

AMAJUBA DISTRICT MUNICIPALITY



**BUDGET 2022/2023 TO 2024/2025
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	LED	Local Economic Development
ASGISA	Accelerated and Shared Growth Initiative	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act
CBD	Central Business District		Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
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
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

Part 1 – Annual Budget

Introduction

- Firstly, I wish to thank the Municipal Manager and his exceptional officials whom worked tirelessly to ensure that the Budget is prepared for Council to consider.
- It is a great privilege and honors to address this sitting of our Council on this important meeting- the presentation of the reviewed & revised Integrated Development Plan (IDP) and the MTREF Budget for the financial year 2022/2023 to 2024/2025. These strategic and policy documents are now presented for consideration and approval. In this municipality we see the budget as an instrument through which we manage and use public funds to improve the quality of life of the people we serve.
- The priorities, as set out by government, are not only the responsibility of the national and provincial government but must be tackled and realized by all spheres of government, more so local government. It is therefore more critical for local government service delivery plans and programmes to be in line with these priorities, as the people at ward-level must be able to identify and experience it.

Political Guidance and Support (MFMA)

- As Mayor, the MFMA (2003) requires that I provide general political guidance and support in the development of the budget.
- It is therefore important that, in keeping with the legislation, I present the context within which this Annual Budget is presented.
- This is against the background that the budget is one of the policy instruments and mechanisms by which the municipality could achieve its intended strategic objectives as enshrined in the Integrated Development Plan.

Economic Conditions

I wish to reflect on the conditions and context wherein the 2022/2023 Final Draft Annual Budget is presented; i.e.:

- The global and national economic financial climate which continues to have a negative and devastating effect on the financial status of our municipality and the country in general;
- The effects of the historical factors emanating from the way the municipality dealt with and regarded the budgetary and financial management;

- The effect of the digression from the core business of the municipality thereby expending the limited budget allocations on non-essential services;
- The discrepancy in the allocations for service delivery from staff related costs; and
- The causal effect of the above situation being the inability to settle invoices for services thereby exposing the municipality to litigations.
- The severity of the Covid_19 pandemic not only nationally but inter-nationally impacted negativity on the economy as a whole.

These and other salient features affecting our budget and service delivery in general should be dealt with and resolved in a very short space of time. We need to improve on the implementation of the Financial Recovery Plan and the Cost Curtailment measures as approved by Council. We need to drastically improve our revenue through measures such as the collection on water provision. Councilors and officials have come up with means to collect the money we spend on water provision.

Core mandate and revenue enhancement

The municipality will continue to provide safe and clean basic service to the community. Equally, the community should pull their weight and pay for the services they receive from the municipality. Payment for services is one guarantee that the service provided will be sustainable. National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band. The municipality will ensure a minimal increase in the water and sanitation related tariffs.

Strategic direction

It is also important that, on behalf of the leadership collective of Amajuba District Municipality, I articulate and reflect on the critical goals that this budget should seek to achieve in the 2022/2023 Financial Year. This will shed light to both our internal and stakeholders on the developmental trajectory that we are pursuing with and on their behalf.

It be noted that the budget belongs to the people of Amajuba District Municipality. Therefore, it is important for those of us who are charged with the responsibility to lead and champion the cause of development to always share with the community the manner in which their resources are managed.

Radical socio-economic change

Through the 2022/2023 Integrated Development Plan, the municipality has adopted a radically and aggressive approach to the socio-economic development of its people. Key to our approach is to focus our energy, resources and strength to the core business of the municipality; i.e. the provision of water and sanitation. This will not lead to the neglect of our important services which are part of the legislated functions of a district municipality. In conjunction with the national and provincial sector departments, the municipality has prioritized the development of young people, women and the disabled people.

Financial Recovery

Council establishment of a Budget Steering Committee (BSC) will go a long way in ensuring that the object and intentions of the Financial Recovery Plan are achieved and reported on. The pre-requisites for the realization of our plan to deal with the financial challenges facing the municipality is a commitment and dedication of both the political leadership and the administration to the course of change.

IDP/Budget alignment

We have ensured that each IDP Strategic Objective, Strategies and Indicators are directly linked with the Budget. This will ensure a seamless implementation of the developmental service delivery priorities as enshrined in the Council IDP. We have also moved and are continuing to move towards the compliance of the municipality IDP and Budget with the Municipal Standard Charts of Accounts (MSCOA); even though the municipality started very late with the process. The hands-on support of the KZN Provincial Treasury is much appreciated.

Budget in brief

We therefore wish to reflect briefly on the 2022/2023 Final Draft Annual Budget:

Projected Operating Revenue	: R 263 358 270
Projected Operating Expenditure	: R 258 211 305
Capital Allocation	: R 116 587 000
Operations Allocation (DORA)	: R 201 814 000
Surplus/(Deficit)	: R 5 146 965

Integrated Development Plan

- Integrated Development Planning is a process through which a Municipality, its constituencies, various service providers, interested and affected parties come together to identify development needs, outline clear objectives and strategies which serve to guide the allocation and management of resources within the Municipal's jurisdictional area. From this planning process emanates the Municipal Integrated Development Plan (IDP), with the main objective being improved coordination and integration of planning, budgeting and development within a Municipal area.
- This Medium-Term (IDP 2022/23) budgeting, decision-making, strategic planning and development tool is used by the Municipality to fulfil its role of 'developmental local governance.' Central to this are the overarching objectives and strategies encapsulated in the plan, which guides the Municipality in the realm of the following:
 - ❖ Municipal Budgeting;
 - ❖ Institutional restructuring to realize the strategic intent of the plan;
 - ❖ Integrating various development sectors such as Infrastructure, Land Use, Agriculture with Socio-economic and Ecological dimensions; and
 - ❖ Performance Management System.

