

**DRAFT ANNUAL BUDGET OF  
DR RUTH SEGOMOTSI MOMPATI DISTRICT  
MUNICIPALITY**



*Dr Ruth S Mompoti*  
DISTRICT MUNICIPALITY

**2021/22 TO 2023/24  
MEDIUM TERM REVENUE AND EXPENDITURE  
FORECASTS**

# **SCHEDULE A**

## **ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF A MUNICIPALITY**

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## Abbreviations and Acronyms

ACIP Accelerated Community Infrastructure Programme

BSC Budget Steering Committee

CAPEX Capital Budget/Expenditure

CBD Central Business District

CFO Chief Financial Officer

CPI Consumer Price Index

DBSA Development Bank of South Africa

DoRA Division of Revenue Act

DWA Department of Water Affairs

EDTA Economic Development, Tourism and Agriculture

EE Employment Equity

EEDSM Energy Efficiency Demand Side Management

EM Executive Mayor

FBS Free basic services

GAMAP Generally Accepted Municipal Accounting Practice

GDP Gross domestic product

GFS Government Financial Statistics

GRAP General Recognised Accounting Practice

HR Human Resources

IDP Integrated Development Plan

ICT Information & Communication Technology

KPA Key Performance Area

KPI Key Performance Indicator

LED Local Economic Development

MEC Member of the Executive Committee

MFMA Municipal Finance Management Act

MIG Municipal Infrastructure Grant

MM Municipal Manager

MMC Member of Mayoral Committee

MSA Municipal Systems Act

MTEF Medium-term Expenditure Framework

MTREF Medium-term Revenue and Expenditure Framework

MWIG Municipal Water Infrastructure Grant

NGO Non-Governmental organizations

NKPIs National Key Performance Indicators

NT National Treasury

OHS Occupational Health and Safety

OP Operational Plan

OPEX Operating Budget/Expenditure

DrRSM Dr Ruth Segomotsi Mompati District Municipality

PBO Public Benefit Organizations

PMS Performance Management System

PPE Property Plant and Equipment PPP Public Private Partnership

PT Provincial Treasury

RBIG Regional Bulk Infrastructure Grant

RRAMS Rural Road Asset Management System

RHIG Rural Household Infrastructure Grant

SALGA South African Local Government Association

SDBIP Service Delivery & Budget Implementation Plan

SMME Small Micro and Medium Enterprises

WSOG Water Services Operating Grant

# **Part 1 – Annual Budget**

## **1.1 Mayor's Comments on the budget**

The Executive Mayor will deliver her Budget speech at the tabling of the draft budget for approval. A copy of the speech will be included thereafter.

The draft IDP and draft SDBIP will also be approved during a Special Council meeting that will be held on the 31 March 2021.

In terms of the Revised Division of Revenue Act of 2021 the total Equitable Share of R329,543m has been allocated to our municipality, this represents a 15% decrease compared to the previous financial year. Out of that total allocation of the equitable share, an amount of R82.2million goes to the provision of water and sanitation services in the district this amounts to 25% of the operating revenue. The estimated cost of providing water and sanitation in the district is estimated at R230m, meaning that we have a shortfall of R140m on the water and sanitation services provision. This is one of the challenges on the 2021/2022 budget.

The total projected revenue from government grants is R 1.082b which has increased by 26.0% from the previous financial year. As the Water Services Authority (WSA), the district municipality is supposed to provide bulk water and sanitation services throughout to the local municipalities within district, this budget will not enable us to fully provide that service as it is limited,

This budget we are presenting, is a product of the consultative process that started last year September to date despite COVID19 challenges. It reflects consensus reached between the district and local municipalities and it is not an end in itself. In the next few months, this budget will undergo a review process on a quarterly basis that will culminate in the Midyear Budget Assessment in terms of Section 72 of the MFMA in January 2022.

I pledge to invite all local municipalities during the budget review period to come and make inputs to ensure that all checks and balances as are put in place to avoid under-expenditure on projects.

In this current year, a capital expenditure of about R 664,436 is allocated. Out of that amount, an amount of R 667.558m is grant funded projects from the national government and the rest is funded from the municipality's own funds. This allocation is earmarked for infrastructural projects to improve service delivery to our communities.

**Cllr. Kgalalelo Sereko**  
**Executive Mayor**  
**Dr Ruth S. Mompoti District Municipality**

**Resolution:**

### 1.3 Executive Summary

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programs so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure on non-core and 'nice to have' items and money redirected to combating the spread of Covid 19 pandemic.

The publishing of the regulation on the Standard chart of Accounts (SCOA) on 22 April 2014 will have a profound effect on the business of local government. This reform is not limited to a financial reform, but a business reform as a whole. It is the largest reform since the promulgation of the Municipal Finance Management Act in 2003, and municipalities are expected to have implemented this reform for which the target date was 01 July 2017. The mSCOA Regulations aim to ensure a standardized and uniform reporting of financial transactions of municipalities. The following are extracts from the preamble to the regulations: -

"Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognized accounting practice, uniform expenditure classifications and uniform treasury norms and standards." "These Regulations propose segments and a classification framework for the standard chart of accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other purposes, it must obtain financial information from individual municipalities."

The regulations contain amongst others, segment and classification framework for SCOA, minimum business process and system requirements and responsibilities of municipal councils and accounting officers.

The segments classification consists of the following:

**Funding segment** – This segment relates to the various sources of funding available to municipalities and municipal entities for financing expenditure relating to the operation of the municipality and provides for both capital and operational spending.

**Function segment** - This segment provides for the classification of the transaction according to the function or service delivery objective and provides for the standardization of functions and sub functions across local government.

**Municipal Standard Classification Segment** - This segment provides for the organizational structure and functionality of an individual municipality, which is not prescribed.

**Project Segment** - This segment provides for the classification of capital and operating projects on the basis of whether it relates to a specific project and if so, the type of project.

**Regional Indicator Segment** - This segment identifies and assigns government expenditure to the lowest relevant geographical region within which the intended beneficiaries of the service or capital investment are located.

**Item Segment** - This segment provides for the classification of item detail in the presentation of the financial position, performance and cash flow according to the nature of the transaction either as revenue, expenditure, asset, liability or net asset.

**Costing Segment** - This segment provides for a classification structure for secondary cost elements with reference to departmental charges, internal billing etc. and acts as a cost collector in determining inter alia total cost of services.

National Treasury's MFMA Circulars No. 78, 79, 82, 91, 94, 98 and 99 was used as guidance for the compilation of the 2020/21 MTREF. Some of the main key challenges experienced during the compilation of the 2020/21 MTREF can be summarized as follows:

Covid 19 Pandemic and the country Lock Down.

The on-going difficulties in the national and local economy;

Ever aging water, roads, sewage and electricity infrastructure;



Lack of revenue sources and grant dependency, Dr Ruth S Mompati District Municipality is heavily dependent on grants for funding for the municipality;

The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities of the municipality and Covid 19;

Wage increases for municipal staff that have exceeded headline consumer inflation in the past, as well as the need to restructure certain components for operational efficiencies;

Lack of adequate and sufficient office space or office accommodation for the municipality

Maintaining a positive cash flow.

Support to local municipalities.

The delayed mSCOA implementation process and challenges encountered in the beginning of the Financial Year.

The main concern being audit of the 2020/2021 FY

### **1.3.2 The Municipality's Budget Structure**

The *mSCOA* Regulations applied to all municipalities and municipal entities with effect from 1 July 2017. The 2021/2022 Ver. 6.5. A Schedule was complied with. The implementation of *mSCOA* must be considered a business reform and it requires a significant change in municipal business processes; and it involves systems conversion and or re-implementation.

Further, *mSCOA* requires organisational change as it is not only a financial reform that is being introduced. The tabled budget or consolidated budget must include an annexure containing the municipality's *mSCOA* project plan and progress to date.

A vote is one of the main segments of a budget. The structure is for reporting requirements and links the accounting performance both to the IDP and responsible officials. The high-level budget structure for Dr Ruth S Mompati District Municipality as included in the budget documentation is shown in the table below:

BUDGET VOTE	VOTE DESCRIPTION	FUNCTION – mSCOA -Votes
Vote 1	Office of the Executive Mayor	Executive and Council -Vote1
Vote 2	Office of the Speaker	Executive and Council – Vote 1
Vote 3	Office of the Municipal Manager	Executive and Council – Vote 1
Vote 4	Internal Audit	Governance - Vote 3
Vote 5	Budget and Treasury Office	Finance and Administration - 2
Vote 6	Corporate Services	Finance and Administration - 2
Vote 7	Planning and Development	Planning and Development - 4
Vote 8	Environmental Health	Environmental Protection - 6
Vote 9	Fire and Disaster Management	Public Safety - Vote 5
Vote 10	Engineering Services	Water Management - Vote 7
Vote 11	Project Management Unit	Planning and Development - 4
Vote 12	Economic Dev. Tourism and Agriculture	Planning and Development - 4

In view of the aforementioned, the following table is a consolidated overview of the proposed 2021/22 Medium-Term Revenue and Expenditure Framework:

#### 1.4 Operating Revenue Framework

For Dr Ruth Segomotsi Mompati District Municipality to continue improving the quality of services provided to its citizens there is a need for the municipality to generate revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that, the district municipality is not selling any services nor does it charge for any services to the communities, meaning that there is no revenue generated internally at all and therefore dependence of conditional grants is still very high.

