Date of Performance Assessments of Senior Managers	New	30-Jun-18					31-Mar-19		30-Jun-19	
1.4	5.5.1, 5.5.2	6.1	Internal	Submit the Quarterly Back to Basics report to the Office of the Municipal Manager within 10 working days after the quarter ends	Number of Back to Basics Quarterly reports submitted	4	4	1		1		1		1	
2	MUNICIPAL STANDARD CHARTS OF ACCOUNTS (MSCOA)														
2.1	Internal	4.4 6.1, 6.2, 6.3, 6.4	Internal	Ensure attendance to quarterly MSCOA meetings by DMM and monthly MSCOA meetings by Senior Managers	Number of monthly MSCOA meetings attended by Senior Managers		12	3		3		3		3	
					Number of MSCOA Steering Committee meetings attended by DMM		4	1		1		1		1	
3	BUDGET PLANNING														
3.1	4.1.1	Internal	Internal	Ensure the implementation of the 2017/2018 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	Number of quarterly procurement progress reports to portfolio by the 2nd PC after quarter ends	New	4	1		1		1		1	
4	BUDGETING AND REPORTING														
4.1	4.1.1	6.2	Internal	Prepare and submit monthly budget reports for the department and report to the Budget	Number of budget reports to the Budget and Treasury Office within 10 working days after month end	New	11	2		2		4		3	

				and Treasury Office by the due dates stipulated from the Budget Office	Number of consolidated quarterly budget reports submitted to portfolio committee within 60 days after quarter ends	New	4	1		1		1		1	
4.2	4.1.1	6.2	Internal	Ensure at least 90% spend on the Quartely allocated annual operating budget per quarter	Percentage of the annual operating budget spent per quarter.	New	100%	25%		50%		75%		100%	
5	EXPENDITURE CONTROL														
5.1	4.5	6.2	Internal	Ensure payments certificates are submitted to Expenditure section within 5 working days of receipt	Percentage of payment certificates submitted to expenditure section within 5 days of receipt	New	100%	100%		100%		100%		100%	
6	ECONOMIC DEVELOPMENT														
6.1	4.1.1	Internal	Internal	Ensure that the Economic Development expenditure on OPEX projects is within the approved budget for the 2017/2018 financial year	Total OPEX percentage of budgeted amount spent for the 2017/18 Financial Year		100%	20%		50%		75%		100%	
6.2	3.1.2	Internal	E1.33	Facilitate at least 1 Economic Development Summit by 30 June 2019 and submit a report to the Portfolio Committee by the 2nd PC meeting after the event.	Date of Planning & Economic Development summit.	14-Jun-17	30-Jun-19							30-Jun-19	
					Number of reports to Portfolio Committee	1	1	1							
6.3	3.4.1;	1.1	E1.8	To promote agriculture development within	Number of farmers supported	13	10	2		3		2		3	
					Number of Farmers	New	18	6			6		6		



					Date for the Commencement of the campaign for Kings Experience	26-09-15	30-Sep-18	30-Sep-18															
					Date for Marketing of the King's Experience	26-09-17	31-Dec-18			31-Dec-18													
					Date for King Cetswayo Commemoration	New	30-Sep-18	30-Sep-18															
					Number of Tourism progress reports to portfolio committee	4	4	1		1		1					1						
6.6	3.3.2	1.4	E1.16, E1.17	Develop the Tourism and Arts Academy Concept by 31 Decemeber 2017 and ensure the implementation of 2 Creative, Visual and Performing Arts (CVPA) Programmes, 3 training sessions, 1 Creative, Visual and Performing Arts Festival and support the Local Film Production by 30 June 2019. Submit quartely progress reports to Portfolio Committe by 2nd PC meeting after quarter ends	Date of Creative, Visual and Performing Arts Festival	New	30-Jun-19										30-Jun-19						
					Date of Tourism and Arts Academy concept development	New	31-Dec-18			31-Dec-18													
					Number of CVPA training sessions conducted	New	3	1						1							1		
					Number of CVPA programmes implemented	New	2									1					1		
					Date of report on the support provided to the Local Film Production	New	30-Jun-19														30-Jun-19		
					Number of Film Office progress reports to portfolio committee	4	4	1					1		1						1		
6.7	3.2.3	1.4	E1.29, E1.31,	Provide support by conducting quarterly training, support and development	Number of informal Economic Chamber engagement sessions attended	New	4	1				1							1				

				sessions and assisting the number of Cooperatives and SMME's registered in the District's database, by identifying 10 Black Industrialists and assist 4 Black Industrialists and facilitate the SMME Economic Symposium by 30 June 2019. Submit quarterly progress reports to Portfolio Committee by 2nd PC meeting after quarter ends	Number of SMME's/ Cooperatives assisted and captured onto the data base	10	40	10		10		10		
					Number of training, support and development sessions hosted	New	4	1		1		1		
					Date of SMME Economic Symposium	14-Jun-15	30-Jun-19						30-Jun-19	
					Number of Black Industrialists identified	New	10	5				5		
					Number of Black Industrialists assisted	New	4			2			2	
					Number of SMME/ Co-Operatives support programmes implemented	New	4	1				1	2	
					Number of SMME progress reports to portfolio committee	4	4	1		1		1	1	
7				<b>STATUTORY AND DEVELOPMENT PLANNING</b>										
7.1	4.1.1	Internal	Internal	Ensure that the Statutory and Development Planning expenditure on OPEX projects is within the approved budget for the 2017/2018 financial year	Total OPEX percentage of budgeted amount spent for the 2018/18 Financial Year		100%	20%		50%		75%		100%
7.2	5.2.1 ; 5.9	6.1	P5.1	Prepare and submit the final 2017/2022 IDP to Council for approval by 30 June 2019.	Date of submission of Final IDP Framework Plan to Council	New	30-Sep-18	30-Sep-18						
					Number of IDP Representative (IGR) Forums	3	3			1		1		1

					Date of submission of Draft IDP to Council	16-Mar17	31-Mar-19					31-Mar-19		
					Date of approval of Final IDP by Council	25-May17	30-Jun-19							30-Jun-19
7.3	6.1.1	5.3, 6.1	P6.4	Ensure the appointment of a service provider for the development of Environmental Framework Plan by 30 June 2019 and submit progress reports to Portfolio Committee by 2nd PC meeting after quarter ends	Date for the development of the terms of reference for the Environmental Framework Plan	New	31-Dec-18			31-Dec-18				
					Date of appointment of service provider for Environmental Framework Plan	New	30-Jun-19							30-Jun-19
					Number of progress reports to portfolio Committee	4	2					1		1