Municipal Budgeting.

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act, Act 32 of 2000 (MSA) also requires that: the IDP be implemented; the Municipality monitors the implementation of the IDP; the Municipality evaluates its performance about the IDP's implementation; and the IDP be reviewed annually to effect improvements where necessary.

A common perception of IDP's are that they are "wish-lists" that are not linked to budgets, dependant on sector departments and are unrealistic due to them not being linked to the powers and functions allocated to the respective municipalities. These negative perceptions have resulted in the credibility of IDP's is questioned. In understanding what is a "credible" IDP one needs to look at what credible means with the word "credible" being derived from the Greek word for "credulous" which means "realistic". In other words, a "credible" IDP should be one that is "do-able" and implementable.

National Treasury has released Version 6.6 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.6 of the mSCOA classification framework and must be used when compiling the 2022/23 MTREF budget. Refer to Annexure B for the changes to this version of the Schedule A1.

ALL municipalities **MUST** use this version for the preparation of their 2022/23 MTREF budget. It is imperative that all municipalities prepare their 2022/23 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have recently demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Municipalities **must**

start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided

Operating and Capital Budget

- The Final Draft budget is prepared and presented to Council in line with the Chapter 4, Section 16 of the Municipal Finance Management Act, No 56 of 2003 (MFMA) requirements. The MFMA requires that the Mayor must table the draft budget 90 days before the start of the financial year.
- After the draft budget has been tabled in Council, the Mayor must conduct a public participation process whereby the public is afforded the opportunity to comment on the budget and make any recommendations to be considered during the budget process.
- The draft budget as tabled, confirms the heavy dependence of Amajuba DM on grant funding to fund service delivery.

What is a budget?

- A budget is a spending plan that indicates how available funds will be used to cater for community needs.
- It is also a financial planning tool used to project future income and expenditure which the municipality is expected to engage in.

Why do we need a Budget?

- To provide a forecast of revenues and expenditure;
- To enable the actual financial operations of the municipality to be measured against the forecast; and
- To promote access to information by informing the residents how the municipality will utilize the resources available;

Budget Parameters

Headline inflation forecasts

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Macroeconomic performance and projections, 2022- 2023 Fiscal year	2021/22	2022/23	2023/24	2024/25
Estimate	Forecast			
Consumer Price Inflation (CPI)	3.3%	3.9%	4.2%	4.4%
Real GDP growth	0.7%	1.5%	1.7%	2.1%

Source: MFMA Circular No.94

Budget Funding

- Even though the Municipality is entirely compliant with the MSCOA framework the municipality's proposed draft budget shows a budget deficit.
- Salary related costs consumes almost 53% of the budgeted operational revenue.
- Our core mandate of water and sanitation has been prioritised with the rest of the budgeted provided for funded programmes. These are normally funded from grants.
- Government has repeatedly emphasised the importance of municipalities focusing on growing their own revenue base in order to expand resources available for local service delivery. Municipalities with significant revenue bases are expected to invest more of their own resources, offsetting some of the impact of reductions to infrastructure grants, while building partnerships with the private sector for infrastructure delivery over the period ahead.
- Many municipalities continue to adopt unrealistic spending plans which is not fully supported by the budget.

GOVERNMENT GRANTS AND SUBSIDIES

The following table indicates the grants allocations as indicated in the Division of Revenue Bill as well as Provincial allocations as indicated:

GAZETTED GOVERNMENT GRANT ALLOCATION 2022-2023-2024/2025

GOVERNMENT GRANTS & SUBSIDIES - ALLOCATIONS	Current Year		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	Budget Year	ADJUSTMENT BUDGET	2022/2023	2023/2024	2024/2025
	2021/22	2021/22	Budget Year +1	Budget Year +2	Budget Year +3
	R'000	R'000	R'000	R'000	R'000
<u>National Grant Allocations¹</u>					
1. Municipal Infrastructure Grant	40 779 000	40 779 000	46 587 000	46 650 368	47 458 378
2. Financial Management Grant	2 550 000	2 550 000	2 750 000	2 860 000	2 974 400
3. Equitable Share	184 017 000	184 017 000	201 814 000	214 724 000	228 494 000
4. Municipal Water Infrastructure Grant	50 000 000	50 000 000	70 000 000	70 191 513	95 120 000

5.Expanded Public Works Programme incentive Grant	1 693 000	1 693 000	1 902 000	2 057 203	1 980 571
6.Rural Transport and Infrastructure	2 255 000	2 255 000	2 361 000	2 455 440	2 974 400
7. Municipal Service Improvement Grant			2 787 000	2 380 000	2 380 000
Sub Total - National Grant Allocations	281 294 000	281 294 000	328 201 000	338 002 877	460 943 818
<u>Provincial Grant Allocations²</u>					
8.Development Planning Shared Services					
9.Growth and Development Summit					
10.Disaster Management Grant					
11.Councillor Training		79 388			
12.GIS Functionality					
Sub Total - Provincial Grant Allocations		79 388			
TOTAL GRANT ALLOCATIONS	281 294 000	281 373 388	328 201 000	338 002 877	460 943 818

- The equitable share and the allocation of the general fuel levy to local government constitute unconditional funding. Municipalities are reminded that this funding allocation is formula driven and designed to fund the provision of free basic services to disadvantaged communities.
- Conditional grant funding must be utilised for the intended purpose within the stipulated timeframes, as specified in the annual Division of Revenue Act. Monies not spent must be returned to the fiscus and requests for roll-overs will only be considered where unforeseen and unavoidable circumstances led to underspending of conditional grants.