The District Municipality is faced with challenges which include amongst others, an increasing population demand for services as the populations and the demographics of the district are growing, as well as development backlogs and increasing poverty levels. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation balancing expenditures against available financial resources.

The municipality still needs to develop a revenue strategy which will be built around the following key components:

- National Treasury’s guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Identification of new possible revenue sources and the sustainability of such sources
- Increased pressure to deliver and maintain services and recover costs;

**Table 1 Consolidated Overview of the 2021/22 and the MTREF**

Description	Approved Adjusted Budget 2021	Projected Performance June 2021	Budget 2021/22 FY	Budget 2022/23 FY	Budget 2023/24 FY
Total Operational Revenue	458,889,545	458,889,545	433,605,155	453,740,376	460,244,492
Total Operating Expenditure	448,780,058	317,645,755	427,066,038	442,077,533	457,086,352
<b>Operational Surplus/Deficit</b>	<b>10,109,487</b>	<b>141,243,790</b>	<b>6,539,117</b>	<b>11,662,843</b>	<b>3,158,141</b>
Total capital grants	353,287,450	353,287,450	664,436,050	719,850,600	738,221,050
Total Capital Expenditure	354,387,449	354,387,449	667,558,050	722,017,480	739,434,605
<b>Overall Budget Surplus/Deficit</b>	<b>9,009,488</b>	<b>140,143,790</b>	<b>3,417,117</b>	<b>9,495,963</b>	<b>1,944,585</b>

<p>Operating Budget – 40% Capital Budget - 60%</p>
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The total revenue for the 2021/22 as indicated in the Division of Revenue Act indicates a small percentage decrease. Equitable Share of R329,543m has been allocated to our municipality, this represents a 15% decrease compared to the previous financial year. The hard-hit department is Budget and Treasury Office.

The operating expenditure amounts to 40% of the total revenue whereas the total capital expenditure amounts to 60% of the total revenue.

Table 2 Revenue by Source

The following Table A4 presents the summary classification of Revenue by Source;

Description	Approved Adjusted Budget 2021	Projected Performance June 2021	Budget 2021/22 FY	Budget 2022/23 FY	Budget 2023/24 FY
Service charges - water revenue					
Service charges - sanitation revenue					
Rental of facilities and equipment	1,133,000.00	1,133,000.00	1,166,990.00	1,216,003.58	1,269,507.74
Interest earned - external investments	10,373,995.06	10,373,995.06	10,685,214.91	11,133,993.94	11,623,889.67
Interest earned - outstanding debtors					
Transfers and subsidies	447,082,550.00	447,082,550.00	417,943,950.00	441,068,400.00	445,814,950.00
Other revenue	300,000.00	300,000.00	309,000.00	321,978.00	336,145.03
Gains on disposal of PPE	-	-	3,500,000.00	-	1,200,000.00
<b>Operational Revenue</b>	<b>458,889,545.06</b>	<b>458,889,545.06</b>	<b>433,605,154.91</b>	<b>453,740,375.52</b>	<b>460,244,492.44</b>
Capital Grants	353,287,450.00	353,287,450.00	664,436,050.00	719,850,600.00	738,221,050.00
<b>Total Revenue</b>	<b>812,176,995.06</b>	<b>812,176,995.06</b>	<b>1,098,041,204.91</b>	<b>1,173,590,975.52</b>	<b>1,198,465,542.44</b>

Table 3 Operating Transfers and Grant Receipts per Grant

Description	Approved Adjusted Budget 2021	Projected Performance June 2021	Budget 2021/22 FY	Budget 2022/23 FY	Budget 2023/24 FY
Total Equitable Shares	433,109,000.00	433,109,000.00	404,182,000.00	428,366,000.00	432,576,000.00
Local Government Financial Management Grant - FMG	2,200,000.00	2,200,000.00	2,100,000.00	2,200,000.00	2,300,000.00
Expanded Public Works Programme (EPWP)	2,438,000.00	2,438,000.00	1,835,000.00	-	-
Municipal infrastructure grant (MIG) - PMU	6,871,550.00	6,871,550.00	7,328,950.00	7,946,400.00	8,314,950.00
Rural Roads Asset Management System Grant (RRAMS)	2,464,000.00	2,464,000.00	2,498,000.00	2,556,000.00	2,624,000.00
Municipal infrastructure grant (MIG)	130,559,450.00	130,559,450.00	139,250,050.00	150,981,600.00	157,984,050.00
Water Services Infrastructure Grant (WSIG)	32,000,000.00	32,000,000.00	66,868,000.00	80,478,000.00	93,199,000.00
<b>Total grants and subsidies</b>	<b>800,370,000.00</b>	<b>800,370,000.00</b>	<b>1,082,380,000.00</b>	<b>1,160,919,000.00</b>	<b>1,184,036,000.00</b>

## 1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

- Guidance provided by National Treasury in all budget circulars issued by the National Treasury and mostly on Circular 11 of 04 December 2020, 78, 79 ,82,88 Addendum2, 91,94,98, 99 and 108
- Balanced budget constraint
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and core services; and

The following table is a high-level summary of the 2021/22 budget and MTREF (classified per main type of operating expenditure:

**Table 4 Summary Operating Expenditure by standard classification item**

Description	Approved Adjusted Budget 2021	Projected Performance June 2021	Budget 2021/22 FY	Budget 2022/23 FY	Budget 2023/24 FY
Employee related costs	151,794,695	151,794,695	156,473,316	165,079,349	174,984,109
Remuneration of councillors	11,102,000	11,102,000	11,968,000	12,902,000	13,611,610
Debt impairment	1,800,000	1,800,000	1,940,000	2,046,700	2,159,269
Depreciation & asset impairment	66,175,000	66,175,000	70,596,748	70,596,748	70,596,748
Finance charges	7,000	12,450	7,273	7,578	7,912
Bulk purchases	82,200,000	82,200,000	85,405,000	88,992,000	92,908,000
Other materials	0	0	0	0	0
Contracted services	75,451,000	75,451,000	75,796,000	73,480,780	72,630,000
Transfers and subsidies	2,830,000	2,830,000	1,618,000	1,686,000	1,760,000
Other expenditure	57,420,362	57,420,362	19,761,701	27,286,378	27,228,704
Loss on disposal of PPE	0	0	3,500,000	0	1,200,000
<b>Total Expenditure</b>	<b>448,780,057</b>	<b>448,785,507</b>	<b>427,066,038</b>	<b>442,077,533</b>	<b>457,086,352</b>

Employee related costs are provided for within the threshold set by the National Treasury of a maximum of 35 – 40%. There is an increase in employee related costs. The total cost of the newly approved structure is estimated at R179, 077m however, there was a need to budget and fill posts that are critical like in the political offices and the Budget and Treasury Office. The Total employee related costs for 2021/22 is R156,473m which is at 39.4%.

The cost associated with the remuneration of Councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The proclamation with regard to the 2021/22 increases has been published hence the increase.

## 1.6 Capital Expenditure

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

**Table 5 2020/21 Medium-term capital budget per vote**

Capital Expenditure per programme					
Description	Approved Adjusted Budget 2021	Projected Performance June 2021	Budget 2021/22 FY	Budget 2022/23 FY	Budget 2023/24 FY
Municipal Infrastructure Grant	130,559,449.38	130,559,449.38	139,250,050.00	150,981,600.00	157,984,050.00
Rural Bulk Infrastructure Grant	190,728,000.00	190,728,000.00	458,318,000.00	488,391,000.00	487,038,000.00
Water Services Infrastructure Grant	32,000,000.00	32,000,000.00	66,868,000.00	80,478,000.00	93,199,000.00
Own Capital Assets	1,100,000.00	1,100,000.00	3,122,000.00	2,166,880.00	1,213,555.20
<b>Total Capital Expenditure</b>	<b>354,387,449.38</b>	<b>354,387,449.38</b>	<b>667,558,050.00</b>	<b>722,017,480.00</b>	<b>739,434,605.20</b>

For 2021/22 an amount of R667.558m has been appropriated for the development of Capital Infrastructure which represents 60 per cent of the total revenue. This amount is conditional grants will be allocated for grant funded projects relating to water and sanitation infrastructure. The other R3.122m is for movable assets and will be funded internally to accommodate purchase of fleet. This is Equitable Share funded