## DEPARTMENT OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES: 2018/2019

## COMPONENT 3 - QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE

OPMS Indicator no.	DGP Ref. Implementation Plan Ref.	PERFORMANCE TARGET	UNIT OF MEASUREMENT	BASELINE	ANNUAL TARGET	QUARTER ENDING 30 SEPT		QUARTER ENDING 31 DEC		QUARTER ENDING 31 MARCH		QUARTER ENDING 30 JUNE	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual
						CORPORATE EXECUTIVE							
5.3.1, 5.3.2	6.2	CS 3.4	Ensure the cascading of effective Performance Management System by 30 June 2019	Date of completion of the development of Performance Plans for all Senior Managers within the Corporate Services Department	New	31-Dec-18							
			Date of Performance Assessments of Senior Managers	New	2019/03/31 & 2019/06/30					31-Mar-19		30-Jun-19	
5.5.1; 5.5.2	6.1	Internal	Submit the Monthly Back to Basics reports to the Office of the Municipal Manager within 10 working days after month end and submit quarterly Back to Basics report to PMS office within the specified date	Number of Quarterly B2B reports submitted	4	4	1		1		1		1
			Number of Monthly B2B reports submitted to DCOG	12	12	3		3		3		3	
1.1.3, 1.1.4	6.2	Internal	Develop a Competency Plan for Senior Managers within the department by 31 December 2018. Identify staff for training interventions as per the competency plan by 31 December 2018	Date of completion of the Departmental staff competency Plan	New						-		-
			Staff identified for training as per the competency plan	New								-	
MUNICIPAL STANDARD CHARTS OF ACCOUNTS (MSCOA)													



4.1.1	4.4; 6.1, 6.2, 6.3,	Internal	Ensure attendance to quarterly MSCOA meetings by DMM and monthly MSCOA meetings by Senior Managers	Number of monthly MSCOA meetings attended by Senior Managers	New	12	3		3		3		3	
			Number of MSCOA Steering Committee meetings attended by DMM	New	4	1		1		1		1		
<b>BUDGET PLANNING</b>														
4.1.1	6.2	Internal	Ensure the implementation of the 2017/2018 Procurement Plan by reporting quarterly on the progress made to the Portfolio Committee by the 2nd PC after quarter ends.	Number of quarterly procurement progress reports to portfolio by the 2nd PC after quarter ends	New	4	1		1		1		1	
<b>BUDGETING AND REPORTING</b>														
4.1.1	6.2	Internal	Prepare and submit monthly budget reports for the department and report to the Budget and Treasury Office by the due dates stipulated from the Budget Office	Number of budget reports submitted to the Budget and Treasury Office within 10 working days after month end	New	11	2		2		4		3	
				Number of consolidated quarterly budget reports submitted to portfolio committee within 60 days after quarter end	New	4	1		1		1		1	
4.1.1	6.2	Internal	Ensure at least 90% spend on the Quarterly allocated annual operating budget per quarter	Percentage of the annual operating budget spent per quarter.	New	100%	25%		50%		75%		100%	
<b>EXPENDITURE CONTROL</b>														

4.5	6.2	Internal	Ensure payments certificates are submitted to Expenditure within 5 working days of receipt	Percentage of payment certificates approved and submitted to expenditure section	New	100%	100%		100%		100%		100%
<b>ADMINISTRATIVE SERVICES</b>													
Internal	6.1, 6.4	Internal	Ensure the effective functioning of Council and Committees of Council in accordance with Council's Standing Rules of Order by holding at least 40 portfolio committees, 12 EXCO and 6 Council meetings by 30 June 2019.	Number of Portfolio meetings	61	40	10		10		10		10
				Number of EXCO meetings	21	12	3		3		3		3
				Number of Council meetings	12	6	1		2		2		1
				Monitor Councillors' attendance to Council Meetings by submitting quarterly reports to the Office of the Speaker within 30 days after quarter ends.	Number of reports submitted to the Office of the Speaker on Councillors' attendance to Council meetings	New	4	1		1		1	
Internal	6.1, 6.4	Internal	Submit a consolidated quarterly report on the progress of Council resolutions to ExCo, Council and MPAC within 30 days after quarter ends.	Number of consolidated progress reports submitted to EXCO, Council and MPAC	New	4	1		1		1		1
Internal	6.1, 6.4	Internal	Ensure compliance with the Promotion of Access to Information Act by the review and approval of the Access to Information Manual by Council no later than 31 December 2018. Ensure that the Manual is published and gazetted and by 30 June 2019.	Date of review of Access to Information Manual	20-Aug-15	30-Sep-18	30-Sep-18						
				Date of approval by Council	23-Sep-15	31-Dec-18			31-Dec-18				
				Date of advertisement for comments	21-23-Jan17	31-Mar-19				31-Mar-19			
				Date of Access to Information Manual to be published and gazetted	15-Dec-15	30-Jun-19						30-Jun-19	
<b>INFORMATION TECHNOLOGY</b>													
1.1.8	4.4	Internal	Ensure compliance with the National IT White Paper on Open Source Systems by installing Open Source Software by 31 December 2018 and	Approval by Council by 30 September 2018	New	30-Sep-18	30-Sep-18						
				Date of installation of open source software	New	31-Dec-18			31-Dec-18				

			submit a report quarterly to the PC by the 2nd PC after the quarter ends.	Number of quarterly reports to portfolio at the 2nd PC meeting after quarter ends	New	4	1		1		1			
1.1.8	4.4	CS 8.6	Finalize the network refresh by 30 June 2019 and report quarterly progress to the IT Steering Committee and submit quarterly progress report to the PC by the 2nd PC after the quarter ends.	Percentage of equipment procured	New	100%			100%					
				Percentage of equipment installed	New	100%			100%					
				Number of IT Steering Committee progress reports to portfolio by the 2nd PC meeting after quarter ends	New	4	1		1		1		1	
1.1.8	4.4	CS 4.1	Procure and implement the VOIP telephony system by 30 June 2019 and report quarterly on the implementation thereof to the IT Steering Committee. Submit quarterly report to the PC by the 2nd PC meeting after quarter ends.	Date of equipment procured	New	31-Dec-18		-	31-Dec-18		-	-	-	
				Percentage implementation of VOIP system	New	100%				50%		100%	-	
				Number of progress reports to IT Steering Committee	New	4	1		1		1		1	-
				Number of progress reports to the PC by the 2nd PC meeting after quarter ends	New	4	1		1		1		1	
1.1.8	4.4, 6.1, 6.2	CS4.7	Develop the ERM System through the finalisation of Venus SCOA deployment by 30 June 2019. Report quarterly progress to the IT Steering Committee.	Finalisation of specifications	New	30-Sep-18	30-Sep-18							
				Percentage of equipment procured by 31 December 2018	New	100%			100%					
				Date of installation of Venus SCOA	New	31-Mar-19				31-Mar-19				
				Number of IT Steering Committee progress reports to IT SC within 30 days after quarter ends	New	4	1		1		1		1	
1.1.8	4.4	Internal	Design a Wide Area Network infrastructure plan for approval by	Date of completion of the infrastructure plan	New	30-Sep-18	30-Sep-18							