Budget Highlights

In view of the, the following table is a consolidated overview of the proposed 2022/23 Final Draft Medium-Term Revenue and Expenditure Framework (MTREF)

Table 1 and Table 2 and Table 3 provides executive summary on both revenue budget and expenditure budget.

TABLE 1: TOTAL OPERATING REVENUE AND CAPITAL BUDGET 2022/2023 MTREF

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
OPERATING REVENUE BUDGET	233 419 924	241 216 849	263 358 270	255 464 911	348 024 578
CAPITAL BUDGET FUNDED FROM GRANTS	103 250 000	105 250 000	116 587 000	121 250 480	126 100 499
CAPITAL BUDGET FUNDED FROM OWN REVENUE	230 000	0	0	0	0
TOTAL	344 696 849	346 466 849	379 945 270	376 715 391	474 125 077

- Total Revenue Budget for the Amajuba District Municipality 2022/2023 increased from the 2021/2022 original Budget by **R35 248 421**

TABLE 2: TOTAL OPERATING EXPENDITURE AND CAPITAL EXPENDITURE BUDGET 2022/2023 MTREF

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
OPERATING EXPENDITURE BUDGET	239 156 715	229 450 810	258 211 305	278 533 550	250 030 448
CAPITAL EXPENDITURE BUDGET FUNDED FROM GRANTS	103 250 000	103 250 000	116 587 000	121 250 480	126 100 499
CAPITAL EXPENDITURE BUDGET FUNDED FROM OWN REVENUE	230 000				
TOTAL	342 636 715	342 406 715	374 798 305	399 784 030	376 130 947

- Total Operating Expenditure Budget for the Amajuba District Municipality 2022/2023 increased from the 2020/2021 original Budget by **R32 161 590** and increased in 2020/2021 Adjustment Budget by **R230 000**.

TABLE 3: TOTAL OPERATING REVENUE AND EXPENDITURE BUDGET 2022/2023 MTREF

DESCRIPTION	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
OPERATING REVENUE BUDGET	233 419 924	241 216 849	263 358 270	255 464 911	348 024 578
OPERATING EXPENDITURE BUDGET	254 650 715	239 254 600	258 211 305	278 533 550	250 030 448
SURPLUS/(DEFICIT)	(21 230 791)	1 962 249	5 146 965	22 886 639	97 994 130

- The Municipality has an funded budget **R 5 146 965** for the 2022/2023 FY
- The importance of tabling funded budgets is highlighted in MFMA Circular No. 74 and 89. Adopting a funded budget has become more critical now than before as it has direct bearing on the financial sustainability of the institution. It has been agreed that no municipality will adopt an unfunded budget in the future. There are cases that may warrant a plan as this may not be achievable over one year. As a result, such municipalities must, together with their 2022/23 MTREF budget, table a plan in a municipal council on how and by when the budget will improve from an unfunded to a funded position. This will be essential when the National and provincial treasuries are assessing the budget to determine its credibility.
- The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to go back to the municipal Council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations. In addition, where municipalities have adopted an unfunded budget, they will be required to correct the budget to ensure they adopt and implement a funded budget***

TABLE 4 TO TABLE 8 PROVIDES DETAILED BREAKDOWN OF THE REVENUE BUDGET, EXPENDITURE BUDGET AND CAPITAL EXPENDITURE.

TABLE 4: TOTAL OPERATING REVENUE BUDGET 2022/2023 MTREF

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
REVENUE PER SOURCE					
Water Sales	25 000 000	28 765 714	29 236 445	18 042 524	18 764 224
Sanitation Sales	7 100 000	9 152 852	9 152 852	5 774 840	6 005 833
Interest on Overdue Account	4 700 000	4 700 000	5 083 520	5 286 861	5 498 335
Interest Earned-Ext Invest	5 906 924	7 230 285	7 230 285	6 116 875	1 402 621
Equitable Share-FBS Portion	184 017 000	184 017 000	201 814 000	208 968 996	304 627 756
Finance Management Grant;	2 550 000	2 550 000	2 750 000	2 860 000	2 974 400
ROAD ASSET MANAGEMENT SYSTEM	2 255 000	2 255 000	2 361 000	2 455 440	2 553 658
Public Works Grant(EPWP)	1 693 000	1 693 000	1 902 000	1 978 080	2 057 203
Tender Deposits	51 000	198 001	205 921	214 158	222 724
Sundry Income	12 000	504 630	674 706	701 694	729 762
Rental facilities-Hall Hire	35 000	50 367	52 382	54 477	56 656
Skills Development Grant ;	100 000	100 000	108 160	112 486	116 986
Municipal Systems Improvement Grant			2 787 000	2 898 480	3 014 419
Covid-19 Disaster Relief Fund			-	-	-
Atmospheric Emissions Licence				-	-
	233 419 924	241 216 849	263 358 270	255 464 911	348 024 578