Dr Ruth S Mompoti District Municipality					
MTREF Budget 2021/22 - 2023/24					
Operational expenditure - Excluding Employee costs					
Description	Approved Adjusted Budget 2021	Projected Performance June 2021	Budget 2021/22 FY	Budget 2022/23 FY	Budget 2023/24 FY
<b>OFFICE OF THE MAYOR</b>					
Registration Fees-National	30,000.00	-	31,170.00	32,479.14	33,908.22
Travel and Subsistence-Accommodation	-	-	-	-	-
Travel and Subsistence-Incidental Cost	150,000.00	41,500.00	90,000.00	93,780.00	97,906.32
Accommodation, Travel and Incidental	-	-	-	-	-
Municipal Running Cost/Cellular and Telephone/Expanded Public Works Pr/	-	-	-	-	-
Travel and Subsistence-Transport without Operator	-	-	-	-	-
Bad Debts Written Off	-	-	-	-	-
Printing, Publications and Books	-	-	-	-	-
Uniform and Protective Clothing	-	-	-	-	-
Wet Fuel	-	-	-	-	-
Municipal Running Cost-Audio-visual Services	-	-	-	-	-
Municipal Running Cost-Sports and Recreation	-	-	-	-	-
Travel and Subsistence-Accommodation	150,000.00	146,400.00	155,850.00	162,395.70	169,541.11
Municipal Running Cost-Transportation	90,700.00	59,201.00	94,237.30	98,195.27	102,515.86
Municipal Running Cost-Catering Services	30,000.00	16,000.00	31,170.00	32,479.14	33,908.22
Depreciation and Amortisation-Computer Equipment	-	-	-	-	-
Depreciation and Amortisation-Furniture and Office Equipment	75,000.00	-	77,925.00	81,197.85	84,770.56
Depreciation and Amortisation-Transport Assets	-	-	-	-	-
Corporate and Municipal Activities	1,300,000.00	1,347,628.48	1,000,000.00	1,042,000.00	1,087,848.00
Telephone, Fax, Telegraph and Telex	115,000.00	7,518.12	119,485.00	124,503.37	129,981.52
Executive Mayor	-	-	-	-	-
Premiums	-	-	-	-	-
Municipal Running Cost-Consultants and Professional Services-Communications	450,000.00	-	300,000.00	312,600.00	326,354.40
Lifeguard/Duty Squads	-	-	-	-	-
Uniform/Special/Protective Clothing	-	-	-	-	-
Transfers and Subsidies-Operational-Bursaries (Non-Employee)	500,000.00	60,000.00	300,000.00	312,600.00	326,354.40
Transfers and Subsidies-Operational-Mayors' Charity Fund	120,000.00	100,000.00	100,000.00	104,200.00	108,784.80
Transfers and Subsidies-Operational-Other (National Housing Programme)	-	-	-	-	-
Transfers and Subsidies-Operational-Bursaries (Non-Employee)	-	-	-	-	-
Executive Mayor	70,000.00	67,048.00	72,730.00	75,784.66	79,119.19
Transfers and Subsidies-Operational-Unspecified (WARD COMMITTEES)	-	-	-	-	-
EPWP own funding	1,000,000.00	458,757.02	500,000.00	521,000.00	543,924.00
DC39_1 - Other Expenditure-Transport Services	-	-	-	-	-
DC39_1 - Operational Cos-Mayor and Council-Maintenance of Buildings	-	-	-	-	-
Registration Fees-National	-	-	-	-	-
Travel and Subsistence-Transport without Operator	150,000.00	113,557.92	155,850.00	162,395.70	169,541.11
Travel and Subsistence-Transport without Operator	20,000.00	18,000.00	20,780.00	21,652.76	22,605.48
Printing, Publications and Books	70,000.00	62,550.00	72,730.00	75,784.66	79,119.19
Skills Development Fund Levy	30,000.00	22,629.00	31,170.00	32,479.14	33,908.22
Skills Development Fund Levy	30,000.00	23,001.02	31,170.00	32,479.14	33,908.22
Wet Fuel	70,000.00	63,587.28	72,730.00	75,784.66	79,119.19
Travel and Subsistence-Incidental Cost	150,000.00	-	155,850.00	162,395.70	169,541.11
Travel and Subsistence-Transport without Operator	-	-	-	-	-
Skills Development Fund Levy	-	-	-	-	-
Skills Development Fund Levy	-	-	-	-	-
Municipal Running Cost-Catering Services	180,000.00	10,500.00	187,020.00	194,874.84	203,449.33
Transfers and Subsidies-Operational-Mayors' Charity Fund	-	-	-	-	-
Transfers and Subsidies-Operational-Other (National Housing Programme)	-	-	-	-	-
Transfers and Subsidies-Operational-Mayors' Charity Fund	10,000.00	4,261.74	10,390.00	10,826.38	11,302.74
<b>TOTAL</b>	<b>4,790,700.00</b>	<b>2,622,139.58</b>	<b>3,610,257.30</b>	<b>3,761,888.11</b>	<b>3,927,411.18</b>
			25%		
50	-	-	-	-	-
Registration Fees-National	50,000.00	-	51,950.00	54,131.90	56,513.70
Travel and Subsistence-Accommodation	150,000.00	67,200.00	100,000.00	104,200.00	108,784.80
Travel and Subsistence-Incidental Cost	230,000.00	66,500.00	150,000.00	156,300.00	163,177.20
Travel and Subsistence-Transport without Operator	180,000.00	178,197.42	120,000.00	125,040.00	130,541.76
Bad Debts Written Off	-	-	-	-	-
Seating Allowance for Traditional Leader	-	10,608.00	-	-	-
Wet Fuel	-	-	50,000.00	52,100.00	54,392.40
Municipal Running Cost-Audio-visual Services	40,000.00	-	41,560.00	43,305.52	45,210.96
Municipal Running Cost-Catering Services	-	-	-	-	-
Municipal Running Cost-Transportation	40,000.00	-	41,560.00	43,305.52	45,210.96
Depreciation and Amortisation-Computer Equipment	-	-	-	-	-
Depreciation and Amortisation-Furniture and Office Equipment	11,000.00	-	11,429.00	11,909.02	12,433.01
Depreciation and Amortisation-Transport Assets	-	-	-	-	-
Telephone, Fax, Telegraph and Telex	78,500.00	942.80	81,561.50	84,987.08	88,726.51
Premiums	-	-	-	-	-
Lifeguard/Duty Squads	-	-	-	-	-
Uniform/Special/Protective Clothing	-	-	-	-	-
Transfers and Subsidies-Operational-Unspecified	200,000.00	58,000.00	207,800.00	216,527.60	226,054.81
DC39_2 - Operational Cos-Catering Services	170,000.00	-	176,630.00	184,048.46	192,146.59
Grant in Aid-Office of the Speaker	-	-	-	-	-
DC39_2 - Contracted Serv-Maintenance of Unspecified Assets	200,000.00	-	100,000.00	104,200.00	108,784.80
DC39_2 - Contracted Services-Transport Services	48,000.00	-	49,872.00	51,966.62	54,253.16
Skills Development Fund Levy	40,000.00	29,990.00	41,560.00	43,305.52	45,210.96
Municipal Running Cost-Catering Services	-	-	-	-	-
<b>TOTAL</b>	<b>1,437,500.00</b>	<b>390,222.22</b>	<b>1,223,922.50</b>	<b>1,275,327.25</b>	<b>1,331,441.64</b>

