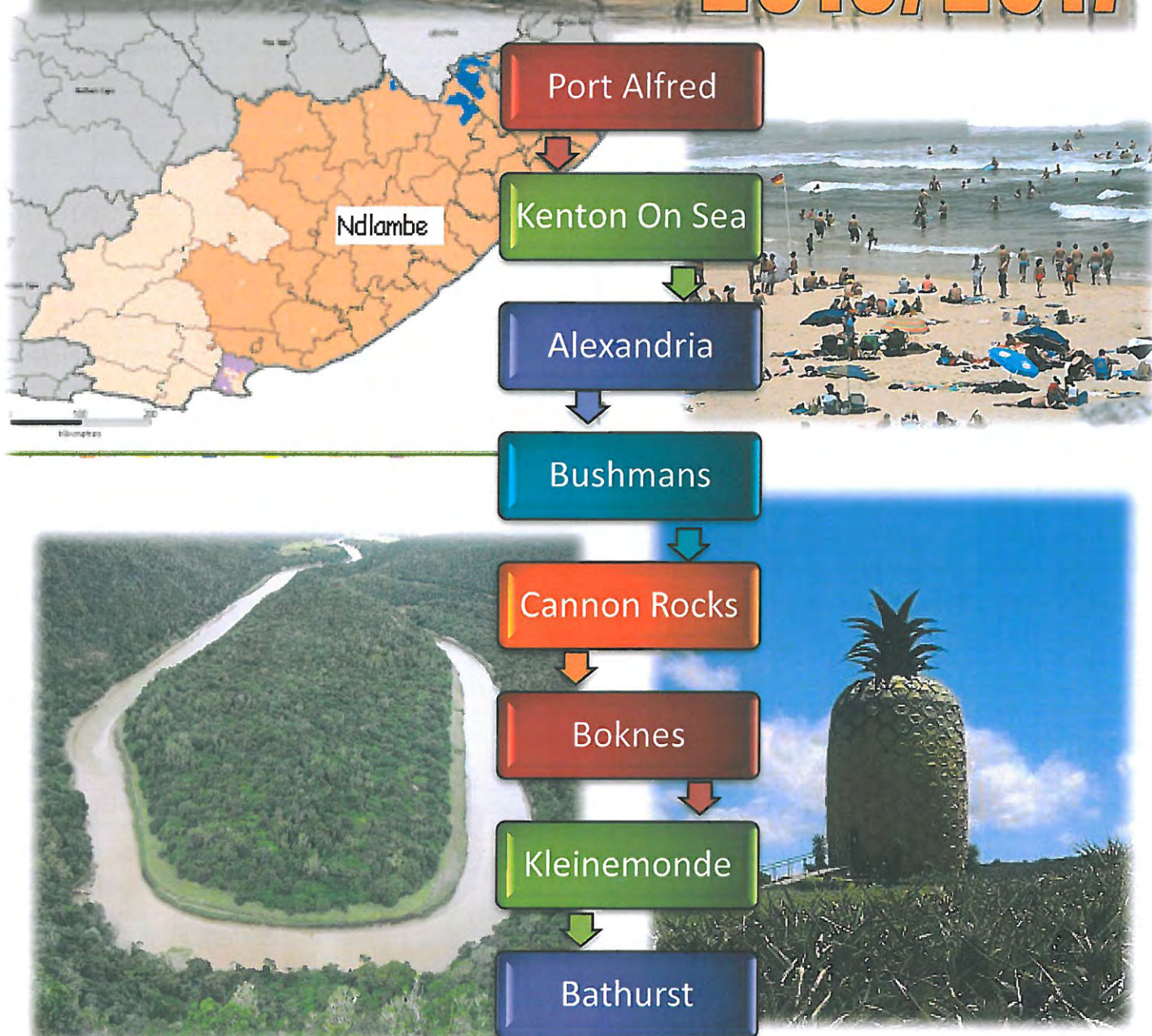


# NDLAMBE MUNICIPALITY

## FINAL BUDGET

### 2016/2017





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#### **VISION:**

*NDLAMBE MUNICIPALITY strives to be a premier place to work, play, and stay, on the eastern coast of South Africa. It strives to be the destination of choice for people who love natural and cultural heritage, adventure water sports, and laid-back living for families.*

*Our promise is to build a state-of-the-art physical infrastructure which will be laid out aesthetically in our beautiful natural environment. Our prosperous community supports a safe and healthy lifestyle which is supported by affordable natural living and a vibrant tourism and agriculturally- based economy!*

*We promote good governance by providing sustainable, efficient, cost effective, adequate and affordable services to all our citizens.*

#### **MISSION:**

*To achieve our vision by enabling optimal performance within each of the five Key Performance Areas of Local Government within the context of available resources.*

#### **VALUES:**

- *Commitment*
- *Transparency*
- *Honesty*
- *Trustworthiness*
- *Care*



**PART 1:**  
**MAYORS REPORT**



**SPEECH OF THE MAYOR, COUNCILLOR SIPHO TANDANI OF NDLAMBE LOCAL MUNICIPALITY – 2016/2017 BUDGET**

Madam Speaker, Councillors, Municipal Manager, Ladies and Gentlemen

It is once again a privilege and honour to address Council on this occasion, the presentation of the 2016/2017 revised Integrated Development Plan and Capital and Operating budgets on the Ndlambe Municipality. The budget is the tool through which we manage the public funds in a manner that ensures that we improve the lives of all our citizens in Ndlambe by:

1. Reducing the poverty levels
2. Reducing the extreme inequalities
3. Empowering the disadvantaged by bringing them into our economy
4. Create an environment for employment opportunities
5. Integration of communities throughout Ndlambe

Many Budget Steering Committee Meetings were held as one on one sessions with Managers and Directors to craft the final budget, put forward for approval and the final product is based on all the input received from the officials and public.

The municipality needs to pay serious attention to managing its revenue effectively and to collect all outstanding debts and to implement the cost saving measure adopted by this Council in May 2016. Overtime and appointment of casuals will be strictly controlled during 2016/2017 and the productivity of staff will be monitored.

Numerous comments were received on the tabled budget, budget related policies and the recommended tariff increase. The comments received on the presentation of the draft budget have been noted and have been considered in this budget that is presented for approval.

The budget that is presented for consideration is as follows:-

Recognising the needs as well as the realities of the limitations placed on us by National Treasury and economic affordability, a capital budget of R37 504 600, R----- from grants and R5 078 300 from internal funds has been drafted and is hereby placed before you for approval.

The fact that we once again have limited capital procurement from internal funding is of great concern. I am however hopeful that from the budget presented and the additional measures established to bring in outstanding debt funding will be generated to do the mid-year adjustment budget that will allow for capital expenditure from internal funds. To do this however will require all directors to manage their budgets very carefully and to cut out all unnecessary expenditure and find creative ways to use the resources at their disposal to do more with less.

We will also be increasing our capital spending when the further funding is received and this will be addressed through an adjustment budget.

An operating budget of R408 283 000 (including Capital transfers) income and R376 648 000 expenditure is hereby submitted for your consideration.



The increases to be approved to generate the income budgeted for is as follows:-

- Rates to increase by 9%, rebates per the policy of Council will be applied to the respective categories of ratepayers.
- Electricity increase of 12%
- Water increase of 16%
- Sewer increase of 7.5%
- Sanitation increase of 7%
- Refuse increase of 7%
- All other miscellaneous tariffs have been increased to cover the costs of providing the service and are included in the budget pack under supporting information.

The rates increase in the agenda is recommended at 11% but you will note that the 11% has been reduced to 9% and this was due to a further reduction made to overtime and casuals. I realise that the 9% is above the recommended increase of National Treasury and this is due to but not limited to the following factors:-

1. General staff increase as negotiated nationally plus notches have been allowed for the operating budget.
2. Fixed expenditure has been budgeted for correctly.
3. A Capital budget has been included and although not sufficient to cover all needs will address critical areas.
4. Increase of electricity purchased ESKOM.
5. Increase of waster purchased from Amatola Water Board.

My appreciation must go to all involved in the Budget process including ratepayers, consumers, Councillors and staff, for the endless hours spent on evaluating and prioritising and crafting the capital and operating budget.

Madam Speaker, taking all what I have mentioned into consideration I move for Council to adopt the Capital Budget, Operating Budget, Tariffs, Budget Related Policies and Annexures as presented for 2017/2017 financial year.

Lastly, I wish to single out my thank you to the African National Congress (ANC) leadership and the entire residents of Ndlambe for putting trust on me and to this Council leadership including our Senior Management de by ADV. Rolly Dumezweni to lead this stable Municipal Council in the face of many challenges that confronted South African Municipalities.

Madam Speaker, Councillors, Officials, I wish to say I had a very good time working with you for the past 15 (Fifteen) years I have been a Councillor of the ANC and the people. May God continue to give you strength as you continue discharging your various government responsibilities to improve the lives of our ordinary Ndlambe people both black and white. Indeed, **“South Africa belongs to all who live in it both black and white”**, this is a corner stone our South African constitutional Democracy and gentleman. That is why we continue delivering a balanced development as espoused in the country's National Development Plan.



I wish the new elected Councillor candidates a very best and fruitful next term after the 4<sup>th</sup> Democratic Local Government elections to take place on the 3<sup>rd</sup> of August 2016. Please and please in all and despite challenges you may be confronted with, put people's interest first above everything else. I wish all political parties who will participate in the all-important forthcoming local government elections a very peaceful elections, may we please tolerate each other as we approach the 3<sup>rd</sup> of August 2016

Madam Speaker, I also wish to acknowledge the role played by our former Mayors and councillors who served before us and who laid a solid foundation for us to continue to govern this stable council. This goes equally to all our former Senior Managers and General workers who shaped this Municipality to be what it is today. I recognise and acknowledge the former Mayors and Councillors who passed away in office serving the people of this Municipality, **"may their soul rest in peace"**; they are always with us in spirit.

There is a lot to say, but unfortunately time is a factor as I am going to Fish River sun to address another important educational gathering. Madam Speaker allow me to close by thanking and recognising the role of the media both local and newspapers and electronic media for communicating both our success stories and challenges as they are for the past 5 (five) years I have been in the helm of this Municipality.

Please you must continue on the solid relationship we have built with the media houses including radio.

**!!! I thank you !!!**

# RESOLUTION



# NDLAMBE MUNICIPALITY

## Port Alfred

13, Port Alfred 6170  
(046) 624 1140  
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[portalfred@ndlambe.gov.za](mailto:portalfred@ndlambe.gov.za)  
<http://www.ndlambe.co.za>

### RESOLUTION

MINUTES OF A SPECIAL OPEN NDLAMBE COUNCIL MEETING HELD ON,  
THURSDAY, 23 JUNE 2016 AT 10H00 IN THE COUNCIL CHAMBERS,  
CAMPBELL STREET, PORT ALFRED

SNCM006/06/2016

REPORT DATED 6 JUNE 2016 FROM THE MAYOR TO COUNCIL: REVIEWED IDP/  
ANNUAL BUDGET – 2016/2017

#### COUNCIL RESOLVED

1. THAT the Final Reviewed Integrated Development Plan for 2016/2017, BE APPROVED with the projects of Alexandria, Bathurst and Kenton-On-Sea to be included and correction on page 150, upgrading of Bathurst sportsfield from R3 335 557 TO R2 100 000
2. THAT the Final Annual Budget for the 2016/17 financial year as presented with the following required additions and amendments made by the Mayor BE APPROVED:-

#### ADDITIONS TO TARIFF LIST

Land use planning fees	
Consolidations	R3 700
Road Closure of public open space	R3 500
Extension of validity period	R1 500
Amendment of conditions of approval	R1 800
Approval of Architectural Design Manual	R2 500
Constitution or site development plan	R2 500
Cancellation / Amendment of General Plan	R1 500

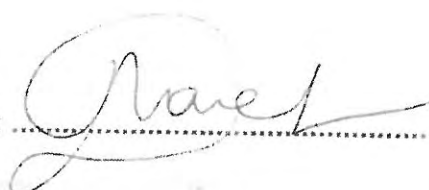
#### AMENDMENTS

That the rates increase to be reduced FROM 11% to 9%

3. THAT the Budget related policies BE APPROVED.

\*\*\*

Signature : .....



Date : .....

30/06/2016

# **EXECUTIVE SUMMARY**



### **3) EXECUTIVE SUMMARY OF THE MUNICIPAL MANAGER, ROLLY DUMEZWENI, ON THE 2016/2017 ANNUAL BUDGET OF THE NDLAMBE MUNICIPALITY**

The Ndlambe Municipality budget was a difficult budget to compile with the current economic pressures that are impacting on us. Although many say that the economy is slowly recovering we are not noticing the recovery or feeling the recovery in our revenue collection rates. It is critical that everything possible is done to collect outstanding debt due to the municipality but at the same time ensure that the costs of the services that we provide are affordable to the consumers.

The 2016/17 budget continues to focus on ensuring financial sustainability but also taking into account delivering on the programmes outlined in the Integrated Development Plan. The annual budget reaffirms the commitment of the Ndlambe Municipality towards the prudent management of the municipal finances. In order to move back towards financial sustainability the Ndlambe Municipality has set parameters within which financial planning is to be done and that should result in an operating surplus to increase the level of internal capital spending.

The 2016/17 Budget is premised on the following principles:

- Changing the way we do things within limited resources;
- Increasing productivity by doing more with less and managing human resources effectively;
- Ensure that there is coordination of programmes between all offices and directorates;
- Customer focused; and
- Stabilising the revenue base.

The main challenges experienced during the compilation of the 2016/17 budget are similar to that of previous years and can be summarised as follows:

- The on-going difficulties in the local economy;
- The need to prioritize work, projects and expenditure within the expected revenue envelope;
- Salaries and allowance increases for municipal staff that continue to exceed consumer inflation;
- Availability of internal capital funding; and
- Increases of ESKOM and Amatola Water.

The challenge of balancing the need of the communities to the limited finance resources remains a serious concern and the municipality needs to look at short, medium and long term solution

#### **Short-term**

The focus for the 2016/17 Budget year must be financial sustainability of which a key component is to collect all debt due to the municipality and thus stabilize the revenue base. Vigorous implementation and enforcement of the debt collection policy is our number one priority. With the money due coming in the municipality will then be in the position to implement the IDP's key priority areas and improve service delivery.

#### **Medium-term**

Over the medium- term budget, financial sustainability will continue to remain a focus however, through the improved financial position that is created through the short term initiative, the municipality will be in a position to accelerate the

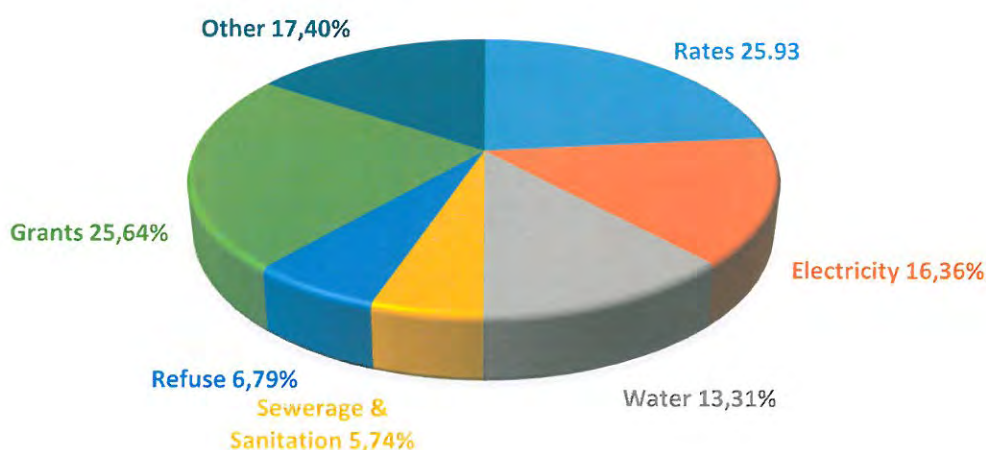
implementation of the IDP programmes and commit to excellent service delivery as a norm. Capital spending will be accelerated and the ability to spend will improve.

#### Long-term

Building a strong financial position will provide an option for increased spending towards capital infrastructure and responding adequately to the communities' requirements.

The annual budget put forward provides for total operating revenue of R 374 076 560 for the 2016/17 financial year and this represents an increase of 25.5% on the current year's operating revenue R327 784 000.

### REVENUE EXCLUDING CAPITAL TRANSFERS/ CONTRIBUTIONS



Revenue from property rates based on actuals is budgeted at R 96 999 110 for 2016/17 and R95 310 338 for the current year. Income from rates represents 25.54% of the total revenue operating budget. To achieve the budgeted income, rates have been increased by 11% for the 2016/17 financial year. The rates percentage increase is higher than the trading services percentage increase and that is due to the trading services operating budget not over cross subsidizing services covered by rates.

Revenue from water based on actuals is budgeted at R 49 774 631 for 2016/17 and for the current year it is budgeted at R 34 055 545. Income from water represents 12.04% of the total revenue operating budget. To achieve the budgeted income, water charges have been increased by 16% for the 2016/17 financial year.

Revenue from electricity based on actuals is budgeted at R 61 190 425 for 2016/17 and the current year's budget is R59 716 889. Income from electricity represents 14.81% of the total revenue operating budget. To achieve the budgeted income, electricity charges have been increased by 12 % in line with NERSA's guidelines for the 2016/17 financial year, NERSA's increase this year is 9.4%.

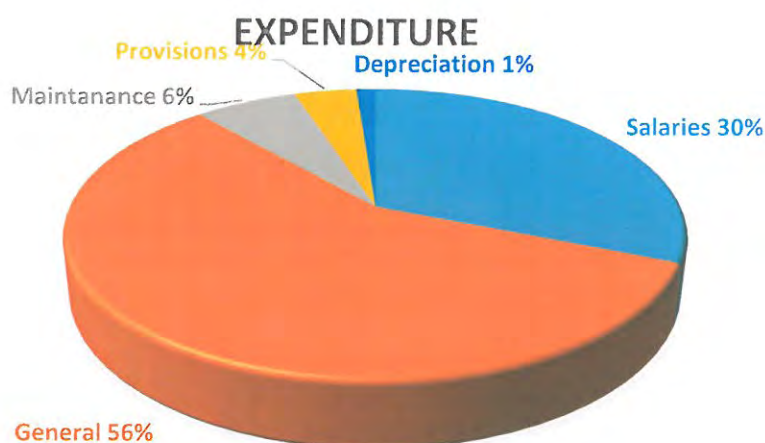
Revenue from sewerage and sanitation based on actuals is R21 483 318 for 2016/17 and the current year's budget is R 18 441 186. Income from sewerage and sanitation represent 5.20% of the total revenue operating budget. To achieve the budgeted



income, sewerage and sanitation charges have been increased by 7.5% sewerage and 7% on sanitation for the 2016/17 financial year.

Revenue from refuse based on actuals is R 25 418 403 and the current year's budget is R20 736 110. Income from refuse represents 6.15% of the total revenue operating budget. To achieve the budgeted income, refuse charges have been increased by 7% for the 2016/17 financial year.

The annual budget submitted to Council for approval and to then go out for public consultation provides for total operating expenditure of R 373 998 773 an increase of 14.04% on the current year's operating expenditure of R 327 783 000



Expenditure on employee related cost is R 114 500 000 for 2016/17 and for 2015/16 is R107 870 000. Employee related costs represent 30% of the total expenditure budget. There are new posts that have been added into the budget, in addition to the posts that existed in the 2015/2016 financial year have been budgeted for. Employee related costs include all employees of Ndlambe Municipality but excludes Councilors allowances.

Expenditure on general expenditure for 2016/17 is R 214 611 065 and for 2015/16 is R200 388 000. General expenditure represents 56% of the total expenditure budget. General expenditure includes the bulk purchase of electricity, water, finance charges, contracted services as well as Councilors allowances. The ESKOM electricity increases and Amatola bulk water are some of the contributing factors to the 12.4% increase in general expenditure when comparing to the current budget.

Expenditure on repairs and maintenance is R 23 943 849 for 2016/17 and for current budget it is R15 315 000. Repairs and maintenance represents 6% of the total expenditure budget. Although it is encouraging to see the increase in repairs of 4.9%, this is one area of the expenditure budget that needs to be increased over the next financial years to ensure that our assets are adequately maintained.

Expenditure on contributions to funds for 2016/17 is R14 351 088. This represents 4% of the total expenditure budget. The main fund to which a contribution is made is

the provision for bad debts. It must however be noted that the budget for bad debts has been drastically reduced to lower the increase on tariffs.

The capital budget is R 37 284 600 for the 2016/17 financial year and represents an increase of 1.49% on the 2015/2016 capital budget of R36 730 000 . The capital budget is funded by grants in the sum of R32 206 300 and R5 078 300 from internal funds. Funding of grants from internal funds really needs to be addressed.

The top 10 capital projects for the 2016/17 financial year are as follows;

<b>Project Description</b>	<b>Capital Costs</b>
Upgrading of Port Alfred roads	R 15 761 300
Upgrade of Alex Roads	R 3 718 954
Upgrade of bulk water supply in Bathurst	R 3 171 046
Upgrading of Bathurst Sport fields	R 2 100 000
Upgrading of river road in Kenton	R 1 000 000
Skip Bins and Skid Loader	R 780 000



# **FINAL BUDGET TABLES**

#### **4) Annual Budget supporting tables**

See Annexure



EC105 Ndlambe - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	50,404	58,501	68,592	95,310	95,310	95,310	-	96,999	102,334	107,962
Service charges	84,222	80,825	96,270	133,476	133,476	133,476	-	158,449	167,164	176,358
Investment revenue	1,203	1,481	1,631	593	593	593	-	626	660	697
Transfers recognised - operational	84,571	68,056	69,043	82,072	82,072	81,142	-	95,930	90,932	97,963
Other own revenue	17,944	14,439	16,047	22,769	22,769	22,774	-	22,072	23,286	24,492
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>238,344</b>	<b>223,302</b>	<b>251,582</b>	<b>334,221</b>	<b>334,221</b>	<b>333,295</b>	<b>-</b>	<b>374,077</b>	<b>384,376</b>	<b>407,472</b>
Employee costs	80,938	89,226	99,902	107,487	107,866	107,870	-	114,500	118,802	125,183
Remuneration of councillors	4,974	5,173	5,609	5,954	5,954	5,954	-	5,966	6,273	6,596
Depreciation & asset impairment	41,544	37,323	35,405	4,914	4,914	4,914	-	4,641	4,896	5,165
Finance charges	3,261	3,417	2,461	2,754	2,754	2,754	-	1,952	2,053	2,166
Materials and bulk purchases	35,690	41,026	46,720	49,857	49,857	49,854	-	58,524	61,743	65,139
Transfers and grants	7,836	8,677	550	605	605	-	-	1,349	1,412	1,479
Other expenditure	98,312	76,208	92,758	162,649	161,359	163,767	-	187,067	187,765	198,894
<b>Total Expenditure</b>	<b>272,555</b>	<b>261,050</b>	<b>283,404</b>	<b>334,221</b>	<b>333,310</b>	<b>335,114</b>	<b>-</b>	<b>373,999</b>	<b>382,944</b>	<b>404,622</b>
<b>Surplus/(Deficit)</b>	<b>(34,212)</b>	<b>(37,748)</b>	<b>(31,822)</b>	<b>(0)</b>	<b>911</b>	<b>(1,819)</b>	<b>-</b>	<b>78</b>	<b>1,433</b>	<b>2,850</b>
Transfers recognised - capital	65,335	50,665	35,492	31,642	31,642	3,210	-	32,206	35,548	37,825
Contributions recognised - capital & contributed assets	-	-	33,927	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>31,124</b>	<b>12,917</b>	<b>37,596</b>	<b>31,642</b>	<b>32,554</b>	<b>1,391</b>	<b>-</b>	<b>32,284</b>	<b>36,981</b>	<b>40,674</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>31,124</b>	<b>12,917</b>	<b>37,596</b>	<b>31,642</b>	<b>32,554</b>	<b>1,391</b>	<b>-</b>	<b>32,284</b>	<b>36,981</b>	<b>40,674</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>37,544</b>	<b>35,284</b>	<b>30,956</b>	<b>36,737</b>	<b>36,737</b>	<b>1,391</b>	<b>-</b>	<b>37,285</b>	<b>62,924</b>	<b>55,752</b>
Transfers recognised - capital	32,095	30,284	25,956	31,840	31,840	1,391	-	32,206	35,548	37,825
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	5,449	5,000	5,000	4,897	4,897	-	-	5,078	27,416	17,927
<b>Total sources of capital funds</b>	<b>37,544</b>	<b>35,284</b>	<b>30,956</b>	<b>36,737</b>	<b>36,737</b>	<b>1,391</b>	<b>-</b>	<b>37,285</b>	<b>62,964</b>	<b>55,752</b>
<b>Financial position</b>										
Total current assets	92,251	46,744	65,687	-	-	-	-	-	-	-
Total non current assets	692,985	766,575	793,351	36,944	37,855	1,391	-	37,285	62,924	55,752
Total current liabilities	87,256	52,394	66,637	-	-	-	-	-	-	-
Total non current liabilities	82,859	91,753	85,634	-	-	-	-	-	-	-
Community wealth/Equity	615,121	669,172	706,768	31,642	32,554	1,391	-	32,284	36,981	40,674
<b>Cash flows</b>										
Net cash from (used) operating	45,296	66,339	73,944	36,180	37,091	(87,875)	(93,803)	50,883	58,874	65,598
Net cash from (used) investing	(62,236)	(73,246)	(83,599)	(36,029)	(36,921)	(537)	145	(36,736)	(62,385)	(55,140)
Net cash from (used) financing	(3,359)	(3,327)	(3,851)	-	-	(21,502)	(21,502)	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>17,727</b>	<b>17,737</b>	<b>7,765</b>	<b>151</b>	<b>170</b>	<b>(81,193)</b>	<b>(86,439)</b>	<b>9,361</b>	<b>5,850</b>	<b>16,308</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	28,079	21,406	28,866	-	-	-	-	-	-	-
Application of cash and investments	45,611	15,721	19,585	-	-	-	-	-	-	-
<b>Balance - surplus (shortfall)</b>	<b>(17,533)</b>	<b>5,684</b>	<b>9,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Asset management</b>										
Asset register summary (WDV)	36,894	158,847	191,080	217	217	-	-	-	-	-
Depreciation & asset impairment	41,544	37,323	35,405	4,914	4,914	4,914	4,641	4,641	4,896	5,165
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	12,217	9,565	9,330	21,074	20,092	20,086	23,944	23,944	25,260	26,219
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	1	1	1	1	-	-	1	1	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	4	4	4	4	-	-	4	4	-	-