			budgeted amount spent to the PC by the 2nd PC meeting after quarter ends.	Date of submission of 2018/2019 WSP to LGSETA	08-Apr-17	30-Apr-19							30-Apr-19	
				Number of reports to the PC by the 2nd PC meeting after quarter ends	New	4	1		1		1		1	
1.1.5	6.2	Internal	Ensure Councillor development by providing at least 25 Councillors with NQF accredited training opportunities by 30 June 2019.	Number of Councillors trained	10	20	6		6		6		7	-
Internal	6.4	CS3.1	Organize medical examinations for staff in water and sewerage plants, cemetery and landfill staff as per legislation as well as exit medicals for technical and cemetery staff leaving the organisation and submit report on examination results to the user department within 30 days after they become available from the medical practitioner.	Date of medical examinations for sewerage staff	30-Jun-15 & 10-11-Nov-15	31-Jul-18 & 30-Nov-18	31-Jul-18		30-Nov-18					
				Date of medical examinations for water staff, cemetery and landfill staff	10-11-Nov-15	30-Nov-18			30-Nov-18					
				Average number of days to submit exit medical results to user departments, after receiving them from the medical practitioner	30 days	30 days	30 days		30 days		30 days		30 days	
				Number of progress reports to PC by the 2nd PC meeting after quarter ends	4	4	1		1		1		1	
<b>LEGAL SERVICES</b>														
Internal	Internal	Internal	Conduct at least 10 legal policy compliance and legal updates quarterly for the organisation by 30 June 2019	Number of policy compliance and legal updates	17	40	15		15		15		15	

**2.11.6 Annual Report**

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

**2.12 Annual Budget Tables – Consolidated Budget**

DC28 King Cetshwayo - Table A1 Consolidated Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	53 826	62 858	64 615	85 400	77 346	77 346	58 824	86 177	91 445	96 931
Investment revenue	37 046	38 871	45 649	37 833	42 033	42 033	32 310	44 308	46 966	49 784
Transfers recognised - operational	469 387	573 410	467 500	636 873	600 279	600 279	507 295	515 246	527 489	587 809
Other own revenue	15 143	47 746	42 749	39 315	39 301	39 301	32 302	34 895	35 806	36 899
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>575 402</b>	<b>722 885</b>	<b>620 513</b>	<b>799 422</b>	<b>758 959</b>	<b>758 959</b>	<b>630 731</b>	<b>680 625</b>	<b>701 706</b>	<b>771 423</b>
Employee costs	132 210	155 594	173 463	235 930	217 328	217 328	142 985	240 384	254 492	269 541
Remuneration of councillors	9 395	10 348	10 292	12 153	12 003	12 003	8 870	12 870	13 617	14 434
Depreciation & asset impairment	48 915	50 863	62 985	86 511	86 511	86 511	46 236	93 058	98 625	104 526
Finance charges	12 672	11 252	9 163	6 432	6 432	6 432	3 529	5 322	10 130	9 194
Materials and bulk purchases	39 224	49 733	55 622	80 081	63 607	63 607	48 484	59 916	64 640	68 203
Transfers and grants	7 181	7 563	10 635	8 888	4 913	4 913	2 695	3 210	3 798	4 425
Other expenditure	383 584	445 020	399 601	350 649	507 193	507 193	307 494	409 279	349 328	390 613
<b>Total Expenditure</b>	<b>633 181</b>	<b>730 373</b>	<b>721 762</b>	<b>780 645</b>	<b>897 989</b>	<b>897 989</b>	<b>560 294</b>	<b>824 039</b>	<b>794 630</b>	<b>860 936</b>
<b>Surplus/(Deficit)</b>	<b>(57 779)</b>	<b>(7 488)</b>	<b>(101 249)</b>	<b>18 777</b>	<b>(139 029)</b>	<b>(139 029)</b>	<b>70 437</b>	<b>(143 414)</b>	<b>(92 923)</b>	<b>(89 512)</b>
Transfers and subsidies - capital (monetary allocation)	229 446	362 829	398 564	176 410	233 271	233 271	82 405	333 586	325 177	381 710
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>171 667</b>	<b>355 341</b>	<b>297 316</b>	<b>195 187</b>	<b>94 242</b>	<b>94 242</b>	<b>152 842</b>	<b>190 172</b>	<b>232 254</b>	<b>292 198</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>171 667</b>	<b>355 341</b>	<b>297 316</b>	<b>195 187</b>	<b>94 242</b>	<b>94 242</b>	<b>152 842</b>	<b>190 172</b>	<b>232 254</b>	<b>292 198</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>233 422</b>	<b>392 637</b>	<b>375 258</b>	<b>327 417</b>	<b>274 533</b>	<b>274 533</b>	<b>75 776</b>	<b>334 793</b>	<b>366 688</b>	<b>380 481</b>
Transfers recognised - capital	218 093	358 498	357 062	289 758	233 271	233 271	69 396	328 586	315 177	375 268
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	8 766	1 807	-	-	-	-	-	-	46 390	-
Internally generated funds	6 564	32 333	18 196	37 659	41 262	41 262	6 380	6 207	5 121	5 213
<b>Total sources of capital funds</b>	<b>233 422</b>	<b>392 637</b>	<b>375 258</b>	<b>327 417</b>	<b>274 533</b>	<b>274 533</b>	<b>75 776</b>	<b>334 793</b>	<b>366 688</b>	<b>380 481</b>
<b>Financial position</b>										
Total current assets	588 839	613 581	621 509	273 863	273 863	273 863	267 134	420 764	507 471	523 491
Total non current assets	1 545 008	1 881 519	2 162 137	2 697 258	2 697 258	2 697 258	(46 236)	2 986 302	3 272 490	3 575 234
Total current liabilities	245 903	241 866	270 858	129 003	129 003	129 003	146 370	134 445	138 728	151 659
Total non current liabilities	154 834	148 820	144 839	151 532	151 532	151 532	(2 538)	91 576	110 530	131 518
Community wealth/Equity	1 733 110	2 090 599	2 367 949	3 066 065	2 965 119	2 965 119	152 842	3 515 967	3 897 477	4 196 071
<b>Cash flows</b>										
Net cash from (used) operating	114 463	394 973	393 953	273 149	154 793	154 793	-	286 059	334 835	400 922
Net cash from (used) investing	(197 972)	(326 862)	(300 164)	(319 880)	(268 828)	(268 828)	-	(334 749)	(366 639)	(380 437)
Net cash from (used) financing	(6 938)	(9 529)	(12 989)	(9 558)	(9 558)	(9 558)	-	(10 565)	(11 183)	(11 877)
<b>Cash/cash equivalents at the year end</b>	<b>428 309</b>	<b>486 891</b>	<b>503 357</b>	<b>66 846</b>	<b>199 474</b>	<b>199 474</b>	<b>-</b>	<b>263 811</b>	<b>220 824</b>	<b>229 432</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	448 076	437 837	509 560	205 534	205 534	205 534	233 081	409 460	483 424	495 990
Application of cash and investments	279 340	190 206	186 917	173 998	174 411	174 411	110 638	299 290	317 987	342 622
<b>Balance - surplus (shortfall)</b>	<b>168 736</b>	<b>247 631</b>	<b>322 643</b>	<b>31 536</b>	<b>31 123</b>	<b>31 123</b>	<b>122 443</b>	<b>110 170</b>	<b>165 436</b>	<b>153 368</b>
<b>Asset management</b>										
Asset register summary (WDV)	1 524 894	1 866 853	2 155 712	2 750 142	2 697 258	2 697 258	-	2 939 557	3 225 680	3 527 970
Depreciation	48 480	50 494	53 524	86 511	86 511	86 511	92 494	98 044	103 926	
Renewal of Existing Assets	-	-	-	2 000	3 003	3 003	2 100	-	10 000	
Repairs and Maintenance	76 699	88 716	79 267	68 249	150 568	150 568	155 979	101 242	109 601	