				15%	
<b>OFFICE OF THE MUNICIPAL MANAGER</b>					
Municipal Running Cost/Accounting and Auditing/Equitable Share/Municipal Manager, Town /Whole of the District/Default/Office of the Municipal					
	5,900,000.00	5,372,283.82	1,000,000.00	1,250,000.00	1,305,000.00
Travel and Subsistence-Accommodation	100,000.00	16,186.60	103,900.00	108,263.80	113,027.41
Travel and Subsistence-Incidental Cost	-	-	-	-	-
Municipal Running Cost-Municipal Manager, Town -Bargaining Council	-	-	-	-	-
Bad Debts Written Off	-	-	-	-	-
Printing, Publications and Books	160,000.00	299,100.00	166,240.00	173,222.08	180,843.85
Professional Bodies, Membership and Subscription	70,000.00	-	72,730.00	75,784.66	79,119.19
Skills Development Fund Levy	1,000.00	846.28	1,039.00	1,082.64	1,130.27
Municipal Running Cost-Security Services	0.00	-	0.00	0.00	0.00
Municipal Running Cost-Security Services	-	-	-	-	-
Depreciation and Amortisation-Computer Equipment	-	-	-	-	-
Depreciation and Amortisation-Furniture and Office Equipment	-	-	-	-	-
Depreciation and Amortisation-Transport Assets	-	-	-	-	-
Telephone, Fax, Telegraph and Telex	20,000.00	14,388.92	20,780.00	21,652.76	22,605.48
Internet Charge	-	-	-	-	-
Premiums	-	-	-	-	-
Special project - Communications	-	-	-	-	-
Non-pensionable-Office of the Municipal	-	-	-	-	-
Non-pensionable-Office of the Municipal	-	-	-	-	-
Non-pensionable-Office of the Municipal	-	-	-	-	-
Non-pensionable-Office of the Municipal	-	-	-	-	-
Non-pensionable-Office of the Municipal	-	-	-	-	-
Non-pensionable-Default	-	-	-	-	-
Non-pensionable-Office of the Municipal	-	-	-	-	-
Non-pensionable-Office of the Municipal	-	-	-	-	-
DC39_3 - Operational Cos-Municipal Manager, Town -National	-	-	-	-	-
DC39_3 - Operational Cos-Municipal Manager, Town -Accommodation	70,000.00	132,000.00	72,730.00	75,784.66	79,119.19
DC39_3 - Operational Cos-Municipal Manager, Town -Incidental Cost	70,000.00	120,000.00	72,730.00	75,784.66	79,119.19
DC39_3 - Operational Cos-Municipal Manager, Town -Own Transport	160,000.00	293,713.60	166,240.00	173,222.08	180,843.85
Consulting fees	1,500,000.00	-	2,500,000.00	1,100,000.00	1,148,400.00
Municipal Running Cost-Municipal Manager, Town -Skills Development Fund	70,000.00	68,801.00	72,730.00	75,784.66	79,119.19
<b>TOTAL</b>	<b>8,121,000.00</b>	<b>6,317,320.22</b>	<b>4,249,119.00</b>	<b>3,130,581.99</b>	<b>3,268,327.60</b>
				48%	
<b>INTERNAL AUDIT</b>					
Bad Debts Written Off	-	-	-	-	-
Professional Bodies, Membership and Subscription	88,000.00	-	100,000.00	104,200.00	108,784.80
Depreciation and Amortisation-Computer Equipment	-	-	-	-	-
Depreciation and Amortisation-Furniture and Office Equipment	-	-	-	-	-
Depreciation and Amortisation-Transport Assets	-	-	-	-	-
Telephone, Fax, Telegraph and Telex	100,000.00	1,414.16	103,900.00	108,263.80	113,027.41
Internet Charge	-	-	-	-	-
Software Licences	200,000.00	-	207,800.00	216,527.60	226,054.81
Premiums	-	-	-	-	-
Municipal Running Cost-Consultants and Professional Services-Audit Committee	1,100,000.00	1,347,000.00	1,600,000.00	1,667,200.00	1,740,556.80
Municipal Running Cost/Non Structured/Equitable Share/Governance Function/Administrat	-	-	-	-	-
Transfers and Subsidies-Capital-Other (National Housing Programme)	-	-	-	-	-
Non-pensionable-Internal Audit	-	-	-	-	-
Non-pensionable-Internal Audit	-	-	-	-	-
Non-pensionable-Internal Audit	-	-	-	-	-
Non-pensionable-Internal Audit	-	-	-	-	-
Non-pensionable-Internal Audit	-	-	-	-	-
Non-pensionable-Default	-	-	-	-	-
Non-pensionable-Internal Audit	-	-	-	-	-
Non-pensionable-Internal Audit	-	-	-	-	-
Municipal Running Cost-Governance Function-Travel or Motor Vehicle	-	-	-	-	-
DC39_4 - Operational Cos-Governance Function-National	30,000.00	-	100,000.00	104,200.00	108,784.80
DC39_4 - Operational Cos-Governance Function-Accommodation	50,000.00	28,800.00	51,950.00	54,131.90	56,513.70
DC39_4 - Operational Cos-Governance Function-Incidental Cost	75,000.00	75,000.00	77,925.00	81,197.85	84,770.56
DC39_4 - Operational Cos-Governance Function-Own Transport	143,000.00	84,897.82	250,000.00	260,500.00	271,962.00
Consulting fees	500,000.00	-	500,000.00	521,000.00	543,924.00
Municipal Running Cost-Governance Function-Skills Development Fund	82,000.00	81,655.36	85,198.00	88,776.32	92,682.47
Audit Committee-4A - Internal Audit	-	-	-	-	-
Municipal Running Cost/Non Structured/Equitable Share/Governance Function/Administrative or Head O/Default/4A - Internal Audit	-	-	-	-	-
Municipal Running Cost-Governance Function-Bargaining Council	-	-	-	-	-
<b>TOTAL</b>	<b>2,368,000.00</b>	<b>1,618,767.34</b>	<b>3,076,773.00</b>	<b>3,205,997.47</b>	<b>3,347,061.35</b>
				-30%	
<b>FINANCE</b>					
Municipal Running Cost-Outsourced Services-Business and Financial Management					
	50,000.00	-	51,950.00	54,131.90	56,513.70
Municipal Running Cost-Outsourced Services-Business and Financial Management					
	11,000,000.00	17,909,304.80	7,000,000.00	7,294,000.00	4,614,936.00
Registration Fees-National	-	-	-	-	-
Registration Fees-National	-	-	-	-	-
Travel and Subsistence-Accommodation	250,000.00	228,000.00	259,750.00	270,659.50	282,568.52
Travel and Subsistence-Accommodation	95,000.00	93,600.00	98,705.00	102,850.61	107,376.04
Travel and Subsistence-Daily Allowance	5,000.00	4,968.56	5,195.00	5,413.19	5,651.37
Travel and Subsistence-Incidental Cost	65,000.00	65,500.00	67,535.00	70,371.47	73,467.81
Travel and Subsistence-Incidental Cost	21,000.00	21,000.00	21,819.00	22,735.40	23,735.76
Travel and Subsistence-Accommodation	-	-	-	-	-
Travel and Subsistence-Transport without Operator	116,000.00	116,051.80	120,524.00	125,586.01	131,111.79



Bad Debts Written Off-Bad Debts Written Off	910,000.00	-	800,000.00	833,600.00	870,278.40
Operating Leases-Other Assets	250,000.00	-	150,000.00	156,300.00	163,177.20
External Audit Fees	3,200,000.00	3,665,712.28	3,500,000.00	3,647,000.00	3,807,468.00
Learnerships and Internships	400,000.00	-	415,600.00	433,055.20	452,109.63
Printing, Publications and Books	-	-	-	-	-
Professional Bodies, Membership and Subscription	50,000.00	15,998.00	51,950.00	54,131.90	56,513.70
Municipal Running Cost-Finance-Skills Development Fund	3,200.00	3,142.86	3,324.80	3,464.44	3,616.88
Municipal Running Cost-Maintenance of Equipment	-	-	-	-	-
Municipal Running Cost-Maintenance of Unspecified Assets	-	-	-	-	-
Municipal Running Cost-Catering Services	-	-	-	-	-
Depreciation and Amortisation-Computer Equipment	3,650,000.00	-	3,792,350.00	3,951,628.70	4,125,500.36
Interest, Dividends and Rent on Land-Discounting of Financial Instruments	-	-	-	-	-
Bank Accounts	90,000.00	31,856.58	93,510.00	97,437.42	101,724.67
Telephone, Fax, Telegraph and Telex	100,000.00	7,542.16	103,900.00	108,263.80	113,027.41
OS - Software Licences	550,000.00	480,747.10	571,450.00	595,450.90	621,650.74
Premiums	2,400,000.00	4,987,590.60	3,000,000.00	3,126,000.00	3,263,544.00
Municipal Running Cost-Consultants and Professional Services-Accounting and Auditing	3,900,000.00	10,320,218.00	4,052,100.00	4,222,288.20	4,408,068.88
Municipal Running Cost-Consultants and Professional Services-Accounting and Auditing	500,000.00	-	500,000.00	521,000.00	543,924.00
Municipal Running Cost-Consultants and Professional Services-Business and Fin. Mngt	300,000.00	-	300,000.00	312,600.00	326,354.40
Municipal Running Cost/Business and Financial M/Operational Revenue/Finance/Administrative or Head O/Default/Budget and Treasury	3,000,000.00	6,584,426.16	2,500,000.00	2,605,000.00	2,719,620.00
Transfers and Subsidies-Operational-Grant In Aid	-	-	-	-	-
Registration Fees-National	3,000.00	-	3,117.00	3,247.91	3,390.82
Travel and Subsistence-Transport without Operator	-	-	-	-	-
Printing, Publications and Books	-	-	-	-	-
Skills Development Fund Levy	86,000.00	85,397.08	89,354.00	93,106.87	97,203.57
Municipal Running Cost-Municipal Manager, Town -Skills Development Fund	-	-	-	-	-
<b>TOTAL</b>	<b>30,994,200.00</b>	<b>44,621,055.98</b>	<b>27,552,133.80</b>	<b>28,709,323.42</b>	<b>26,972,533.65</b>
			11%		
<b>CORPORATE SERVICES</b>					
Municipal Running Cost-Consultants and Professional Services-Legal Advice and Litigation	6,350,000.00	10,085,731.22	3,500,000.00	3,647,000.00	3,807,468.00
Travel and Subsistence-Accommodation	400,000.00	288,000.00	250,000.00	260,500.00	271,962.00
Travel and Subsistence-Incidental Cost	180,000.00	175,000.00	120,000.00	125,040.00	130,541.76
Travel and Subsistence-Transport without Operator	270,000.00	269,888.58	180,000.00	187,560.00	195,812.64
Bad Debts Written Off	-	-	-	-	-
Inventory Consumed-Materials and Supplies	300,000.00	271,448.16	250,000.00	260,500.00	271,962.00
Municipal Running Cost-Administrative and Corpo-Furniture and Office Equ	-	4,646,511.88	-	-	-
Operating Leases- Buildings	4,600,000.00	-	4,779,400.00	4,980,134.80	5,199,260.73
Operating Leases-Machinery and Equipment	600,000.00	236,170.96	700,000.00	729,400.00	761,493.60
Municipal Running Cost-Administrative and Corpo-Machinery and Equipment	-	444,047.68	-	-	-
Assets less than the Capitalisation Threshold	4,100.00	-	25,000.00	26,050.00	27,196.20
Bursaries (Employees)	300,000.00	338,750.66	311,700.00	324,791.40	339,082.22
Naledi Municipality - Property Rates	150,000.00	395,094.64	155,850.00	162,395.70	169,541.11
Municipal Running Cost-Administrative and Corpo-Printing, Publications a	903,500.00	2,973,442.56	938,736.50	978,163.43	1,021,202.62
Professional Bodies, Membership and Subscription	2,000,000.00	95,972.00	2,078,000.00	2,165,276.00	2,260,548.14
Uniform and Protective Clothing	80,000.00	38,990.00	83,120.00	86,611.04	90,421.93
Wet Fuel	400,000.00	238,996.64	300,000.00	312,600.00	326,354.40
Workmen"s Compensation Fund	80,000.00	-	83,120.00	86,611.04	90,421.93
Employee Wellness	200,000.00	-	150,000.00	156,300.00	163,177.20
Municipal Running Cost-Sports and Recreation	100,000.00	-	103,900.00	108,263.80	113,027.41
Municipal Running Cost-Refuse Removal	300,000.00	334,635.98	311,700.00	324,791.40	339,082.22
Municipal Running Cost-Security Services	6,476,115.22	387,600.00	6,000,000.00	6,252,000.00	6,527,088.00
Depreciation and Amortisation-Transport Assets	-	13,043.24	-	-	-
Inventory Consumed-Standard Rated	-	-	-	-	-
Operating Leases-Water Supply	30,000.00	58,138.22	31,170.00	32,479.14	33,908.22
Corporate and Municipal Activities	80,000.00	245,410.00	83,120.00	86,611.04	90,421.93
Bank charges	7,000.00	12,449.88	7,273.00	7,578.47	7,911.92
Laundry Services	150,000.00	278,640.00	155,850.00	162,395.70	169,541.11
Postage/Stamps/Frinking Machines	1,100.00	-	1,142.90	1,190.90	1,243.30
Telephone, Fax, Telegraph and Telex	350,000.00	23,669.10	663,650.00	691,523.30	721,950.33
Information Services	700,000.00	-	1,027,300.00	1,070,446.60	1,117,546.25
Internet Charge	40,000.00	16,432.10	41,560.00	43,305.52	45,210.96
Software Licences	50,000.00	58,000.00	51,950.00	54,131.90	56,513.70
Premiums	-	-	-	-	-
Motor Vehicle Licence and Registrations	40,000.00	21,283.52	41,560.00	43,305.52	45,210.96
Municipal Running Cost-Consultants and Professional Services-Business and Financial Management	2,365,000.00	-	3,457,235.00	3,602,438.87	3,760,946.18
Municipal Running Cost-Consultants and Professional Services-Communications	1,550,000.00	-	1,610,450.00	1,678,088.90	1,751,924.81
Municipal Running Cost-Consultants and Professional Services-Qualification Verification	100,000.00	-	103,900.00	108,263.80	113,027.41
Transfers and Subsidies-Operational-Grant In Aid	-	-	-	-	-
Municipal Running Cost-Administrative and Corpo-Standby Allowance	-	-	-	-	-
Municipal Running Cost-Administrative and Corpo-Structured	-	-	-	-	-
Municipal Running Cost - Skills Development & Training	2,200,000.00	148,782.58	1,200,000.00	1,250,400.00	1,305,417.60