EC105 Ndlambe - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		135,586	127,850	139,552	177,759	177,759	177,764	181,887	194,114	206,745
Executive and council		5,063	6,684	7,236	6,203	6,203	6,203	6,578	6,868	7,223
Budget and treasury office		130,167	120,939	131,872	171,437	171,437	171,442	175,159	187,088	199,355
Corporate services		356	227	444	119	119	119	150	158	167
<i>Community and public safety</i>		8,722	17,149	11,841	8,942	8,942	8,942	12,880	15,322	16,016
Community and social services		1,663	11,926	6,291	737	737	737	5,671	7,717	7,993
Sport and recreation		—	—	—	130	130	130	137	145	153
Public safety		2,458	2,944	3,102	2,664	2,664	2,664	1,307	1,379	1,454
Housing		3,230	883	1,069	3,793	3,793	3,793	3,982	4,201	4,432
Health		1,371	1,396	1,379	1,618	1,618	1,618	1,782	1,880	1,983
<i>Economic and environmental services</i>		32,059	21,177	41,662	27,720	27,720	8,595	29,044	22,053	9,547
Planning and development		6,221	3,101	37,956	10,819	10,819	4,019	4,157	4,335	4,641
Road transport		25,017	17,437	2,339	15,501	15,501	3,176	23,734	16,501	3,622
Environmental protection		821	638	1,367	1,400	1,400	1,400	1,153	1,216	1,283
<i>Trading services</i>		127,312	107,791	127,945	151,442	151,442	141,204	182,472	188,436	212,990
Electricity		48,697	50,155	52,638	60,647	60,647	60,647	67,983	74,919	79,470
Water		27,165	22,291	40,094	39,220	39,220	39,220	64,617	54,328	70,938
Waste water management		40,619	24,130	23,378	30,540	30,540	20,302	21,551	32,112	34,016
Waste management		10,831	11,215	11,836	21,035	21,035	21,035	28,321	27,076	28,566
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Standard	2	303,679	273,967	321,000	365,863	365,863	336,505	406,283	419,924	445,297
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		62,784	63,126	70,194	78,412	78,220	78,220	83,246	90,034	96,711
Executive and council		35,473	34,946	43,169	40,889	40,719	40,719	40,850	45,346	49,421
Budget and treasury office		17,561	15,729	16,708	24,633	24,877	24,877	29,480	31,277	33,143
Corporate services		9,750	12,450	10,317	12,891	12,624	12,624	12,915	13,412	14,147
<i>Community and public safety</i>		31,060	33,012	34,340	39,579	39,512	39,512	46,184	48,677	51,362
Community and social services		16,129	16,783	16,626	16,354	16,737	16,737	20,113	21,171	22,344
Sport and recreation		1,208	1,291	1,306	2,038	1,648	1,648	2,096	2,212	2,333
Public safety		10,247	11,152	12,985	15,475	15,475	15,475	17,977	18,966	20,009
Housing		1,685	1,799	1,784	2,918	2,859	2,859	3,043	3,210	3,387
Health		1,791	1,986	1,639	2,794	2,794	2,794	2,955	3,118	3,289
<i>Economic and environmental services</i>		57,577	52,302	54,090	52,973	51,834	51,834	57,387	60,421	63,211
Planning and development		26,980	20,796	20,500	34,328	24,691	24,691	35,603	37,439	38,970
Road transport		28,248	29,346	31,224	15,395	23,703	23,703	17,924	18,910	19,945
Environmental protection		2,349	2,160	2,365	3,250	3,441	3,441	3,860	4,072	4,296
<i>Trading services</i>		121,134	112,611	124,781	163,257	163,744	165,548	187,182	183,812	193,339
Electricity		46,348	50,168	57,803	60,354	60,470	60,470	66,430	69,082	72,759
Water		37,823	35,545	39,702	48,516	48,467	48,472	60,185	52,990	55,667
Waste water management		20,579	15,672	21,042	27,784	28,184	29,984	30,428	31,922	33,455
Waste management		16,384	11,226	6,235	26,603	26,623	26,623	30,139	29,818	31,458
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Standard	3	272,555	261,050	283,404	334,221	333,310	335,114	373,999	382,943	404,622
Surplus/(Deficit) for the year		31,124	12,917	37,596	31,642	32,553	1,391	32,284	36,980	40,675

**References**

- Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
- Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
- Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
- All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification



EC105 Ndlambe - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard											
Municipal governance and administration			135,586	127,850	139,552	177,759	177,759	177,764	181,887	194,114	206,745
Executive and council			5,063	6,684	7,236	6,203	6,203	6,203	6,578	6,868	7,223
Mayor and Council			4,900	6,046	6,587	6,058	6,058	6,058	6,380	6,706	7,053
Municipal Manager			164	638	649	145	145	145	199	161	170
Budget and treasury office			130,167	120,939	131,872	171,437	171,437	171,442	175,159	187,088	199,355
Corporate services			356	227	444	119	119	119	150	158	167
Human Resources			276	121	352	-	-	-	-	-	-
Information Technology			5	4	-	19	19	19	20	21	22
Property Services			75	-	-	-	-	-	-	-	-
Other Admin			75	102	92	101	101	101	130	137	145
Community and public safety			8,722	17,149	11,841	8,942	8,942	8,942	12,880	15,322	16,016
Community and social services			1,663	11,926	6,291	737	737	737	5,671	7,717	7,993
Libraries and Archives			672	2,739	1,815	9	9	9	2,763	2,760	2,919
Museums & Art Galleries etc			-	-	-	-	-	-	-	-	-
Community halls and Facilities			516	8,721	3,885	122	122	122	2,250	4,263	4,341
Cemeteries & Crematoriums			193	192	180	217	217	217	247	261	275
Child Care			-	-	-	-	-	-	-	-	-
Aged Care			-	-	-	-	-	-	-	-	-
Other Community			282	274	410	390	390	390	411	434	458
Other Social			-	-	-	-	-	-	-	-	-
Sport and recreation			-	-	-	130	130	130	137	145	153
Public safety			2,458	2,944	3,102	2,664	2,664	2,664	1,307	1,379	1,454
Police			2,114	2,361	2,463	2,442	2,442	2,442	1,240	1,308	1,380
Fire			261	551	626	63	63	63	67	70	74
Civil Defence			-	-	-	-	-	-	-	-	-
Street Lighting			83	32	13	159	159	159	-	-	-
Other			-	-	-	-	-	-	-	-	-
Housing			3,230	883	1,069	3,793	3,793	3,793	3,982	4,201	4,432
Health			1,371	1,396	1,379	1,618	1,618	1,618	1,782	1,880	1,983
Clinics			-	-	-	-	-	-	-	-	-
Ambulance			-	-	-	-	-	-	-	-	-
Other			1,371	1,396	1,379	1,618	1,618	1,618	1,782	1,880	1,983
Economic and environmental services			32,059	21,177	41,662	27,720	27,720	8,595	29,044	22,053	9,547
Planning and development			6,221	3,101	37,956	10,819	10,819	4,019	4,157	4,335	4,641
Economic Development/Planning			2,981	1,778	35,452	1,442	1,442	1,442	4,157	1,597	1,685
Town Planning/Building enforcement			3,240	1,323	2,505	9,377	9,377	2,577	-	2,738	2,956
Licensing & Regulation			-	-	-	-	-	-	-	-	-
Road transport			25,017	17,437	2,339	15,501	15,501	3,176	23,734	16,501	3,622
Roads			24,003	16,390	1,012	13,886	13,886	1,561	22,120	14,798	1,825
Public Buses			-	-	-	-	-	-	-	-	-
Parking Garages			-	-	-	-	-	-	-	-	-
Vehicle Licensing and Testing			1,014	1,047	1,327	1,615	1,615	1,615	1,615	1,703	1,797
Other			-	-	-	-	-	-	-	-	-
Environmental protection			821	638	1,367	1,400	1,400	1,400	1,153	1,216	1,283
Pollution Control			775	600	897	1,333	1,333	1,333	1,083	1,143	1,205
Biodiversity & Landscape			46	38	470	66	66	66	70	74	78
Other			-	-	-	-	-	-	-	-	-
Trading services			127,312	107,791	127,945	151,442	151,442	141,204	182,472	188,436	212,990
Electricity			48,697	50,155	52,638	60,647	60,647	60,647	67,983	74,919	79,470
Electricity Distribution			43,711	45,694	51,600	60,647	60,647	60,647	62,483	65,919	69,470
Electricity Generation			4,986	4,461	1,038	-	-	-	5,500	9,000	10,000
Water			27,165	22,291	40,094	39,220	39,220	39,220	64,617	54,328	70,938
Water Distribution			27,165	22,291	40,094	39,220	39,220	39,220	64,617	54,328	70,938
Water Storage			-	-	-	-	-	-	-	-	-
Waste water management			40,619	24,130	23,378	30,540	30,540	20,302	21,551	32,112	34,016
Sewerage			40,350	24,124	23,373	30,534	30,534	18,496	21,545	32,106	34,009
Storm Water Management			-	-	-	-	-	-	-	-	-
Public Toilets			269	6	4	6	6	1,806	6	6	7
Waste management			10,831	11,215	11,836	21,035	21,035	21,035	28,321	27,076	28,566
Solid Waste			10,831	11,215	11,836	21,035	21,035	21,035	28,321	27,076	28,566
Other			-	-	-	-	-	-	-	-	-
Air Transport			-	-	-	-	-	-	-	-	-
Abattoirs			-	-	-	-	-	-	-	-	-
Tourism			-	-	-	-	-	-	-	-	-
Forestry			-	-	-	-	-	-	-	-	-
Markets			-	-	-	-	-	-	-	-	-
Total Revenue - Standard		2	303,679	273,967	321,000	365,863	365,863	336,505	406,283	419,924	445,297



<b>Expenditure - Standard</b>									
<b>Municipal governance and administration</b>	62,784	63,126	70,194	78,412	78,220	78,220	83,246	90,034	96,711
Executive and council	35,473	34,946	43,169	40,889	40,719	40,719	40,850	45,346	49,421
Mayor and Council	32,667	31,175	38,653	36,022	35,856	35,856	35,450	39,648	43,410
Municipal Manager	2,806	3,771	4,516	4,866	4,863	4,863	5,400	5,697	6,011
Budget and treasury office	17,561	15,729	16,708	24,633	24,877	24,877	29,480	31,277	33,143
Corporate services	9,750	12,450	10,317	12,891	12,624	12,624	12,915	13,412	14,147
Human Resources	1,906	2,912	1,607	2,420	2,360	2,360	2,988	2,938	3,097
Information Technology	3,291	3,431	3,529	4,262	4,262	4,262	4,375	4,616	4,870
Property Services	57	1,257	251	397	278	278	337	356	375
Other Admin	4,496	4,849	4,931	5,811	5,724	5,724	5,215	5,502	5,805
<b>Community and public safety</b>	31,060	33,012	34,340	39,579	39,512	39,512	46,184	48,677	51,362
Community and social services	16,129	16,783	16,626	16,354	16,737	16,737	20,113	21,171	22,344
Libraries and Archives	2,296	2,754	2,861	2,009	2,009	2,009	4,959	5,077	5,364
Museums & Art Galleries etc	-	-	-	-	-	-	-	-	-
Community halls and Facilities	6,193	4,991	4,313	2,283	2,485	2,485	2,456	2,591	2,733
Cemeteries & Crematoriums	6,264	6,520	6,706	8,216	8,427	8,427	8,766	9,248	9,757
Child Care	-	-	-	-	-	-	-	-	-
Aged Care	-	-	-	-	-	-	-	-	-
Other Community	1,376	2,518	2,746	3,847	3,816	3,816	3,932	4,256	4,490
Other Social	-	-	-	-	-	-	-	-	-
Sport and recreation	1,208	1,291	1,306	2,038	1,648	1,648	2,096	2,212	2,333
Public safety	10,247	11,152	12,985	15,475	15,475	15,475	17,977	18,966	20,009
Police	4,018	4,088	5,131	6,458	6,289	6,289	7,131	7,524	7,937
Fire	4,179	4,685	5,459	5,234	5,403	5,403	5,548	5,853	6,175
Civil Defence	-	-	-	-	-	-	-	-	-
Street Lighting	2,051	2,379	2,395	3,782	3,782	3,782	5,298	5,589	5,896
Other	-	-	-	-	-	-	-	-	-
Housing	1,685	1,799	1,784	2,918	2,859	2,859	3,043	3,210	3,387
Health	1,791	1,986	1,639	2,794	2,794	2,794	2,955	3,118	3,289
Clinics	-	-	-	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-
Other	1,791	1,986	1,639	2,794	2,794	2,794	2,955	3,118	3,289
<b>Economic and environmental services</b>	57,577	52,302	54,090	52,973	51,834	51,834	57,387	60,421	63,211
Planning and development	26,980	20,796	20,500	34,328	24,691	24,691	35,603	37,439	38,970
Economic Development/Planning	11,053	11,851	11,816	24,203	14,298	14,298	22,065	23,261	24,013
Town Planning/Building enforcement	15,926	8,945	8,685	10,126	10,393	10,393	13,538	14,178	14,957
Licensing & Regulation	-	-	-	-	-	-	-	-	-
Road transport	28,248	29,346	31,224	15,395	23,703	23,703	17,924	18,910	19,945
Roads	26,972	28,151	29,846	13,034	21,342	21,342	15,410	16,258	17,147
Public Buses	-	-	-	-	-	-	-	-	-
Parking Garages	-	-	-	-	-	-	-	-	-
Vehicle Licensing and Testing	1,276	1,195	1,378	2,361	2,361	2,361	2,514	2,652	2,798
Other	-	-	-	-	-	-	-	-	-
Environmental protection	2,349	2,160	2,365	3,250	3,441	3,441	3,860	4,072	4,296
Pollution Control	1,453	1,259	1,393	1,615	1,815	1,815	1,784	1,882	1,986
Biodiversity & Landscape	896	901	972	1,635	1,626	1,626	2,076	2,190	2,310
Other	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	121,134	112,611	124,781	163,257	163,744	165,548	187,182	183,812	193,339
Electricity	46,348	50,168	57,803	60,354	60,470	60,470	66,430	69,082	72,759
Electricity Distribution	46,348	50,168	57,803	59,921	60,197	60,197	65,998	68,626	72,278
Electricity Generation	-	-	-	433	273	273	433	456	481
Water	37,823	35,545	39,702	48,516	48,467	48,472	60,185	52,990	55,667
Water Distribution	37,823	35,516	39,602	48,211	48,275	48,280	59,452	52,217	54,851
Water Storage	-	29	99	305	192	192	733	773	816
Waste water management	20,579	15,672	21,042	27,784	28,184	29,984	30,428	31,922	33,455
Sewerage	18,843	14,015	18,823	25,375	25,734	25,734	27,841	29,193	30,576
Storm Water Management	-	-	-	-	-	-	-	-	-
Public Toilets	1,736	1,657	2,219	2,409	2,449	4,249	2,587	2,729	2,879
Waste management	16,384	11,226	6,235	26,603	26,623	26,623	30,139	29,818	31,458
Solid Waste	16,384	11,226	6,235	26,603	26,623	26,623	30,139	29,818	31,458
<b>Other</b>	-	-	-	-	-	-	-	-	-
Air Transport	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	272,555	261,050	283,404	334,221	333,310	335,114	373,999	382,943	404,622
<b>Surplus/(Deficit) for the year</b>	31,124	12,917	37,596	31,642	32,553	1,391	32,284	36,980	40,675

#### References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
4. All amounts must be classified under a Standard (modified GFS) classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification



EC105 Ndlambe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote	1									
Vote 1 - COUNCIL GENERAL		4,900	6,049	6,617	6,058	6,058	6,058	6,380	6,706	7,053
Vote 2 - MUNICIPAL MANAGER		1,954	1,607	1,226	163	163	163	219	182	192
Vote 3 - CORPORATE SERVICES		1,105	3,040	2,372	231	231	231	3,043	3,055	3,231
Vote 4 - COMMUNITY PROTECTION SERVICES		13,766	13,721	15,177	24,795	24,795	26,595	32,057	31,018	32,724
Vote 5 - COMMUNITY PROTECTION SERVICES 2		3,389	3,959	4,415	4,120	4,120	4,120	2,921	3,082	3,252
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		70,150	50,772	67,100	58,865	58,865	27,703	53,704	59,333	48,858
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		146	384	223	167	167	167	201	212	223
Vote 8 - ELECTRICITY SERVICES		48,780	50,187	52,651	60,806	60,806	60,806	67,983	74,919	79,470
Vote 9 - WATER SERVICES		29,313	23,289	39,347	39,220	39,220	39,220	64,617	54,328	70,938
Vote 10 - FINANCIAL SERVICES		130,175	120,959	131,872	171,437	171,437	171,442	175,159	187,088	199,355
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	303,679	273,967	321,000	365,863	365,863	336,505	406,283	419,924	445,297
Expenditure by Vote to be appropriated	1									
Vote 1 - COUNCIL GENERAL		32,097	30,903	38,931	36,771	36,604	36,004	36,187	40,426	44,230
Vote 2 - MUNICIPAL MANAGER		10,509	11,792	12,824	15,057	15,004	15,016	15,645	16,506	17,414
Vote 3 - CORPORATE SERVICES		15,460	14,916	13,978	12,523	12,578	13,178	15,618	16,108	16,999
Vote 4 - COMMUNITY PROTECTION SERVICES		32,296	27,262	22,898	49,368	49,368	51,156	54,759	55,792	58,860
Vote 5 - COMMUNITY PROTECTION SERVICES 2		9,473	9,967	12,009	14,416	14,416	14,416	15,420	16,376	17,277
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		62,216	60,081	64,687	66,495	65,565	65,565	73,035	76,803	80,271
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		1,196	1,717	1,869	1,909	1,901	1,901	2,324	2,399	2,531
Vote 8 - ELECTRICITY SERVICES		53,868	52,549	60,198	64,136	64,252	64,252	71,728	74,671	78,655
Vote 9 - WATER SERVICES		37,823	34,888	39,041	48,516	48,467	48,472	60,185	52,991	55,667
Vote 10 - FINANCIAL SERVICES		17,617	16,974	16,969	25,030	25,155	25,155	29,098	30,873	32,717
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	272,555	261,050	283,404	334,221	333,310	335,114	373,999	382,945	404,622
Surplus/(Deficit) for the year	2	31,124	12,917	37,596	31,642	32,553	1,391	32,284	36,979	40,675

**References**

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

EC105 Ndlambe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Revenue by Vote	1									
Vote 1 - COUNCIL GENERAL		4,900	6,049	6,617	6,058	6,058	6,058	6,380	6,706	7,053
1.1 - OFFICE OF THE MAYOR		4,900	6,049	6,587	6,058	6,058	6,058	6,380	6,706	7,053
1.2 - PUBLIC PARTICIPATION UNIT		-	-	29	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		1,954	1,807	1,226	163	163	163	219	182	192
2.1 - OFFICE OF THE MUNICIPAL MANAGER		113	122	129	145	145	145	153	161	170
2.2 - COMMUNICATION		-	-	-	-	-	-	-	-	-
2.3 - INTERGRATION DEVELOPMENT PLANNING		36	286	5	-	-	-	-	-	-
2.4 - LOCAL AIDS COUNCIL		-	-	-	-	-	-	-	-	-
2.5 - INFORMATION TECHNOLOGY		5	4	-	19	19	19	20	21	22
2.6 - SPECIAL PROGRAMMES		-	-	81	-	-	-	-	-	-
2.7 - LOCAL ECONOMIC DEVELOPMENT		1,801	1,195	1,011	-	-	-	-	-	-
2.8 - INTERNAL AUDIT		-	-	-	-	-	-	46	-	-
2.9 - PERFORMANCE MANAGEMENT SYSTEMS		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		1,105	3,040	2,372	231	231	231	3,043	3,055	3,231
3.1 - ADMINISTRATION		67	79	92	101	101	101	130	137	145
3.2 - CIVIC BUILDINGS AND GENERAL		91	102	113	122	122	122	150	158	167
3.3 - HUMAN RESOURCES		276	121	352	-	-	-	-	-	-
3.4 - LIBRARY		672	2,739	1,815	9	9	9	2,763	2,760	2,919
3.5 - CUSTOMER RELATIONS		-	-	-	-	-	-	-	-	-
3.6 - PUBLICITY		-	-	-	-	-	-	-	-	-
3.7 - REGISTRY		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY PROTECTION SERVICES		13,766	13,721	15,177	24,795	24,795	26,595	32,057	31,018	32,724
4.1 - BLUE FLAG BEACHES		-	-	-	25	25	25	26	28	29
4.2 - ADMINISTRATION-CPS		282	274	277	390	390	390	411	434	458
4.3 - HEALTH ENVIRONMENTAL		1,371	1,396	1,513	1,618	1,618	1,618	1,782	1,880	1,983
4.4 - RESERVE MANAGEMENT		46	38	470	66	66	66	70	74	78
4.5 - MUNICIPAL BYLAW COMPLIANCE		-	-	-	-	-	-	-	-	-
4.6 - PARKS AND RECREATION		193	192	180	217	217	2,017	247	261	275
4.7 - PUBLIC CONV/STREET CLEANING		269	6	4	6	6	6	6	6	7
4.8 - REFUSE REMOVAL		10,831	11,215	11,836	21,035	21,035	21,035	28,321	27,076	28,566
4.9 - SMALL ANIMAL POUND		-	-	-	105	105	105	111	117	123
4.10 - ENVIRONMENTAL COMPLIANCE		775	600	897	1,333	1,333	1,333	1,083	1,143	1,205
Vote 5 - COMMUNITY PROTECTION SERVICES 2		3,389	3,959	4,415	4,120	4,120	4,120	2,921	3,082	3,252
5.1 - LICENCING		1,014	1,047	1,327	1,615	1,615	1,615	1,615	1,703	1,797
5.2 - ROAD MARKINGS		-	12	-	-	-	-	2	2	2
5.3 - LAW ENFORCEMENT		2,114	2,350	2,463	2,442	2,442	2,442	1,238	1,306	1,378
5.4 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-
5.5 - FIRE PROTECTION		261	551	626	63	63	63	67	70	74
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		70,150	50,772	67,100	58,865	58,865	27,703	53,704	59,333	48,858
6.1 - CONSERVANCY AND SANITATION		1,304	1,442	2,111	2,833	2,833	2,833	4,181	4,411	4,654
6.2 - GENERAL WORKS		431	169	150	325	325	325	340	359	379
6.3 - ROADS AND GENERAL WORKS		24,003	16,353	1,760	13,886	13,886	1,561	22,120	4,930	1,825
6.4 - SEWERAGE		36,899	22,719	21,262	27,701	27,701	15,663	17,364	37,563	29,356
6.5 - BUILDING CONTROL		794	840	1,037	908	908	908	953	1,006	1,061
6.6 - TOWN ENGINEER		1,295	7,721	3,890	6,978	6,978	178	2,287	4,301	4,381
6.7 - WORKSHOPS		77	86	120	3	3	3	3	3	4
6.8 - ESTATES		687	559	34,575	1,114	1,114	1,114	1,170	1,234	1,302
6.9 - PROJECT MANAGEMENT UNIT		1,430	-	1,126	1,324	1,324	1,324	1,303	1,324	1,464
6.10 - HOUSING		3,230	883	1,069	3,793	3,793	3,793	3,982	4,201	4,432
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		146	384	223	167	167	167	201	212	223
7.1 - TOWN PLANNING		146	384	223	167	167	167	201	212	223
Vote 8 - ELECTRICITY SERVICES		48,780	50,187	52,651	60,806	60,806	60,806	67,983	74,919	79,470
8.1 - ADMINISTRATION ES		43,711	45,607	51,600	60,296	60,296	60,296	62,316	65,744	69,360
8.2 - DISTRIBUTION HT		-	-	-	-	-	-	-	-	-
8.3 - DISTRIBUTION LT		-	87	-	351	351	351	167	176	111
8.4 - STREETLIGHTS		83	32	13	159	159	159	-	-	-
8.5 - SUBSTATIONS		4,986	4,461	1,038	-	-	-	5,500	9,000	10,000
8.6 - BULK PURCHASES		-	-	-	-	-	-	-	-	-



EC105 Ndlambe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<b>Vote 9 - WATER SERVICES</b>		29,313	23,289	39,347	39,220	39,220	39,220	64,617	54,328	70,938
9.1 - ADMINISTRATION WS		27,128	20,630	27,462	35,320	35,320	35,320	51,496	54,328	57,316
9.2 - DUNE SUPPLY		-	914	4,116	-	-	-	3,171	-	13,622
9.3 - PURIFICATION		-	-	-	-	-	-	-	-	-
9.4 - RESERVOIRS		-	-	-	-	-	-	-	-	-
9.5 - RETICULATION		13	1,746	7,779	3,900	3,900	3,900	9,950	-	-
9.6 - SAREL HAYWARD DAM		2,172	-	-	-	-	-	-	-	-
<b>Vote 10 - FINANCIAL SERVICES</b>		130,175	120,959	131,872	171,437	171,437	171,442	175,159	187,088	199,355
10.1 - ASSESSMENT RATES		79,838	116,509	110,358	166,904	166,904	166,909	172,233	183,978	195,923
10.2 - STORES		-	-	-	-	-	-	-	-	-
10.3 - EXPENDITURE		-	-	-	-	-	-	-	-	-
10.4 - BUDGET AND TREASURY OFFICE		2,848	2,798	2,734	2,769	2,769	2,769	1,820	1,943	2,200
10.5 - REVENUE/CREDIT CONTROL		-	-	-	934	934	934	924	975	1,028
10.6 - VALUATION		-	-	-	-	-	-	-	-	-
10.7 - ADMINISTRATION FIN		47,489	1,652	18,781	831	831	831	183	193	203
10.8 - SUPPLY CHAIN UNIT		-	-	-	-	-	-	-	-	-
<b>Vote 11 -</b>		-	-	-	-	-	-	-	-	-
11.1 - [Name of sub-vote]										
<b>Vote 12 -</b>		-	-	-	-	-	-	-	-	-
12.1 - [Name of sub-vote]										
<b>Vote 13 -</b>		-	-	-	-	-	-	-	-	-
13.1 - [Name of sub-vote]										
<b>Vote 14 -</b>		-	-	-	-	-	-	-	-	-
14.1 - [Name of sub-vote]										
<b>Vote 15 -</b>		-	-	-	-	-	-	-	-	-
15.1 - [Name of sub-vote]										
<b>Total Revenue by Vote</b>	2	303,679	273,967	321,000	365,863	365,863	336,505	406,283	419,924	445,297