DC28 King Cetshwayo - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		494 947	720 659	687 267	608 756	612 777	612 777	648 392	657 298	740 766
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		494 947	720 659	687 267	608 756	612 777	612 777	648 392	657 298	740 766
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		18 423	18 650	20 822	19 299	19 299	19 299	20 396	204	216
Community and social services		270	270	174	224	224	224	192	204	216
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		18 152	18 380	20 648	19 075	19 075	19 075	20 204	-	-
<i>Economic and environmental services</i>		-	-	-	106	106	106	112	126	134
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	106	106	106	112	126	134
<i>Trading services</i>		291 479	297 630	280 536	316 256	329 524	329 524	312 011	335 137	376 972
Energy sources		-	-	-	-	-	-	-	-	-
Water management		211 093	209 765	222 224	245 455	241 093	241 093	255 934	294 939	318 955
Waste water management		63 473	68 892	25 404	37 893	67 607	67 607	26 511	8 858	24 797
Waste management		16 913	18 972	32 908	32 908	20 824	20 824	29 566	31 340	33 220
<i>Other</i>	4	-	48 774	30 452	31 415	30 524	30 524	33 301	34 119	35 046
<b>Total Revenue - Functional</b>	2	804 848	1 085 714	1 019 078	975 832	992 230	992 230	1 014 211	1 026 883	1 153 133
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		120 053	129 435	136 616	169 882	161 649	161 649	177 516	187 160	199 520
Executive and council		38 847	55 904	38 041	36 203	33 004	33 004	40 973	42 020	46 254
Finance and administration		81 206	73 532	98 575	133 679	128 645	128 645	136 543	145 140	153 267
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		35 493	45 645	49 074	52 581	53 082	53 082	52 027	54 062	57 969
Community and social services		22 742	29 960	31 224	32 956	34 643	34 643	33 421	34 035	36 660
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		12 751	15 685	17 850	19 625	18 438	18 438	18 606	20 027	21 309
<i>Economic and environmental services</i>		27 716	21 276	20 767	31 429	34 119	34 119	28 482	32 150	33 817
Planning and development		27 716	21 276	20 767	28 955	31 892	31 892	26 142	29 671	31 189
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	2 474	2 228	2 228	2 340	2 479	2 628
<i>Trading services</i>		449 920	503 402	485 201	496 353	618 597	618 597	532 517	486 773	534 413
Energy sources		-	-	-	-	-	-	-	-	-
Water management		346 331	405 522	423 415	411 242	462 773	462 773	465 301	434 884	464 815
Waste water management		65 097	63 957	26 651	46 052	127 773	127 773	27 368	4 177	19 831
Waste management		38 492	33 923	35 135	39 060	28 051	28 051	39 847	47 713	49 767
<i>Other</i>	4	-	30 614	30 104	30 399	30 541	30 541	33 498	34 484	35 216
<b>Total Expenditure - Functional</b>	3	633 181	730 373	721 762	780 645	897 989	897 989	824 039	794 630	860 936
<b>Surplus/(Deficit) for the year</b>		171 667	355 341	297 316	195 187	94 242	94 242	190 172	232 254	292 198

DC28 King Cetshwayo - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Economic Development, Planning & Environ		-	-	-	-	-	-	-	-	-
Vote 03 - Community & Social Services		270	270	174	224	224	224	192	204	216
Vote 04 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 05 - Environmental Health		18 152	18 380	20 648	19 181	19 181	19 181	20 316	126	134
Vote 06 - Finance & Administration		498 336	746 777	701 203	608 756	612 777	612 777	648 392	657 298	740 766
Vote 07 - Infrastructure Services		211 093	209 765	222 224	245 455	241 093	241 093	255 934	294 939	318 955
Vote 08 - Waste Management		13 524	16 913	18 972	32 908	20 824	20 824	29 566	31 340	33 220
Vote 09 - Waste Water Management		63 473	68 892	25 404	37 893	67 607	67 607	26 511	8 858	24 797
Vote 10 - King Cetshwayo Fresh Produce Market		-	24 716	30 452	31 415	30 524	30 524	33 301	34 119	35 046
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>804 848</b>	<b>1 085 714</b>	<b>1 019 078</b>	<b>975 832</b>	<b>992 230</b>	<b>992 230</b>	<b>1 014 211</b>	<b>1 026 883</b>	<b>1 153 133</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 01 - Executive & Council		38 847	55 904	38 041	64 706	61 722	61 722	70 696	74 065	80 882
Vote 02 - Economic Development, Planning & Environ		27 716	21 276	20 767	28 955	31 892	31 892	26 142	29 671	31 189
Vote 03 - Community & Social Services		22 742	29 960	31 224	32 956	34 643	34 643	33 421	34 035	36 660
Vote 04 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 05 - Environmental Health		12 751	15 685	17 850	22 100	20 666	20 666	20 946	22 506	23 937
Vote 06 - Finance & Administration		81 206	73 532	98 575	105 177	99 927	99 927	106 820	113 095	118 638
Vote 07 - Infrastructure Services		346 331	405 522	423 415	411 242	462 773	462 773	465 301	434 884	464 815
Vote 08 - Waste Management		38 492	33 923	35 135	39 060	28 051	28 051	39 847	47 713	49 767
Vote 09 - Waste Water Management		65 097	63 957	26 651	46 052	127 773	127 773	27 368	4 177	19 831
Vote 10 - King Cetshwayo Fresh Produce Market		-	30 614	30 104	30 399	30 541	30 541	33 498	34 484	35 216
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>633 181</b>	<b>730 373</b>	<b>721 762</b>	<b>780 645</b>	<b>897 989</b>	<b>897 989</b>	<b>824 039</b>	<b>794 630</b>	<b>860 936</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>171 667</b>	<b>355 341</b>	<b>297 316</b>	<b>195 187</b>	<b>94 242</b>	<b>94 242</b>	<b>190 172</b>	<b>232 254</b>	<b>292 198</b>