Municipal Running Cost-Administrative and Corpo-Bargaining Council	-	-	-	-	-
Municipal Running Cost/Accommodation, Travel an/Equitable Share/Administrative and Corpo/Administrative or Head O/Default/Corporate Services/	-	-	-	-	-
Non-pensionable-Corporate Services	-	-	-	-	-
Non-pensionable-Corporate Services	-	-	-	-	-
Non-pensionable-Corporate Services	-	-	-	-	-
Non-pensionable-Corporate Services	-	-	-	-	-
Non-pensionable-Default	-	-	-	-	-
Non-pensionable-Corporate Services	-	-	-	-	-
Non-pensionable-Corporate Services	-	-	-	-	-
Municipal Running Cost-Administrative and Corpo-Travel or Motor Vehicle	-	-	-	-	-
Municipal Running Cost-Administrative and Corpo-Scarcity	-	-	-	-	-
DC39_6 - Operational Cos-Administrative and Corpo-National	60,000.00	-	62,340.00	64,958.28	67,816.44
Operational Cos-Administrative and Corpo-Catering Services	250,000.00	381,530.12	150,000.00	156,300.00	163,177.20
DC39_6 - Operational Cos-Administrative and Corpo-Maintenance of Unspecifi	155,000.00	2,260.88	120,000.00	125,040.00	130,541.76
DC39_6 - Contracted Services - Maintenance of Unspecified Assets	80,000.00	-	83,120.00	86,611.04	90,421.93
DC39_6 - Contracted Services-Maintenance of Unspecified Assets	-	-	-	-	-
Transport Services	-	-	-	-	-
DC39_9 - Contracted Serv-Administrative and Corpo-Maintenance of Unspecifi	-	-	-	-	-
DC39_6 - Contracted Services Maintenance of Buildings and Facilities	1,840,000.00	503,147.18	800,000.00	833,600.00	870,278.40
Bursaries (Employees)	-	-	-	-	-
Naledi Municipality - Electricity	870,000.00	1,219,113.98	903,930.00	941,895.06	983,338.44
Municipal Running Cost-Administrative and Corpo-Skills Development Fund	300,000.00	299,724.88	311,700.00	324,791.40	339,082.22
Municipal Running Cost-Security Services	-	-	-	-	-
Naledi Municipality - Water	70,000.00	-	72,730.00	75,784.66	79,119.19
<b>TOTAL</b>	<b>34,981,815.22</b>	<b>24,501,906.64</b>	<b>31,300,507.40</b>	<b>32,615,128.71</b>	<b>34,050,194.37</b>
			11%		
<b>PLANNING AND DEVELOPMENT</b>	-	-	-	-	-
Municipal Running Cost-Outsourced Services-Qualification Verification	-	-	-	-	-
Registration Fees-National	50,000.00	-	51,950.00	54,131.90	56,513.70
Municipal Running Cost-Corporate Wide Strategic-Accommodation	90,000.00	96,000.00	93,510.00	97,437.42	101,724.67
Travel and Subsistence-Daily Allowance	550,000.00	615,250.62	300,000.00	312,600.00	326,354.40
Municipal Running Cost-Corporate Wide Strategic-Incidental Cost	400,000.00	40,000.00	300,000.00	312,600.00	326,354.40
Travel and Subsistence-Transport without Operator	110,000.00	110,423.70	114,290.00	119,090.18	124,330.15
Bad Debts Written Off	-	-	-	-	-
Printing, Publications and Books	-	-	-	-	-
Professional Bodies, Membership and Subscription	15,000.00	-	15,585.00	16,239.57	16,954.11
Municipal Running Cost-Audio-visual Services	750,000.00	-	779,250.00	811,978.50	847,705.55
Municipal Running Cost-Transportation	80,000.00	79,700.00	83,120.00	86,611.04	90,421.93
Municipal Running Cost-Outsourced Services-Catering Services	140,000.00	147,400.00	145,460.00	151,569.32	158,238.37
Municipal Running Cost-Professional Staff	1,000,000.00	-	500,000.00	521,000.00	543,924.00
Municipal Running Cost-Transport Services	-	-	-	-	-
Depreciation and Amortisation-Computer Equipment	-	-	-	-	-
Depreciation and Amortisation-Furniture and Office Equipment	-	-	-	-	-
Maintenance - Fire Stations	2,500,000.00	-	-	-	-
Structural assessment - Buildings	300,000.00	-	1,000,000.00	1,042,000.00	1,087,848.00
RRAMS - Roads System	2,738,000.00	964,984.00	2,844,782.00	2,964,262.84	3,094,690.41
Integrated Man Information Systems (GIS) Licences	-	-	-	-	-
Depreciation and Amortisation-Transport Assets	-	1,915,450.32	-	-	-
Telephone, Fax, Telegraph and Telex	70,000.00	942.80	72,730.00	75,784.66	79,119.19
Internet Charge	-	-	-	-	-
Premiums	-	-	-	-	-
Municipal Activities	100,000.00	-	103,900.00	108,263.80	113,027.41
Municipal Running Cost-Consultants and Professional Services-Project Management	-	-	-	-	-
	1,350,000.00	-	1,300,000.00	1,354,600.00	1,414,202.40
Municipal Running Cost-Consultants and Professional Services-Research and Advisory	350,000.00	13,022,996.46	363,650.00	378,923.30	395,595.93
Municipal Running Cost-Support to Local Municip-Bargaining Council	-	-	-	-	-
Municipal Running Cost-Support to Local Municip-Travel or Motor Vehicle	-	-	-	-	-
Municipal Running Cost-Support to Local Municip-Skills Development Fund	-	-	-	-	-
<b>TOTAL</b>	<b>10,593,000.00</b>	<b>16,993,147.90</b>	<b>8,068,227.00</b>	<b>8,407,092.53</b>	<b>8,777,004.61</b>
			24%		
<b>ENVIROMENTAL HEALTH</b>	-	-	-	-	-
Travel and Subsistence-Transport without Operator	150,000.00	33,699.62	155,850.00	162,395.70	169,541.11
Bad Debts Written Off	-	-	-	-	-
Printing, Publications and Books	-	-	-	-	-
Uniform and Protective Clothing	345,000.00	-	358,455.00	373,510.11	389,944.55
Municipal Running Cost-Maintenance of Buildings and Facilities	-	-	-	-	-
Municipal Running Cost-Maintenance of Unspecified Assets	-	-	-	-	-
Municipal Running Cost-Pest Control and Fumigation	16,000.00	-	16,624.00	17,322.21	18,084.39
Municipal Running Cost-Outsourced Services-Catering Services	-	-	-	-	-
Municipal Running Cost-Catering Services	57,000.00	-	59,223.00	61,710.37	64,425.62
Depreciation and Amortisation-Computer Equipment	-	-	-	-	-