EC105 Ndlambe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure by Vote										
Vote 1 - COUNCIL GENERAL	1	32,097	30,903	38,931	36,771	36,604	36,004	36,187	40,426	44,230
1.1 - OFFICE OF THE MAYOR		32,097	30,903	38,376	36,022	35,856	35,256	35,450	39,648	43,410
1.2 - PUBLIC PARTICIPATION UNIT		-	-	555	748	748	748	737	777	820
Vote 2 - MUNICIPAL MANAGER		10,509	11,792	12,824	15,057	15,004	15,016	15,645	16,506	17,414
2.1 - OFFICE OF THE MUNICIPAL MANAGER		2,487	2,407	2,540	2,617	2,617	2,629	2,962	3,125	3,297
2.2 - COMMUNICATION		-	639	606	673	673	673	796	840	886
2.3 - INTERGRATION DEVELOPMENT PLANNING		634	866	907	1,083	1,083	1,083	800	844	891
2.4 - LOCAL AIDS COUNCIL		339	380	417	487	487	487	517	546	576
2.5 - INFORMATION TECHNOLOGY		3,291	3,431	3,529	4,262	4,262	4,262	4,375	4,616	4,870
2.6 - SPECIAL PROGRAMMES		348	461	688	735	735	735	879	928	979
2.7 - LOCAL ECONOMIC DEVELOPMENT		3,139	3,306	3,688	4,372	4,322	4,322	3,690	3,893	4,107
2.8 - INTERNAL AUDIT		272	301	450	828	825	825	905	955	1,008
2.9 - PERFORMANCE MANAGEMENT SYSTEMS		-	-	-	-	-	-	719	759	801
Vote 3 - CORPORATE SERVICES		15,460	14,916	13,978	12,523	12,578	13,178	15,618	16,108	16,999
3.1 - ADMINISTRATION		4,564	4,929	5,164	5,504	5,444	6,044	4,697	4,955	5,227
3.2 - CIVIC BUILDINGS AND GENERAL		6,193	4,116	4,313	2,283	2,485	2,485	2,456	2,591	2,733
3.3 - HUMAN RESOURCES		1,906	2,912	1,607	2,420	2,360	2,360	2,988	2,938	3,097
3.4 - LIBRARY		2,296	2,754	2,861	2,009	2,009	2,009	4,959	5,077	5,364
3.5 - CUSTOMER RELATIONS		19	197	4	131	131	131	132	139	147
3.6 - PUBLICITY		483	9	29	84	76	76	110	116	123
3.7 - REGISTRY		-	-	-	93	73	73	277	292	308
Vote 4 - COMMUNITY PROTECTION SERVICES		32,296	27,262	22,888	49,368	49,368	51,156	54,759	55,792	58,860
4.1 - BLUE FLAG BEACHES		1,181	1,281	1,306	1,735	1,324	1,324	1,626	1,716	1,810
4.2 - ADMINISTRATION-CPS		1,376	2,518	2,656	2,790	2,759	2,759	3,248	3,427	3,615
4.3 - HEALTH ENVIRONMENTAL		1,452	1,606	1,222	2,307	2,307	2,307	2,438	2,572	2,713
4.4 - RESERVE MANAGEMENT		2,128	901	972	1,635	1,626	1,626	1,756	1,852	1,954
4.5 - MUNICIPAL BYLAW COMPLIANCE		-	0	49	694	694	694	776	819	864
4.6 - PARKS AND RECREATION		6,264	6,520	6,706	8,216	8,427	10,227	8,766	9,248	9,757
4.7 - PUBLIC CONV/STREET CLEANING		2,030	1,945	2,359	3,470	3,470	3,470	3,755	3,962	4,180
4.8 - REFUSE REMOVAL		16,384	11,226	6,235	26,603	26,623	26,623	30,139	29,818	31,458
4.9 - SMALL ANIMAL POUND		27	6	-	303	323	311	470	496	523
4.10 - ENVIRONMENTAL COMPLIANCE		1,453	1,259	1,393	1,615	1,815	1,815	1,784	1,882	1,986
Vote 5 - COMMUNITY PROTECTION SERVICES 2		9,473	9,967	12,009	14,416	14,416	14,416	15,420	16,376	17,277
5.1 - LICENCING		1,276	1,195	1,378	2,361	2,361	2,361	2,514	2,652	2,798
5.2 - ROAD MARKINGS		281	353	405	733	564	564	788	831	877
5.3 - LAW ENFORCEMENT		3,737	3,736	4,726	5,725	5,725	5,725	6,344	6,692	7,061
5.4 - DISASTER MANAGEMENT		-	-	41	363	363	363	227	347	366
5.5 - FIRE PROTECTION		4,179	4,685	5,459	5,234	5,403	5,403	5,548	5,853	6,175
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		62,216	60,081	64,687	66,495	65,565	65,565	73,035	76,803	80,271
6.1 - CONSERVANCY AND SANITATION		1,001	1,107	1,082	3,995	3,931	3,931	4,280	4,515	4,763
6.2 - GENERAL WORKS		1,584	1,112	1,068	12,037	2,222	2,222	11,913	12,569	12,837
6.3 - ROADS AND GENERAL WORKS		26,972	28,808	30,507	13,034	21,342	21,342	15,445	16,295	17,186
6.4 - SEWERAGE		16,315	12,624	17,601	20,320	20,783	20,783	22,893	23,973	25,068
6.5 - BUILDING CONTROL		1,693	1,563	1,611	2,378	2,338	2,338	2,476	2,560	2,701
6.6 - TOWN ENGINEER		6,354	6,538	4,139	4,514	4,830	4,830	5,824	6,144	6,482
6.7 - WORKSHOPS		4,542	4,814	3,555	2,968	2,844	2,844	2,920	3,081	3,251
6.8 - ESTATES		854	937	1,583	1,121	1,152	1,152	1,417	1,495	1,577
6.9 - PROJECT MANAGEMENT UNIT		1,215	778	1,759	3,210	3,264	3,264	2,823	2,963	3,020
6.10 - HOUSING		1,685	1,799	1,784	2,918	2,859	2,859	3,043	3,210	3,387
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		1,196	1,717	1,869	1,909	1,901	1,901	2,324	2,399	2,531
7.1 - TOWN PLANNING		1,196	1,717	1,869	1,909	1,901	1,901	2,324	2,399	2,531
Vote 8 - ELECTRICITY SERVICES		53,868	52,549	60,198	64,136	64,252	64,252	71,728	74,671	78,655
8.1 - ADMINISTRATION ES		22,259	17,807	21,279	18,480	18,757	18,757	20,951	21,102	22,140
8.2 - DISTRIBUTION HT		341	-	-	200	200	200	100	106	111
8.3 - DISTRIBUTION LT		762	436	302	1,286	1,286	1,286	996	1,050	1,108
8.4 - STREETLIGHTS		2,051	2,379	2,395	3,782	3,782	3,782	5,298	5,589	5,896
8.5 - SUBSTATIONS		-	-	-	433	273	273	433	456	481
8.6 - BULK PURCHASES		28,455	31,926	36,222	39,955	39,955	39,955	43,951	46,368	48,918



EC105 Ndlambe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<b>Vote 9 - WATER SERVICES</b>		37,823	34,888	39,041	48,516	48,467	48,472	60,185	52,991	55,667
9.1 - ADMINISTRATION WS		33,723	30,352	34,438	39,448	39,727	39,731	45,034	47,511	50,108
9.2 - DUNE SUPPLY		66	57	48	210	210	210	380	401	200
9.3 - PURIFICATION		1,598	1,997	2,298	2,520	2,305	2,305	2,590	2,732	2,883
9.4 - RESERVOIRS		-	-	-	115	85	85	543	573	604
9.5 - RETICULATION		2,436	2,453	2,158	6,034	6,034	6,034	11,449	1,574	1,660
9.6 - SAREL HAYWARD DAM		-	29	99	190	107	107	190	200	211
<b>Vote 10 - FINANCIAL SERVICES</b>		17,617	16,974	16,969	25,030	25,155	25,155	29,098	30,873	32,717
10.1 - ASSESMENT RATES		1,393	-	0	2,425	2,425	2,425	2,382	2,513	2,651
10.2 - STORES		(4)	664	445	578	602	602	589	621	655
10.3 - EXPENDITURE		-	-	-	2,212	2,188	2,188	2,387	2,518	2,652
10.4 - BUDGET AND TREASURY OFFICE		2,175	1,784	2,212	4,441	4,441	4,441	4,760	5,197	5,634
10.5 - REVENUE/CREDIT CONTROL		-	-	10	11,143	11,387	11,387	14,323	15,111	15,942
10.6 - VALUATION		57	1,257	251	397	278	278	337	356	375
10.7 - ADMINISTRATION FIN		13,198	12,333	12,813	2,187	2,187	2,187	2,219	2,341	2,470
10.8 - SUPPLY CHAIN UNIT		798	936	1,238	1,647	1,647	1,647	2,101	2,217	2,338
<b>Vote 11 -</b>		-	-	-	-	-	-	-	-	-
11.1 - [Name of sub-vote]										
<b>Vote 12 -</b>		-	-	-	-	-	-	-	-	-
12.1 - [Name of sub-vote]										
<b>Vote 13 -</b>		-	-	-	-	-	-	-	-	-
13.1 - [Name of sub-vote]										
<b>Vote 14 -</b>		-	-	-	-	-	-	-	-	-
14.1 - [Name of sub-vote]										
<b>Vote 15 -</b>		-	-	-	-	-	-	-	-	-
15.1 - [Name of sub-vote]										
<b>Total Expenditure by Vote</b>	2	272,555	261,050	283,404	334,221	333,310	335,114	373,999	382,945	404,622
<b>Surplus/(Deficit) for the year</b>	2	31,124	12,917	37,596	31,642	32,553	1,391	32,284	36,979	40,675

**References**

1. Insert 'Vote'; e.g. Department, if different to standard structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote



EC105 Ndlambe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	50,404	58,501	68,592	95,310	95,310	95,310	–	96,999	102,334	107,962
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	41,983	45,182	51,136	59,717	59,717	59,717	–	61,190	64,556	68,106
Service charges - water revenue	2	25,536	18,398	26,159	34,056	34,056	34,056	–	49,775	52,512	55,400
Service charges - sanitation revenue	2	5,467	5,890	7,211	18,441	18,441	18,441	–	21,483	22,665	23,911
Service charges - refuse revenue	2	10,673	10,879	11,610	20,736	20,736	20,736	–	25,418	26,816	28,291
Service charges - other		564	476	153	526	526	526	–	582	614	648
Rental of facilities and equipment		3,437	1,068	1,192	4,284	4,284	4,284	–	4,520	4,768	5,031
Interest earned - external investments		1,203	1,481	1,631	593	593	593	–	626	660	697
Interest earned - outstanding debtors		4,602	4,955	5,785	6,367	6,367	6,371	–	6,822	7,198	7,594
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		511	433	606	714	714	714	–	369	389	410
Licences and permits		3,190	3,498	3,955	4,510	4,510	4,510	–	3,252	3,431	3,619
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		84,571	68,056	69,043	82,072	82,072	81,142	–	95,930	90,932	97,963
Other revenue	2	6,321	4,418	4,459	6,352	6,352	6,352	–	6,560	6,921	7,227
Gains on disposal of PPE		(117)	67	49	543	543	543	–	549	579	611
Total Revenue (excluding capital transfers and contributions)		238,344	223,302	251,582	334,221	334,221	333,295	–	374,077	384,376	407,472
Expenditure By Type											
Employee related costs	2	80,938	89,226	99,902	107,487	107,866	107,870	–	114,500	118,802	125,183
Remuneration of councillors		4,974	5,173	5,609	5,954	5,954	5,954	–	5,966	6,273	6,596
Debt impairment	3	13,487	15,554	16,732	16,581	16,581	16,581	–	14,351	17,413	20,196
Depreciation & asset impairment	2	41,544	37,323	35,405	4,914	4,914	4,914	–	4,641	4,896	5,165
Finance charges		3,261	3,417	2,461	2,754	2,754	2,754	–	1,952	2,053	2,166
Bulk purchases	2	35,690	41,026	46,720	49,857	49,857	49,854	–	58,524	61,743	65,139
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		14,153	15,401	19,251	15,854	15,488	15,488	–	18,814	20,041	21,294
Transfers and grants		7,836	8,677	550	605	605	–	–	1,349	1,412	1,479
Other expenditure	4, 5	70,672	45,253	56,264	130,048	129,124	131,533	–	153,746	150,146	157,230
Loss on disposal of PPE		–	–	511	166	166	166	–	156	164	173
Total Expenditure		272,555	261,050	283,404	334,221	333,310	335,114	–	373,999	382,944	404,622
Surplus/(Deficit)											
Transfers recognised - capital		(34,212)	(37,748)	(31,822)	(0)	911	(1,819)	–	78	1,433	2,850
Contributions recognised - capital	6	65,335	50,665	35,492	31,642	31,642	3,210	–	32,206	35,548	37,825
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		31,124	12,917	37,596	31,642	32,554	1,391	–	32,284	36,981	40,674
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		31,124	12,917	37,596	31,642	32,554	1,391	–	32,284	36,981	40,674
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		31,124	12,917	37,596	31,642	32,554	1,391	–	32,284	36,981	40,674
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		31,124	12,917	37,596	31,642	32,554	1,391	–	32,284	36,981	40,674

**References**

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method
8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.



EC105 Ndlambe - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - COUNCIL GENERAL		-	11	22	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		37	63	351	-	53	53	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	24	24	-	-	-	-	-	-	-
Vote 4 - COMMUNITY PROTECTION SERVICES		-	79	433	-	-	-	-	-	-	-
Vote 5 - COMMUNITY PROTECTION SERVICES 2		-	6	6	-	-	-	-	-	-	-
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		-	5,921	7,023	23,363	23,840	477	-	-	9,376	10,029
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		-	6	6	-	20	20	-	-	-	-
Vote 8 - ELECTRICITY SERVICES		-	-	-	-	-	-	-	5,500	9,000	10,000
Vote 9 - WATER SERVICES		-	2,333	4,415	-	253	253	-	-	-	-
Vote 10 - FINANCIAL SERVICES		153	715	819	62	65	3	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>190</b>	<b>9,158</b>	<b>13,099</b>	<b>23,425</b>	<b>24,231</b>	<b>806</b>	<b>-</b>	<b>5,500</b>	<b>18,376</b>	<b>20,029</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	663	-
Vote 2 - MUNICIPAL MANAGER		-	195	195	-	-	-	-	150	43	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	180	414
Vote 4 - COMMUNITY PROTECTION SERVICES		-	2	1,531	1,337	1,337	-	-	2,555	9,787	520
Vote 5 - COMMUNITY PROTECTION SERVICES 2		-	11	61	460	460	-	-	200	1,818	1,520
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		43,379	44,149	45,159	10,500	10,500	-	-	24,931	28,083	15,555
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		-	-	-	-	-	-	-	-	50	-
Vote 8 - ELECTRICITY SERVICES		-	-	-	200	200	-	-	180	475	730
Vote 9 - WATER SERVICES		-	364	574	200	300	100	-	3,640	3,481	16,972
Vote 10 - FINANCIAL SERVICES		843	988	1,165	615	620	5	-	129	8	12
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>44,222</b>	<b>45,709</b>	<b>48,686</b>	<b>13,312</b>	<b>13,417</b>	<b>105</b>	<b>-</b>	<b>31,785</b>	<b>44,589</b>	<b>35,723</b>
<b>Total Capital Expenditure - Vote</b>		<b>44,412</b>	<b>54,868</b>	<b>61,785</b>	<b>36,737</b>	<b>37,648</b>	<b>911</b>	<b>-</b>	<b>37,285</b>	<b>62,964</b>	<b>55,752</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>996</b>	<b>1,930</b>	<b>2,510</b>	<b>677</b>	<b>688</b>	<b>491</b>	<b>-</b>	<b>279</b>	<b>851</b>	<b>476</b>
Executive and council		-	11	22	-	3	3	-	46	663	-
Budget and treasury office		843	1,550	1,838	677	685	488	-	129	8	12
Corporate services		153	369	651	-	-	-	-	104	180	464
<b>Community and public safety</b>		<b>-</b>	<b>332</b>	<b>2,015</b>	<b>1,797</b>	<b>1,797</b>	<b>-</b>	<b>-</b>	<b>2,875</b>	<b>10,186</b>	<b>5,694</b>
Community and social services		-	315	1,941	1,337	1,337	-	-	2,655	7,435	4,174
Sport and recreation		-	4	4	-	-	-	-	-	600	-
Public safety		-	11	61	460	460	-	-	200	1,818	1,520
Housing		-	-	7	-	-	-	-	-	161	-
Health		-	2	2	-	-	-	-	20	174	-
<b>Economic and environmental services</b>		<b>2,825</b>	<b>8,974</b>	<b>10,210</b>	<b>8,500</b>	<b>9,047</b>	<b>547</b>	<b>-</b>	<b>21,631</b>	<b>12,857</b>	<b>10,142</b>
Planning and development		37	336	391	7,100	7,175	75	-	180	2,718	2,357
Road transport		2,788	8,638	9,509	1,400	1,872	472	-	21,451	9,800	7,265
Environmental protection		-	-	310	-	-	-	-	-	339	520
<b>Trading services</b>		<b>33,723</b>	<b>24,048</b>	<b>16,221</b>	<b>25,763</b>	<b>25,205</b>	<b>353</b>	<b>-</b>	<b>12,500</b>	<b>39,070</b>	<b>39,441</b>
Electricity		-	-	-	200	200	-	-	5,680	9,475	10,730
Water		2,314	5,010	8,193	11,525	10,967	353	-	3,640	3,481	16,972
Waste water management		31,409	19,038	8,028	14,038	14,038	-	-	1,200	20,749	11,739
Waste management		-	-	-	-	-	-	-	1,980	5,365	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>37,544</b>	<b>35,284</b>	<b>30,956</b>	<b>36,737</b>	<b>36,737</b>	<b>1,391</b>	<b>-</b>	<b>37,285</b>	<b>62,964</b>	<b>55,752</b>
<b>Funded by:</b>											
National Government		31,065	24,759	24,956	30,840	30,840	1,391	-	32,206	35,548	37,825
Provincial Government		1,030	1,000	1,000	1,000	1,000	-	-	-	-	-
District Municipality		-	4,525	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>32,095</b>	<b>30,284</b>	<b>25,956</b>	<b>31,840</b>	<b>31,840</b>	<b>1,391</b>	<b>-</b>	<b>32,206</b>	<b>35,548</b>	<b>37,825</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Internally generated funds		5,449	5,000	5,000	4,897	4,897	-	-	5,078	27,416	17,927
<b>Total Capital Funding</b>	<b>7</b>	<b>37,544</b>	<b>35,284</b>	<b>30,956</b>	<b>36,737</b>	<b>36,737</b>	<b>1,391</b>	<b>-</b>	<b>37,285</b>	<b>62,964</b>	<b>55,752</b>

## References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by standard classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
7. Total Capital Funding must balance with Total Capital Expenditure
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

EC105 Ndlambe - Table A6 Budgeted Financial Position

EC103 Revenue - Table A6 Budgeted Financial Position												
Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS												
Current assets												
Cash			27,971	21,271	28,721	-	-	-	-	-	-	-
Call investment deposits	1		-	-	-	-	-	-	-	-	-	-
Consumer debtors	1		26,605	12,975	24,914	-	-	-	-	-	-	-
Other debtors			6,828	11,698	11,193	-	-	-	-	-	-	-
Current portion of long-term receivables			-	-	-	-	-	-	-	-	-	-
Inventory	2		30,847	800	859	-	-	-	-	-	-	-
Total current assets			92,251	46,744	65,687	-	-	-	-	-	-	-
Non current assets												
Long-term receivables			-	-	(0)	-	-	-	-	-	-	-
Investments			107	135	145	-	-	-	-	-	-	-
Investment property			36,559	158,469	190,641	-	-	-	-	-	-	-
Investment in Associate			-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3		655,983	607,593	602,126	36,727	37,638	1,391	-	37,285	62,924	55,752
Agricultural			-	-	-	-	-	-	-	-	-	-
Biological			-	-	-	-	-	-	-	-	-	-
Intangible			335	378	439	217	217	-	-	-	-	-
Other non-current assets			-	-	-	-	-	-	-	-	-	-
Total non current assets			692,985	766,575	793,351	36,944	37,855	1,391	-	37,285	62,924	55,752
TOTAL ASSETS			785,235	813,319	859,039	36,944	37,855	1,391	-	37,285	62,924	55,752
LIABILITIES												
Current liabilities												
Bank overdraft	1		-	-	-	-	-	-	-	-	-	-
Borrowing	4		3,371	3,940	4,396	-	-	-	-	-	-	-
Consumer deposits			1,636	1,635	1,701	-	-	-	-	-	-	-
Trade and other payables	4		79,623	44,170	57,254	-	-	-	-	-	-	-
Provisions			2,626	2,648	3,287	-	-	-	-	-	-	-
Total current liabilities			87,256	52,394	66,637	-	-	-	-	-	-	-
Non current liabilities												
Borrowing			23,673	19,777	15,405	-	-	-	-	-	-	-
Provisions			59,186	71,975	70,229	-	-	-	-	-	-	-
Total non current liabilities			82,859	91,753	85,634	-	-	-	-	-	-	-
TOTAL LIABILITIES			170,115	144,147	152,271	-	-	-	-	-	-	-
NET ASSETS	5		615,121	669,172	706,768	36,944	37,855	1,391	-	37,285	62,924	55,752
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			615,121	669,172	706,768	31,642	32,554	1,391	-	32,284	36,981	40,674
Reserves	4		-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5		615,121	669,172	706,768	31,642	32,554	1,391	-	32,284	36,981	40,674

**References**

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity



EC105 Ndlambe - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		39,669	67,261	57,157	95,310	95,310	131,418	36,108	97,000	102,334	107,962
Service charges		84,222	80,825	96,270	133,476	133,476	133,476	–	158,449	167,164	176,358
Other revenue		13,459	9,417	10,213	15,860	15,860	15,860	–	14,700	15,509	16,287
Government - operating	1	84,571	68,056	69,043	82,072	82,072	81,142	–	95,930	90,932	97,963
Government - capital	1	65,335	50,665	35,492	31,642	31,642	3,210	–	32,206	35,548	37,825
Interest		5,805	6,436	7,416	6,960	6,960	6,964	–	7,448	7,858	8,290
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(243,694)	(212,080)	(198,328)	(325,307)	(324,396)	(456,111)	(129,911)	(351,551)	(357,006)	(375,442)
Finance charges		(3,261)	(3,417)	(2,461)	(2,754)	(2,754)	(2,754)	–	(1,952)	(2,053)	(2,166)
Transfers and Grants	1	(811)	(823)	(856)	(1,080)	(1,080)	(1,080)	–	(1,349)	(1,412)	(1,479)
NET CASH FROM/(USED) OPERATING ACTIVITIES		45,296	66,339	73,944	36,180	37,091	(87,875)	(93,803)	50,883	58,874	65,598
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(117)	67	560	708	708	708	–	549	579	611
Decrease (Increase) in non-current debtors		–	–	0	–	18	(0)	(0)	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		(26)	(27)	(10)	–	–	145	145	–	–	–
Payments											
Capital assets		(62,093)	(73,286)	(84,148)	(36,737)	(37,648)	(1,391)	–	(37,285)	(62,964)	(55,752)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(62,236)	(73,246)	(83,599)	(36,029)	(36,921)	(537)	145	(36,736)	(62,385)	(55,140)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		200	569	456	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		(31)	(1)	66	–	–	(1,701)	(1,701)	–	–	–
Payments											
Repayment of borrowing		(3,528)	(3,896)	(4,373)	–	–	(19,801)	(19,801)	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3,359)	(3,327)	(3,851)	–	–	(21,502)	(21,502)	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	38,026	27,971	21,271	–	–	28,721	28,721	(4,787)	9,361	5,850
Cash/cash equivalents at the year end:	2	17,727	17,737	7,765	151	170	(81,193)	(86,439)	9,361	5,850	16,308

**References**

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

3. The MTREF is populated directly from SA30.

Total receipts	292,945	282,727	276,150	366,029	366,048	372,779	36,108	406,283	419,924	445,296
Total payments	(309,859)	(289,606)	(285,794)	(365,878)	(365,878)	(461,336)	(129,911)	(392,136)	(423,435)	(434,839)
	(16,914)	(6,880)	(9,644)	151	170	(88,557)	(93,803)	14,147	(3,510)	10,458
Borrowings & investments & c.deposits	144	541	511	-	-	(1,556)	(1,556)	-	-	-
Repayment of borrowing	(3,528)	(3,896)	(4,373)	-	-	(19,801)	(19,801)	-	-	-
	(20,299)	(10,234)	(13,506)	151	170	(109,914)	(115,159)	14,147	(3,510)	10,458
	-	-	(0)	-	-	-	-	-	-	(0)

## EC105 Ndlambe - Table A8 Cash backed reserves/accumulated surplus reconciliation

[illegible]

## References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

## Other working capital requirements

Debtors	30,075	25,283	32,670	-	-	-	-	-	-	-
Creditors due	65,770	36,160	43,072	-	-	-	-	-	-	-
Total	(35,695)	(10,877)	(10,402)	-	-	-	-	-	-	-

### Debtors collection assumptions

Balance outstanding - debtors	33,433	24,673	36,108	-	-	-	-	-	-	-
Estimate of debtors collection rate	90.0%	102.5%	90.5%	97.5%	97.5%	111.8%	0.0%	97.5%	97.5%	97.5%

Long term investments committed

Balance (Insert description; eg sinking fund)

Variable	Mean	Standard Deviation	Minimum	Maximum
Age	35.2	12.5	18	65
Gender	0.45	0.50	0	1
Education	12.8	2.1	9	16
Income	45000	15000	20000	80000
Health	0.75	0.25	0	1
Marital Status	0.60	0.49	0	1
Occupation	1.2	0.8	0	3
Religion	0.35	0.48	0	1
Smoking	0.20	0.40	0	1
Drinking	0.15	0.35	0	1
Exercise	0.30	0.45	0	1
Stress	0.55	0.50	0	1
Depression	0.10	0.30	0	1
Loneliness	0.25	0.43	0	1
Social Support	0.65	0.48	0	1
Life Satisfaction	0.70	0.45	0	1
Quality of Life	0.80	0.40	0	1