DC28 King Cetshwayo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	35 233	39 721	38 937	52 492	48 122	48 122	37 386	48 346	51 246	54 321
Service charges - sanitation revenue	2	4 799	5 595	6 706	7 815	8 400	8 400	6 269	8 265	8 858	9 390
Service charges - refuse revenue	2	13 524	16 913	18 972	25 093	20 824	20 824	15 169	29 566	31 340	33 220
Service charges - other		270	630								
Rental of facilities and equipment		36	41	47	6 595	6 595	6 595	6 015	105	111	118
Interest earned - external investments		37 046	38 871	45 649	37 833	42 033	42 033	32 310	44 308	46 966	49 784
Interest earned - outstanding debtors		1 970	1 760	2 054	310	310	310	1 693	310	329	348
Dividends received											
Fines, penalties and forfeits					–	8	8	6	9	9	10
Licences and permits				52	106	106	106	15	112	126	134
Agency services											
Transfers and subsidies		469 387	573 410	467 500	636 873	600 279	600 279	507 295	515 246	527 489	587 809
Other revenue	2	13 137	45 944	40 597	32 305	32 282	32 282	24 573	34 359	35 231	36 289
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>575 402</b>	<b>722 885</b>	<b>620 513</b>	<b>799 422</b>	<b>758 959</b>	<b>758 959</b>	<b>630 731</b>	<b>680 625</b>	<b>701 706</b>	<b>771 423</b>
<b>Expenditure By Type</b>											
Employee related costs	2	132 210	155 594	173 463	235 930	217 328	217 328	142 985	240 384	254 492	269 541
Remuneration of councillors		9 395	10 348	10 292	12 153	12 003	12 003	8 870	12 870	13 617	14 434
Debt impairment	3	10 260	7 872	12 426	3 615	3 615	3 615	2 763	2 828	4 050	4 293
Depreciation & asset impairment	2	48 915	50 863	62 985	86 511	86 511	86 511	46 236	93 058	98 625	104 526
Finance charges		12 672	11 252	9 163	6 432	6 432	6 432	3 529	5 322	10 130	9 194
Bulk purchases	2	39 224	49 535	55 622	52 800	29 052	29 052	27 363	28 534	30 251	32 029
Other materials	8		198		27 281	34 556	34 556	21 121	31 382	34 389	36 174
Contracted services		90 364	103 023	111 867	269 843	394 906	394 906	233 671	298 254	228 614	264 632
Transfers and subsidies		7 181	7 563	10 635	8 888	4 913	4 913	2 695	3 210	3 798	4 425
Other expenditure	4, 5	282 124	333 479	275 308	77 191	108 673	108 673	71 060	108 197	116 665	121 689
Loss on disposal of PPE		836	646		–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>633 181</b>	<b>730 373</b>	<b>721 762</b>	<b>780 645</b>	<b>897 989</b>	<b>897 989</b>	<b>560 294</b>	<b>824 039</b>	<b>794 630</b>	<b>860 936</b>
<b>Surplus/(Deficit)</b>		<b>(57 779)</b>	<b>(7 488)</b>	<b>(101 249)</b>	<b>18 777</b>	<b>(139 029)</b>	<b>(139 029)</b>	<b>70 437</b>	<b>(143 414)</b>	<b>(92 923)</b>	<b>(89 512)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		229 446	362 829	398 564	176 410	233 271	233 271	82 405	333 586	325 177	381 710
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>171 667</b>	<b>355 341</b>	<b>297 316</b>	<b>195 187</b>	<b>94 242</b>	<b>94 242</b>	<b>152 842</b>	<b>190 172</b>	<b>232 254</b>	<b>292 198</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>171 667</b>	<b>355 341</b>	<b>297 316</b>	<b>195 187</b>	<b>94 242</b>	<b>94 242</b>	<b>152 842</b>	<b>190 172</b>	<b>232 254</b>	<b>292 198</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>171 667</b>	<b>355 341</b>	<b>297 316</b>	<b>195 187</b>	<b>94 242</b>	<b>94 242</b>	<b>152 842</b>	<b>190 172</b>	<b>232 254</b>	<b>292 198</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>171 667</b>	<b>355 341</b>	<b>297 316</b>	<b>195 187</b>	<b>94 242</b>	<b>94 242</b>	<b>152 842</b>	<b>190 172</b>	<b>232 254</b>	<b>292 198</b>

DC28 King Cetshwayo - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Economic Development, Planning & Environment		-	-	-	-	-	-	-	-	-	-
Vote 03 - Community & Social Services		-	-	-	-	3 445	3 445	636	-	-	-
Vote 04 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 05 - Environmental Health		-	-	-	-	-	-	-	-	-	-
Vote 06 - Finance & Administration		-	-	-	-	-	-	-	-	-	-
Vote 07 - Infrastructure Services		173 209	379 842	354 169	217 017	209 807	209 807	63 374	284 990	269 003	347 516
Vote 08 - Waste Management		-	-	-	3 500	310	310	-	575	46 390	-
Vote 09 - Waste Water Management		6 400	1 751	3 000	-	-	-	-	46 096	48 674	30 002
Vote 10 - King Cetshwayo Fresh Produce Market		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	179 609	381 593	357 169	220 517	213 562	213 562	64 010	331 661	364 067	377 518
<b>Single-year expenditure to be appropriated</b>	2										
Vote 01 - Executive & Council		674	779	3 579	1 150	2 300	2 300	1 901	560	100	100
Vote 02 - Economic Development, Planning & Environment		88	168	-	100	100	100	-	100	100	-
Vote 03 - Community & Social Services		308	440	999	450	2 278	2 278	20	-	-	-
Vote 04 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 05 - Environmental Health		-	200	-	350	200	200	19	300	300	200
Vote 06 - Finance & Administration		3 823	1 276	3 472	10 724	14 351	14 351	903	1 770	1 870	2 250
Vote 07 - Infrastructure Services		22 563	4 248	2 893	92 711	41 410	41 410	8 892	50	50	-
Vote 08 - Waste Management		3 632	778	258	50	50	50	28	-	-	-
Vote 09 - Waste Water Management		6 583	2 444	2 929	50	-	-	-	-	-	-
Vote 10 - King Cetshwayo Fresh Produce Market		-	300	3 959	1 316	283	283	3	352	201	413
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		37 672	10 633	18 089	106 900	60 971	60 971	11 766	3 132	2 621	2 963
<b>Total Capital Expenditure - Vote</b>		217 281	392 226	375 258	327 417	274 533	274 533	75 776	334 793	366 688	380 481
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		4 497	1 755	7 052	11 874	16 651	16 651	2 803	2 330	1 970	2 350
Executive and council		651	682	3 579	600	1 950	1 950	1 609	410	100	100
Finance and administration		3 846	1 073	3 472	11 274	14 701	14 701	1 194	1 920	1 870	2 250
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		3 853	852	999	450	5 722	5 722	656	-	-	-
Community and social services		3 853	852	999	450	5 722	5 722	656	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		12 683	668	-	450	300	300	19	400	400	200
Planning and development		12 683	468	-	100	100	100	-	100	100	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	200	-	350	200	200	19	300	300	200
<b>Trading services</b>		212 389	389 062	363 248	313 328	251 576	251 576	72 294	331 711	364 117	377 518
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		195 773	384 090	357 062	309 728	251 216	251 216	72 266	285 040	269 053	347 516
Waste water management		12 983	4 195	5 929	50	-	-	-	46 096	48 674	30 002
Waste management		3 632	778	258	3 550	360	360	28	575	46 390	-
<b>Other</b>		-	300	3 959	1 316	283	283	3	352	201	413
<b>Total Capital Expenditure - Functional</b>	3	233 422	392 637	375 258	327 417	274 533	274 533	75 776	334 793	366 688	380 481
<b>Funded by:</b>											
National Government		203 279	358 309	357 062	289 758	233 271	233 271	69 396	328 586	315 177	375 268
Provincial Government		14 814	189	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	218 093	358 498	357 062	289 758	233 271	233 271	69 396	328 586	315 177	375 268
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	8 766	1 807	-	-	-	-	-	-	46 390	-
<b>Internally generated funds</b>		6 564	32 333	18 196	37 659	41 262	41 262	6 380	6 207	5 121	5 213
<b>Total Capital Funding</b>	7	233 422	392 637	375 258	327 417	274 533	274 533	75 776	334 793	366 688	380 481