- Operating Revenue has decreased for the 2022/2023 Financial Year, mainly because of additional equitable share that the municipality in December
- Increase in service charges it because there a new service provide that will help municipality with collection and the decrease of bad debt provision.
- Increase in Contracted services and Inventory Consumed (repairs and maintenance) it caused new mappings as per Mscoa
- The equitable share and the allocation of the general fuel levy to local government constitute unconditional funding. Municipalities are reminded that this funding allocation is formula driven and designed to fund the provision of free basic services to disadvantaged communities.

- The municipality has embark on the process of data cleansing to ensure completeness of consumer debtors. This has allowed the municipality to issue letters of demand to non-paying customers.
- Furthermore, municipality has implemented credit control policy by inviting public to take advantage of the incentive program to encourage payments. This will improve the revenue collections, hence an increase in revenue projections.

TABLE 5: TOTAL OPERATING EXPENDITURE BUDGET 2022/2023 MTREF

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
EXPENDITURE PER CATERGORY					
Salaries, Wages & Allowances	121 507 403	97 868 399	127 011 816	117 722 982	122 431 901
Remuneration of Councillors	7 619 816	6 335 935	8 590 759	9 006 328	9 366 582
Depreciation	18 985 357	18 985 357	18 985 357	20 841 084	21 674 728
Inventory Consumed	6 860 000	4 172 482	6 505 984	8 639 981	8 985 580
Bulk Water Purchases	21 000 000	21 194 000	22 000 000	24 793 982	25 785 742
Contracted Services	11 508 794	29 674 471	12 084 233	43 466 055	45 204 697
Operating Grants Expenditure					
General Costs-Other	51 675 345	49 457 826	50 446 982	40 973 518	2 968 015
Free Basic Services (Sanitation)		335 048	376 883	391 958	407 637
Free Basic Services (Water)		1 427 292	1 605 509	1 669 730	1 736 519
TOTAL DIRECT OPERATING EXPENDITURE	239 156 715	229 450 810	247 607 525	267 505 618	238 561 399
Contributions to capital	230 000				
Contributions to funds	14 000 000	9 099 791	9 842 334	10 236 027	10 645 468
Interest -External Loans	1 264 000	704 000	761 446	791 904	823 580
TOTAL OPERATING EXPENDITURE	(21 230 791)	1 962 248	5 146 965	(23 068 639)	97 994 130

- Operating Expenditure has decreased for the 2021/2022 FY
- Operating Revenue has increased for the 2022/2023 FY
- cost containment measures must be implemented to eliminate wasteful expenditure, reprioritise spending and ensure savings on the following focus areas among others; engagement of consultants, travel and subsistence costs, issuing of credit cards, accommodation costs, office furnishing costs, advertising or sponsorship costs, catering and events related costs.
- Cost Containment has been developed and taken to council for review and Financial recovery must be implemented.

TABLE 6: COUNCILLORS REMUNERATION BUDGET 2022/2023 MTREF

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
REMUNERATION OF COUNCILLORS					
Executive Mayor	1 138 588	1 138 588	1 194 379	1 252 904	1 138 588
Deputy Mayor	865 458	865 458	907 866	952 351	865 458
Speaker	906 783	906 783	951 216	R997 825	906 783
Councillors	1 912 914	1 912 914	2 006 646	2 104 972	1 912 914
Executive Committee	2 021 009	1 912 914	1 912 914	2 006 646	2 104 972
Motor vehicle allowance	309 031	309 031	324 174	340 059	309 031
Subtotal	7 619 816	6 335 935	8 028 633	9 006 328	9 366 581

- Councillor allowances have been budgeted based on the actual costs approved in accordance with the gazette No 42134 on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances, and Benefits of different members of municipal councils published 21 December 2019. The MEC of Corporate Governance and Traditional Affairs (COGTA) has granted that Councillors remuneration be approved at 95% of the upper limits for 2020/2021. The application for 2021/2022FY has been finalized. The Municipality has provided for the increases in the 2021/2022FY

**TABLE 7: SENIOR MANAGES AND MUNICIPAL OFFICIALS RENUMERATION BUDGET 2022/2023
MTREF**

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
	Original Budget	ADJUSTMENT BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
EMPLOYEE RELATED COSTS - WAGES & SALARIES					
Salaries & Allowances;	65 772 029	68 865 941	73 409 595	74 891 037	76 897 2020
Standby Allowance	1 072 106	1 492 003	2 359 452	2 694 651	2 828 944
Shift Allowance	265 414	265 414	310 548	322 693	338 760
Overtime;	6 943 027	7 282 226	7 340 627	7 339 251	7 704 116
Subtotal	74 052 576	77 905 584	83 420 222	85 247 632	87 769 002
EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS					
Bonuses;	4 998 618	5 185 522	4 783 913	5 102 043	5 377 554
Travel Allowance;	6 058 017	6 179 787	5 514 475	5 583 898	5 858 813
Housing Allowance;	714 339	749 061	1 549 498	1 586 418	1 665 416
Telephone;	665 784	679 584	729 933	729 933	729 933
Medical Aid Contributions;	4 506 807	4 686 952	4 755 255	4 853 402	5 092 501
Pension Fund Contributions;	8 140 100	8 380 510	8 898 214	9 155 107	9 606 008
Group Life Contribution;	540 525	560 287	600 833	614 886	645 045
UIF Contributions;	313 582	322 505	325 757	341 917	360 380
Bargaining Council Contribution	20 243	20 802	23 003	23 275	24 424
Post-Retirement Medical Expense	-	-	-	-	-
Long Service Awards Expense;	-	-	-	-	-
Clothing Allowance	14 400	14 400	30 000	10 070	10 564
Subtotal	25 972 414	26 779 410	28 986 640	29 744 195	31 208 641
-					
TOTAL	121 482 000	97 868 399	127 011 816	117 722 982	122 431 901