Reserves to be backed by cash/investments

[illegible]



EC105 Ndlambe - Table A9 Asset Management

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
CAPITAL EXPENDITURE												
<b>Total New Assets</b>	1		62,093	73,286	84,148	36,737	37,648	1,391	37,285	62,924	55,752	
Infrastructure - Road transport			-	6,282	7,275	1,000	1,472	472	20,480	3,200	-	
Infrastructure - Electricity			-	-	18	-	-	-	5,500	9,000	10,000	
Infrastructure - Water			-	42	938	11,325	11,578	253	3,171	-	13,622	
Infrastructure - Sanitation			-	2,775	5,095	13,238	13,238	-	-	19,244	10,029	
Infrastructure - Other			58,407	58,412	58,422	63	63	-	51	43	-	
Infrastructure			58,407	67,510	71,748	25,626	26,351	725	29,202	31,486	33,651	
Community			-	(0)	3,774	7,900	7,900	-	2,100	4,105	4,174	
Heritage assets			-	-	-	-	-	-	-	-	-	
Investment properties			-	-	-	-	-	-	-	-	-	
Other assets	6		2,843	4,801	7,442	2,994	3,180	666	5,982	27,334	17,927	
Agricultural Assets			-	-	-	-	-	-	-	-	-	
Biological assets			-	-	-	-	-	-	-	-	-	
Intangibles			843	974	1,184	217	217	-	-	-	-	
<b>Total Renewal of Existing Assets</b>	2		-	-	-	-	-	-	-	-	-	
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-	
Infrastructure - Water			-	-	-	-	-	-	-	-	-	
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-	
Infrastructure - Other			-	-	-	-	-	-	-	-	-	
Infrastructure			-	-	-	-	-	-	-	-	-	
Community			-	-	-	-	-	-	-	-	-	
Heritage assets			-	-	-	-	-	-	-	-	-	
Investment properties			-	-	-	-	-	-	-	-	-	
Other assets	6		-	-	-	-	-	-	-	-	-	
Agricultural Assets			-	-	-	-	-	-	-	-	-	
Biological assets			-	-	-	-	-	-	-	-	-	
Intangibles			-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure</b>	4		-	6,282	7,275	1,000	1,472	472	20,480	3,200	-	
Infrastructure - Road transport			-	-	18	-	-	-	5,500	9,000	10,000	
Infrastructure - Electricity			-	42	938	11,325	11,578	253	3,171	-	13,622	
Infrastructure - Water			-	2,775	5,095	13,238	13,238	-	-	19,244	10,029	
Infrastructure - Sanitation			58,407	58,412	58,422	63	63	-	51	43	-	
Infrastructure - Other			58,407	67,510	71,748	25,626	26,351	725	29,202	31,486	33,651	
Infrastructure			-	(0)	3,774	7,900	7,900	-	2,100	4,105	4,174	
Community			-	-	-	-	-	-	-	-	-	
Heritage assets			-	-	-	-	-	-	-	-	-	
Investment properties			-	-	-	-	-	-	-	-	-	
Other assets	6		2,843	4,801	7,442	2,994	3,180	666	5,982	27,334	17,927	
Agricultural Assets			-	-	-	-	-	-	-	-	-	
Biological assets			-	-	-	-	-	-	-	-	-	
Intangibles			843	974	1,184	217	217	-	-	-	-	
TOTAL CAPITAL EXPENDITURE - Asset class			2	62,093	73,286	84,148	36,737	37,648	1,391	37,285	62,924	55,752
ASSET REGISTER SUMMARY - PPE (WDV)												
Infrastructure - Road transport	5											
Infrastructure - Electricity												
Infrastructure - Water												
Infrastructure - Sanitation												
Infrastructure - Other												
Infrastructure			-	-	-	-	-	-	-	-	-	
Community												
Heritage assets												
Investment properties			36,559	158,469	190,641	-	-	-	-	-	-	
Other assets												
Agricultural Assets			-	-	-	-	-	-	-	-	-	
Biological assets			-	-	-	-	-	-	-	-	-	
Intangibles			335	378	439	217	217	-	-	-	-	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)			5	36,894	158,847	191,080	217	217	-	-	-	
EXPENDITURE OTHER ITEMS												
<b>Depreciation &amp; asset impairment</b>	3		41,544	37,323	35,405	4,914	4,914	4,914	4,641	4,896	5,165	
<b>Repairs and Maintenance by Asset Class</b>			12,217	9,565	9,330	21,074	20,092	20,086	23,944	25,260	26,219	
Infrastructure - Road transport			118	1,002	1,056	1,205	1,679	1,679	2,410	2,543	2,682	
Infrastructure - Electricity			2,176	1,287	1,185	3,798	3,698	3,698	3,218	3,394	3,581	
Infrastructure - Water			592	377	461	1,206	716	716	1,437	1,516	1,599	
Infrastructure - Sanitation			148	105	4,634	1,682	1,347	1,347	1,400	1,477	1,558	
Infrastructure - Other			868	2,024	(2,805)	410	405	405	710	749	679	
Infrastructure			3,904	4,794	4,531	8,300	7,844	7,844	9,174	9,679	10,100	
Community			-	-	-	46	46	46	-	-	-	
Heritage assets			-	-	-	-	-	-	-	-	-	
Investment properties			-	-	-	-	-	-	-	-	-	
Other assets	6, 7		8,313	4,771	4,799	12,728	12,202	12,196	14,770	15,581	16,119	
TOTAL EXPENDITURE OTHER ITEMS				53,761	46,888	44,735	25,987	25,006	25,000	28,585	30,156	31,384
Renewal of Existing Assets as % of total capex				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Renewal of Existing Assets as % of deprecn"				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
R&M as a % of PPE				1.9%	1.6%	1.5%	57.4%	53.4%	1444.2%	64.2%	40.1%	47.0%
Renewal and R&M as a % of PPE				33.0%	6.0%	5.0%	9711.0%	9259.0%	0.0%	0.0%	0.0%	

**References**

- Detail of new assets provided in Table SA34a
- Detail of renewal of existing assets provided in Table SA34b
- Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
- Must reconcile to total capital expenditure on Budgeted Capital Expenditure
- Must reconcile to 'Budgeted Financial Position' (written down value)
- Donated/contributed and assets funded by finance leases to be allocated to the respective category
- Including repairs and maintenance to agricultural, biological and intangible assets

EC105 Ndlambe - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		6,955	6,958	6,962	6,967	-	-	6,977	-	-
Piped water inside yard (but not in dwelling)		9,609	9,619	9,629	9,639	-	-	9,649	-	-
Using public tap (at least min.service level)	2	1,826	1,836	1,846	1,856	-	-	1,866	-	-
Other water supply (at least min.service level)	4	2,910	2,909	2,908	2,898	-	-	2,877	-	-
<i>Minimum Service Level and Above sub-total</i>		21,300	21,322	21,345	21,360	-	-	21,369	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	21,300	21,322	21,345	21,360	-	-	21,369	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		6,868	6,868	6,868	6,868	-	-	6,868	-	-
Flush toilet (with septic tank)		4,831	4,831	4,831	4,831	-	-	4,831	-	-
Chemical toilet		337	337	337	337	-	-	337	-	-
Pit toilet (ventilated)		1,033	1,033	1,033	1,033	-	-	1,033	-	-
Other toilet provisions (> min.service level)		6,000	5,800	5,760	5,534	-	-	5,534	-	-
<i>Minimum Service Level and Above sub-total</i>		19,069	18,869	18,829	18,603	-	-	18,603	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		850	806	800	729	-	-	729	-	-
<i>Below Minimum Service Level sub-total</i>		850	806	800	729	-	-	729	-	-
<b>Total number of households</b>	5	19,919	19,675	19,629	19,332	-	-	19,332	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		1,475	1,457	-	1,432	-	-	1,432	-	-
Electricity - prepaid (min.service level)		18,444	18,218	18,175	17,900	-	-	17,900	-	-
<i>Minimum Service Level and Above sub-total</i>		19,919	19,675	18,175	19,332	-	-	19,332	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	19,919	19,675	18,175	19,332	-	-	19,332	-	-
<b>Refuse:</b>										
Removed at least once a week		979	979	979	980	-	-	1,072	-	-
<i>Minimum Service Level and Above sub-total</i>		979	979	979	980	-	-	1,072	-	-
Removed less frequently than once a week		406	398	393	391	-	-	389	-	-
Using communal refuse dump		246	239	228	211	-	-	203	-	-
Using own refuse dump		2,125	2,122	2,118	2,112	-	-	2,104	-	-
Other rubbish disposal		359	351	348	338	-	-	334	-	-
No rubbish disposal		923	921	910	660	-	-	559	-	-
<i>Below Minimum Service Level sub-total</i>		4,059	4,031	3,997	3,712	-	-	3,589	-	-
<b>Total number of households</b>	5	5,038	5,010	4,976	4,692	-	-	4,661	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA										
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6									
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	-	-	-

## References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)



## **PART 2: OVERVIEW OF ANNUAL BUDGET PROCESS**

## PART 2 – SUPPORTING DOCUMENTATION

### 1) OVERVIEW OF THE ANNUAL BUDGET PROCESS

The annual budget process plan is attached below. The budget process plan indicated all the key deadlines that needed to be met to ensure that a credible budget was produced for presentation to Council on 31 March 2016.

#### NDLAMBE MUNICIPALITY

#### BUDGET TIMETABLE FOR THE 2016/17 FINANCIAL YEAR

COMPLETION DATE	ACTIVITY	RESPONSIBILI TY
<b>AUGUST 2015</b>		
21 August 2015	Budget timetable, budget guidelines, budget instructions, budget schedules to be presented to the Budget Steering Committee.	Budget Office
21 August 2015	Budget timetable, budget guidelines, budget instructions, budget schedules to be presented to all managers and directors.	Budget Office
30 August 2015	Budget timetable, budget guidelines, budget instructions, budget schedules to be presented to Council for adoption.	Budget Steering Committee
30 August 2015	Based on financial statements of the previous year and performance review, determine the financial position of the municipality and assess its financial capacity and potential impacts on future strategies and budgets.	All Managers / Directors
<b>SEPTEMBER 2015</b>		
7 September 2015	Advertise the budget process and schedules (Newspaper, noticeboards, web-site)	Budget Office
7 September 2015	Chairperson of the Budget Steering Committee to establish the budget steering committee. The committee must be representative of each office and directorate	Chairperson Budget Steering Committee
11 September 2015	Budget Steering Committee to meet and make suggestions on any structural changes to the budget.	Chairperson Budget Steering Committee



COMPLETION DATE	ACTIVITY	RESPONSIBILI TY
11 September 2015	<p>Budget Steering Committee to set parameters for the next 3 years based on marked trends and other information available.</p> <ul style="list-style-type: none"> <li>➤ Tariff increases</li> <li>➤ Salary increases</li> <li>➤ General expenses</li> <li>➤ Repairs and maintenance</li> <li>➤ Key changes to be reflected considering all strategies and studies (including institutional study)</li> <li>➤ Develop priority areas</li> <li>➤ Reflect on all factors that could potentially impact on future budgets.</li> </ul>	Chairperson Budget Steering Committee
11 September 2015	Confirm Councils existing and new policy priorities for next three years	Chairperson Budget Steering Committee
11 September 2015	Budget Steering Committee to determine the funding / revenue envelope potentially available for next three years.	Chairperson Budget Steering Committee
11 September 2015	<p>Each office and directorate to submit to the budget steering committee all funding available to the department for the next three years, from both National and Provincial (DORA). This could for example include :</p> <ul style="list-style-type: none"> <li>➤ Infrastructural Grants (MIG/EPWP/DWAF)</li> <li>➤ Recurrent Grants (FMG/MSIG/)</li> <li>➤ Equitable Share</li> <li>➤ Other (LED)</li> </ul> <p>NB – funding identified is to be as per local government financial year and not National financial year.</p>	<p>Chairperson Budget Steering Committee</p> <p>All Managers / Directors</p>
11 September 2015	Budget Steering Committee to determine the most likely financial outlook and identify need for changes to fiscal strategies.	Chairperson Budget Steering Committee

<b>COMPLETION DATE</b>	<b>ACTIVITY</b>	<b>RESPONSIBILI TY</b>
11 September 2015	Budget Steering Committee to review tariff structures, if necessary.	Chairperson Budget Steering Committee
18 September 2014	Managers / directors to have held a staff meeting with staff in their directorate responsible for compiling the budgets where the budget timetable, policies, guidelines, instruction and minutes of the budget steering committee are to have been discussed.	All Managers / Directors
18 September 2014	Chairperson of the Budget Steering Committee to have held a meeting with all ward councillors to discuss the budget timetable, policies, guidelines, instructions and minutes of the budget steering committee.	Chairperson Budget Steering Committee
30 September 2015	Ward councillors to have completed meetings with their ward committees to explain the budget process and documentation and to gather information and submit to the Chairperson of the Budget Steering Committee that is to be considered when offices and directorates do their capital / operational budgets and tariffs.	All Ward Councillors
<b>OCTOBER 2015</b>		
5 October 2015	Chairperson of the Budget Steering Committee to provide all offices and directorates with the input from Ward Councillors to consider when preparing their budgets and tariffs	Chairperson Budget Steering Committee
23 October 2015	Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget – reference to legislation	All Managers / Directors
26 October 2015	Offices and Directorates to start to prepare draft capital and operational plans with cost and revenue estimates	All Managers / Directors



COMPLETION DATE	ACTIVITY	RESPONSIBILI TY
28 October 2015	Managers and directors to assess the Human Resources component of their operating budget for the next year and for the two following years and make submissions to the finance department. Submissions would include full motivations for each post and assessments must take into consideration all known studies, establishment plan (organogram) and any other future developments over the next three years that would require a provision for costing.	All Managers / Directors
30 October 2015	The submission on all offices and directorates human resources requirements to be considered by the Municipal Manager in consultation with each manager and director and to be facilitated by the Chairperson of the Budget Steering Committee.	Chairperson Budget Steering Committee / Municipal Manager / Directors
30 October 2015	The submission of the salary and allowance component of the budget to be provided to the Human Resources Department by all managers and directors. The Human Resources Department is responsible for determining the costs associated with the submissions. Once Human Resources Department has costed all salary and allowance budgets for all offices and directorates, this information is then to be submitted to the relevant office or directorate.	All Managers / Directors
30 October 2015	Human Resources Department to calculate required budget amount for the Leave Provision.	Dir. Corporate Services
<b>NOVEMBER 2015</b>		

COMPLETION DATE	ACTIVITY	RESPONSIBILI TY
20 November 2015	<p>Offices and directorates are to scientifically determine operating income and through sound budgeting techniques determine operating expenditure / costs linked to the budget for the next three years under the budget categories :</p> <ul style="list-style-type: none"> <li>• Income</li> <li>• Salaries and Allowances (As presented by the Human Resources Department)</li> <li>• General expenses</li> <li>• Repairs and maintenance</li> <li>• Capital outlay</li> <li>• Financing charges</li> </ul>	All Managers / Directors
20 November 2015	<p>The finance department will assist offices and directorates where required in determining budget figures for :</p> <ul style="list-style-type: none"> <li>• Insurance</li> <li>• Depreciation</li> <li>• Provision for bad debts</li> </ul>	All Managers / Directors
27 November 2015	Offices and directorates are to complete the relevant capital request forms as provided by the finance directorate with all required information and to provide a summary of capital requirements for the next three financial years.	All Managers / Directors
27 November 2015	Income, expenditure and capital budgets together with all forms and supporting documents are to be consolidated to be submitted to the finance department in the format determined by the finance directorate for inclusion in a line item budget designed for three years.	All Managers / Directors



COMPLETION DATE	ACTIVITY	RESPONSIBILITY
27 November 2015	Offices and directorates to finalise their SDBIP's for each cost / functional centre on what is contained in the operating budget that indicate what the key objectives / measurable outputs are. The SDBIP format provided by the Office of the Municipal Manager is to have been used.	All Managers / Directors
27 November 2015	Offices and directorates to review tariffs and charges and develop options for changes to be included in the budget to be tabled.	All Managers / Directors
<b>DECEMBER 2015</b>		
4 December 2015	Draft operational / capital budgets and tariffs to have been completed and submitted to the Budget Office together with detailed plans (SDBIP) on all expenditure / income to be incurred for the ensuing three years.	All Managers / Directors
9 December 2015	Chairperson of the Budget Steering Committee to confirm in writing to the Mayor that all required documentation (SDBIP's, Capital Budget, Operating Budget and Tariffs) has been submitted to the finance directorate for consolidation.	Chairperson Budget Steering Committee
11 December 2015	Chairperson of the Budget Steering Committee to advise the Mayor and Municipal Manager, in writing, of any office or directorate that has not submitted all budget related documentation to the finance directorate by 4 December 2015	Chairperson Budget Steering Committee
<b>JANUARY 2016</b>		
29 January 2016	All the submissions from offices and directorates are to be consolidated by the finance department with all working papers that would have been submitted in support of the proposed operating and capital budget.	BTO
29 January 2016	The finance directorate is to keep a central file on all budget related documents.	BTO
29 January 2016	The finance directorate to review all budget related policies with internal stakeholders and request written submissions on any proposed amendments from internal stakeholders.	All Managers / Directors

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
29 January 2016	Chairperson of the Budget Steering Committee to confirm in writing to the Mayor that all SDBIP's, Capital Budgets and Operating Budgets have been consolidated.	Chairperson Budget Steering Committee
29 January 2016	Finance directorate to incorporate any changes from National and Provincial Governments on three-year allocations in the budget.	BTO
29 January 2016	Finance directorate to review tariffs and charges and ensure that all costs of trading and economic services are covered by the tariff submitted by offices and directorates.	BTO
29 January 2016	Finance directorate to document all material changes in budgets from the previous financial year budget and report such changes to the Chairperson of the Budget Steering Committee.	BTO
29 January 2016	Budget Steering Committee to have met to discuss capital / operational budget to be tabled to Council, tariffs, draft SDBIP's and any material changes to the budget based on the previous year's budget. Also to ensure that anticipated expenditure meets parameters set out by National / Provincial Government.	Chairperson Budget Steering Committee  Budget Steering Committee
<b>FEBRUARY 2016</b>		
17 February 2016	Budget Steering Committee Chairperson to have met with the ward councillors to discuss any anticipated changes to the operational / capital budget, tariffs and draft SDBIP's that are to be tabled to Council.	Chairperson Budget Steering Committee  All ward councillors /
26 February 2016	Finance directorate to finalise detailed budget to be tabled in the formats issued by National Treasury.	BTO
26 February 2016	Finance directorate consolidates all comments on budget related policies and inserts budget policies with internal comments into the budget pack to be tabled to Council.	BTO
<b>MARCH 2016</b>		



COMPLETION DATE	ACTIVITY	RESPONSIBILI TY
11 March 2016	The capital/operating budget and draft SDBIP's and budget related policies presented to the Budget Steering Committee by the finance directorate and to include a high level summary and is supported by the budget forecasting model and reflects over a period of three years.	BTO
16 March 2016	Chairperson of Budget Steering Committee presents budget pack to Mayor with recommendations.	Chairperson Budget Steering Committee
31 March 2016	Mayor to have tabled budget, resolution, plans and draft SDBIP's to Council.	Executive Mayor / Budget Office
<b>APRIL 2016</b>		
1 April 2016	Submit tabled budget to National Treasury.	BTO
1 April 2016	Forward copy of budget to National and Provincial Governments and Cacadu District Municipality for review, both electronically and in printed format.	BTO
1 April 2016	Finance directorate to advertise the tabled budget approved by Council, inviting comments from all stakeholders.	BTO
17 April 2016	Ward Committee Chairpersons in their Ward Committees to debate the capital/operating budget, tariffs, SDBIP's and budget related policies and to then provide input and comments to the Budget Steering Committee Chairperson.	All Ward Councillors
24 April 2016	Mayor to have completed public hearings on the budget where managers and directors present their budget plans to the community.	Executive Mayor / All Managers / All Directors
24 April 2016	Budget Steering Committee to discuss and analyse additional inputs from community, ward committees, National/Provincial Governments and Cacadu District Municipality.	Chairperson Budget Steering Committee
30 April 2016	Managers and directors to incorporate feedback from community, ward committees, National/Provincial Governments, and if required, revise the budget previously tabled to Council in consultation with the Chairperson of the Budget Steering Committee.	All Managers / Directors

COMPLETION DATE	ACTIVITY	RESPONSIBILITY
<b>MAY 2016</b>		
29 May 2016	Mayor to have presented final budget to Council for adoption and to have included operating / capital budget, resolutions, tariffs, capital implementation plans, operational objectives, changes to IDP and budget plans.	Executive Mayor / Budget Office
29 May 2016	Mayor to have published capital / operational budget and tariffs	Executive Mayor / Budget Office
29 May 2016	Capital / operating budget to have been presented to National Treasury and DPLG.	Budget Office
<b>JUNE 2016</b>		
17 June 2016	Publish tariffs for 2016/2017 in local newspapers.	BTO
17 June 2016	Publish approved budget, budget related policies, tariffs and forward copy of approved budget to National and Provincial Government.	BTO
29 June 2016	Complete all the budget annexures required by National Treasury and submit to the National Data Base and submit hard copies to National and Provincial Treasury	BTO
29 June 2016	Publish the budget, budget related policies and tariffs on the Council's official website.	BTO
29 June 2016	Finance to provide Mayor with the consolidated SDBIP for consideration	BTO
29 June 2016	Publish the Rates Tariff in the Provincial Government Gazette	Dep Revenue      Dir

The following budget instructions were approved by Council and issued to all directorates and offices to assist them with the compilation of the 2016/2017 budget;

The Budget plan for the 2016/2017 financial year has been developed to meet the requirements of Act No. 56 of 2003: Local Government Municipal Finance Management Act, 2003.

The main aims of the annual Budget plan are:

- ! Assist co-ordination of various areas of responsibility in implementing and



- ! reviewing the IDP and other long term plans of the Ndlambe Municipality.
- ! Provide medium term financial plans for each directorate which are linked to plans and not one year incremental budgets.
- ! Ensure that progress against the budget plans can be monitored and corrective action taken if necessary.
- ! Ensure that plans are reviewed on a continual basis in concert with the budget in-year review.

The following documents are to be produced by each directorate:

- ! Directorate's medium term budget policy statement. This document must set out the allocations for the next three years of both the capital and operating budget taking into account the strategic direction which the directorate intends taking over the next three years based on the current revenue collected.
- ! The IDP must give rise to the detailed plans that will be used to formulate the directorate's policy objective. All individual components of the policy objectives should be costed. Sufficient information is to be provided to allow priority rating.
- ! Functional operational plans must be drawn up which are to set out the operational plans for each section in a directorate per line item (SDBIP).

The above documents will influence budget allocations to each directorate so they are to be as detailed as possible.

High level strategic planning is to be undertaken while drawing up the Budget. The planning is to be long term (minimum three years) and must set out targets in terms of outcomes, levels of service delivery and general tariff policies. Service level requirements, demographics, backlogs, etc. are to be considered. Council and community consultation by directorates has to be undertaken during the time that the directorates are drawing up their budgets.

Some IDP projects may be individual projects but many will have a widespread impact across the operational budget. In this case it must be fully costed for a minimum period of three years. The costing must include capital outlay, increase or decrease in operational expenditure, and revenue that could be generated. Directorates should at this point also consider provincial and national government priorities.

Operation budgets are to be linked to plans (SDBIP). Each directorate must compile operational plans and capital plans. The plans must be for the current budget year and for at least two years into the future. The plans must detail service levels, initiatives, financial forecasts and non-financial indicators. While directorates will prepare budgets at line items only, summary level information will be incorporated in the budget. Directorates need to first complete their operational plans then use the plans as a base for completing each line item. This is to ensure that directors consider high level strategy and outcomes and output objectives and do not let previous year line items drive the budget process.

Directors are to prepare line item budgets as per their operation plans. This detail will not be incorporated in the budget document but must be available in the budget process for councillors, community and other stakeholders to use in deliberations. The detailed line item budgets are to be kept by the relevant director and must agree to the published summary budget. The detailed line item budgets will be used

throughout the year to gauge performance during the budget review stages.

The budget to be published will include information from the IDP, each directorate's operational plans and budget summary. Detailed budgets will only be given to directors for distribution to their relevant sections.

The actual budget document will be compiled by the Finance Directorate and will contain functional operational plans of each directorate which would have been submitted for at least the next three years. Directorates further need to maintain a rolling plan which is to incorporate operational objectives and initiatives, financial projections, financial and non-financial performance measures and commentary on the directorates' past performance. The Finance Directorate will interrogate the directorates' detailed budgets and financial plans to ensure consistency and accuracy. From all directorates' rolling plans, an executive summary will be made in a format which will allow councillors and the community to gauge performance during the budget process.

The consultation part of the budget is very important as it is during this phase that the budget has to be fine-tuned to fit service delivery and outcome objectives of each Directorate within the economic realities of Ndlambe Municipality. It involves consultation with the community and Council and will require sensitive analysis of the budget and policy choices to fit in with the limited financial resources.

The IDP/ Budget have to be completed by the end of March 2016, must be considered by the end of May 2016 and approved by the end of June 2016. This will give directors sufficient time to pass the operational plans onto their sections prior to the start of the budget year. Regular IDP/Budget reviews are to be held between ward councillors and directorates to review the plans and determine the progress against the IDP and Budget objectives.

### **BUDGET POLICY GUIDELINES**

1. A three-year budget is to be prepared.
2. Council's IDP is to be consulted throughout the budget process.
3. Salary increases are to be budgeted for by the relevant directorate / office with  $\pm 7.5\%$  increase plus notch.
4. Noticeable changes and/or adjustments to income and expenditure are to be reported on.
5. Relevant documentation to be completed with regard to capital expenditure.
6. Expansion and/or restriction to any service to be reported on.
7. Request for posts to be filled during the next three budget periods to be handed to the human resources per the dates reflected on the budget timetable.



8. Average increase on the annual budget is to be limited as far as possible to the guidelines by the Department of Finance to 5.5% for 2016/2017, 5.5% for 2017/2018 and 5.5% for 2018/2019.
9. The NER is to be contacted for guidelines on the increase in electricity income.
10. Councillors and stakeholders are to be involved in the Budget process at all times.