Telephone, Fax, Telegraph and Telex	30,000.00	1,885.52	31,170.00	32,479.14	33,908.22
Internet charges	-	-	-	-	-
Registration National	30,000.00	-	31,170.00	32,479.14	33,908.22
Premiums	-	-	-	-	-
Professional and Regulatory Bodies	40,000.00	-	41,560.00	43,305.52	45,210.96
Depreciation and Amortisation-Computer Equipment	-	956,892.62	-	-	-
Municipal Running Cost/Accommodation/Equitable Share/Pollution Control/Administrative or Head O/Default/Environmental health/	30,000.00	28,800.00	31,170.00	32,479.14	33,908.22
Municipal Running Cost/Incidental Cost/Equitable Share/Pollution Control/Administrative or Head O/Default/Environmental health/	120,000.00	117,500.00	124,680.00	129,916.56	135,632.89
Skills Development Fund Levy	160,000.00	155,468.08	166,240.00	173,222.08	180,843.85
DC39_8 - Operating Cost -Pollution Control-National	1,000.00	2,000.00	1,039.00	1,082.64	1,130.27
DC39_8 - Operating Cost -Pollution Control-Accommodation	12,000.00	24,000.00	12,468.00	12,991.66	13,563.29
DC39_8 - Operating Cost -Pollution Control-Daily Allowance	5,153.00	10,305.78	5,353.97	5,578.83	5,824.30
DC39_8 - Operating Cost -Pollution Control-Incidental Cost	11,000.00	22,000.00	11,429.00	11,909.02	12,433.01
DC39_8 - Operating Cost -Pollution Control-Own Transport	70,000.00	69,049.64	72,730.00	75,784.66	79,119.19
Municipal Activities	-	-	-	-	-
Transfers and Subsidies-Operational-Grant In Aid	-	-	-	-	-
Municipal Running Cost-Pollution Control-Housing Benefits	-	-	-	-	-
Municipal Running Cost/Basic Salary/Equitable Share/Pollution Control/Administrative or Head O/Default/Environmental health	-	-	-	-	-
Municipal Running Cost/Cellular and Telephone/Equitable Share/Pollution Control/Administrative or Head O/Default/Environmental health	-	-	-	-	-
Municipal Running Cost/Non-pensionable/Equitable Share/Pollution Control/Administrative or Head O/Default/Environmental health	-	-	-	-	-
DC39_8 - Operating Cost -Pollution Control-National	-	-	-	-	-
DC39_8 - Operating Cost -Pollution Control-Accommodation	-	-	-	-	-
DC39_8 - Operating Cost -Pollution Control-Daily Allowance	-	-	-	-	-
DC39_8 - Operating Cost -Pollution Control-Incidental Cost	-	-	-	-	-
DC39_8 - Operating Cost -Pollution Control-Own Transport	-	-	-	-	-
Consulting fees	1,000,000.00	-	1,200,000.00	1,100,000.00	-
Bacterial Testing and Analysis	400,000.00	246,789.02	415,600.00	433,055.20	452,109.63
Municipal Running Cost-Pollution Control-Skills Development Fund	-	-	-	-	-
<b>TOTAL</b>	<b>2,477,153.00</b>	<b>1,668,390.28</b>	<b>2,734,761.97</b>	<b>2,699,221.97</b>	<b>1,669,587.74</b>
			-10%		
<b>FIRE AND DISASTER</b>					
Travel and Subsistence-Accommodation	50,000.00	-	51,950.00	54,131.90	56,513.70
Travel and Subsistence-Incidental Cost	-	-	-	-	-
Travel and Subsistence-Transport without Operator	-	-	-	-	-
Bad Debts Written Off	-	-	-	-	-
Municipal Running Cost/Finished Goods/Equitable Share/Fire Fighting and Protec/Whole of the District/Default/Fire and Disaster Manage	-	-	-	-	-
Operating Leases-Furniture and Office Equipment	140,000.00	153,037.22	145,460.00	151,569.32	158,238.37
Operating Leases-Machinery and Equipment	-	-	-	-	-
Printing, Publications and Books	-	-	-	-	-
Professional Bodies, Membership and Subscription	12,000.00	12,080.00	12,468.00	12,991.66	13,563.29
Professional Bodies, Membership and Subscription	-	-	-	-	-
Skills Development Fund Levy	-	-	-	-	-
Uniform and Protective Clothing	700,000.00	699,040.00	500,000.00	521,000.00	543,924.00
Wet Fuel	800,000.00	804,124.58	600,000.00	625,200.00	652,708.80
Municipal Running Cost-Fire Services	2,400,000.00	-	1,200,000.00	1,250,400.00	1,305,417.60
Municipal Running Cost-Maintenance of Buildings and Facilities	-	-	-	-	-
Municipal Running Cost-Maintenance of Buildings and Facilities	-	-	-	-	-
Municipal Running Cost-Maintenance of Equipment	150,000.00	3,460.00	155,850.00	162,395.70	169,541.11
Municipal Running Cost-Maintenance of Unspecified Assets	500,450.00	-	300,000.00	312,600.00	326,354.40
Municipal Running Cost-Catering Services	-	-	-	-	-
Municipal Running Cost-Medical Waste Removal	-	-	-	-	-
Depreciation and Amortisation-Computer Equipment	-	-	-	-	-
Depreciation and Amortisation-Furniture and Office Equipment	-	-	-	-	-
Depreciation and Amortisation-Transport Assets	-	-	-	-	-
Telephone, Fax, Telegraph and Telex	70,000.00	2,828.32	72,730.00	75,784.66	79,119.19
Premiums	-	-	-	-	-
Motor Vehicle Licence and Registrations	90,000.00	521,735.72	93,510.00	97,437.42	101,724.67
Lifeguard/Duty Squads	-	-	-	-	-
Non-pensionable-Fire and Disaster Manage	-	-	-	-	-
Non-pensionable-Fire and Disaster Manage	-	-	-	-	-
Non-pensionable-Fire and Disaster Manage	-	-	-	-	-
Non-pensionable-Fire and Disaster Manage	-	-	-	-	-
Non-pensionable-Fire and Disaster Manage	-	-	-	-	-
Non-pensionable-Default	-	-	-	-	-
Non-pensionable-Fire and Disaster Manage	-	-	-	-	-
Non-pensionable-Fire and Disaster Manage	-	-	-	-	-
DC39_9 - Operational Cos/Maintenance of Equipment/Equitable Share/Fire Fighting and Protec/Whole of the District/Default/Fire and Disaster Manage/	-	-	-	-	-
DC39_9 - Contracted Services-Maintenance of Unspecified Assets	-	-	-	-	-
R&M - Machinery and equipment - Fire & Disaster	-	-	-	-	-
Maintenance - Fire Stations	60,000.00	59,045.90	62,340.00	64,958.28	67,816.44
Municipal Running Cost-Maintenance of Buildings and Facilities	55,600.00	55,600.00	57,768.40	60,194.67	62,843.24