DC28 King Cetshwayo - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		78 309	83 437	198 357	45 823	45 823	45 823	283 366	59 072	74 079	66 645
Call investment deposits	1	350 000	340 000	305 000	159 711	159 711	159 711	(51 095)	350 388	409 344	429 344
Consumer debtors	1	81 990	115 745	72 298	27 621	27 621	27 621	(11 474)	(48 312)	(52 213)	(52 374)
Other debtors		69 881	65 472	40 080	29 790	29 790	29 790	45 863	-	-	-
Current portion of long-term receivables		44	89	43	45	45	45	-	-	-	-
Inventory	2	8 615	8 837	5 731	10 873	10 873	10 873	474	59 615	76 261	79 876
<b>Total current assets</b>		<b>588 839</b>	<b>613 581</b>	<b>621 509</b>	<b>273 863</b>	<b>273 863</b>	<b>273 863</b>	<b>267 134</b>	<b>420 764</b>	<b>507 471</b>	<b>523 491</b>
<b>Non current assets</b>											
Long-term receivables		347	265	222	178	178	178	-	-	-	-
Investments		19 767	14 400	6 203	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	1 523 844	1 862 226	2 151 559	2 686 956	2 686 956	2 686 956	(46 236)	2 981 802	3 267 213	3 569 056
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		1 050	4 627	3 453	9 424	9 424	9 424	-	3 800	4 577	5 479
Other non-current assets		-	-	700	700	700	700	-	700	700	700
<b>Total non current assets</b>		<b>1 545 008</b>	<b>1 881 519</b>	<b>2 162 137</b>	<b>2 697 258</b>	<b>2 697 258</b>	<b>2 697 258</b>	<b>(46 236)</b>	<b>2 986 302</b>	<b>3 272 490</b>	<b>3 575 234</b>
<b>TOTAL ASSETS</b>		<b>2 133 846</b>	<b>2 495 099</b>	<b>2 783 646</b>	<b>2 971 121</b>	<b>2 971 121</b>	<b>2 971 121</b>	<b>220 898</b>	<b>3 407 065</b>	<b>3 779 961</b>	<b>4 098 725</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	(809)	-	-	-
Borrowing	4	9 529	12 989	10 605	5 928	5 928	5 928	(5 345)	6 670	7 529	8 486
Consumer deposits		9 698	10 139	10 387	11 520	11 520	11 520	(147)	-	-	-
Trade and other payables	4	225 292	217 074	248 209	109 767	109 767	109 767	154 444	127 662	131 083	143 053
Provisions		1 384	1 665	1 656	1 786	1 786	1 786	(1 772)	113	116	120
<b>Total current liabilities</b>		<b>245 903</b>	<b>241 866</b>	<b>270 858</b>	<b>129 003</b>	<b>129 003</b>	<b>129 003</b>	<b>146 370</b>	<b>134 445</b>	<b>138 728</b>	<b>151 659</b>
<b>Non current liabilities</b>											
Borrowing		68 056	55 067	44 462	38 533	38 533	38 533	(2 538)	(31 864)	(24 335)	(15 849)
Provisions		86 777	93 752	100 377	112 999	112 999	112 999	-	123 440	134 865	147 368
<b>Total non current liabilities</b>		<b>154 834</b>	<b>148 820</b>	<b>144 839</b>	<b>151 532</b>	<b>151 532</b>	<b>151 532</b>	<b>(2 538)</b>	<b>91 576</b>	<b>110 530</b>	<b>131 518</b>
<b>TOTAL LIABILITIES</b>		<b>400 737</b>	<b>390 685</b>	<b>415 697</b>	<b>280 535</b>	<b>280 535</b>	<b>280 535</b>	<b>143 832</b>	<b>226 021</b>	<b>249 258</b>	<b>283 177</b>
<b>NET ASSETS</b>	5	<b>1 733 110</b>	<b>2 104 414</b>	<b>2 367 949</b>	<b>2 690 586</b>	<b>2 690 586</b>	<b>2 690 586</b>	<b>77 066</b>	<b>3 181 044</b>	<b>3 530 704</b>	<b>3 815 548</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		1 468 118	1 825 607	2 102 957	2 802 808	2 701 863	2 701 863	152 842	3 252 711	3 634 229	3 932 824
Reserves	4	264 992	264 992	264 992	263 256	263 256	263 256	-	263 256	263 256	263 256
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>1 733 110</b>	<b>2 090 599</b>	<b>2 367 949</b>	<b>3 066 065</b>	<b>2 965 119</b>	<b>2 965 119</b>	<b>152 842</b>	<b>3 515 967</b>	<b>3 897 486</b>	<b>4 196 080</b>