### **INSTRUCTIONS**

1. Consult all relevant legislation including circulars when completing your budget.
2. Clearly indicate the budget year on the working sheets. Use red ink for 2016/2017, blue for 2017/2018 and black for 2018/2019 to eliminate any confusion.
3. All items on the budget are to be budgeted for (including electricity/water, rates, insurance, etc.) - do not leave any gaps.
4. Tariff by-laws are to be consulted when calculating tariffs.
5. All amounts budgeted must be rounded off to the nearest R10, 00.
6. The Budget timetable is to be strictly adhered to.
7. SDBIP has to be completed for all income / expenditure as per the attached circular from National Treasury and ensure that the SDBIP corresponds with the OPEX AND CAPEX.
8. The Budget co-ordinators are Ms N Matthews and Ms U Qinela.
9. The capital request forms A, B and C are to be completed in respect of every capital item placed on the budgets for the three years. If capital request forms are not completed the capital item will be removed from the capital budget.

The budget policies, guidelines, national treasury circulars, budget regulations and instructions were presented to all managers and directorates in August 2015. The new budget formats continue to be a challenge and submissions to Council and stakeholders will be improved on as we move forward to mSCOA.

## PUBLIC PARTICIPATION

### MAYORAL IMBIZOS SCHEDULE

DAY	DATE	TIME	WARD	VENUE
MONDAY	09 MAY 2016	10H00	6	SEAFILED COMMUNITY HALL
MONDAY	09 MAY 2016	14H00	10	CIVIC CENTRE
TUESDAY	10 MAY 2016	10H00	2	BOKNES COMMUNITY HALL
TUESDAY	10 MAY 2016	10H00	3	BUSHMANS COMMUNITY HALL
WEDNESDAY	11 MAY 2016	14H00	1	KWANONKQUBELA
THURSDAY	12 MAY 2016	14H00	2	WENTZEL PARK COMMUNITY HALL
MONDAY	16 MAY 2016	14H00	3	MARSELLE COMMUNITY HALL
TUESDAY	17 MAY 2016	14H00	4	KENTON-ON-SEA TAXI RANK
WEDNESDAY	18 MAY 2016	14H00	7	INGUBO
THURSDAY	19 MAY 2016	14H00	8&9	JAUKA HALL
TUESDAY	24 MAY 2016	14H00	5	NOLUKHANYO



**OVERVIEW OF ALIGNMENT OF ANNUAL  
BUDGET WITH  
INTERGRATED DEVELOPMENT PLAN**

## **2) OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN**

Directorates aligned all operating and capital expenditure to the goals and actions as set out in the Integrated Development Plan. On the capital budget, the operating budget and the service delivery budget implementation plan directors have provided IDP numbers where possible to highlight the linkages. The budget is linked to the following main strategic goals and objectives as per the Integrated Development Plan;

- Basic Services Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public participation
- Cost effective and sustainable service delivery

Through the process of preparing the budget the key responsibilities of the Ndlambe Municipality were taken into account;

- Provide democratic and accountable government for all local communities of Ndlambe
- Ensure the provision of services to all the Ndlambe community in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Encourage the involvement of all communities and community-based organizations in the matters of local government
- Maximizing of infrastructural development through the utilization of all available resources
- Implementation of effective management systems, internal controls and procedures
- Ensure we have a skilled, committed and motivated workforce
- Comply with the Batho Pele principles



# **MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS**



### 3) MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

#### Finance Directorate

The finance budget was compiled considering the following main key performance areas and taking into account finances objectives and indicators set to meet the set objectives.

The finance directorate is a support directorate so all work done at finance impacts on all wards therefore no indicators are ward specific.

OBJECTIVE	INDICATOR
Ensure financial viability of the municipality	Improved revenue mechanisms to be implemented according to Municipal systems Act and the Municipal Finance Management Act.
	Supplementary valuation rolls, as prescribed by the Municipal Property Rates Act No 6 of 2004, on all improvements to properties, subdivisions and consolidations done in the financial year.
	Measures put in place to obtain a credit rating by independent rating agency
	% increase in revenue collection rate
	% expenditure spent on approved budget
	Compliance with budget preparation and budget related policies finalization in accordance with the MFMA
	Number of in year budget performance reports as required by MFMA submitted on time
	Compliant budget adjustment approved by council in terms of all legislated requirements by 28th February 2015.
	Positive cash flow management according to MFMA & its regulations maintained
	% improvement in the implementation of Indigent Policy



Ndlambe Municipality Annual Budget 2016/2017

OBJECTIVE	INDICATOR
Ensure that the implementation of Supply Chain Management according to the SCM policy	Compliance with legislated SCM reporting requirement in line with SCM Policy and MFMA
	Standard operating procedures operationalized in accordance with SCM policy and legislation.
	Steps taken to mainstream the implementation of SCM according to the policy and good practice
	Procurement Plans monitored in line with the SCM policy.
Ensure improved sound financial management	% reduction of irregular expenditure related to procurement documentation in line with legislation and SCM policy
	Annual financial statements that are 100% compliant to GRAP standards as per gazette issued by National Treasury
	Measures in place to monitor and control fruitless and wasteful expenditure
	% increase in the number of finance employees that are competent (SETA certification) on minimum competency levels as regulated.
Maintain and manage all municipal assets	% Increased budget provision for asset repairs and maintenance.
	Asset management system with Fixed Asset Register in place as prescribed by GRAP and the MFMA
	% reduction of Stock losses

The key areas that are to be looked at and that were taken into account when developing the finance objectives and indicators were;

- That no borrowing would take place during the 2016/2017 financial year due to the fact that it would not be possible to sustain additional loan repayments
- That maintenance should be increased to ensure the safety of our capital assets. Budget control will have to be a main focal point during the 2016/2017 financial year to ensure that money budgeted for maintenance is spent before “nice to have expenditure” is incurred.
- Budget control will also be a main focus point to ensure liquidity. With reserves been depleted, it is important that cash flow is managed to the optimum and that expenditure matches available cash
- The management of debtors and creditors is one of the most important objectives we need to give attention to. It is critical that debt is recovered and that current accounts payment levels are increased to 95% as a minimum.
- The mix of expenditure is to be monitored throughout the year to ensure a equitable mix. Available cash cannot fund only employee costs and other fixed costs. The cash flow must fund all parts of the expenditure budget
- Throughout the year we need to look at ways to maximize our revenue sources. We need to undertake extensive data cleansing exercises.
- Electricity and water losses need to be managed and all losses are to be accounted for. It is critical to know what our losses are and what is been done to minimize the losses.
- All issues raised by the Auditor-General are to be addressed
- The impact of mSCOA and all mSCOA related matters are to be attended to.

The revenue for finance on both operating and capital is predominantly from rates with a small percentage coming from grants. Finance does generate a small amount of revenue from providing services to the community but this revenue cannot be considered as a major revenue source.

In developing the finance objectives the integrated development plan was taken into account and a draft finance service deliver budget implementation plan was drawn up to meet the objectives during the 2016/2017 financial year. The finance directorate considered ways to assist with economic development initiatives that would lead to job creation and alleviate poverty.

The finance directorate is not a service delivery directorate but is critical in assisting the service directorates with budget control, providing cash resources and procurement. Here again the collection of debt is paramount so that the service delivery directorates have the cash resources to deliver on their mandates.



**Community/Protection services directorate:**

The Community/Protection Services budget was compiled considering the following main key performance areas and taking into account Community/Protection Services objectives and indicators set to meet the set objectives.

The Community/Protection Services directorate is a service-delivery Department, so all work done at Community/Protection Services impacts on all wards so no indicators are ward specific.

<u>OBJECTIVES</u>	<u>INDICATORS</u>
Provide recreational and sport facilities to communities and ensure access to well-maintained facilities	Draft strategy and implementation plan for the provision of access to well-maintained sports and recreational facilities are in place
	Monitor implementation of maintenance of recreational and sports facilities against expenditure targets for this financial year
Ensure well maintained gravesites	Draft Maintenance plan in place for all cemeteries
	Monitor implementation of maintenance plan against expenditure targets for the current financial year
Provide sufficient and affordable solid waste disposal options to communities according to legislative frameworks	Submit business plan for funding to craft a revised integrated waste management plan in the next financial year.
	Monitor implementation against the current schedules relating to waste disposal objectives
Ensure sustainable utilization of natural resources according to the existing available legislation and policies	Submit business plans for funding to craft various environmental management plans
	Obtain and maintain Blue Flag International standards of all Blue Flag Beaches
	Protection and management of all natural resources according to the targets set for each operational manager
Improve the environmental health of the area in accordance with environmental health legislation	Measure implementation against compliance with standards as provided in national legislation
Improve road safety in accordance with the National Road Traffic Act	Required traffic management measures are implemented according to legislation
Regulate the enforcement of by-laws	Measures taken to regularize the enforcement of by-laws
Provide fire and disaster management services in terms of National Disaster Management Act and applicable Fire Services legislation	Draft Fire Emergency implementation plan in place
	Monitor implementation against the Draft Fire and Emergency Plan



## Infrastructural Development directorate

The Infrastructural development budget was compiled considering the following main key performance areas and taking into account Infrastructural development objectives and indicators set to meet the set objectives.

The Infrastructural development directorate is a service-delivery Department, so all work done impacts on all wards so no indicators are ward specific.

OBJECTIVE	INDICATOR
Ensure that water is supplied as per DWA Standards	Water Safety Plan in place and implemented
	The measurable % increase of indigent households having access to free basic potable water
	Supply sufficient potable water that meets national compliance standards.
	5% reduction in number of households without potable water
	10% increase in Blue Drop Status
Ensuring water conservation and water demand management.	Improved efficiency in municipal water usage by decreasing 5% water losses every year.
	Water conservation and water demand management business plan in place and implemented.
Ensure the availability of waterborne sewerage according to prescribed standards	Increase waterborne sewerage installation by 10% per annum
	Generating funding to provide for 10% increase in waterborne sewerage
	% increase of households with access to sanitation services
	% increase of indigent household with access to free basic sanitation services
	Waste Water Safety Plan in place
	Increase Green Drop status by 10%
Ensure development of integrated human settlements	Measure implementation against the Housing Sector Operational Plan for the year under review.
Improve the quality of roads and storm water.	Roads and Storm Water Management Plan in place.
	Measure implementation of roads and storm water against % of budget expended
Ensure access to electricity and/or alternative energy	Monitor the provision of electricity according to the existing electricity maintenance plan
	Measures put into place that explore the partnership mechanism with ESKOM
	% increase of households with access to electricity
	% increase of indigent households with access to basic electricity service
	% increase of indigent households with access to



OBJECTIVE	INDICATOR
	free alternative energy sources
Utilization and management of available land and buildings in a sustainable manner	Improved turnaround time on approval of land use applications within statutory frameworks
	Lease Register compiled and managed
	Reduction in number of land use practices/decisions that are not aligned with the applicable regulatory framework
Ensure that an effective fleet management system is in place	Fleet Management Policy in place.
	Fleet Maintenance Plan developed and implemented
	Improved turnaround time in the servicing and repairing of municipal fleet
Ensure a safe and healthy built environment	Improved turnaround time for approving qualifying building plans within statutory timeframes measured against meeting agenda and minutes of the Building Committee
	Improved law enforcement of buildings that are not complying to legislative requirements

# **OVERVIEW OF BUDGET RELATED POLICIES**



#### **4) BUDGET RELATED POLICIES**

The Municipal Finance Management Act and Reporting Regulations require that all budget and budget related policies be reviewed, and where applicable, be updated on an annual basis.

The annual budget related policies are as follows:-

- ❖ Rates Policy
- ❖ Indigent Policy
- ❖ Budget Policy
- ❖ Creditors, Staff and Councilors Payment Policy
- ❖ Credit Control and Debt Collection Policy
- ❖ Funding and Reserve Policy
- ❖ Virement Policy
- ❖ Subsistence and Travel Policy
- ❖ Policy and Procedures for Irregular and Fruitless Expenditure
- ❖ Fixed Asset Policy
- ❖ Supply Chain Management Policy
- ❖ Write-off of Irrecoverable Debt Policy
- ❖ Loans Policy
- ❖ Tariff Policy
- ❖ Management of Accumulated Surplus and Bad Debt Policy
- ❖ Imprest Petty Cash Policy
- ❖ Unforeseen and Unavoidable Expenditure Policy

Stakeholders are requested to comment on the policies listed above before the budget is presented to Council for final adoption.

The following finance policies also have an impact on the budget;

- ❖ Banking and Investment Policy
- ❖ Entertainment Policy

All of the above policies can be viewed on the Ndlambe Municipality website [www.ndlambe.gov.za](http://www.ndlambe.gov.za)

# **OVERVIEW OF BUDGET ASSUMPTIONS**



## 5) OVERVIEW OF BUDGET ASSUMPTIONS

Numerous factors contributed to the 2016/17 financial year's budget and again it has been one of the most difficult budgets to fund. The economic conditions in which we have had to operate over the past year have resulted in an increase in outstanding debtors and limited funds going to capital development and maintenance. The continued high increases imposed on electricity and the increases projected for outer years not only impacts on electricity purchased for re-sale but has a negative impact on operational budgets due to the electricity consumed by water and sewer treatment plants, municipal buildings, street lights and high mast lights to name a few. With the increase in electricity and the wage increase anticipated through the negotiations between Unions, SALGA and the South African Bargaining Council it was impossible to remain within the growth parameters recommended by National Treasury in their budget circular.

Another factor is an increase on water tariff. The municipality is introducing the concept of trading services, the intention of introducing trading services, in municipal terminology, is for municipalities to provide certain services, mainly electricity and water, whose costs are fully recovered by levying of tariffs. This ensures that costs associated with such services are not subsidized by users/consumers of other services.

In the case of Ndlambe Municipality this has, for a number of years, not been the case regarding the supply of water: The base cost (the "per kiloliter" price) charged to the municipality by the two bulk suppliers, Messrs Amatola Water Board and Golden Ridge Dam (H B R & T G Linforth), has been greater than the price (selling price) charged by the municipality to consumers for such water. This means that there has been a "gross loss" on this service, with absolutely no excess available to cover the costs of overheads such as maintenance, labour, etc.

Over the past few years Ndlambe Municipality has had no capital procured from internal funds and repairs and maintenance expenditure has been curbed to balance the budgets ensuring that the increases imposed were acceptable to all stakeholders.

Assumptions used in drawing up the operating budget were;

- ESKOM increase of 9.4%
- Negotiated salary increase and notch increase totaling 7.5 %
- Growth in local economy 7.6%
- Cost escalation 4.8 %
- Increase in borrowing 12 % on a fixed rate.
- Collection rate 81.5%
- Equitable Share use for basic services 100 %
- Bulk purchase of water % increase

Using these assumptions and trying to keep the increase to consumers at affordable levels has once again impacted on both the capital and operating budgets.



# **OVERVIEW OF BUDGET FUNDING**

## **6) OVERVIEW OF BUDGET FUNDING**

The funding of the operating budget for the 2016/17 budget is predominantly from rates, service and usage charges, grants and subsidies.

Of the income of R263 972 000 budgeted for from rates, services and usage charges, excludes R73 025 000 that comes from the equitable share and DORA grants.

The environmental operating budget is funded through subsidies by the Sarah Baartman District Municipality.

### **Operating Revenue**

*Schedule attached*

The expenditure can only be incurred if the cash flow permits and that will only happen if we increase our collection rate.

### **Capital Expenditure**

*Schedule attached*

From the capital expenditure table above it is clear that the Ndlambe Municipality internal reserves are totally depleted and that we are now reliant on government grants and external funding. It is now essential that all projects are carefully considered and that the impact of the funded projects on the operation budget, infrastructure network and availability of water be taken into account before they are approved. It will be detrimental to continue with funded projects if our operational budget will not be able to carry them, the infrastructure network does not have the capacity to accommodate it and water is not available for the project.

Ndlambe Municipality has reached its borrowing capacity so external loans to fund capital expenditure should still not be considered at this point in time.



# **EXPENDITURE ON ALLOCATION AND GRANTS PROGRAMMES**

**7) EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES**

*Grants received Schedule attached*



EC105 Ndlambe - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		80,422	63,669	64,499	80,577	80,577	79,647	91,603	86,522	93,302
Local Government Equitable Share		76,494	59,282	60,710	73,102	73,102	73,102	76,824	83,298	89,683
Finance Management		—	—	29	—	—	—	—	—	—
Municipal Systems Improvement		1,698	1,275	1,448	1,320	1,320	1,320	1,650	1,900	2,155
Water Services Operating Subsidy		640	867	934	930	930	—	—	—	—
MIG project management		—	—	—	—	—	—	1,876	—	—
		82	43	214	3,900	3,900	3,900	9,950	—	—
		1,508	2,202	1,163	1,324	1,324	1,324	1,303	1,324	1,464
<b>Provincial Government:</b>		967	1,116	1,611	—	—	—	2,750	2,746	2,905
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
Sport and Recreation		666	995	1,253	—	—	—	—	—	—
Other LED grants transfers		301	121	358	—	—	—	2,750	2,746	2,905
<b>District Municipality:</b>		3,182	3,271	2,933	1,495	1,495	1,495	1,578	1,664	1,756
Other SBDM Grants		1,892	1,950	1,630	—	—	—	—	—	—
Environmental Health Subsidy		1,290	1,321	1,304	1,495	1,495	1,495	1,578	1,664	1,756
<b>Other grant providers:</b>		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
<b>Total Operating Transfers and Grants</b>	5	84,571	68,056	69,043	82,072	82,072	81,142	95,930	90,932	97,963
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		64,174	48,876	34,053	31,642	31,642	3,210	32,206	35,548	37,825
		22,803	963	—	—	—	—	—	—	—
		4,986	4,461	1,038	—	—	—	—	—	—
Municipal Infrastructure Grant (MIG)		1,147	982	999	1,000	1,000	—	5,500	9,000	10,000
Other capital transfers/grants [insert desc]		31,848	30,149	24,099	30,163	30,163	—	1,000	—	—
		707	7,671	—	—	—	—	24,751	26,548	27,825
		2,682	4,648	7,917	480	480	3,210	955	—	—
<b>Provincial Government:</b>		—	1,736	556	—	—	—	—	—	—
Other capital transfers/grants [insert description]		—	1,736	556	—	—	—	—	—	—
<b>District Municipality:</b>		1,161	52	882	—	—	—	—	—	—
		1,161	52	882	—	—	—	—	—	—
<b>Other grant providers:</b>		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
<b>Total Capital Transfers and Grants</b>	5	65,335	50,665	35,492	31,642	31,642	3,210	32,206	35,548	37,825
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		149,906	118,720	104,534	113,714	113,714	84,352	128,137	126,480	135,788

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
5. Total transfers and grants must reconcile to Budgeted Cash Flows
6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)



EC105 Ndlambe - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>EXPENDITURE:</b>	<b>1</b>									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>80,422</b>	<b>63,669</b>	<b>64,499</b>	<b>80,577</b>	<b>80,577</b>	<b>79,647</b>	<b>91,603</b>	<b>86,522</b>	<b>93,302</b>
Local Government Equitable Share		76,494	59,282	60,710	73,102	73,102	73,102	76,824	83,298	89,683
Finance Management		-	-	29	-	-	-	-	-	-
Municipal Systems Improvement		1,698	1,275	1,448	1,320	1,320	1,320	1,650	1,900	2,155
		640	867	934	930	930	-	-	-	-
Water Services Operating Subsidy		82	43	214	3,900	3,900	3,900	1,876	-	-
MIG project management		1,508	2,202	1,163	1,324	1,324	1,324	9,950	-	-
								1,303	1,324	1,464
<b>Provincial Government:</b>		<b>967</b>	<b>1,116</b>	<b>1,611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,750</b>	<b>2,746</b>	<b>2,905</b>
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Sport and Recreation		666	995	1,253	-	-	-	-	-	-
Other LED grants transfers		301	121	358	-	-	-	2,750	2,746	2,905
								-	-	-
<b>District Municipality:</b>		<b>3,182</b>	<b>3,271</b>	<b>2,933</b>	<b>1,495</b>	<b>1,495</b>	<b>1,495</b>	<b>1,578</b>	<b>1,664</b>	<b>1,756</b>
Other SBDM Grants		1,892	1,950	1,630	-	-	-	-	-	-
		1,290	1,321	1,304	1,495	1,495	1,495	1,578	1,664	1,756
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>84,571</b>	<b>68,056</b>	<b>69,043</b>	<b>82,072</b>	<b>82,072</b>	<b>81,142</b>	<b>95,930</b>	<b>90,932</b>	<b>97,963</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>64,174</b>	<b>48,876</b>	<b>34,053</b>	<b>31,642</b>	<b>31,642</b>	<b>3,210</b>	<b>32,206</b>	<b>35,548</b>	<b>37,825</b>
		22,803	963	-	-	-	-	-	-	-
		4,986	4,461	1,038	-	-	-	5,500	9,000	10,000
Municipal Infrastructure Grant (MIG)		1,147	982	999	1,000	1,000	-	1,000	-	-
		31,848	30,149	24,099	30,163	30,163	-	24,751	26,548	27,825
Other capital transfers/grants [insert desc]		707	7,671	-	-	-	-	-	-	-
		2,682	4,648	7,917	480	480	3,210	955	-	-
<b>Provincial Government:</b>		<b>-</b>	<b>1,736</b>	<b>556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	1,736	556	-	-	-	-	-	-
<b>District Municipality:</b>		<b>1,161</b>	<b>52</b>	<b>882</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
0		1,161	52	882	-	-	-	-	-	-
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>65,335</b>	<b>50,665</b>	<b>35,492</b>	<b>31,642</b>	<b>31,642</b>	<b>3,210</b>	<b>32,206</b>	<b>35,548</b>	<b>37,825</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>149,906</b>	<b>118,720</b>	<b>104,534</b>	<b>113,714</b>	<b>113,714</b>	<b>84,352</b>	<b>128,137</b>	<b>126,480</b>	<b>135,788</b>

References

1. Expenditure must be separately listed for each transfer or grant received or recognised



**ALLOCATIONS AND GRANTS MADE  
BY THE MUNICIPALITY**

## 8) ALLOCATIONS AND GRANTS MADE BY NDLAMBE MUNICIPALITY

Publicity Kowie LTO	R650 000
Museum	R200 000
Cont. Joint Services	R498 750

The above are the only allocations and grants budgeted for by the municipality. During the financial year, Council may resolve to make further allocations or grants based on the merits of the applicant.



**COUNCILOR AND BOARD MEMBER  
ALLOWANCES AND EMPLOYEE  
BENEFITS**

**9) COUNCILOR ALLOWANCES AND EMPLOYEE BENEFITS**

**COUNCILLORS ALLOWANCE 2016/2017**

[See schedule attached](#)

**SECTION 57 EMPLOYEES BUDGET 2016/2017**

[See schedule attached](#)



EC105 Ndlambe - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages	1	3,350	3,216	3,757	5,535	5,535	5,535	3,857	4,039	4,237
Pension and UIF Contributions		186	224	-	142	142	142	148	157	166
Medical Aid Contributions		105	232	-	157	157	157	141	150	158
Motor Vehicle Allowance		1,046	1,177	1,177	-	-	-	1,362	1,463	1,545
Cellphone Allowance		249	275	275	-	-	-	438	464	490
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		38	49	400	119	119	119	-	-	-
Sub Total - Councillors	4	4,974	5,173	5,609	5,954	5,954	5,954	5,966	6,273	6,596
% increase	2		4.0%	8.4%	6.2%	-	-	0.2%	5.1%	5.1%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	2	2,879	2,633	2,502	3,954	3,954	3,954	4,002	4,238	4,475
Pension and UIF Contributions		502	506	542	688	688	688	592	627	662
Medical Aid Contributions		105	150	294	142	142	142	153	162	171
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	869	848	563	681	681	681	741	785	828
Cellphone Allowance	3	78	81	101	66	66	66	97	103	108
Housing Allowances	3	40	47	59	21	21	21	80	85	90
Other benefits and allowances	3	69	34	719	122	122	122	144	153	161
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	50	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	4	4,542	4,349	4,780	5,674	5,674	5,674	5,809	6,152	6,497
% increase	2		(4.2%)	9.9%	18.7%	-	-	2.4%	5.9%	5.6%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		50,066	59,614	64,920	75,893	74,996	74,996	79,868	82,255	86,664
Pension and UIF Contributions		10,882	9,532	13,946	14,638	13,053	13,053	13,875	14,634	15,439
Medical Aid Contributions		5,032	5,779	6,468	5,398	5,960	5,960	6,871	7,248	7,647
Overtime		7,115	6,426	6,515	1,860	3,992	3,992	3,398	3,582	3,738
Performance Bonus		164	171	311	-	-	-	-	-	-
Motor Vehicle Allowance	3	1,915	2,075	2,422	2,472	2,606	2,606	3,084	3,250	3,429
Cellphone Allowance	3	302	369	221	1,091	779	779	892	940	993
Housing Allowances	3	241	314	301	339	684	684	565	627	661
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		410	587	18	122	122	122	108	113	116
Long service awards		468	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	4	76,396	84,877	95,122	101,813	102,192	102,192	108,691	112,650	116,686
% increase	2		11.1%	12.1%	7.0%	0.4%	0.0%	6.4%	3.6%	5.4%
<b>Total Parent Municipality</b>		<b>85,912</b>	<b>94,399</b>	<b>105,511</b>	<b>113,441</b>	<b>113,820</b>	<b>113,820</b>	<b>120,466</b>	<b>125,075</b>	<b>131,779</b>
			9.9%	11.8%	7.5%	0.3%	0.0%	5.8%	3.8%	5.4%
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities	4	-	-	-	-	-	-	-	-	-
% increase	2		-	-	-	-	-	-	-	-
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities	4	-	-	-	-	-	-	-	-	-
% increase	2		-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities	4	-	-	-	-	-	-	-	-	-
% increase	2		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>85,912</b>	<b>94,399</b>	<b>105,511</b>	<b>113,441</b>	<b>113,820</b>	<b>113,820</b>	<b>120,466</b>	<b>125,075</b>	<b>131,779</b>
% increase	4		9.9%	11.8%	7.5%	0.3%	0.0%	5.8%	3.8%	5.4%
<b>TOTAL MANAGERS AND STAFF</b>	5.7	<b>80,938</b>	<b>89,226</b>	<b>99,902</b>	<b>107,487</b>	<b>107,866</b>	<b>107,866</b>	<b>114,500</b>	<b>118,802</b>	<b>125,183</b>

**References**

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

**Column Definitions:**

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

EC105 Ndlambe - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits
Rand per annum				1.			
<b>Councillors</b>	3						
Speaker	4		231,194	24,617	231,324		
Chief Whip			169,372	-	79,977		
Executive Mayor			543,891	-	25,594		
Deputy Executive Mayor			-	-	-		
Executive Committee			962,956	96,039	606,480		
Total for all other councillors			1,897,126	100,480	996,836		
<b>Total Councillors</b>	8	-	<b>3,804,539</b>	<b>221,136</b>	<b>1,940,211</b>		
<b>Senior Managers of the Municipality</b>	5						
Municipal Manager (MM)			1,017,838	235,517	197,741		
Chief Finance Officer			780,560	197,276	216,852		
List of each official with packages >= senior manager							
			713,392	173,980	205,000		
			725,476	168,000	179,250		
			583,769	150,547	263,802		
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>3,821,035</b>	<b>925,320</b>	<b>1,062,645</b>	-	
<b>A Heading for Each Entity</b>	6,7						
List each member of board by designation							
<b>Total for municipal entities</b>	8,10	-	-	-	-	-	
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>7,625,574</b>	<b>1,146,456</b>	<b>3,002,856</b>	-	

References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June



# **MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW**

**10) MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW**  
**See schedule attached**

The monthly targets for revenue expenditure and cash flow is to be found under annual budget tables, section 4 of part 1, tables SA22, SA23, SA24 and SA30 for the 2016/17 financial year. Table SA 29 in the same section provides monthly projections for capital expenditure by vote.