- The Amajuba District Municipality has provided for a 4.9% salary increase based on the 3.9 of inflation rate plus 1% .

- The municipality have an increase in employee related costs as results of critical posts being filled. This is also done to eliminate the use and reliance in consultancy.

TABLE 8: CAPITAL PROJECTS AND PROGRAMMES BUDGET 2021/2022 MTREF

DESCRIPTION	CURRENT YEAR		MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK		
	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
	Original Budget	ADJUSTMENT CAPITAL BUDGET	Budget Year +1	Budget Year +2	Budget Year +3
CAPITAL EXPENDITURE IDP-GRANT FUNDED PROJECTS					
MIG GRANT FUNDING PROJECTS					
DC25_CE0010_MIG PMU admin cost	453 000	2 500 000	2 162 500	2 329 350	2 428 900
DC25_EMANDLANGENI SANITATION-MIG;	2 000 000	2 000 000	4 000 000	2 000 000	7 000 000
DC25_CE0011_Goedehoop bulk water and sanitation	10 000 000	2 000 000	10 000 000	18 257 650	22 000 000
DC25_CE0012_Danhauser Housing Development Bulk Water and Sanitation	10 000 000	3 000 000	6 000 000		
DC25_CE0013_Buffalo Flats Water Supply Scheme Phase 3B	14 500 000	27 453 000			
Hilltop Reservoir Settlements Water Supply			15 000 000	19 000 000	5 000 000
DC25_Amajuba Disaster Management Centre Phase 2	3 300 000	3 300 000	3 000 000		
Mafahlawane Bulk Water Supply			3 087 500	5 000 000	12 149 100
SUB TOTAL	40 253 000	40 253 000	46 587 000	48 578 000	50 697 000
WSIG GRANT FUNDED PROJECTS					
DC25_CE0001_Emxakheni Water Scheme	1 000 000	1 000 000	-	-	5 620 000
DC25_CE0002_Buffalo Flats Water Supply Scheme Phase 4 (infills)	35 000 000	65 053 710	5 540 000		7 900 000
DC25_CE0003_Rural Household Infra Projects: sanitation infills	5 000 000	3 040 326	-		
DC25_CE0004_Refurbishment of water and waste water treatment plants	4 000 000	-	5 000 000	19 000 000	26 000 000
DC25_CE0005_Refurbishment and upgrade of Durnacol Water Treatment Works	12 000 000	9 500 000	-	-	-
DC25_CE0006_Construction of Brakfontein resevoir	15 000 000	6 500 000	18 000 000		20 000 000

DC25_Upgrade of Citi call system	5 000 000	5 000 000	-	-	-
DC25_Emergency water supply to Ramaphosa, Hilltop and Skobaren - Dannhauser LM	5 000 000	24 499 566	10 860 000	17 000 000	18 000 000
DC25_Emadlangeni Borehole Program	2 400 000	2 400 000	-		
DC25_WC/WDM Program			8 000 000	7 020 000	18 000 000
Raw Water Feasibility Study			3 000 000	4 200 000	12 000 000
Refurbishment of Durnacol Water Treatment					6 000 000
COVID-19 Intervention MIG/WSIG Reprioritisation			9 600 000	5 000 000	4 000 000
SUB TOTAL	84 400 000	116 993 602	70 000 000	80 120 000	95 120 000
ROAD TRANSPORT & PUBLICWORKS PROGRAMME PROJECTS					
ROAD ASSET MANAGEMNET GRANT	2 205 000	2 205 000	2 255 000		
DISASTER MANAGEMENT -COGTA G		1 771 141			
SUB TOTAL	2 205 000	3 976 141	2 255 000	-	-
TOTAL GRANT FUNDED IDP PROJECTS ENGINEERING	126 858 000	161 222 743	105 505 000	126 707 000	143 698 000
OPERATING CAPITAL -CONTRIBUTIONS FROM OWN REVENUE					
Office Furniture & Equipment-Corporate Services	198 000	198 000	100 000		
Office Furniture & Equipment-Financial services	150 000	150 000	200 000		
Office Furniture & Equipment-Thusong		60 000	30 000		
TOTAL	348 000	408 000	330 000		
TOTAL CAPITAL BUDGET	127 206 000	161 630 743	105 835 000	126 707 000	143 698 000

- This is a detailed Breakdown of the Capital Projects which are mostly funded from MIG and WSIG.
- Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding.