DC28 King Cetshwayo - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates											
Service charges		53 826	62 958	64 841	77 061	69 015	69 015		86 178	91 351	96 836
Other revenue		(8 161)	44 113	(6 399)	34 730	34 707	34 707		34 584	35 478	36 551
Government - operating	1	398 843	411 606	433 789	523 525	525 032	525 032		515 246	527 489	587 809
Government - capital	1	250 503	505 220	461 763	289 758	289 758	289 758		333 586	325 177	381 710
Interest		37 074	40 632	47 703	38 144	42 344	42 344		44 618	47 295	50 133
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(597 770)	(628 195)	(587 984)	(675 049)	(791 043)	(791 043)		(719 621)	(678 028)	(738 498)
Finance charges		(12 672)	(11 252)	(9 125)	(6 432)	(6 432)	(6 432)		(5 322)	(10 130)	(9 194)
Transfers and Grants	1	(7 181)	(30 110)	(10 635)	(8 588)	(8 588)	(8 588)		(3 210)	(3 798)	(4 425)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>114 463</b>	<b>394 973</b>	<b>393 953</b>	<b>273 149</b>	<b>154 793</b>	<b>154 793</b>	<b>-</b>	<b>286 059</b>	<b>334 835</b>	<b>400 922</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		1 237	6 311	187					-	-	-
Decrease (Increase) in non-current debtors			36	8 271					44	49	44
Decrease (increase) other non-current receivables		42		90	143	143	143		-	-	-
Decrease (increase) in non-current investments		3 238			6 079	6 079	6 079		-	-	-
<b>Payments</b>											
Capital assets		(202 488)	(333 210)	(308 711)	(326 102)	(275 050)	(275 050)		(334 793)	(366 688)	(380 481)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(197 972)</b>	<b>(326 862)</b>	<b>(300 164)</b>	<b>(319 880)</b>	<b>(268 828)</b>	<b>(268 828)</b>	<b>-</b>	<b>(334 749)</b>	<b>(366 639)</b>	<b>(380 437)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits			440		1 047	1 047	1 047		-	-	-
<b>Payments</b>											
Repayment of borrowing		(6 938)	(9 969)	(12 989)	(10 605)	(10 605)	(10 605)		(10 565)	(11 183)	(11 877)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(6 938)</b>	<b>(9 529)</b>	<b>(12 989)</b>	<b>(9 558)</b>	<b>(9 558)</b>	<b>(9 558)</b>	<b>-</b>	<b>(10 565)</b>	<b>(11 183)</b>	<b>(11 877)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(90 447)</b>	<b>58 582</b>	<b>80 800</b>	<b>(56 289)</b>	<b>(123 593)</b>	<b>(123 593)</b>	<b>-</b>	<b>(59 256)</b>	<b>(42 987)</b>	<b>8 608</b>
Cash/cash equivalents at the year begin:	2	518 756	428 309	422 557	123 135	323 067	323 067		323 067	263 811	220 824
Cash/cash equivalents at the year end:	2	428 309	486 891	503 357	66 846	199 474	199 474		263 811	220 824	229 432

DC28 King Cetshwayo - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	428 309	486 891	503 357	66 846	199 474	199 474	-	263 811	220 833	229 450
Other current investments > 90 days		-	(63 455)	-	138 688	6 060	6 060	233 081	145 650	262 591	266 540
Non current assets - Investments	1	19 767	14 400	6 203	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>448 076</b>	<b>437 837</b>	<b>509 560</b>	<b>205 534</b>	<b>205 534</b>	<b>205 534</b>	<b>233 081</b>	<b>409 460</b>	<b>483 424</b>	<b>495 990</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		38 603	15 939	16 960	-	-	-	201 418	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	2 854	2 854	2 854	-	-	-	-
Other working capital requirements	3	85 902	25 447	169 957	58 145	58 558	58 558	(90 780)	175 850	183 123	195 254
Other provisions		154 834	148 820	-	112 999	112 999	112 999	-	123 440	134 865	147 368
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>279 340</b>	<b>190 206</b>	<b>186 917</b>	<b>173 998</b>	<b>174 411</b>	<b>174 411</b>	<b>110 638</b>	<b>299 290</b>	<b>317 987</b>	<b>342 622</b>
<b>Surplus(shortfall)</b>		<b>168 736</b>	<b>247 631</b>	<b>322 643</b>	<b>31 536</b>	<b>31 123</b>	<b>31 123</b>	<b>122 443</b>	<b>110 170</b>	<b>165 436</b>	<b>153 368</b>

DC28 King Cetshwayo - Table A9 Consolidated Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	233 421	392 637	375 258	244 667	256 070	256 070	285 097	306 514	318 229
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		120 179	368 191	354 169	226 658	231 528	231 528	281 390	257 503	315 266
Sanitation Infrastructure		-	778	5 929	50	-	-	-	-	-
Solid Waste Infrastructure		108 317	-	-	3 500	310	310	575	46 390	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>228 496</b>	<b>368 968</b>	<b>360 098</b>	<b>230 208</b>	<b>231 838</b>	<b>231 838</b>	<b>281 965</b>	<b>303 893</b>	<b>315 266</b>
Community Facilities		-	-	-	-	3 445	3 445	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 445</b>	<b>3 445</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		112	19 228	4 535	2 116	1 283	1 283	183	201	170
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>112</b>	<b>19 228</b>	<b>4 535</b>	<b>2 116</b>	<b>1 283</b>	<b>1 283</b>	<b>183</b>	<b>201</b>	<b>170</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 197	1 516	1 822	7 815	6 440	6 440	725	725	800
<b>Intangible Assets</b>		<b>1 197</b>	<b>1 516</b>	<b>1 822</b>	<b>7 815</b>	<b>6 440</b>	<b>6 440</b>	<b>725</b>	<b>725</b>	<b>800</b>
Computer Equipment		1 995	2 391	-	2 559	7 591	7 591	982	845	944
Furniture and Office Equipment		568	402	4 196	520	1 733	1 733	695	400	300
Machinery and Equipment		607	132	619	950	131	131	548	450	750
Transport Assets		447	-	3 290	500	3 609	3 609	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>3 003</b>	<b>3 003</b>	<b>2 100</b>	<b>-</b>	<b>10 000</b>
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	2 000	3 003	3 003	2 100	-	10 000
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>3 003</b>	<b>3 003</b>	<b>2 100</b>	<b>-</b>	<b>10 000</b>
<b>Total Upgrading of Existing Assets</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>80 750</b>	<b>15 460</b>	<b>15 460</b>	<b>47 596</b>	<b>60 174</b>	<b>52 252</b>
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	80 750	15 460	15 460	47 596	60 174	52 252
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>80 750</b>	<b>15 460</b>	<b>15 460</b>	<b>47 596</b>	<b>60 174</b>	<b>52 252</b>

DC28 King Cetshwayo - Table A9 Consolidated Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Total Capital Expenditure</b>	4									
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		120 179	368 191	354 169	309 408	249 991	249 991	331 086	317 677	377 518
<i>Sanitation Infrastructure</i>		-	778	5 929	50	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		108 317	-	-	3 500	310	310	575	46 390	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>228 496</b>	<b>368 968</b>	<b>360 098</b>	<b>312 958</b>	<b>250 301</b>	<b>250 301</b>	<b>331 661</b>	<b>364 067</b>	<b>377 518</b>
<i>Community Facilities</i>		-	-	-	-	3 445	3 445	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	<b>3 445</b>	<b>3 445</b>	-	-	-
<b>Heritage Assets</b>		-	-	700	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		112	19 228	4 535	2 116	1 283	1 283	183	201	170
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>112</b>	<b>19 228</b>	<b>4 535</b>	<b>2 116</b>	<b>1 283</b>	<b>1 283</b>	<b>183</b>	<b>201</b>	<b>170</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		1 197	1 516	1 822	7 815	6 440	6 440	725	725	800
<b>Intangible Assets</b>		<b>1 197</b>	<b>1 516</b>	<b>1 822</b>	<b>7 815</b>	<b>6 440</b>	<b>6 440</b>	<b>725</b>	<b>725</b>	<b>800</b>
<b>Computer Equipment</b>		1 995	2 391	-	2 559	7 591	7 591	982	845	944
<b>Furniture and Office Equipment</b>		568	402	4 196	520	1 733	1 733	695	400	300
<b>Machinery and Equipment</b>		607	132	619	950	131	131	548	450	750
<b>Transport Assets</b>		447	-	3 290	500	3 609	3 609	-	-	-
<i>Libraries</i>		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>233 421</b>	<b>392 637</b>	<b>375 258</b>	<b>327 417</b>	<b>274 533</b>	<b>274 533</b>	<b>334 793</b>	<b>366 688</b>	<b>380 481</b>