From the information provided it is clear to note that expenditure can only be incurred if the revenue is in our bank account. Cash flow management is going to have to be a priority throughout the year and directors will only be permitted to incur expenditure if the revenue has been received.



**ANNUAL BUDGETS AND SERVICE  
DELIVERY AND BUDGET IMPLICATION  
PLAN PER DIRECTORATE**

**11) ANNUAL BUDGETS AND SERVICES DELIVERY AND BUDGET  
IMPLEMENTATION PLANS PER DIRECTORATE**

**ANNEXURE**

The annexures attached are the annual Service Delivery Budget Implementation Plans as submitted by the Directorates. The plans are in draft form and once Council has approved the budget, Directors will be required to finalize their plans and submit them to the Mayor within the legislated time. The attached documents can be viewed on our website [www.ndlambe.gov.za](http://www.ndlambe.gov.za)



# **CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

## 12) CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The contracts that have a financial obligation of more than three financial years are REVENUE CONSULTING (PTY) LTD, KHANGELA SATELITE SERVICES CC, PENNY LINDSTROM and CAB HOLDINGS

REVCO deals with the collection of debts in arrears, the contract was signed on the 8 July 2015 and termination date is the 31 March 2018. The agent is entitled to a commission of 12% which is payable on amounts collected on behalf of the client on accounts handed over to the agent.

PENNY LINDSTROM is appointed to complete Supplementary Valuation in terms of Local Government. The contract is from the 07 June 2013 to the 30 June 2018. The total cost of the contract is R1 100 000 all invoices paid shall be less by 10% for retention payable 30 days after the implementation of valuation roll.

CAB HOLDINGS contract from July 2013 for postages of letters to client, this contract is based on the initial charge of R10 000 per month and 3 calendar months written notice of termination.

SERVICE PROVIDER	START DATE	END DATE	2016/17	2017/18	2018/19
REVENUE CONSULTING (PTY) LTD	8/07/15	31/03/18	R2 794 237	R2 933 949	R3 095 316
PENNY LINDSTROM	07/06/13	30/06/2018	R 336 972	R 353 821	R 373 281
CAB HOLDINGS	01/07/2013	-	R 1 129 341	R1 185 808	R 1 251 027



# **CAPITAL EXPENDITURE DETAILS**

### 13) CAPITAL EXPENDITURE DETAILS

Capital expenditure for the 2016-2019 financial years will be funded mainly by grants as follows;

*See schedule attached for details*

Capital Replacement Reserve (Internal)	CRR(INTERNAL)	R5 078 300	R27 416 050	R17 927 000	
Financial Management Grant	FMG	R 175 000	0	0	
Municipal Infrastructural Grant	MIG	R24 751 300	R26 548 080	R27 824 550	
Expanded Public Works Programme	EPWP	R1 000 000			
INEG	INEG	R5 500 000	R9 000 000	R10 000 000	
DEPT. OF ECONOMIC DEV, ENVIRON. AFFAIRS & TOURISM	DEDEAT	R780 000			
<b>Total Capital Source Of Funding</b>		<b>R37 284 600</b>	<b>R62 964 130</b>	<b>R55 751 550</b>	

The following are the top ten valued projects that will be undertaken by Ndlambe Municipality during the 2016/17 Financial Year

*see schedule attached*

Project Description	Capital Costs
Upgrading of Port Alfred roads	R15 761 300
Upgrade of Alex Roads	R3 718 954
Upgrade of bulk water supply in Bathurst	R3 171 046
Upgrading of Bathurst Sport fields	R2 100 000
Upgrading of river road in Kenton	R1 000 000
Skip Bins/ Refuse Containers and Skid Loader	R780 000



	NDLAMBE MUNICIPALITY						
	CAPITAL BUDGET 2016/2017						
IDP NO	DEPARTMENT/SECTION :	FUNDING	WARD	2016/2017		COST	COST
	DETAILS	SOURCE		NEW CAPITAL	REPLACEMENT	2017/2018	2018/2019
	COUNCIL GENERAL						
	Furniture for Council Chambers	INTERNAL	ALL			300,000	
	Mayors Chair	INTERNAL	ALL			20,000	
	TOTAL: COUNCIL					320,000	
	PUBLIC PARTICIPATION UNIT						
	4x4 Bakkie	INTERNAL	ALL			300,000	
	Desk	INTERNAL	ALL			20,000	
	Visiting chair	INTERNAL	ALL			8,000	
	Filing Cabinet	INTERNAL	ALL			15,000	
	TOTAL PUBLIC PARTICIPATION UNIT CAPITAL					343,000	
	TOTAL: COUNCIL GENERAL			R -		R 663,000.00	R -
	INTERNAL AUDITOR						
	Laptops and bags	FMG	ALL	30,000			
	chairs	FMG	ALL	3,000			
	Table	FMG	ALL	6,000			
	Book shelf	FMG	ALL	7,000			
	INTERNAL AUDITOR TOTAL			R 46,000.00		R -	R -
	LOCAL AIDS COUNCIL						
	1x Filing Cabinet	INTERNAL	ALL			12,000	
	1x Chair	INTERNAL	ALL			900	
	1x Desk	INTERNAL	ALL			3,000	
	Printer	INTERNAL	ALL			5,000	
	LOCAL AIDS COUNCIL TOTAL			0		20,900	0
	LOCAL ECONOMIC DEVELOPMENT						
	Kettle	INTERNAL	ALL			300	
	Filing Cabinet	INTERNAL	ALL			6,500	
	Video Camera	INTERNAL	ALL			5,500	
	TOTAL: LED					12,300	
	SPECIAL PROGRAMMES						
	LAPTOP and LAPTOP BAG	INTERNAL	ALL			10,000	
	SPECIAL PROGRAMMES TOTAL					10,000	
	INFORMATION TECHNOLOGY						
	RAISED FLOOR AND FIREPROOF TILES PORT ALFRED IT SERVER ROOM AND CORP SERVER ROOM	INTERNAL	ALL	0			
	TEN - REPLACE OLD/SLOW PC'S PORT ALFRED - FIVE AT TRAFFIC AND FIVE AT BUILDING INSPECTORATE	INTERNAL	ALL	0			
	ONE 6 U 500 WALL MOUNTED CABINET FOR BATHURST FINANCE OFFICE	INTERNAL	ALL	1,800			
	ONE 6 U 500 WALL MOUNTED CABINET FOR ALEXANDRIA FINANCE OFFICE	INTERNAL	ALL	1,800			
	ONE BIOMETRIC FINGER PRINT READER INCL SECURE RELAY, TIMER CIRCUIT, MAGLOCK WITH LED, BRACKET FOR MAGLOCK AND DOOR CLOSER FOR PORT ALFRED SERVER ROOM CORP SERV	INTERNAL	ALL	7,500			
	ONE BIOMETRIC FINGER PRINT READER INCL SECURE RELAY, TIMER CIRCUIT, MAGLOCK WITH LED, BRACKET FOR MAGLOCK AND DOOR CLOSER FOR PORT ALFRED SERVER ROOM FINANCE	INTERNAL	ALL	7,500			
	ONE STEEL DOOR AND ONE SECURITY GATE PORT ALFRED CORP SERVER ROOM	INTERNAL	ALL	6,000			
	ONE SMOKE DETECTOR PORT ALFRED CORP SERV SERVER ROOM	INTERNAL	ALL	2,000			
	ONE 5KG CO2 FIRE EXTINGUISHER PORT ALFRED CORP SERV SERVER ROOM	INTERNAL	ALL	800			
	ONE 16 PORT MANAGED SWITCH DSG-1210-20E 10/100/1000 Mbps PORT ALFRED LED OFFICE	INTERNAL	ALL	3,200			
	ONE 16 PORT MANAGED SWITCH DSG-1210-20E 10/100/1000 Mbps PORT ALFRED PMU OFFICE	INTERNAL	ALL	3,200			
	REPLACE CURRENT SERVERS PORT ALFRED WITH ONE SERVER (VIRTUALIZATION OF SERVERS ON ONE POWERFUL SERVER) IF NAS DEVICES ARE APPROVED PREVIOUS YEAR	INTERNAL	ALL	0			
	ONE NAS BACKUP DEVICE (THECUS 5 BAY TRAIL J1900 - 2GHZ QUAD CORE, 4GB DDR3 RAM, BUILT IN MINI UPS PLUS 5 X 3TB NAS HDD- SATA 6GBWITH 128MB CACHE@7200RPM) PORT ALFRED CORP	INTERNAL	ALL	35,000			

ONE NAS BACKUP DEVICE (THECUS 5 BAY TRAIL J1900 - 2GHZ QUAD CORE, 4GB DDR3 RAM, BUILT IN MINI UPS PLUS 5 X 3TB NAS HDD- SATA 6GBWITH 128MB CACHE@7200RPM), PORT ALFRED CORP. SERV SERVER ROOM	INTERNAL	ALL	35,000			
TOTAL: IT			R 103,800.00	R -	R -	
TOTAL MUNICIPAL MANAGER			R 149,800.00	R -	R 43,200.00	R -
REGISTRY						
Chairs	INTERNAL	ALL			18,000	
Shredder	INTERNAL	ALL			12,000	
Filing Cabinets	INTERNAL	ALL			20,000	
TOTAL REGISTRY					50,000	
HUMAN RESOURCES						
Filing Cabinets	INTERNAL	ALL				20,000
2xHigh Back Chairs	INTERNAL	ALL				14,000
Laptop Blinds	INTERNAL	ALL				7,000
Office Desk	INTERNAL	ALL				15,000
Recording Tape	INTERNAL	ALL				20,000
TOTAL: HR						76,000
ADMINISTRATION						
Bakkie	INTERNAL	ALL				300,000
Computers	INTERNAL	ALL				25,000
Chairs	INTERNAL	ALL				12,500
Air Conditioners	INTERNAL	ALL			50,000	
Blinds	INTERNAL	ALL			20,000	
Floring	INTERNAL	ALL			25,000	
Catlery,crokery and table clothes	INTERNAL	ALL			35,000	
TOTAL: ADMIN					130,000	337,500
TOTAL: CORPORATE SERVICES				R 180,000.00	R 413,500.00	
SEWERAGE						
4 x sewerage Pumps	INTERNAL	ALL			60,000	
10 x Weed eaters	INTERNAL	ALL			50,000	
Spare Pump for each Pump Stn (Scarra)	INTERNAL	ALL				450,000
10 x Lawnmower	INTERNAL	ALL				60,000
4 x Computer (Scarra)	INTERNAL	ALL			40,000	
Air Conditioner (Scarra)	INTERNAL	ALL			5,000	
2 x sewer pumps for Rosehill Sewer Treatment Plant	INTERNAL	ALL			150,000	
TOTAL SEWERAGE					305,000	510,000
SANITATION						
4 x Sanitation Trucks @ R900 000	INTERNAL	ALL	1,200,000		1,200,000	1,200,000
TOTAL SANITATION			R 1,200,000.00	R 1,200,000	R 1,200,000	
ROADS & GENERAL WORK						
1 x Dumpy level	INTERNAL	ALL	8,000			
2 x Concrete mixer(PA)	INTERNAL	ALL	80,000			
1 x Front end loader	INTERNAL	ALL				1,300,000
1X Slury mixer	INTERNAL	ALL	120,000			
2 x 6cube tipper trucks	INTERNAL	ALL				1,600,000
2 x TLB digger	INTERNAL	ALL				1,800,000
2x 1 ton LDV	INTERNAL	ALL	500,000		500,000	
1 x Tarring machine	INTERNAL	ALL			1,200,000	
1 x low bed	INTERNAL	ALL			1,600,000	
6 x Water pumps	INTERNAL	ALL	75,000			
6 x Jack hammer	INTERNAL	ALL	80,000			
5 x vibrators	INTERNAL	ALL	60,000			
1 x roller 10 ton	INTERNAL	ALL				1,200,000
1x Generators	INTERNAL	ALL	15,000			65,000
5 x Chainsaw	INTERNAL	ALL			300,000	
1 x Water truck 6000l	INTERNAL	ALL	0			
2 x weed eaters	INTERNAL	ALL	13,000			
1 x Grader	INTERNAL	ALL			3,000,000	
2 x Plate Compactor	INTERNAL	ALL	20,000			
Upgrading of River Road in Kenton on Sea	EPWP	ALL	1,000,000			
ROADS & GEN CAPITAL TOTAL			R 1,971,000.00	R 6,600,000.00	#####	
BUILDING CONTROL						
1X BAKKIE	INTERNAL	ALL	180,000			
3x Half to LDV	INTERNAL	ALL			490,000	
6 x new computers	INTERNAL	ALL				50,000
10 x filling cabinets	INTERNAL	ALL				17,000
1 x water dispenser	INTERNAL	ALL			1,600	
new desk for building clerk	INTERNAL	ALL			7,500	



Trellidor doors and buglar proof	INTERNAL	ALL				30,000
1 x Air conditioner	INTERNAL	ALL				10,000
<b>BUILDING CONTROL CAPITAL TOTAL</b>			<b>R 180,000.00</b>	<b>499,100</b>	<b>107,000</b>	
<b>GENERAL WORKS</b>						
2 x TLB digger	INTERNAL	ALL				1,800,000
3 x 1 ton LDV	INTERNAL	ALL		750,000		
3 x tractors and trailer	INTERNAL	ALL				1,300,000
6 x Water pumps	INTERNAL	ALL				80,000
6 x Sewerage pumps	INTERNAL	ALL				80,000
10 x Weedeaters	INTERNAL	ALL				50,000
10 x Lawn mowers	INTERNAL	ALL		60,000		
6 x Bush cutters	INTERNAL	ALL		150,000		
2 x Kudu lawn mower	INTERNAL	ALL		20,000		
<b>TOTAL GENERAL WORKS</b>				<b>980,000</b>	<b>3,310,000</b>	
<b>ADMINISTRATION</b>						
5 x Chairs (for admin staff)	INTERNAL	ALL		10,000		
<b>ADMINISTRATION CAPITAL TOTAL</b>				<b>10,000</b>	<b>0</b>	
<b>WORKSHOP</b>						
Computers	INTERNAL	ALL		20,000		
4 x Garage doors	INTERNAL	ALL				250,000
High pressure machine	INTERNAL	ALL				29,000
Camera	INTERNAL	ALL				7,000
LDV	INTERNAL	ALL		350,000		
A3 Lamenating machine	INTERNAL	ALL				3,500
Tools: jack, trolleys, tressel	INTERNAL	ALL		40,000		
Tools: hand tools, sockets sets, side cutters	INTERNAL	ALL		50,000		
Building workshop	INTERNAL	ALL		600,000		
<b>WORKSHOP CAPITAL TOTAL</b>				<b>1,060,000</b>	<b>289,500</b>	
<b>ESTATES</b>						
Water Dispenser @ R1 600	INTERNAL	ALL		1,600		
New desk @ R1 700	INTERNAL	ALL		1,700		
Office Chair @ R2 500	INTERNAL	ALL		2,500		
Office tiling @ R7 500	INTERNAL	ALL		7,500		
1*Typing Chair @ R1 000.00	INTERNAL	ALL		1 000		
1*Fireproof Cabinet @ R7 000.00	INTERNAL	ALL		7,000		
1*Computer @ R10 000.00	INTERNAL	ALL		10,000		
<b>ESTATES CAPITAL TOTAL</b>				<b>31,300</b>	<b>0</b>	
<b>TOWN PLANNING</b>						
Office Furniture	INTERNAL	ALL		25,000		
Additional office space	INTERNAL	ALL		25,000		
<b>TOWN PLANNING CAPITAL TOTAL</b>				<b>50,000</b>		
<b>HOUSING</b>						
Filing Cabinets	INTERNAL	ALL		6,000		
Office Chairs	INTERNAL	ALL		4,500		
1*1/2T Bakkie	INTERNAL	ALL		150,000		
<b>HOUSING TOTAL</b>				<b>160,500</b>	<b>0</b>	
<b>ELECTRICITY</b>						
1 x 1 ton 4x4 LDV	INTERNAL	ALL				450,000
1X BAKKIE	INTERNAL	ALL	180000			
Nifty Lift	INTERNAL	ALL		450,000		
Fence Ladder, Ladder	INTERNAL	ALL		5,000		
Tools: hand tools, socket sets, pliers, meters, ect	INTERNAL	ALL		20,000		
1 x 1 ton LDV	INTERNAL	ALL				250,000
2 x Winch for Hi-mast lights	INTERNAL	ALL				30,000
Substation Thornhill	INEG	ALL	5,500,000	9,000,000		10,000,000
<b>ELECTRICITY CAPITAL TOTAL</b>			<b>R 5,680,000.00</b>	<b>9,475,000</b>	<b>10,730,000</b>	
<b>WATER ADMINISTRATION</b>						
2 x 1 ton LDV 4x4	INTERNAL	ALL		900,000		
TLB Digger	INTERNAL	ALL		1,800,000		
4 x 1ton LDV	INTERNAL	ALL				1,000,000
5 x Water pumps	INTERNAL	ALL	469,000			80,000
2 x Water trucks	INTERNAL	ALL				
10 x Weed eaters	INTERNAL	ALL				50,000
10 x Lawnmowers	INTERNAL	ALL		60,000		
<b>WATER ADMINISTRATION TOTAL</b>			<b>R 469,000.00</b>	<b>2,760,000</b>	<b>1,130,000</b>	
<b>WATER DUNE SUPPLY</b>						
Dunes Pumps - 5 Stations (Mgadi) @ R150 000	INTERNAL	ALL				150,000
Telemetry	INTERNAL	ALL				150,000
Upgrading of pannel room	INTERNAL	ALL				350,000



WATER DUNE SUPPLY TOTAL						0	650,000
WATER PURIFICATION							
0000 Water Sand Filters	INTERNAL	ALL					1,000,000
0000 Backwash pump for PAWTP	INTERNAL	ALL					170,000
0000 Borehole Motor and pump for Thornhill	INTERNAL	ALL					150,000
0000 Borehole Motor and pump for Nemato	INTERNAL	ALL				150,000	
0000 Borehole Motor and pump for 43 Air school and Santa	INTERNAL	ALL				150,000	
0000 Borehole Motor and pump for Nkwenkwezi	INTERNAL	ALL				150,000	
Diff lock bakkie	INTERNAL	ALL				250,000	
WATER PURIFICATION TOTAL						700,000	1,320,000
WATER RETICULATION							
0000 Bakkie Long wheel base	INTERNAL	ALL					250,000
0000 Water pump (Sludge)	INTERNAL	ALL				15,000	
0000 Mobile Flood lights	INTERNAL	ALL				6,000	
WATER RETICULATION TOTAL						21,000	250,000
PROJECT MANAGEMENT UNIT							
Filling cabinets	INTERNAL	ALL				25,000	
Salaries: Overtime	MIG	ALL	0			0	0
Training	MIG	ALL	0			0	0
Office Equipment	INTERNAL	ALL	0			40,000	0
Upgrading of Bulk Water Supply in Bathurst	MIG	ALL	3,171,046				13,622,191
Upgrading of Bathurst Sportsfields	MIG	ALL	2,100,000				
Upgrading of Peter Road -Alexandria	MIG	ALL	828,954				
Upgrading of Tena Road -Alexandria	MIG	ALL	640,000				
Upgrading of Khonza Road -Alexandria	MIG	ALL	1,430,000				
Upgrading of Zubenam Road -Alexandria	MIG	ALL	310,000				
Upgrading of Mamase Road -Alexandria	MIG	ALL	510,000				
Upgrading of Joe Slovo Roads-Port Alfred	MIG	ALL	3,250,000				
Upgrading of Runeli Drive Roads- Port Alfred	MIG	ALL	1,900,000				
Upgrading of 43 Air School Roads-Port Alfred	MIG	ALL	2,100,000				
Upgrading of Beach Roads- Port Alfred	MIG	ALL	2,700,000				
Upgrading of Grand Street and Princess AvenuePort Alfred	MIG	ALL	1,900,000				
Upgrading of SANTA Hospital Roads Port Alfred	MIG	ALL	1,111,300				
Upgrading of Pussy foot lane Port Alfred	MIG	ALL	2,800,000				
0 Upgrading of Bulk Sewer Reticulation in Station Hill	MIG	ALL	0			9,375,510	10,028,676
Upgrading of Bulk Sewer Reticulation in Alex	MIG	ALL	0			9,868,000	0
Upgrading of Wenzel Park	MIG	ALL	0			4,104,570	4,173,683
Upgrading of Bathurst Roads	MIG	ALL	0			3,200,000	0
			R 24,751,300.00			R 26,613,080.00	R 27,824,550.00
TOTAL INFRASTRUCTURE			R 34,251,300.00			R 50,464,980.00	R 53,286,050.00
ENVIRONMENTAL HALTH							
Refrigerator for specimens	INTERNAL	ALL	7500			15,000	
3 x Airconditioners	INTERNAL	ALL	0			45,000	
1 x Laptop	INTERNAL	ALL	12,000				
Office furniture: Table with drawers	INTERNAL	ALL				12,000	
Office chair	INTERNAL	ALL				2,800	
Filling cabinet	INTERNAL	ALL				15,200	
TOTAL: ENVIRONMENTAL HEALTH			19,500			90,000	0
MUNICIPAL BYLAW COMPLIANCE							
Cattle truck with dividers	INTERNAL	ALL				850,000	
Office (accomodation shelter)	INTERNAL	ALL				0	
Camera	INTERNAL	ALL				2,500	
Computer and printer	INTERNAL	ALL				12,000	
Office furniture	INTERNAL	ALL				3,000	
Cattle prodder	INTERNAL	ALL				2,000	
Branding equipment	INTERNAL	ALL	5,000			25,000	
Water throughs	INTERNAL	ALL				8,000	
Flood lights	INTERNAL	ALL				4,500	
4wheeler bikes	INTERNAL	ALL				240,000	
GPS	INTERNAL	ALL				2,500	
Taizers	INTERNAL	ALL				4,000	
Night vision binoculars	INTERNAL	ALL				20,000	
Portable handheld radios	INTERNAL	ALL				24,000	
Load hailer in vehicle	INTERNAL	ALL				10,000	
TOTAL:			5,000			1,207,500	0
PARKS & RECREATION							
Tractor (Alex)	INTERNAL	ALL				200,000	
Bushcutter (KOS/BRM)	INTERNAL	ALL	200,000				
Tractors (PA)	INTERNAL	ALL				400,000	
Water trailer (Alex)	INTERNAL	ALL				40,000	
Water trailer (KOS/BRM)	INTERNAL	ALL				40,000	
Water trailer (PA)	INTERNAL	ALL				40,000	



Tractor-loader (Alex)	INTERNAL	ALL			180,000	
Tractor-loader (KOS/BRM)	INTERNAL	ALL			180,000	
Tractor-loader (PA)	INTERNAL	ALL			180,000	
Ride-on-mowers (PA)	INTERNAL	ALL			70,000	
Ride-on-mowers (KOS/BRM)	INTERNAL	ALL			70,000	
Ride-on-mowers (ALEX)	INTERNAL	ALL			70,000	
Mini digger-loader (West)	INTERNAL	ALL			300,000	
Mini digger-loader (East)	INTERNAL	ALL			300,000	
Camera (KOS/BRM)	INTERNAL	ALL			2,500	
Truck with railings (KOS/BRM)	INTERNAL	ALL			650,000	
Cemetery software	INTERNAL	ALL	350,000			
<b>TOTAL:</b>			<b>550,000</b>		<b>2,722,500</b>	<b>0</b>
<b>REFUSE REMOVAL</b>						
Compactor (Bathurst)	INTERNAL	5			750,000	
Compactor (PA)	INTERNAL	ALL	1,200,000			
Connecting compactors with wheelie bins lifting	INTERNAL	ALL			240,000	
Shelter for Dozer (PA)	INTERNAL	ALL			75,000	
Upgrade of municipal yard( Bushmans)	INTERNAL	ALL			2,000,000	
Rehabilitation of landfill sites (Marselle)	INTERNAL	ALL			2,000,000	
D5 dozer	INTERNAL	ALL			300,000	
Skip Bins / Refuse Containers	DEDEAT	ALL	180,000			
Skid Loader	DEDEAT	ALL	600,000			
<b>TOTAL: REFUSE REMOVAL</b>			<b>1,980,000</b>		<b>5,365,000</b>	<b>0</b>
<b>TRAFFIC</b>						
1 x Traffic Vehicles (replacement fleet 151,153,23,107)	INTERNAL	ALL	200,000		200,000	350,000
1 x LDV (Road painters) - replace 156	INTERNAL	ALL				
1 x office desk	INTERNAL	ALL			20,000	
1 x walk in filing cabinet (TCS / MVRA / DLTC - PA)	INTERNAL	ALL			35,000	
2 x containers storage (PA & Alex DLTC)	INTERNAL	ALL			30,000	
<b>TOTAL: TRAFFIC</b>			<b>200,000</b>	<b>0</b>	<b>285,000</b>	<b>350,000</b>
<b>NATURE CONSERVATION, BEACHES AND COMPLIANCE</b>						
2 x 60hp outboard motors - fleet 37	INTERNAL	ALL			0	250,000
1 x 4x4 LDV for RCO	INTERNAL	ALL				270,000
1 x airconditioner	INTERNAL	ALL			6,000	
2 x office desks	INTERNAL	ALL			12,000	
4 x waterproof portable radios (Patrol boats)	INTERNAL	ALL			20,000	
1 x boat trailer - fleet 76	INTERNAL	ALL			25,000	
1 x Lawn Mower	INTERNAL	5& 6			250,000	
2 x Bush cutters	INTERNAL	5& 6			15,000	
3 x Canoes	INTERNAL	5& 6			15,000	
1 x Water Pump For Bowser	INTERNAL	5& 6			15,000	
10 x torpedo buoys	INTERNAL	5& 7			20,000	
4 x rescue craft (boards)	INTERNAL	5& 7			24,000	
<b>TOTAL NATURE RESERVE</b>			<b>0</b>	<b>0</b>	<b>402,000</b>	<b>520,000</b>
<b>FIRE SERVICES</b>						
1x Rescue Vehicle	INTERNAL	ALL			600,000	0
2x Drip torches	INTERNAL	ALL			2,500	350,000
One Airconditioner Unit	INTERNAL	ALL			25,000	4,000
Office Chair	INTERNAL	ALL			8,000	15,000
Floating pumps	INTERNAL	ALL			25,000	0
4x Breathing Apparatus Sets	INTERNAL	ALL			50,000	15,000
Chainsaws x2	INTERNAL	ALL			15,000	0
Breathing Apparatus Control Board	INTERNAL	ALL			5,000	0
Flipcharts x2	INTERNAL	ALL			2,000	750,000
12x Firemans Axes	INTERNAL	ALL			24,000	0
Skid unit	INTERNAL	ALL			350,000	0
Flowing pump	INTERNAL	ALL			40,000	36,000
Computer (Busmans)	INTERNAL	ALL			60,000	
Jaws of life set (BRM)	INTERNAL	ALL			35,000	
Emergency generators	INTERNAL	ALL			60,000	
Radio communication	INTERNAL	ALL			60,000	
Office desks	INTERNAL	ALL			30,000	
Telephone (BRM)	INTERNAL	ALL			10,000	
Low level suction pumps	INTERNAL	ALL			40,000	
Acron branches	INTERNAL	ALL			16,000	
Furniture (BRM) - stove, fridge, microwave, kettle, fresh v	INTERNAL	ALL			25,000	
10 x 25l foam concentrate	INTERNAL	ALL			30,000	
16 x fire hoses	INTERNAL	ALL			20,000	
<b>TOTAL FIRE SERVICES</b>			<b>R -</b>	<b>R -</b>	<b>R 1,532,500.00</b>	<b>R 1,170,000.00</b>
<b>TOTAL COMMUNITY</b>			<b>2,754,500</b>	<b>0</b>	<b>11,604,500</b>	<b>2,040,000</b>
<b>TOTAL ADMINISTRATION</b>						
<b>BUDGET AND TREASURY OFFICE</b>						