TABLE 9 :WATER AND SANITATION TARIFFS 2023

Service / Category	Approved 2021/2022 Tariff (Excl. vat)	Proposed 2022 2023 (Excl. VAT)	% increase 2022 2023
<u>Water supply</u>			
<u>Residential/Charitable/Religious</u>			
0kl-6kl	7.59	8.05	6%
7kl-20kl	8.80	9.33	6%
21kl-40kl	10.56	11.19	6%
41kl-60kl	13.03	13.81	6%
60kl+	15.75	16.70	6%
<u>Business & Industry per KL</u>	-		
0kl-6kl	9.38	9.94	6%
7kl-20kl	11.11	11.78	6%
21kl-40kl	12.31	13.05	6%
41kl-60kl	13.52	14.33	6%
60kl+	14.70	15.58	6%
	-		
<u>Other</u>	-		
0kl-6kl	12.47	13.22	6%
7kl-20kl	9.65	10.23	6%
21kl-40kl	10.77	11.42	6%
41kl-60kl	12.52	13.27	6%
60kl+	14.32	15.18	6%
	-		
<u>Raw water per kl</u>	6.54	6.93	6%
	-		
<u>Sanitation</u>	-		
All customers per KL	5.32	5.64	6%
Emptying septic tanks per load	676.70	717.30	6%
	-		
<u>Availability charge</u>	-		
Serviced vacant land	169.18	179.33	6%
<u>Business water services fixed charge</u>	42.64	45.20	6%
-	-		
<u>Industrial water services fixed charge</u>	42.64	45.20	6%

	-		
<u>Business & Industrial sanitation services fixed charge</u>	81.60	86.50	6%
<u>Testing of meters</u>			
Exceeds 50mm	Cost + 10%	Cost + 10%	
<u>New connections</u>			
<u>Water</u>			
Connections 25mm and less	Cost + 10%	Cost + 10%	
Connections greater than 25mm	Cost + 10%	Cost + 10%	
<u>Sanitation</u>			
All connections	Cost + 10%	Cost + 10%	
<u>Deposits (New and Reconnections)</u>			
Domestic	845.88	896.63	6%
Commercial	1 578.98	1 673.72	6%
<u>Reconnection Fee</u>	112.78	119.55	6%
	-		
<u>Disconnection Fee</u>	-		
Water restricted (non-paying customers)	112.78	119.55	6%
<u>Water tank deliveries</u>			
Water tank delivery per load	Cost + 10%	Cost + 10%	

- The Municipality has budgeted for a 6% increase for Water and Sanitation Tariffs for the 2022/2023FY.
- National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band. The municipality will ensure a minimal increase in the water and sanitation related tariffs.
- Drought conditions makes it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.
- Therefore, financial year 2021/2022 the municipality has implemented indigent policy to eliminate the over-statement of consumer debtors.

Part 3 – Supporting Documentation

3.1 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 Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

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

3.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

With the compilation of the 2022/2023 MTREF, each department / function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2022/23 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

DATES OF KEY IDP, BUDGET AND PMS EVENTS

Table 1:IDP Activity schedule 2022/23

QUARTER ONE		
ACTIVITY	DUE DATE	DEPARTMENT RESPONSIBLE
First IDP Steering Committee meeting (DAPDF)	24 July 2021	Planning and Development
Submission of draft Framework & Process Plan – KZN COGTA	31 July 2021	Planning and Development
Advertisement on the Process for Review 2021/22	31 July 2021	Planning and Development
ExCo approval of IDP Framework Plan 2022/23	19 August 2021	Planning and Development
Council approval of IDP Framework Plan 2021/22	26 August 2021	Planning and Development
Advertisement of approval of Framework Plan	09 September 2021	Planning and Development
QUARTER TWO		
ACTIVITY	DUE DATE	DEPARTMENT RESPONSIBLE
2021/22 Review – Consultative process (Needs analysis)	5, 8 and 12 October 2021	Office of the Speaker & Office of the Mayor
Second IDP Steering Committee meeting (DAPDF)	06 November 2021	Planning and Development
ADM CoGTA Alignment Session	06 November 2021	CoGTA & ADM
First IDP Representative Forum meeting	13 November 2021	Planning and Development
QUARTER THREE		
ACTIVITY	DUE DATE	DEPARTMENT RESPONSIBLE
Second IDP Representative Forum meeting	09 February 2022	Planning and Development
Third IDP Steering Committee meeting (DAPDF)	05 March 2022	Planning and Development
ExCo Approval of Draft IDP 2022/23	25 March 2022	Planning and Development
Council Approval of Draft IDP 2022/23	31 March 2022	Planning and Development
QUARTER FOUR		
ACTIVITY	DUE DATE	DEPARTMENT RESPONSIBLE
Submission of Draft IDP 2022/23 to COGTA	10 April 2022	Planning and Development
Draft IDP/Budget 2022/23 Consultative process	19 - 21 April 2022	Office of the Speaker & Office of the Mayor
Draft IDP assessment feedback	23 April 2022	Planning and Development
Third IDP Representative Forum meeting	14 May 2022	Planning and Development
Fourth IDP Steering Committee meeting (DAPDF)	04 June 2022	Planning and Development
ExCo approval of Final Draft IDP 2022/23	25 June 2022	Planning and Development
Council approval of final Draft IDP 2022/23	30 June 2022	Planning and Development
Submission of Final IDP 2022/23 to COGTA	10 July 2022	Planning and Development