Municipal Running Cost/Finished Goods/Equitable Share/Fire Fighting and Protec/Whole of the Municipality/Default/9A - Fire and Disaster M	190,000.00	190,000.00	197,410.00	205,701.22	214,752.07
Maintenance Contract: Control Centre	6,170,000.00	-	4,000,000.00	2,500,000.00	2,610,000.00
Municipal Running Cost/Finished Goods/Equitable Share/Fire Fighting and Protec/Whole of the Municipality/Default/9A - Fire and Disaster M	-	-	-	-	-
Transport Assets-9A - Fire and Disaster M	-	-	-	-	-
<b>TOTAL</b>	<b>11,388,050.00</b>	<b>2,500,951.74</b>	<b>7,449,486.40</b>	<b>6,094,364.83</b>	<b>6,362,516.88</b>
			35%		
<b>ENGINEERING SERVICES</b>	-	-	-	-	-
Municipal Running Cost-Consultants and Professional Services-Town Planner	-	-	-	-	-
Municipal Running Cost-Consultants and Professional Services-Water	-	-	700,000.00	729,400.00	761,493.60
Municipal Running Cost-Outsourced Services-Organisational	-	-	-	-	-
Interest, Dividends and Rent on Land-Interest Paid-Annuity Loans	4,068,000.00	130,860.78	4,226,652.00	4,404,171.38	4,597,954.92
Registration Fees-National	10,700.00	-	11,117.30	11,584.23	12,093.93
Travel and Subsistence-Accommodation	180,000.00	43,200.00	187,020.00	194,874.84	203,449.33
Travel and Subsistence-Daily Allowance	-	-	-	-	-
Travel and Subsistence-Incidental Cost	-	-	-	-	-
Travel and Subsistence-Transport	-	-	-	-	-
Bad Debts Written Off	-	-	-	-	-
Bulk Purchases-Water	82,200,000.00	36,954,271.84	85,405,800.00	88,992,843.60	92,908,528.72
Inventory Consumed-Water	-	-	-	-	-
Operating Leases-Machinery and Equipment	-	-	-	-	-
Printing, Publications and Books	-	-	-	-	-
Professional Bodies, Membership and Subscription	65,000.00	-	67,535.00	70,371.47	73,467.81
Municipal Running Cost-Audio-visual Services	-	-	-	-	-
Municipal Running Cost-Catering Services	65,000.00	8,500.00	67,535.00	70,371.47	73,467.81
Municipal Running Cost-Transportation	-	-	-	-	-
Municipal Running Cost-Water Treatment-Water Takers	20,800,000.00	25,232,469.56	10,000,000.00	10,420,000.00	10,878,480.00
Maintenance - Water and sanitation infrastructure	3,600,000.00	-	5,000,000.00	5,210,000.00	5,439,240.00
Depreciation and Amortisation-Computer Equipment	-	-	-	-	-
Depreciation and Amortisation-Furniture and Office Equipment	66,715,044.00	446,287.24	66,715,044.00	66,715,044.00	66,715,044.00
Depreciation and Amortisation-Transport Assets	-	-	-	-	-
Interest, Dividends and Rent on Land-Overdue Accounts	-	-	-	-	-
Telephone, Fax, Telegraph and Telex	75,000.00	1,414.16	77,925.00	81,197.85	84,770.56
Claims paid to Third Parties	-	-	-	-	-
Excess Payments	-	-	-	-	-
Insurance Aggregation	-	-	-	-	-
Insurance Brokers Fees	-	-	-	-	-
Insurance Claims	-	-	-	-	-
Premiums	-	-	-	-	-
Risk Management Programs	-	-	-	-	-
Municipal Running Cost-Consultants and Professional Services-Business and Fin. Mngt	-	-	-	-	-
Municipal Running Cost-Consultants and Professional Services-Valuer and Assessors	-	-	-	-	-
Transfers and Subsidies-Operational-Grant In Aid	2,000,000.00	-	1,000,000.00	1,042,000.00	1,087,848.00
Transfers and Subsidies-Operational-Social Relief	-	-	-	-	-
Transfers and Subsidies-Capital-Social Assistance	-	-	-	-	-
Non-pensionable-Engineering Services	-	-	-	-	-
Non-pensionable-Engineering Services	-	-	-	-	-
Non-pensionable-Engineering Services	-	-	-	-	-
Non-pensionable-Engineering Services	-	-	-	-	-
Non-pensionable-Default	-	-	-	-	-
Non-pensionable-Engineering Services	-	-	-	-	-
Non-pensionable-Engineering Services	-	-	-	-	-
Non-pensionable-Engineering Services	-	-	-	-	-
DC39_10 - Operational Cost-Maintenance of Buildings and Facilities	-	-	-	-	-
Municipal Running Cost-Consultants and Professional Services-Town Planner	-	-	-	-	-
Bulk Purchases-Water	-	-	-	-	-
Municipal Running Cost-Water Distribution-Skills Development Fund	-	-	-	-	-
Depreciation and Amortisation-Transport Assets	-	-	-	-	-
Transfers and Subsidies-Operational-Grant In Aid	-	-	-	-	-
Transfers and Subsidies-Operational-Unspecified	-	-	-	-	-
<b>TOTAL</b>	<b>179,778,744.00</b>	<b>62,817,003.58</b>	<b>173,458,628.30</b>	<b>177,941,858.84</b>	<b>182,835,838.69</b>
			4%		
<b>P.M.U</b>	-	-	-	-	-
Municipal Running Cost-Project Management Unit-Medical	-	-	-	-	-
Registration Fees-International	-	-	-	-	-
Registration Fees-National	55,000.00	-	57,145.00	59,545.09	62,165.07
Travel and Subsistence-Incidental Cost	-	-	-	-	-
Travel and Subsistence-Incidental Cost	-	-	-	-	-
Travel and Subsistence-Incidental Cost	-	-	-	-	-
Travel and Subsistence-Transport with Operator	-	-	-	-	-
Travel and Subsistence-Transport without Operator	500,000.00	131,959.10	519,500.00	541,319.00	565,137.04
Bad Debts Written Off	-	-	-	-	-
Operating Leases-Machinery and Equipment	-	-	-	-	-
Bursaries (Employees)	-	-	-	-	-
Professional Bodies, Membership and Subscription	50,000.00	-	51,950.00	54,131.90	56,513.70
Depreciation and Amortisation-Transport Assets	-	-	-	-	-
Corporate and Municipal Activities	-	-	-	-	-

Postage/Stamps/Frinking Machines	-	-	-	-	-
Telephone, Fax, Telegraph and Telex	30,000.00	1,414.16	31,170.00	32,479.14	33,908.22
Premiums	-	-	-	-	-
Municipal Running Cost-Project Management Unit-Structured	-	-	-	-	-
Non-pensionable-Project Management Unit	-	-	-	-	-
Non-pensionable-Project Management Unit	-	-	-	-	-
Non-pensionable-Project Management Unit	-	-	-	-	-
Non-pensionable-Project Management Unit	-	-	-	-	-
Non-pensionable-Project Management Unit	-	-	-	-	-
Non-pensionable-Default	-	-	-	-	-
Non-pensionable-Project Management Unit	-	-	-	-	-
Non-pensionable-Project Management Unit	-	-	-	-	-
DC39_11 - Operational Co-Water Distribution-National	-	-	-	-	-
DC39_11 - Operational Co-Water Distribution-Accommodation	-	-	-	-	-
DC39_11 - Operational Co-Water Distribution-Daily Allowance	-	-	-	-	-
DC39_11 - Operational Co-Water Distribution-Car Rental	-	-	-	-	-
DC39_11 - Operational Co-Project Management Unit-Own Transport	-	-	-	-	-
DC39_11 - Operational Co-Water Distribution-Own Transport	-	-	-	-	-
DC39_9 - Capex_Machinery-Maintenance of Unspecified Assets	-	-	-	-	-
	635,000.00	133,373.26	659,765.00	687,475.13	717,724.04
<b>E.D.T.A</b>	-	-	-	-	-
Registration Fees-National	40,000.00	232,800.00	50,000.00	52,100.00	54,392.40
Travel and Subsistence-Accommodation	-	-	-	-	-
Travel and Subsistence-Incidental Cost	-	-	-	-	-
Travel and Subsistence-Transport without Operator	350,000.00	128,204.68	363,650.00	378,923.30	395,595.93
Bad Debts Written Off	-	-	-	-	-
Wet Fuel	-	-	-	-	-
Municipal Running Cost-Audio-visual Services	110,000.00	-	200,000.00	208,400.00	217,569.60
Municipal Running Cost-Sports and Recreation	10,200.00	20,000.00	100,000.00	104,200.00	108,784.80
Municipal Running Cost-Transportation	-	-	-	-	-
Municipal Running Cost-Catering Services	220,000.00	300,000.00	228,580.00	238,180.36	248,660.30
Depreciation and Amortisation-Computer Equipment	-	-	-	-	-
Depreciation and Amortisation-Furniture and Office Equipment	-	-	-	-	-
Depreciation and Amortisation-Transport Assets	-	-	-	-	-
Advertising, Publicity and Marketing-Gifts and Promotional Items	600,000.00	253,431.60	623,400.00	649,582.80	678,164.44
Telephone, Fax, Telegraph and Telex	90,000.00	13,198.76	93,510.00	97,437.42	101,724.67
Premiums	-	-	-	-	-
Transfers and Subsidies-Capital-Independent Regulatory Board for Auditors	-	-	-	-	-
Consulting fees	2,000,000.00	-	1,000,000.00	-	-
Transfers and Subsidies-Capital-Social Assistance	6,000,000.00	719,146.08	5,000,000.00	7,210,000.00	7,527,240.00
Municipal Running Cost-Economic Development-Structured	-	-	-	-	-
Municipal Running Cost-Economic Development-Bargaining Council	-	-	-	-	-
Municipal Running Cost/Accommodation, Travel an/Equitable Share/Economic Development/Pla/Administrative or Head O/Default/EDTA/	-	-	-	-	-
Non-pensionable-EDTA	-	-	-	-	-
Non-pensionable-EDTA	-	-	-	-	-
Non-pensionable-EDTA	-	-	-	-	-
Non-pensionable-EDTA	-	-	-	-	-
Non-pensionable-EDTA	-	-	-	-	-
Non-pensionable-Default	-	-	-	-	-
Non-pensionable-EDTA	-	-	-	-	-
Non-pensionable-EDTA	-	-	-	-	-
Municipal Running Cost-Economic Development-Travel or Motor Vehicle	-	-	-	-	-
Municipal Running Cost-Economic Development-Leave Pay	-	-	-	-	-
Municipal Running Cost-Economic Development-Skills Development Fund	-	-	-	-	-
<b>TOTAL</b>	<b>9,420,200.00</b>	<b>1,666,781.12</b>	<b>7,659,140.00</b>	<b>8,938,823.88</b>	<b>9,392,132.13</b>