DC28 King Cetshwayo - Table A9 Consolidated Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>										
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
<i>Roads Infrastructure</i>										
<i>Storm water Infrastructure</i>										
<i>Electrical Infrastructure</i>										
<i>Water Supply Infrastructure</i>		761 700	1 724 808	2 022 885	1 919 271	1 859 904	1 859 904	2 095 708	2 312 575	2 604 826
<i>Sanitation Infrastructure</i>		24 751	24 270	30 948	86 996	86 946	86 946	133 042	181 716	211 718
<i>Solid Waste Infrastructure</i>		662 930	23 047	18 448	635 731	632 541	632 541	633 116	679 506	656 856
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>										
<b>Infrastructure</b>		<b>1 449 381</b>	<b>1 772 125</b>	<b>2 072 281</b>	<b>2 641 998</b>	<b>2 579 391</b>	<b>2 579 391</b>	<b>2 861 866</b>	<b>3 173 797</b>	<b>3 473 400</b>
Community Facilities					8 186	11 631	11 631	4 085	3 949	3 813
Sport and Recreation Facilities										
<b>Community Assets</b>		-	-	-	8 186	11 631	11 631	4 085	3 949	3 813
<b>Heritage Assets</b>				700	700	700	700	700	700	700
Revenue Generating										
Non-revenue Generating										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		74 463	90 101	61 928	84 602	83 770	83 770	57 415	29 486	29 656
Housing										
<b>Other Assets</b>		<b>74 463</b>	<b>90 101</b>	<b>61 928</b>	<b>84 602</b>	<b>83 770</b>	<b>83 770</b>	<b>57 415</b>	<b>29 486</b>	<b>29 656</b>
<b>Biological or Cultivated Assets</b>										
Servitudes										
Licences and Rights		1 050	4 627	3 453	9 157	8 017	8 017	3 185	4 085	5 085
<b>Intangible Assets</b>		<b>1 050</b>	<b>4 627</b>	<b>3 453</b>	<b>9 157</b>	<b>8 017</b>	<b>8 017</b>	<b>3 185</b>	<b>4 085</b>	<b>5 085</b>
<b>Computer Equipment</b>				5 374	3 554	8 351	8 351	8 718	9 238	9 982
<b>Furniture and Office Equipment</b>				4 431	1 343	2 588	2 588	2 044	2 294	2 394
<b>Machinery and Equipment</b>				1 115	601	(449)	(449)	399	1 149	2 099
<b>Transport Assets</b>				6 429		3 259	3 259	1 145	982	842
Libraries										
Zoo's, Marine and Non-biological Animals										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>1 524 894</b>	<b>1 866 853</b>	<b>2 155 712</b>	<b>2 750 142</b>	<b>2 697 258</b>	<b>2 697 258</b>	<b>2 939 557</b>	<b>3 225 680</b>	<b>3 527 970</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation</b>	7	48 480	50 494	53 524	86 511	86 511	86 511	92 494	98 044	103 926
<b>Repairs and Maintenance by Asset Class</b>	3	<b>76 699</b>	<b>88 716</b>	<b>79 267</b>	<b>68 249</b>	<b>150 568</b>	<b>150 568</b>	<b>155 979</b>	<b>101 242</b>	<b>109 601</b>
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		62 942	75 647	79 267	66 468	148 023	148 023	154 388	98 991	107 215
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		12 356	11 792	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>75 298</b>	<b>87 440</b>	<b>79 267</b>	<b>66 468</b>	<b>148 023</b>	<b>148 023</b>	<b>154 388</b>	<b>98 991</b>	<b>107 215</b>
Community Facilities		62	180	-	250	150	150	4	4	4
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>62</b>	<b>180</b>	-	<b>250</b>	<b>150</b>	<b>150</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		482	604	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>482</b>	<b>604</b>	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		12	90	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		12	90	-	6	3	3	3	3	3
<b>Machinery and Equipment</b>		-	-	-	620	845	845	927	1 124	1 191
<b>Transport Assets</b>		832	312	-	905	1 547	1 547	658	1 120	1 187
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-



DC28 King Cetshwayo - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		30 306	30 609	31 221	40 337	40 337	40 337	40 741	41 148	41 560
Piped water inside yard (but not in dwelling)		47 000	47 470	48 419	58 065	58 065	58 065	58 646	59 232	59 824
Using public tap (at least min.service level)	2	22 500	22 725	23 180	29 282	29 282	29 282	29 575	29 871	30 169
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		99 806	100 804	102 820	127 684	127 684	127 684	128 961	130 251	131 553
Using public tap (< min.service level)	3	9 930	10 029	10 230	10 102	10 102	10 102	10 203	10 305	10 408
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply	3	35 616	35 972	36 692	55 677	55 677	55 677	56 234	56 796	57 364
<i>Below Minimum Service Level sub-total</i>		45 546	46 001	46 921	65 779	65 779	65 779	66 437	67 102	67 773
<b>Total number of households</b>	5	<b>145 352</b>	<b>146 806</b>	<b>149 742</b>	<b>193 464</b>	<b>193 464</b>	<b>193 464</b>	<b>195 398</b>	<b>197 352</b>	<b>199 326</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		30 306	30 609	31 221	40 337	40 337	40 337	40 741	41 148	41 560
Flush toilet (with septic tank)		4 250	4 293	4 378	5 657	5 657	5 657	5 713	5 770	5 828
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		83 274	84 107	85 789	97 528	97 528	97 528	98 503	99 488	100 483
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		117 830	119 008	121 388	143 522	143 522	143 522	144 957	146 407	147 871
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		27 522	27 797	28 353	49 942	49 942	49 942	50 441	50 946	51 455
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		27 522	27 797	28 353	49 942	49 942	49 942	50 441	50 946	51 455
<b>Total number of households</b>	5	<b>145 352</b>	<b>146 806</b>	<b>149 742</b>	<b>193 464</b>	<b>193 464</b>	<b>193 464</b>	<b>195 398</b>	<b>197 352</b>	<b>199 326</b>

**2.14 Municipal Manager’s quality certificate**

I ....., municipal manager of King Cetshwayo District, 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 budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_

Municipal Manager of King Cetshwayo District (DC28)

Signature \_\_\_\_\_

Date \_\_\_\_\_



**KING CETSHWAYO**  
DISTRICT MUNICIPALITY