KEY BUDGET DATES – 2022/23 BUDGET COMPILATION PROCESS PLAN

Table 2: Budget review schedule

TIME SCHEDULE FOR BUDGET REVIEW PROCESS 2021/2022			
NO	ACTIVITY/TASK	RESPONSIBLE OFFICIAL	TARGET DATES
			BUDGET
JULY 2021			
1.	Submit monthly report on the budget for period ending 30 June 2021 within 10 working days to the Executive Mayor	Manager Budget	14/07/2021
2.	Senior Management to discuss the Draft Budget Process Plan	CFO	31/07/2021
AUGUST 2021			
3.	Submit Draft Budget Process Plan to Council for adoption	CFO	14/08/2021
4.	Submit monthly report on the budget for period ending 31 July 2021 within 10 working days to the Executive Mayor	Manager Budget	14/08/2021
5.	Table Draft Annual Performance Report and Annual Financial Statements to Council	Municipal Manager	31/07/2021
6.	Submit the Annual Performance Report and Annual Financial Statements to the Auditor-General	CFO	31/08/2021
SEPTEMBER 2021			
7.	Advertisement of IDP/Budget Process Plan on website/local newspaper/notice boards	CFO	14/09/2021
8.	Submit monthly report on the budget for period ending 31 August 2021 within 10 working days to the Executive Mayor	Manager Budget	14/09/2021
OCTOBER 2021			
9.	Submit monthly S71 report on the budget for period ending 30 September 2021 within 10 working days to the Executive Mayor	Manager Budget	14/10/2021
	Submit S52(D) Quarterly Report to Council for adoption.		30/10/2010
NOVEMBER 2021			
10.	Submit monthly S71 report on the budget for period ending 31 October 2021 within 10 working days to the Executive Mayor	Manager Budget	13/11/2021
DECEMBER 2021			
11.	Submit monthly report on the budget for period ending 30 November 2021 within 10 working days to the Executive Mayor	Manager Budget	14/12/2021
JANUARY 2022			
12.	Submit monthly report on the budget for period ending 31 December 2021 within 10 working days to the Executive Mayor	Manager Budget	15/01/2022

13	Submit Mid-Year Budget & Performance Assessment Report to Executive Mayor (Section 72) Submit S52(D) Quarterly Report to Council for adoption	CFO/MM	25/01/2022 29/01/2022
14.	Submit Mid-Year Budget and Performance Report to Council	CFO/MM	25/01/2022
15	Submit Mid-Year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government Treasury and Department of Local Government	MUNICIPAL MANAGER /CFO	29/01/2022
16	Make public the Mid-Year Budget and Performance report	MUNICIPAL MANAGER /CFO	29/01/2022
17.	Submit monthly report on the budget for period ending 31 January 2022 within 10 working days to the Executive Mayor	Manager Budget	12/02/2022
FEBRUARY 2022			
18.	Council considers and adopts 2019/2020 Adjustment Budget and potential revised 2020/2021 SDBIP	Municipal Manager	26/02/2022
MARCH 2022			
19.	Advertise the approved 2020/2021 Adjustments Budget and submit budget and B Schedules to National Treasury and Provincial Treasury as required per legislation (within 10 working days)	Municipal Manager	12/03/2022
	Prepare Draft MTREF Budget 2022/2023-25		18/03/2022
	Submit Draft MTREF Budget 2022/2023 -25 to Budget Steering Committee		26/03/2022
	Submit Draft MTREF Budget 2022/2023-25 to Executive Committee (EXCO)		27/03/2022
	Submit Draft MTREF Budget 2020/2021-25 to Council for Approval		30/03/2022
APRIL 2022			
20.	Submit the Electronic Approved Draft Annual Budget 2022/2023 MTREF and corresponding data- strings to National Treasury and relevant Provincial Departments	CFO	05 /04/2022
	Submit monthly report on the budget for period ending 31 March 2022 within 10 working days to the Executive Mayor	Manager Budget	14/04/2022
	Submit S52(D) Quarterly Report to Council for adoption	CFO/MM	30/04/2022
MAY 2022			

21	Submit monthly report on the budget for period ending 30 April 2022 within 10 working days to the Executive Mayor	Manager Budget	14/05/2022
22	Budget Steering Committee Meeting	CFO	17/05/2022
23	Council to adopt Revised IDP and the 2022/2023 budget (at least 30 days before the start of the budget year)	Municipal Manager	30/05/2022
JUNE 2022			
24	Approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget (Electronic Copies) Place the IDP, 2022/2023 multi-year budget, all budget-related documents and all budget-related policies on the website	CFO	03/06/2022
25.	Submit approved budget 2022/2023 to National and Provincial Treasuries (printed formats)	CFO	12/06/2022
26.	Submit monthly report on the budget for period ending 31 May 2022 within 10 working days to the Executive Mayor	Manager Budget	14/06/2022
27.	Draft Annual Financial statement preparation plan	CFO	07/06/2022