<b>MIG</b>									
<u>Description</u>	<b>Approved Adjusted Budget 2021</b>	<b>Projected Performance June 2021</b>	<b>Budget 2021/22 FY</b>	<b>Budget 2022/23 FY</b>	<b>Budget 2023/24 FY</b>				
DC39_10 - Capex_Greater Taung: Bophirima Rural Sanitation Programme 2019/2022 - MIG Funding	30,000,000.00	30,000,000.00	50,000,000.00	52,000,000.00	54,080,000.00				
DC39_10 - Capex_Kagisano Molopo: Bophirima Rural Sanitation Programme 2019/2022 - MIG Funding	35,000,000.00	35,000,000.00	30,000,000.00	31,200,000.00	32,448,000.00				
DC39_10 - Capex_Greater Taung: Bophirima Rural Water Supply Program 2016/2019: Taung Ext"s 4 & 5 & 7: Phase 1	15,437,012.24	15,437,012.24	30,000,000.00	31,200,000.00	32,448,000.00				
DC39_10 - Capex_Lekwa Teemane: Replacement of Pipelines from Pumpstation to Utiwanang & Christiana Water Tower	24,393,204.25	24,393,204.25	15,000,000.00	15,600,000.00	16,224,000.00				
Stella Bulk Sewer & Internal Reticulation Phase A	4,326,210.07	4,326,210.07							
Replacement of existing pipeline at Dryharts	14,949,622.13	14,949,622.13	14,250,050.00	20,981,600.00	22,784,050.00				
Refurbishment of the schweizer - reneke WWTW Phase 2	6,453,400.69	6,453,400.69							
<b>TOTAL</b>	<b>130,559,449.38</b>	<b>130,559,449.38</b>	<b>139,250,050.00</b>	<b>150,981,600.00</b>	<b>157,984,050.00</b>				

Dr Ruth S Mompoti District Municipality  
 MTREF Budget 2021/22 - 2023/24  
 Capital budget - RBIG Funded

<u>Description</u>	Approved Adjusted Budget 2021	Projected Performance June 2021	Budget 2021/22 FY	Budget 2022/23 FY	Budget 2023/24 FY
<b>Taung Bulk Water Supply</b>					
Gravity Pipeline from Taung Dam to Taung Phase 2C	2,000,000.00	2,000,000.00	2,160,000.00	2,257,200.00	2,358,774.00
Gravity Bulk supply line from Taung Dam to new 11 ML/Day WTW in Taung	14,000,000.00	14,000,000.00	15,120,000.00	15,800,400.00	16,511,418.00
Construction of new 11 MI/Day WTW in Taung, Bulk supply lines, reservoirs and Pump Stations	-	-	-	-	-
Construction of Pumpstation, Reservoirs and Elevated Reinforced Concrete Tower and Bulk pumping mains to Eastern Plateau in Taung	48,000,000.00	48,000,000.00	51,840,000.00	54,172,800.00	56,610,576.00
<b>Greater Mamusa Bulk Water Supply</b>					
Building of new 12 MI/day WTW module next to the existing WTW in Bloemhof	35,000,000.00	35,000,000.00	37,800,000.00	39,501,000.00	41,278,545.00
New bulk water supply pipeline from Bloemhof to Schweizer Reneke - Portion A Bloemhof to Vaalkop Reservoir	45,000,000.00	45,000,000.00	48,600,000.00	50,787,000.00	53,072,415.00
New bulk water supply pipeline from Bloemhof to Schweizer Reneke - Portion B -Vaalkop Reservoir To Olievenfontein	24,728,000.00	24,728,000.00	26,706,240.00	27,908,020.80	29,163,881.74
New bulk water supply pipeline from Bloemhof to Schweizer Reneke - Portion C - Olievenfontein to Schweizer Reneke	22,000,000.00	22,000,000.00	23,760,000.00	24,829,200.00	25,946,514.00
Upgrading of the Storage facilities in Schweizer Reneke	-	-	252,331,760.00	273,135,379.20	262,095,876.26
<b>Total RBIG Capital projects</b>	<b>190,728,000.00</b>	<b>190,728,000.00</b>	<b>458,318,000.00</b>	<b>488,391,000.00</b>	<b>487,038,000.00</b>

Dr Ruth S Mompoti District Municipality  
 MTREF Budget 2021/22 - 2023/24  
 Capital budget - WSIG Funded

Description	Approved Adjusted Budget 2021	Projected Performance June 2021	Budget 2021/22 FY	Budget 2022/23 FY	Budget 2023/24 FY
Amalia Water Supply	23,579,206.60	23,579,206.60	35,368,809.90	33,229,214.85	22,325,822.28
Piet Plessis Water Supply	-	-	18,868,000.00	28,302,000.00	42,453,000.00
Reivilo Water Supply	1,828,545.74	1,828,545.74	2,742,818.61	4,114,227.92	6,171,341.87
Mothlako 1 & 2 Water supply	1,735,966.02	1,735,966.02	2,603,949.03	3,905,923.55	5,858,885.32
Pitsong Water Supply	1,501,691.19	1,501,691.19	2,252,536.79	3,378,805.18	5,068,207.77
Diplankeng Sanitation System Refurb	3,354,590.45	3,354,590.45	5,031,885.68	7,547,828.51	11,321,742.77
<b>Total WSIG Capital projects</b>	<b>32,000,000.00</b>	<b>32,000,000.00</b>	<b>66,868,000.00</b>	<b>80,478,000.00</b>	<b>93,199,000.00</b>



## **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 Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance. The primary aims of the Budget Steering Committee are to ensure:

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

#### **2.1.1 The Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2019) a time schedule that sets out the process to revise the IDP and prepare the budget.

#### **2.1.2 Community Consultation on the Draft Budget**

The draft 2021/22 MTREF, will be tabled during a Special Council meeting dated and consultation to follow, due to Covid 19 community members will not present - virtual. The draft budget document is further made available on the municipal website: [www.rsmompatidm.gov.za](http://www.rsmompatidm.gov.za). Furthermore, a Mayoral Roadshow will not be held due to Covid19 the community inputs on the budget may therefore be submitted in writing or other platforms. Submissions received during the Budget process and additional information regarding revenue and expenditure and capital projects will be considered by the Budget Steering Committee meeting.

### **2.1.3 IDP and Service Delivery and Budget Implementation Plan**

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

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

With the compilation of the 2021/22 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2020/21 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

## **2.2 Overview of Alignment of the Annual Budget with the IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Municipalities in South Africa need to utilize integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals.

A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area.

The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area.

Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities. The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect

to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2021/22 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 14 – Table 16 below presents the reconciliation of the IDP Strategic Objectives. In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above. In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years for infrastructure planning. This process is aimed at influencing the development path to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2021/22 MTREF has therefore been directly informed by the IDP revision process and the following tables MBRR Tables SA4-SA6 as outlined in Table 14 – 16 below provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

### **2.3 Measurable performance objectives and indicators**

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

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly at each quarter, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

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

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks. Additional to the MFMA and the Municipal Budget and Reporting Regulations, the following policies are used to guide the budget process: -

##### **2.4.1 Asset Management Policy**

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the revenue base.

##### **2.4.2 Budget Policy**

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

##### **2.4.3 Supply Chain Management Policy**

The Supply Chain Management Policy was last adopted by Council in 2018. The policy will be continually revised to incorporate amending legislation.

## **2.4.4 Investment & Cash Management Policy**

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

Covid 19 and the effects of recession are still evident. After a protracted hike in the interest rates, this increased recently. Upwards pressure is also evident in the inflation rate and the Rand continues to weaken against leading currencies. International oil prices are rising after a significant decrease over the previous months.

### **2.5.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2021/22 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and fuel; and
- The increase in the cost of remuneration.

### **2.5.3 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilized to fund capital or refinancing of borrowing in certain conditions. The municipality chiefly engages in amortization-style loans requiring both regular principal and interest payments. Surplus cash is invested and re-invested at short intervals.

### **2.5.4 Growth or decline in tax base of the municipality**

Lack of revenue collection sources for the district municipality being one critical concerning point. The municipality is 99% grant dependent.

### **2.5.5 Salary increases**

Salary increases were based on the proposed increase as per the MFMA budget circular.

### **2.5.6 Impact of national, provincial and local policies**

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

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

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

### **2.5.7 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at 100 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2021/22 MTREF.

## **2.6 Overview of budget funding**

### **2.6.1 Medium-term outlook: operating revenue**

Investment revenue contributes marginally to the revenue base. It needs to be noted that these allocations have been conservatively estimated. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

### **2.6.2 Medium-term outlook: capital revenue**

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Capital grants and receipts equates to 60 per cent of the total funding source which represents R667,558 million for the 2021/22 financial year.

The municipality did not raise new loans however, the municipality is still servicing old loans from the DBSA, which arose as demarcation liabilities between the Southern and the then Bophirima District Municipalities.

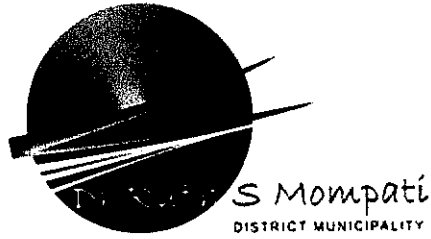
### **2.6.3 Cash Flow Management**

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councilors and management.

Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words, the actual collection rate of billed revenue.





**Municipal Manager's Quality Certificate**

**DR RUTH S. MOMPATI DISTRICT MUNICIPALITY**

**MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

I, TEKO GAANAKGOMO, Acting Municipal Manager of Dr Ruth S Mompoti District Municipality, hereby certify that this 2021/22 DRAFT MTREF 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 2021/22 MTREF Operating and Capital Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

**Print Name:**

**Municipal Manager of Dr Ruth Segomotsi Mompoti District Municipality**

**Signature:** \_\_\_\_\_

**Date: 31 March 2021**