Laptop and software	FMG	ALL	15,000			
<b>BTO TOTAL BUDGET</b>			<b>15,000</b>			
<b>REVENUE SECTION</b>						
High Swivelling Chairs x1	INTERNAL	PA			950	
Visitor's Chair (Low back) x3	INTERNAL	PA			1,950	
High Swivelling Chairs x1	INTERNAL	PA			850	
12 Compartment Desk file x1	INTERNAL	PA			0	
High Swivelling Chairs x1	INTERNAL	PA			0	
High Swivelling Chairs x2	INTERNAL	KENTON			1,700	
Computer : All-in-One x2	FMG	ALEX	24,000			
Computer : All-in-One x1	FMG	PA	12,000			
Computer : All-in-One x1	FMG	PA	12,000			
Computer : All-in-One x1	FMG	PA	12000.00			
<b>REVENUE SECTION TOTAL BUDGET</b>			<b>60,000</b>		<b>5,450</b>	<b>0</b>
<b>EXPENDITURE</b>						
1 X LAPTOP FINANCE EXPENDITURE	FMG	ALL				
BINDER	FMG	ALL				
HEAVY DUTY PUNCH	INTERNAL	ALL				6,000.00
STORES:						
2 X OFFICE CHAIRS	INTERNAL	ALL				6,000
1 X SMALL FRIDGE	INTERNAL	ALL			3,000	
<b>TOTAL EXPENDITURE</b>			<b>0</b>	<b>0</b>	<b>3,000</b>	<b>12,000</b>
<b>SUPPLY CHAIN MANAGEMENT</b>						
FURNITURE - ADDITIONAL	FMG	ALL	3,000			
COMPUTERS - REPLACEMENT - CLERK	FMG	ALL	15,000			
PRINTER - REPLACEMENT - ACQUISITION OFFICER	FMG	ALL	6,000			
SOFTWARE DATABASE	FMG	ALL	30,000			
<b>TOTAL: SCM</b>			<b>R 54,000.00</b>			
<b>TOTAL FINANCE</b>			<b>R 129,000.00</b>	<b>R -</b>	<b>R 8,450.00</b>	<b>R 12,000.00</b>
<b>NDLAMBE TOTAL CAPITAL BUDGET</b>			<b>37,284,600</b>		<b>62,964,130</b>	<b>55,751,550</b>
<b>REVOLVING FUND (INTERNAL)</b>	INTERNAL	ALL	<b>5,078,300</b>	<b>0</b>	<b>27,416,050</b>	<b>17,927,000</b>
FINANCIAL MANAGEMENT GRANT	FMG	ALL	175,000	0	0	0
MUNICIPAL INFRASTRUCTURAL GRANT	MIG	ALL	24,751,300	0	26,548,080	27,824,550
INEG GRANT	INEG	ALL	5,500,000	0	9,000,000	10,000,000
EXPANDED PUBLIC WORKS PROGRAMME	EPWP	ALL	1,000,000	0	0	0
EQUITABLE SHARE	EQ SHARE	ALL	R -	R -	R -	R -
DEPT. OF ECONOMIC DEV, ENVIRON. AFFAIRS & TOURISM	DEDEAT	ALL	780,000	0	0	0
<b>TOTAL CAPITAL SOURCE OF FUNDING</b>			<b>37,284,600</b>	<b>0</b>	<b>62,964,130</b>	<b>55,751,550</b>



# **LEGISLATION COMPLIANCE STATUS**



#### 14) LEGISLATION COMPLIANCE STATUS

The Ndlambe Municipal Councilors and staff are committed to comply fully with all legislation impacting on local government. Section 195(1) of the Constitution sets the basic values and principles that local government must adhere to. To comply fully with all legislation, the municipality must also adhere to circulars issued in line with the legislation and all regulations promulgated to give effect to certain legislation.

The main pieces of legislation that Ndlambe Municipality needs to comply with are;

- The Constitution of the Republic of South Africa
- Local Government: Municipal Structures Act, Act 117 of 1998 with all amendments to date
- Local Government: Municipal Systems Act, Act 32 of 2000 with all amendments to date
- Local Government: Municipal Finance Management Act, Act 56 of 2004 with all amendments to date
- Local Government: Property Rates Act, Act 6 of 2004 with all amendments to date
- Electricity Act of 1987
- Labour Relations Act of 1995
- Financial and Fiscal Commission Act of 1997
- Intergovernmental Fiscal Relations Act of 1997
- Water Services Act of 1997
- Municipal Demarcation Act of 1998
- National Environmental Management Act of 1998
- Remuneration of Political Office Bearers Act of 1998
- Skills Development Act
- Preferential Procurement Policy Framework Act of 2000
- Intergovernmental Relations Framework Act of 2005
- Division of Revenue Act

Circulars and regulations are published from time to time to give effect to the stipulations of the legislation and these also need to be complied with. Certain circulars are however only to be complied with if adopted by Council.

At present the Ndlambe Municipality does not comply with all the existing legislation and the aim is to ensure that by the end of the 2015/2016 financial year all legislation is complied with. This matter has been pointed out in the report of the Auditor-General for the past few years and is in the process of been addressed.



# KEY INDICATORS

### 15) KEY FINANCIAL INDICATORS

In order to achieve financial stability the Ndlambe Municipality has set parameters within which financial planning should be aligned. These key financial indicators that we are going to strive for are in the table below.

<b>Ratio</b>	<b>Norm</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>
Remuneration to Expenditure	Below 35%	30.6%	30.9%	30.7%
Maintenance to Expenditure	Above 7%	6.4%	6.6%	6.4%
Finance charges and depreciation to Expenditure	Below 7%	1.8%	1.8%	1.8%
Net Operating Margin	Above 15%	36.77%	38.61%	40.54%



# **SERVICE DELIVERY STANDARDS**

## EASTERN CAPE: NDLAMBE MUNICIPALITY (EC105) - Schedule of Service Delivery Standards 2016/2017

Standard	Description	2016/2017 Service Level
<b>Solid Waste Removal</b>		
Premise based removal (Residential Frequency)		Once a week
Premise based removal (Business Frequency)		Twice a week
Bulk Removal (Frequency)		Once a week
Removal Bags provided(Yes/No)		No
Garden refuse removal Included (Yes/No)		Yes
Street Cleaning Frequency in CBD		Daily
Street Cleaning Frequency in areas excluding CBD		Weekly
How soon are public areas cleaned after events (24hours/48hours/longer)		24 hrs
Clearing of illegal dumping (24hours/48hours/longer)		Longer
Recycling or environmentally friendly practices(Yes/No)		Yes
Licensed landfill site(Yes/No)		Yes
<b>Water Service</b>		
Water Quality rating (Blue/Green/Brown/NO drop)		Blue Drop
Is free water available to all? (All/only to the indigent consumers)		Only indigents
Frequency of meter reading? (per month, per year)		Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)		Averages based on past 6 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)		Average only if access to meter is restricted
<b>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</b>		
One service connection affected (number of hours)		( 25mm HDPE) 45 minutes
Up to 5 service connection affected (number of hours)		(50mm PVC) at least 2 hours
Up to 20 service connection affected (number of hours)		(75mm pvc) 2 and half up to 2 hours
Feeder pipe larger than 800mm (number of hours)		(350mm) on the PVC pipe it takes atleast 8 hours
What is the average minimum water flow in your municipality?		Residential 2 bars
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		No
How long does it take to replace faulty water meters? (days)		Bulk meters 10 days Residential 4 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)		No
<b>Electricity Service</b>		
What is your electricity availability percentage on average per month?		1
Do your municipality have a ripple control in place that is operational? (Yes/No)		Yes
How much do you estimate is the cost saving in utilizing the ripple control system?		1 MEGA WATT
What is the frequency of meters being read? (per month, per year)		Monthly
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)		Averages based on past 6 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)		Average only if access to meter is restricted
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)		Immediately
Are accounts normally calculated on actual readings? (Yes/no)		Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		No
How long does it take to replace faulty meters? (days)		2 hrs
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)		Yes
How effective is the action plan in curbing line losses? (Good/Bad)		Finance needed urgently
How soon does the municipality provide a quotation to a customer upon a written request? (days)		6 hrs
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)		7 Days
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)		2 Weeks
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)		No high voltage consumers
<b>Sewerage Service</b>		
Are your purification system effective enough to put water back in to the system after purification?		
To what extend do you subsidize your indigent consumers?		No
<b>How long does it take to restore sewerage breakages on average</b>		
Severe overflow? (hours)		Within 24 hours
Sewer blocked pipes: Large pipes? (Hours)		Less than 6 hours
Sewer blocked pipes: Small pipes? (Hours)		Within 1 hour
Spillage clean-up? (hours)		Within 30 minutes
Replacement of manhole covers? (Hours)		Average 1 month due to procurement procedures
<b>Road Infrastructure Services</b>		
Time taken to repair a single pothole on a major road? (Hours)		1 and half hour
Time taken to repair a single pothole on a minor road? (Hours)		2 and half hour
Time taken to repair a road following an open trench service crossing? (Hours)		16 Hours
Time taken to repair walkways? (Hours)		8 hours but depends on damage
<b>Property valuations</b>		
How long does it take on average from completion to the first account being issued? (one month/three months or longer)		one month
Do you have any special rating properties? (Yes/No)		yes
<b>Financial Management</b>		
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/increase)		Decrease by 50%
Are the financial statement outsourced? (Yes/No)		Financial Statements doe in-house
Are there Council adopted business process structuring the flow and managemet of documentation feeding to Trial Balance?		Process to be developed



How long does it take for an Tax/invoice to be paid from the date it has been received?	30 Days from date received by finance
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Supply Chain decentralised
<b>Administration</b>	
Reaction time on enquiries and requests?	
Time to respond to a verbal customer enquiry or request? (working days)	
Time to respond to a written customer enquiry or request? (working days)	
Time to resolve a customer enquiry or request? (working days)	
What percentage of calls are not answered? (5%,10% or more)	
How long does it take to respond to voice mails? (hours)	
Does the municipality have control over locked enquiries? (Yes/No)	
Is there a reduction in the number of complaints or not? (Yes/No)	
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	SCM Decentralised
<b>Community safety and licensing services</b>	
How long does it take to register a vehicle? (minutes)	15 minutes
How long does it take to renew a vehicle license? (minutes)	10 min
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	10 min
How long does it take to de-register a vehicle? (minutes)	15 minutes
How long does it take to renew a drivers license? (minutes)	20 min
What is the average reaction time of the fire service to an incident? (minutes)	5 min
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	45 min
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	45 min
<b>Economic development</b>	
How many economic development projects does the municipality drive?	
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	
What percentage of the projects have created sustainable job security?	
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	
<b>Other Service delivery and communication</b>	
Is a information package handed to the new customer? (Yes/No)	no
Does the municipality have training or information sessions to inform the community? (Yes/No)	
Are customers treated in a professional and humanly manner? (Yes/No)	

# TARRIFS SCHEDULE



# INFRASTRUCTURE

ANEXURE 1: NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016			2016/2017		
		APPROVED			APPROVED		
		VAT INCL	VAT EXCL	INCRE	VAT INCL	VAT EXCL	INCREASE
		EFFECTIVE FROM 1/7/15			EFFECTIVE FROM 1/7/16		
ELECTRICITY NDLAMBE							
1. Scale 1 : Domestic Credit							
Applicable to all bona fide domestic Consumers							
Basic Charge:	Y	198.27	173.92		213.42	187.21	7.6%
Energy Consumption:							
Block 1 (0 - 50 kWh)	Y	0.90	0.79		0.96	0.84	6.6%
Block 2 (51 - 350 kWh)	Y	1.14	1.00		1.23	1.08	7.6%
Block 3 (351 - 600 kWh)	Y	1.58	1.39		1.71	1.50	7.6%
Block 4 (>600 kWh)	Y	1.87	1.64		2.01	1.77	7.7%
2. Scale 2 : Domestic Pre-payment available							
Basic Charge	Y	198.27	173.92		213.42	187.21	7.6%
Energy Consumption:							
Block 1 (0 - 50 kWh)	Y	0.90	0.79		0.96	0.84	6.6%
Block 2 (51 - 350 kWh)	Y	1.14	1.00		1.23	1.08	7.6%
Block 3 (351 - 600 kWh)	Y	1.58	1.39		1.71	1.50	7.6%
Block 4 (>600 kWh)	Y	1.87	1.64		2.01	1.77	7.7%
3. Scale 3 : Commercial 55kVA.							
Basic Charge	Y	352.74	309.42		379.69	333.06	7.6%
Energy Consumption:	Y	1.52	1.33		1.69	1.48	11.7%
4. Scale 4: Large Power users with maximum demands not exceeding 200kVA less than 200kVA							
Basic Monthly charge	Y	586.55	514.52		656.94	576.26	12%
Energy Consumption:	Y	0.78	0.68		0.87	0.76	12%
Monthly maximum demand (KVA)	Y	217.46	190.75		243.55	213.64	12%
Subject to a minimum monthly charge based on a demand of 40kVA							
5. Scale 7 : Time of Use							
Applicable to consumers with a demand normally exceeding 50kVA							
Basic Monthly charge	Y	620.49	544.29		667.65	585.66	7.6%
Energy Charges (low season)							
Peak	Y	0.99	0.87		1.06	0.93	7.4%
Standard	Y	0.61	0.54		0.66	0.58	7.9%
Off-Peak	Y	0.43	0.38		0.47	0.41	7.7%
Energy Charges (High season - June to August)							
Peak	Y	3.48	3.05		3.74	3.28	7.5%
Standard	Y	0.92	0.81		0.99	0.87	7.8%
Off-Peak	Y	0.50	0.44		0.54	0.47	7.0%
Demand Charges KVA (Peak & Standard only)	Y	73.54	64.51		79.16	69.44	7.6%
Voltage surcharge (calculated as a percentage of demand energy charge)							
Low voltage (400/231v)	N	0.46	0.40		24%	24.00%	12%
Medium voltage (11kv)	N	0.26	0.23		12%	12.00%	12%
NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016			2016/2017		
		APPROVED			PROPOSED		
		VAT INCL	VAT EXCL	INCRE	VAT INCL	VAT EXCL	INCREASE
		EFFECTIVE FROM 1/7/15			EFFECTIVE FROM 1/7/16		
WATER							
Monthly minimum charges per meter	Y	79.94	70.12		92.72	81.33	16%
Monthly minimum charges vacant erven	Y	79.94	70.12		92.72	81.33	16%
Monthly Standpipes	Y	61.13	53.62		70.90	62.20	16%
Consumption:							
Per KL: 0-10 KL	Y	9.87	8.66		11.45	10.05	16%
11-15 KL	Y	10.34	9.07		12.00	10.52	16%
16-20 KL	Y	12.30	10.79		14.27	12.52	16%
21+	Y	15.37	13.48		17.83	15.64	16%
Drought Consumption:							
Per KL: 0-10 KL	Y	15.26	13.39		17.71	15.53	16%
11-15KL	Y	17.27	15.15		20.03	17.57	16%
16-20 KL	Y	19.69	17.27		22.84	20.03	16%
21+	Y	23.62	20.72		27.40	24.04	16%



Sporting Bodies/Agreements per KL	Y	7.41	6.50		8.59	7.54	16%
Bulk Supply (Chicory)	Y	9.87	8.66		11.45	10.05	16%
New Connection							
15mm	Y	3,012.27	2,642.34		3,494.24	3,065.12	16%
20mm	Y	3,346.97	2,935.94		3,882.48	3,405.69	16%
25mm	Y	6,693.93	5,871.87		7,764.97	6,811.37	16%
50mm	Y	9,706.21	8,514.22		11,259.20	9,876.49	16%
Water supply by tanker	Y	988.13	866.78		1,146.23	1,005.46	16%
Plus Water as per tariff							
Water supply by tractor	Y						
Plus Water as per tariff							
Disconnection( normal)	Y	1,099.48	964.46		1,275.40	1,118.77	16%
Fitting and Removal	Y	567.31	497.64		658.08	577.26	16%
WATER & ELECTRICITY CONNECTIONS / DISCONNECTIONS							
Special Reading	Y	232.51	203.96		269.72	236.60	16%
Disconnection (normal)	Y	232.51	203.96		269.72	236.60	16%
Connection (of existing)	Y	232.51	203.96		269.72	236.60	16%
Disconnection (normal)	Y	377.32	330.98		437.69	383.94	16%
Callout fee- normal working hours	Y	377.32	330.98		437.69	383.94	16%
Callout fee- After Working Hours	Y	565.99	496.48		656.55	575.92	16%
Callout fee- Sundays and Public Holidays	Y	754.65	661.97		875.38	767.88	16%
Disconnection (non-payment)	Y	377.32	330.98		437.69	383.94	16%
Reconnection (non-payment)	Y	370.47	324.97		429.73	376.96	16%
Administration costs(connection/Disconnection for non-payments)	Y	117.15	102.76		135.89	119.20	16%
After hours:							
Prepaid water meter (cost to be included with disconnection fees)	Y	3,734.20	3,275.61		4,331.67	3,799.71	16%
Prepaid electricity meter (cost to be included with disconnection fees)	Y	1,114.13	977.31		1,247.83	1,094.59	12%
Test Meter: (Refund if faulty)							
Water	Y	572.06	501.81		663.59	582.10	16%
Electricity	Y	822.07	721.11		920.71	807.64	12%
NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2015			2016/2017		
		APPROVED			PROPOSED		
		VAT INCL	VAT EXCL	INCR	VAT INCL	VAT EXCL	INCREASE
		EFFECTIVE FROM 1/7/15			EFFECTIVE FROM 1/7/16		
SEWERAGE:							
Minimum charges p/a on following:							
Household	Y	2,452.36	2,151.19		2,636.28	2,312.52	7.5%
Business	Y	2,452.36	2,151.19		2,636.28	2,312.52	7.5%
Per point p/a	Y	1,094.17	959.80		1,176.23	1,031.78	7.5%
Housing Scheme - per dwelling	Y	2,452.36	2,151.19		2,636.28	2,312.52	7.5%
Hotels, Accommod. Establishments	Y	2,452.36	2,151.19		2,636.28	2,312.52	7.5%
Per point p/a	Y	1,094.17	959.80		1,176.23	1,031.78	7.5%
Hospitals	Y	2,452.36	2,151.19		2,636.28	2,312.52	7.5%
Per point p/a	Y	1,094.17	959.80		1,176.23	1,031.78	7.5%
Schools	Y	2,452.36	2,151.19		2,636.28	2,312.52	7.5%
Per point p/a	Y	1,094.17	959.80		1,176.23	1,031.78	7.5%
Availability Charge	Y	2,452.36	2,151.19		2,636.28	2,312.52	7.5%
Per point means the following:							
a) a toilet							
b) a urinal of 1.5 m or part thereof							
Connection fee:							
Connectio Fees (reinstate tarred suface)	Y	4,146.21	3,637.03		4,457.19	3,909.81	7.5%
Connection Fees(No Tarred Surface)	Y	3,051.54	2,676.79		3,280.41	2,877.55	7.5%
SANITATION							
Removal by truck per load	Y	364.06	319.35		391.36	343.30	7.5%
Pit inspection (Health)	Y	321.14	281.70		345.22	302.83	7.5%
Removal - after hours	Y						
Out of URBAN EDGE if service available	Y	2,694.91	2,363.96		2,897.03	2,541.26	7.5%
Fines							
Mixing Concrete Within A Road Reserve	Y	4,620.58	4,053.14		4,874.71	4,276.07	5.5%
Illegal Dumping	Y	Cost to remove + 100%	Cost to remove + 100%				
Gutter / Rain Water Diverted Into The Sewer Reticulation System	Y	5,775.73	5,066.43		6,093.39	5,345.08	5.5%
Construction Material Diverted Into Storm Water System	Y	5,775.73	5,066.43		6,093.39	5,345.08	5.5%
Tampering With Water Reticulation System - 1st Offence	Y	3,465.44	3,039.86		3,656.04	3,207.05	5.5%
Tampering With Water Reticulation System - 2 nd Offence	Y	6,930.87	6,079.71		7,312.07	6,414.10	5.5%
Tampering With Electricity Reticulation System - 1st Offence	Y	5,383.98	4,722.79		5,680.10	4,982.55	5.5%
Tampering With Electricity Reticulation System - 2nd Offence	Y	10,767.96	9,445.58		11,360.21	9,965.09	5.5%



NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016			2016/2017		
		APPROVED			PROPOSED		
		VAT INCL	VAT EXCL	INCR%	VAT INCL	VAT EXCL	INCR%
		EFFECTIVE FROM 1/7/15			EFFECTIVE FROM 1/7/15		
MISCELLANEOUS:							
Pavement Hoarding	Y	693.04	622.12		748.22	656.33	5.5%
Cleaning of property	Y						
Inspection of installations	Y	443.99	389.47		468.41	410.89	5%
Re-Inspection of installations	Y	536.22	470.37		565.71	496.24	5%
Photocopies:							
One side only - A4.	Y	2.42	2.12		2.55	2.24	5.5%
- A3	Y	2.42	2.12		2.55	2.24	5.5%
Fax - per page (sending)	Y	19.31	16.94		20.37	17.87	5.5%
Fax - per page (receiving)	Y	7.24	6.35		7.64	6.70	5.5%
Ammonia Prints per linear centimetre	Y	1.09	0.96		1.15	1.01	5.5%
Copy of Voters Roll per ward	Y	422.40	370.53		445.63	390.90	5.5%
Printed Copy of Valuation Roll PORT ALFRED	Y	422.40	370.53		445.64	390.91	5.5%
Printed Copy of Valuation Roll EXCL PORT ALFRED(PER TOWN)	Y	289.65	254.08		305.58	268.05	5.5%
E-Mail Copy of Valuation Roll PER TOWN	Y	482.74	423.46		509.29	446.75	5.5%
Serving of summons	Y	137.58	120.68		145.14	127.32	5.5%
Hire of chemical toilets - per 7 days or part thereof	Y	936.23	821.25		987.72	866.42	5.5%
NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016			2016/2017		
		APPROVED			PROPOSED		
		VAT INCL	VAT EXCL	INCR%	VAT INCL	VAT EXCL	INCR%
		EFFECTIVE FROM 1/7/15			EFFECTIVE FROM 1/7/15		
FURNISHING OF INFORMATION TO THE PUBLIC:							
Account not in service register	Y	43.89	38.50		46.30	40.61	5.5%
Account (in service register)	Y	43.89	38.50		46.30	40.61	5.5%
Inspection of deed, document, diagram	Y	103.13	90.47		108.80	95.44	5.5%
Supply of certif. Of valuation,charges							
against property	Y	136.05	119.34		143.53	125.90	5.5%
Search for information not covered by above (incl. Rates clearance)							
Per hour or portion thereof	Y	136.05	119.34		143.53	125.90	5.5%
List of names & add. of prop. Owners	Y	1,097.14	962.40		1,157.48	1,015.33	5.5%
LAND USE PLANNING FEES							
Applic. for Consent Use	Y	3,780.86	3,316.54	6%	3,988.80	3,498.95	5.5%
Applic for Rezoning	Y	4,726.07	4,145.68	6%	4,986.00	4,373.69	5.5%
Applic for departure:	Y	3,780.86	3,316.54	6%	3,988.80	3,498.95	5.5%
(Sec 15(1)(a)(ii)	Y	3,780.86	3,316.54	6%	3,988.80	3,498.95	5.5%
Applic for Subdivision							
up to and incl 20 erven	Y	3,780.86	3,316.54	6%	3,988.80	3,498.95	5.5%
more than 20 erven	Y	4,726.08	4,145.68	6%	4,986.01	4,373.69	5.5%
plus for each additional erf over 20	Y	472.60	414.56	6%	498.59	437.36	5.5%
Copy of Zoning Scheme Regulation	Y	378.09	331.66	6%	398.89	349.90	5.5%
Copy of Zoning Scheme Map	Y	378.09	331.66	6%	398.89	349.90	5.5%
Encroachments (Boathouses/ea)	Y	557.27	488.83	6%	587.92	515.72	5.5%
Encroachments(upon Municipal owned land) per month	Y	189.03	165.82	6%	199.43	174.94	5.5%
0-10m2	Y	120.84	106.00	6%	127.49	111.83	5.5%
10-50m2	Y	168.82	148.09	6%	178.11	156.23	5.5%
50-100m2	Y	253.24	222.14	6%	267.17	234.36	5.5%
100-150m2	Y	337.66	296.19	6%	356.23	312.48	5.5%
150-200m2	Y	422.07	370.24	6%	445.29	390.60	5.5%
200-500m2	Y	506.48	444.28	6%	534.34	468.72	5.5%
500-1000m2	Y	844.14	740.47	6%	890.56	781.20	5.5%
Removal of restrictions	Y	4,726.07	4,145.68	6%	4,986.00	4,373.69	5.5%
Sale of Municipal Land - Notices	Y	850.69	746.22	6%	897.48	787.26	5.5%
Issue of zoning satificates	Y	151.24	132.67	6%	159.56	139.96	5.5%
Status Report from the office of the Survey or General	Y	1,012.96	888.56	6%	1,068.67	937.43	5.5%
Consolidation	Y	0.00	0.00	0%	4,218.00	3,700.00	
Road closure of Closure of Public open Space	Y	0.00	0.00	0%	3,990.00	3,500.00	
Extension of validity period	Y	0.00	0.00	0%	1,710.00	1,500.00	
Amendment of conditions of approval	Y	0.00	0.00	0%	2,052.00	1,800.00	
Approval of Architectural Design Manual or Constitution or Site Development Plan	Y	0.00	0.00	0%	2,850.00	2,500.00	
Cancellation/ Amendment of General Plan	Y	0.00	0.00	0%	1,710.00	1,500.00	
NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016			2016/2017		
		APPROVED			PROPOSED		