1.1.1 KEY DATES - PERFORMANCE MANAGEMENT SYSTEM

Table 3: PMS Review dates

OUTPUT	CORE ACTIVITIES	TIMEFRAMES
PMS policy and framework	Review of PMS Policy and Framework Guide	31 May
OPMS & IPMS	Establishment of Draft SDBIP	March/April
	Establishment of Final SDBIP	28 days after budget approval
	Development and Signing of performance agreements	31 July
	Make public SDBIP and submit to relevant stakeholders	14 days after SDBIP approval
Performance monitoring and evaluation	Quarterly assessment of the 2018/2019 SDBIP	October, January, April, July
	Individual performance assessments	November, February, May, August
Performance reporting	Tabling of the draft annual report to Council by the Mayor	31 January
	Tabling of the oversight report to Council by the MPAC	31 March
	Tabling of the final annual report to Council by the Mayor	31 March

	Make public annual report and invite community inputs into report	21 days in February
	Publicise Annual Report and Submit copy to Provincial Legislature	April
Performance auditing	Quarterly audit of performance measurements	November, February, May, August
	Audit Committee	Towards end of: November, February, May, August

3.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2022/23 MTREF; extensive financial modelling were undertaken to ensure affordable tariffs and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the Final 2022/23 MTREF:

- Municipality's growth;
- Policy priorities and strategic objectives;
- Asset maintenance;
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns);
- Performance trends;
- The approved 2021/22 adjustments budget and performance against the SDBIP;
- Cash Flow Management Strategy;
- Debtor payment levels;
- Loan and investment possibilities;
- The need for tariff increases versus the ability of the community to pay for services;
- and
- Improved and sustainable service delivery.

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 93 - 94 has been taken into consideration in the planning and prioritisation process.

3.1.4 Community Consultation

The Final Draft 2022/23 MTREF must be tabled before Council by the 31 May 2022; and, for community consultation must be published on the municipality's website and hard copies to be made available at customer care offices, municipal notice boards and various libraries.

3.1.5 IDP/Budget Roadshows

Notice will be given in terms of Chapter 4 Section 16 (1)(a)(i) of the Local Government Municipal Systems Act, Act 32 2000, that Amajuba District Municipality Council will be conducting roadshows during April 2022 and May 2022

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant and necessary will be considered as part of the finalisation of the 2022/23 MTREF.

3.1.6 Submitting budget documentation and schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, *immediately* after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 31 May 2022, the final date of submission of the electronic budget documents and corresponding data strings is **Tuesday, 14 June 2022**. The deadline for submission of hard copies including council resolution is **Tuesday, 21 June 2022**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury *within ten working days* after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2021, the final date for such a submission is **Friday, 14 July 2022**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.3) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft Service Delivery and Budget Implementation Plan (SDBIP) in both printed and electronic format;
- Procurement Plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- the budget locking certificate; and
- schedules D specific for the entities

3.1.7 ALL municipalities MUST use this version for the preparation of their 2022/23 MTREF budget.

It is imperative that all municipalities prepare their 2020/21 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have recently demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Municipalities **must** start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and **must** ensure that they produce their Schedule A1 directly out of the budget module.

3.2 Overview of budget related policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, approve strategies and related policies:

- 3.2.1 Credit Control and Debt Collection policy
- 3.2.2 Asset Management Policy
- 3.2.3 Budget Policy

- 3.2.4 Supply Chain Management Policy
- 3.2.5 Budget and Virement Policy
- 3.2.6 Cash Management and Investment Policy
- 3.2.7 Tariff Policies
- 3.2.8 Indigent policy
- 3.2.9 Policy on Irregular Expenditure
- 3.2.10 Irregular Expenditure Policy
- 3.2.11 Debt Impairment Policy
- 3.2.12 Contract Management Policy
- 3.2.13 SDBIP
- 3.2.14 Petty Cash Policy
- 3.2.15 Cost Containment Policy

Most of the above policies are currently being revised and once adopted by Council they will be placed on the municipality's website

3.3 Overview of budget assumptions

The Municipal Budget and Reporting Regulations

3.3.1 The impact of VAT on tariffs

- VAT remains at 15 per cent, which was an increase from 1 April 2018 in the previous year. To mitigate the effects of this increase on low income households, the MTBPS announced various zero-rated items, wherein the VAT would be charged at 0 per cent.
- Whether the additional amount is recoverable from the customer or not, the supplier must account for VAT on any supplies made on or after 1 April 2018 at the increased VAT rate. (See MFMA Circular No. 91 on the relevant supporting documentation regarding the VAT guides).

3.4 Employee related costs

The Amajuba District Municipality has provided for a 3.5% salary increase based on the Inflation rate of 4.25 %

3.5 Remuneration of councillors, Senior Managers and Municipal Officials

Employee related costs plus Councillor allowances as a percentage of total operating expenditure is 40%.

Councillor allowances have been budgeted based on the actual costs approved in accordance with the gazette No 42134 on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances, and Benefits of different members of municipal councils published 21 December 2018. The MEC of Corporate Governance and Traditional Affairs (COGTA) has granted that Councillors remuneration be approved at 95% of the upper limits for

2022/23. The application for 2022/2023FY has been finalized and the Budget for Upper Limits for Councillors has been approved at 95 % of Government Notice No 1426.

Municipal manager's quality certificate

I, M.S. Sithole Acting Municipal Manager of Amajuba District Municipality, hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : Mr. M.S. Sithole

Acting Municipal Manager of : Amajuba District Municipality (DC25)

Signature : _____

Date : _____

A1 SCHEDULES