		VAT INCL	VAT EXCL	INCRE	VAT INCL	VAT EXCL	INCREASE
		EFFECTIVE FROM 1/7/15					
BUILDING PLAN FEES:							
Calculated per sq. mtr							
Dwellings (incl flats, townhouses etc)	Y	6,239.88	5,473.58		6,551.87	5,747.26	5%
Sub-economic dwelling units	Y	2,912.28	2,554.63		3,057.90	2,682.36	5%
Shops, Offices, Halls, etc	Y	6,239.88	5,473.58		6,551.87	5,747.26	5%
Churches	Y	7,279.86	6,385.84		7,643.85	6,705.13	5%
Factories	Y	7,279.86	6,385.84		7,643.85	6,705.13	5%
Outbuildings	Y	2,912.28	2,554.63		3,057.90	2,682.36	5%
Open storage sheds	Y	1,872.30	1,642.37		1,965.92	1,724.49	5%
Carports	Y	457.51	401.33		480.39	421.40	5%
New building work/carports/add./alter.	Y						
- to R17000 thereafter % of value	Y	0.59	58.03		69.46	60.93	5%
Swimming Pools - fixed	Y	603.22	529.14		633.38	555.60	5%
Garden Walls & fences fixed	Y	457.51	401.33		480.40	421.40	5%
Minimum Fees	Y	457.51	401.33		480.40	421.40	5%
Signs	Y	457.51	401.33		480.40	421.40	5%
Churches - 40% of Build. Plan Fees							
Uncategorized plans	Y	1,890.87	1,658.66		1,985.42	1,741.59	5%
Hoarding Fine	Y	2,268.51	1,989.92		2,381.93	2,089.41	5%
Re-Inspection Fees	Y	435.57	382.08		457.35	401.19	5%
Illegal Dumping (Hoarding Fee) Per Month	Y	3,292.15	2,887.85		3,456.75	3,032.24	5%
Inspection Fee (Health pit inspection)	Y	124.82	109.49		131.06	114.96	5%
Building plan copies fee:	Y						
A4	Y	2.70	2.37		2.84	2.49	5%
A3	Y	5.06	4.44		5.31	4.66	5%
A2	Y	21.09	18.50		22.14	19.43	5%
A1	Y	42.20	37.02		44.31	38.87	5%
A0	Y	66.45	58.29		69.77	61.20	5%
SG diagram	Y	127.92	51.83		62.04	54.42	5%
CONSUMER DEPOSITS							
*New applic. & following disconnection							
Domestic consumers Owners	N	836.73	836.73		878.57	878.57	5%
Domestic consumers Tenants	N	1,338.77	1,338.77		1,405.71	1,405.71	5%
Domestic consumers (Water only)	N	334.70	334.70		351.43	351.43	5%
Offices & Shops (non-foodstuffs)	N	1,673.47	1,673.47		1,757.14	1,757.14	5%
Garages	N	8,367.35	8,367.35		8,785.72	8,785.72	5%
Food handling premises/light industry	N	5,020.41	5,020.41		5,271.43	5,271.43	5%
Schools	N	5,020.41	5,020.41		5,271.43	5,271.43	5%
Hospitals	N	16,734.69	16,734.69		17,571.42	17,571.42	5%
Hotels & big consumer industry	N	25,102.05	25,102.05		26,357.15	26,357.15	5%
Increase of Deposits for services if services discontinued due to non payment are to be	N	334.70	334.70				
REVENUE							
ANEXURE 1: NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016			2016/2017		
		APPROVED			PROPOSED		
		VAT INCL	VAT EXCL	INCRE	VAT INCL	VAT EXCL	INCREASE
		EFFECTIVE FROM 1/7/201			EFFECTIVE FROM 1/7/201		
BANKING CHARGES							
Dishonored debit Orders	Y	11.40	10.00		11.62	10.20	1.9%
Returned debit orders	Y	5.70	5.00		5.81	5.10	2.0%
CREDIT CONTROL							
Letter - Hand Delivered or Post	Y	11.65	10.22		12.29	10.78	5.5%
Letter - Hand Delivered and Signature Obtained	Y	55.21	48.43		58.25	51.09	N/A
Telephone Call	Y	9.71	8.52		10.24	8.99	5.5%
Facsimile	Y	14.56	12.77		15.36	13.47	5.5%
E-Mail	Y	9.71	8.52		10.24	8.99	5.5%
SMS	Y	9.71	8.52		10.24	8.99	5.5%
Prepaid Meter - Blocking/unblocking	Y	9.12	8.00		9.62	8.44	5.5%
NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016			2016/2017		
		APPROVED			PROPOSED		
		VAT INCL	VAT EXCL	INCRE	VAT INCL	VAT EXCL	INCREASE
		EFFECTIVE FROM 1/7/201			EFFECTIVE FROM 1/7/201		



SERVICE CHARGES							
Non rateable properties	Y	115.86	101.63		123.39	108.23	6.5%
RATES							
Ndlambe							
Land	N	0.0082	0.0082		0.0096	0.0096	17%
Improvements	N	0.0082	0.0082		0.0096	0.0096	17%
RATES REBATES, REDUCTIONS, DIFFERENTIAL RATING							
Will be per the Ndlambe Municipality rates policy							
Pensioner Rebates: as per Rates policy							
45% on business rate - up to R3000	N	45%	45%		45%	45%	N/A
35% on business rate - btwn R 3001 and R 4000	N	35%	35%		35%	35%	N/A
25% on business rate - btwn R 4001 and R5000	N	25%	25%		25%	25%	N/A
COMMUNITY							
NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016			2016/2017		
		APPROVED			PROPOSED		
		VAT INCL	VAT EXCL	INCRE.	VAT INCL	VAT EXCL	INCREASE
EFFECTIVE FROM 1/7/16							
FIRE BRIGADE							
Fire Prevention inspection (on application)	Y	85.00	74.56		89.25	78.29	5%
Fire Prevention inspection FOLLOW-UP (re-application)	Y	55.00	48.25		57.75	50.66	5%
Fire Prevention Non compliance certificate	Y	75.00	65.79		78.75	69.08	5%
Fire Prevention compliance certificate	Y	75.00	65.79		78.75	69.08	5%
Flamable Substance Certificate - per certificate	Y	75.00	65.79		78.75	69.08	5%
Population Certificate - per certificate	Y	150.00	131.58		157.50	138.16	5%
Dangerous Goods Certificate - per certificate	Y	75.00	65.79		78.75	69.08	5%
Fire Investigation Report - per report	Y	180.00	157.89		189.00	165.79	5%
Training per person per 20 hour course (Non-accredited)	Y	160.00	140.35		168.00	147.37	5%
Emergency Calls:							
Truck and light duty vehicle fires per vehicle involve	Y	380.00	333.33		399.00	350.00	5%
Truck and light duty accidents per vehicle involve	Y	445.00	390.35		467.25	409.87	5%
Formal Dwelling Fires per hour per vehicle	Y	510.00	447.37		535.50	469.74	5%
Informal dwelling fires per hour per vehicle	Y	125.00	109.65		131.25	115.13	5%
Commercial Fires(building)per hour per vehicle	Y	780.00	684.21		819.00	718.42	5%
Industrial Fires (building) per hour per vehicle	Y	1,010.00	885.96		1,060.50	930.26	5%
Fire call on (Farms) up to 3 hours	Y	1,460.00	1,280.70		1,533.00	1,344.74	5%
Fire call on (Farms) after 3 hours - per hour	Y	660.00	578.95		693.00	607.89	5%
Assistance Outside Mun. area) up to 3 hours	Y	2,340.00	2,052.63		2,457.00	2,155.26	5%
Assistance after 3 hours / per hour Outside Municipal area.	Y	880.00	771.93		924.00	810.53	5%
Control burning without a permit	Y	1,270.00	1,114.04		1,333.50	1,169.74	5%
Spillage/Hazamat incidents per hour per incidents	Y	1,270.00	1,114.04		1,333.50	1,169.74	5%
Any other incidents not mentioned above	Y	1,010.00	885.96		1,060.50	930.26	5%
Dealers - flammable substances: Flammable Liquid Store - per store	Y	85.00	74.56		89.25	78.29	5%
Flammable Liquid Storage Tank (above & underground) - per tank	Y	85.00	74.56		89.25	78.29	5%
Spray Room and Spray Booth - per room or booth	Y	85.00	74.56		89.25	78.29	5%
Mixing and Decanting Rooms - per room	Y	75.00	65.79		78.75	69.08	5%
Liquid Petroleum Gas: Bulk Tanks - per tank	Y	85.00	74.56		89.25	78.29	5%
Storage - per storage facility	Y	85.00	74.56		89.25	78.29	5%
Filling - per filling site	Y	85.00	74.56		89.25	78.29	5%
LPG Cylinders - per cylinder irrespective of size 9kg	Y	35.00	30.70		36.75	32.24	5%
LPG Cylinders - per cylinder irrespective of size 14kg	Y	55.00	48.25		57.75	50.66	5%
LPG Cylinders - per cylinder irrespective of size 19kg	Y	70.00	61.40		73.50	64.47	5%
LPG Cylinders - per cylinder irrespective of size 48kg	Y	102.00	89.47		107.10	93.95	5%
Incidents and Special Events: Fire Officer per hour	Y	110.00	96.49		115.50	101.32	5%
Senior Firefighter per hour	Y	130.00	114.04		136.50	119.74	5%
Chief Fire Officer per hour	Y	150.00	131.58		157.50	138.16	5%
Vehicle per hour	Y	190.00	166.67		199.50	175.00	5%
Special Events							
Filling Swimming pools per load plus per kilometre	Y	820.00	719.30		861.00	755.26	5%
Water Deliveries / per hour plus per kilometre travelled	Y	410.00	359.65		430.50	377.63	5%
Clean spillages (oil, petrol & debris ect.) per hour	Y	1,100.00	964.91		1,155.00	1,013.16	5%
Per Kilometer travelled	Y	7.00	6.14		7.35	6.45	5%
REFUSE REMOVALS:							
RESIDENTIAL							
Removal Charges monthly residents (incl vacant erven)-1x weekly removal	Y	81.05	71.10		86.73	76.08	
Special removals (household refuse) per load	Y	249.53	218.89		262.01	234.21	7%
BUSINESSES							
Removal charges monthly (Businesses)	Y	376.51	330.27		395.33	353.39	7%
Additional removals per load	Y	509.77	447.17		535.26	478.47	7%
Hiring of 6m³ skip bin per 7 days or part thereof ( incl disposal costs) per	Y	1050.73	921.70		1103.27	986.21	7%
Availability of and or/ hiring of skip bin 6m³ per bin perload per event (incls	Y	1050.73	921.70		1103.27	986.21	7%
Events :Availability of refuse bins and clean up operations	Y	1824.00	1600.00		1915.20	1,712.00	7%
INSTITUTIONS							
Institutions (schools, hospitals, retirement villages, SAPS, Home Affairs, Ma	Y	589.38	517.00		580.85	553.19	7%
Disposal at Santa refuse site							
Garden refuse per month	Y	110.01	96.50		120.00	103.255	7%
Building rubble per month	Y	285.00	250.00		313.50	267.5	7%
load		34.00	30.61		34.90	32.7527	



Environmental levy	Y	21.90	19.21		21.00	23.94	
<b>CEMETERY:</b>							
<b>Alexandria</b>							
single plot	Y	1,091.49	957.45		1167.90	1,024.47	7%
Digging of grave (excluding covering of grave)	Y	1,261.41	1106.50		1349.71	1,183.96	7%
Kwanonqubela (Single plot)	Y	149.34	131.00		159.79	140.17	7%
Wentzels Park (Single plot)	Y	149.34	131.00		159.79	140.17	7%
<b>Bathurst (Single plot)</b>							
Freestone (adult)	Y	149.34	131.00		159.79	140.17	7%
Digging of 6ft grave (excluding covering of grave)	Y	1,261.41	1106.50		1349.71	1,183.96	7%
<b>Port Alfred (Single plot)</b>							
Single plot	Y	1,091.49	957.45		1167.90	1,024.47	7%
Digging of 6ft grave (excluding covering of grave)	Y	1,261.41	1106.50		1349.71	1,183.96	7%
Digging of 9ft grave (excluding covering of grave)	Y	1,706.12	1496.60		1825.55	1,601.36	7%
Plaque (Space)	Y	719.25	630.92		769.60	675.08	7%
Stillborn child	Y	689.42	604.75		737.67	647.08	7%
Nemato (Single plot)	Y	149.34	131.00		159.79	140.17	7%
<b>Boesmansriviermond (Single plot)</b>							
Single plot	Y	1091.49	957.45		1167.90	1,024.47	7%
Digging of 6ft grave excluding covering of grave)	Y	1261.41	1106.50		1349.71	1,183.96	7%
Plaque	Y	429.78	377.00		459.86	403.39	7%
Marselle (no digging of grave)	Y	149.34	131.00		159.79	140.17	7%
<b>Kenton on Sea (single plot)</b>							
Single plot	Y	1091.49	957.45		1167.90	1,024.47	7%
Digging of 6ft grave (excluding covering of grave)	Y	1261.41	1106.50		1349.71	1,183.96	7%
Ekuphumleni (single plot)	Y	149.34	131.00		159.79	140.17	7%
Other fees: Exhumation (adults & children) in ALL towns	Y	1869.03	1639.50		1999.86	1,754.27	7%
Covering of all graves		890.226	780.90		952.54	835.56	7%
Hiring of Shreddar per day					550.00	627.00	
<b>NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017</b>							
<b>DESCRIPTION</b>							
<b>VAT</b>		<b>2015/2016 APPROVED</b>		<b>2016/2017 PROPOSED</b>			
		<b>VAT INCL</b>	<b>VAT EXCL</b>	<b>INCL</b>	<b>VAT INCL</b>	<b>VAT EXCL</b>	<b>INCL</b>
<b>COMMONAGE</b>							
<b>Cattle (per head)</b>							
1-20 per head	Y	132.35	116.10		145.60	127.72	10%
Over 20 per head	Y	233.19	204.55		256.50	225	10%
Calves (4-8 mths) per head per mth	Y	69.33	60.82		76.26	66.9	10%
Horses & donkeys (per head)	Y	132.35	116.10		145.60	127.72	10%
Dipping per head per month	Y	69.33	60.82		76.26	66.9	10%
<b>POUND FEES:</b>							
All animals (per head) per day or part thereof storage in pound(unbranded)	Y	207.48	182.00		230.00	201.75	
Driving fees (per head)	Y	184.68	162.00		200.00	175.44	
Call out transport	Y	223.78	196.30		223.78	196.3	
Transport of cattle per km	Y	9.12/km	R8 / km		20.00/kl	17.54/kl	
Branding of cattle per head (when unbranded cattle is collected)	Y	57.00	50.00		100	87.72	
All animals (per head) per day or part thereof storage in pound(branded)					114	100	
Driving fees (per head)					86.07	75.5	
Call out transport					108.3	95	
Transport of cattle per km					13.68/kl	12/kl	
Branding of cattle per head (when branded cattle is collected)					0	0	
<b>TRAFFIC</b>							
<b>Document search fee per document</b>							
Roadworthy (motor bikes)	Y	s Gazetted from time to time			tted from time to time		
Roadworthy (light vehicle & trailer)	Y	s Gazetted from time to time			tted from time to time		
Roadworthy (bus)	Y	s Gazetted from time to time			tted from time to time		
Roadworthy (trucks)	Y	s Gazetted from time to time			tted from time to time		
Issue of certificate	Y	s Gazetted from time to time			tted from time to time		
Temporary Licence (48 hrs)	Y	s Gazetted from time to time			tted from time to time		
Temporary Licence (21 day)	Y	s Gazetted from time to time			tted from time to time		
Public Driving Permits:					As Gazetted from time to time		
Application	Y	s Gazetted from time to time			tted from time to time		
Issue of permit	Y	s Gazetted from time to time			tted from time to time		
Conversion of licences	Y	s Gazetted from time to time			tted from time to time		
Penalties p/m	Y	s Gazetted from time to time			tted from time to time		
Learners Licence Application	Y	s Gazetted from time to time			tted from time to time		
Learners Licence Authorisation	Y	s Gazetted from time to time			tted from time to time		
Drivers Licence, EB&B Application	Y	s Gazetted from time to time			tted from time to time		
Drivers Licence, EB&B Authorisation	Y	s Gazetted from time to time			tted from time to time		
Drivers Licence, Heavy Duty	Y	s Gazetted from time to time			tted from time to time		
Temporary Drivers Licence	Y	s Gazetted from time to time			tted from time to time		
Duplicate Learners Licence	Y	s Gazetted from time to time			tted from time to time		
Duplicate Document	Y	s Gazetted from time to time			tted from time to time		
Unauthorised use of DLTC - No AOG	N	s Gazetted from time to time			tted from time to time		
<b>TRAFFIC</b>							
<b>Impounding of trailers, caravans &amp; vehicles / km</b>							
Storage of impounded trailer, caravan or other similar vessel, per day or	Y	85.00	74.56		90.95	79.78	7%
Storage of impounded vehicle per day or part thereof	Y	140.00	122.81		149.80	131.40	7%
Application For Special Event requiring traffic services- per event per day	Y	350.00	307.02		374.50	328.51	7%
Application: Display a banner smaller than 3m² per event - Deposit	Y	70.00	61.40		74.90	65.70	7%
Displaying a banner/ poster less than 3m²- per banner/ poster per event	Y	260.00	228.07		278.20	244.04	7%
Application: Display a banner smaller than 3m² per event - Deposit	Y	150.00	131.58		160.50	140.79	7%
Display a banner larger than 3m² (max. 6m²) per banner per event	Y	250.00	219.30		267.50	234.65	7%
Display of a banner/ poster larger than 6m² per banner/ poster per event	Y	450.00	394.74		481.50	422.37	7%
Displaying an illuminated advertising Sign - per day	Y	350.00	307.02		374.50	328.51	7%
Display of Estate Agent signs: "On Show" "Show House" etc. - per dwelling/	Y	800.00	701.75		856.00	750.88	7%



Private Display of "On Show" Show House" etc. - per dwelling/ unit	Y	1,200.00	1,052.63		1284.00	1,126.32	7%
Removal of illegally erected/ unauthorized banners in municipal area (incl.	Y	250.00	219.30		267.50	234.65	7%
Travelling to collect and store - per k/m	Y	3.15	2.76		3.37	2.96	7%
Storage fee - per sign per day	Y	70.00	61.40		74.90	65.70	7%
Removal of illegally erected/ unauthorized signboard in municipal area (incl.	Y		0.00		0.00	0.00	
Travelling to collect and store - per k/m	Y	3.15	2.76		3.37	2.96	7%
Storage fee - per sign board, banner per day	Y	70.00	61.40		74.90	65.70	7%
Removal of authorized banner, signboard, poster which is in contravention of	Y	250	219.30		267.50	234.65	7%
Escort Duties / Services Rendered During An Event - Traffic Control at Point	Y	300	263.16		321.00	281.58	7%
Escort Duty per hour or part thereof	Y	70.00	61.40		74.90	65.70	7%
Travelling during the event / duty - per k/m	Y	3.15	2.76		3.37	2.96	7%
Closure of Roads during Events - per hour	Y	250.00	219.30		267.50	234.65	7%
Damage to Road Traffic Signs -	Y	250.00	219.30		267.50	234.65	7%
NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016		2016/2017			
		APPROVED		PROPOSED			
		VAT INCL	VAT EXCL	NCRE	VAT INCL	VAT EXCL	INCREASE
		EFFECTIVE FROM 1/7/16					
RIVER CONTROL							
Beach launch per annum Ndlambe	Y	381.90	335.00		380.00	333.33	
River usage fee per annum Ndlambe	Y	381.90	335.00		380.00	333.33	
Horse Power Levy / per h.p.	Y	1-99h/p -	1-99h/p -	1-99hp - R3 & 100 up - R4			
Maintenance Levy per sea going craft (p.a.)	Y	R 547.20	480.00		550.00	482.46	
Jet Ski (sea going only, p.a)	Y	R 547.20	480.00		550.00	482.46	
Passenger Cruises - fee per capacity p/a	Y	R 51.30	45.00		50.00	43.86	
Boat reg decal replacement	Y	R 51.30	45.00		50.00	43.86	
Event permit per day	Y	R 547.20	480.00		550.00	482.46	
Application commercial/tourist boat registration and application process	Y	R 501.60	440.00		500.00	482.86	
Exemption / registration per day	Y	R 912.00	800.00		930.00	815.79	
Special events:							
Application for events on a river per day	Y	R 547.20	480.00		550.00	482.46	
Availability fee of a river official per day or part thereof	Y	R 1,345.20	1,180.00		1350.00	1184.21	
Application for mooring in the river (buoy)	Y	R 250.80	220.00		200.00	175.44	
Fee per annual boat registration payable to a boat registration agent	Y	As		As determined by SLA			
NATURE RESERVE TARIFFS							
Deposit payable for accomodation (Refundable)		50%			50% deposit		
Kap river lodge	Y	R400 for 2			R420 for 2		
Lodge 2 (kap river)	Y	R200 for 2			R420 for 2		
Fisherman					R210 for 2		
Xhosa hut	Y	R160 for 2 ppl + R50/person			R168for 2 ppl + R55/person		
Oribi cottage	Y	Base rate R300 for 2			Base rate R315 for 2		
Kap river picnic site	Y	person + R18 p/child			+ R18 p/child		
Fig tree camping site	Y	site/day + R 30.00/person			site/day + R 30.00/person n/day +		
Fish river camping	Y	site/day + R30.00/person on/day +			site/day + R33.00/person on/day +		
Hiking trail Roundhill Kap river	Y	R30.00/person on + R18/child			R30.00/person on + R18/child		
Vehicle entrance fee Fish river	Y	person + R18/child			R33/person + R18/child		
Canoe fees per 3 hours	Y	00/canoe (2 seater)			R120.00/can oe (2 seater)		
Game drives	Y	R75.00/gam e drive/perso			R75.00/gam e drive/perso		
Educational outing - day fee	Y	R25.00/adult t + R25.00/chil			R25.00/adult t + R25.00/chil		
Educational outing - over night		R60.00/adult + R40.00/child			R40.00/child		
Orchard		R200.00 for 2 ppl + R50/person thereafter			R210.00 for 2 ppl + R55/person thereafter		
Hire of trap cages		R50.00/ trap cage/ 48 hours			R55.00/ trap cage/ 48		
BLUE FLAG BEACHES & BEACHES GENERAL							
Beach Non-commercial event application fee (ie wedding)	Y	50 / applicat	19 / application		R250 / application	19/ application	
Beach event on beach - application fee	Y	00 / applicat	39 / application	R1250 / applicat	97/ application		
ENVIRONMENTAL COMPLIANCE							
Enviromental Levy	Y	21.09	18.05		23.20	20.35	
ENVIRONMENTAL HEALTH							
Business Licence: Food vendors in caravans & carts or similar vessel	Y	347.70	305.00		365.09	320.25	5%
Business Licence: General Dealers	Y	425.79	373.50		447.08	392.18	5%
Certificate of Acceptability - Catering	Y	425.79	373.50		447.08	392.18	5%



Business Licence: Supermarkets, Wholesales & Butcheries	Y	1,129.74	991.00		1,186.23	1,040.55	5%
Business Licence: Restaurants, B&B's & Hotels	Y	1,234.05	1,082.50		1,295.75	1,136.63	5%
Business Licence and COA: Coffee Shop		425.79	373.50		447.08	392.18	5%
Business Licence and COA : Take-Aways		425.79	373.50		447.08	392.18	5%
Business Licence: Spaza Shops	Y	425.79	373.50		447.08	392.18	5%
Business Licence Application and issue of Certificate of Competence: Funeral Parlours	Y	1,820.81	1,597.20		1,911.85	1,677.06	5%
Re-issue of Certificate of Competence per annum: Funeral Parlours	Y	1,820.81	1,597.20		1,911.85	1,677.06	5%
Business Licence Application and issue of Certificate of Acceptability p/a : B&B's, Guest Houses	Y	490.77	430.50		515.31	452.03	5%
Hawkers Licence - Trucks and Bakkies	Y						
Hawkers Licence/Street Vendor per annum	Y	251.94	221.00		264.54	232.05	5%
Hawkers Licence /Street Vendor (Special application Events)	Y				75.639	66.35	
Issue of Certificate of Acceptability per annum: Dairies	Y	610.47	535.50		640.99	562.28	5%
CBD Call outs for food condemnations per occasion (includes issuing of condemnation certificate)	Y	490.77	430.50		515.31	452.03	5%
Other Fees: Exhumation (Adults& Children) in ALL towns	Y	1,936.70	1,698.86		2,033.54	1,783.80	5%

<b>LIBRARY</b>							
Electronical Duplicate card/ea	Y	9.61	8.43	5%	10.09	8.85	5%
Reserved item/each	Y	9.61	8.43	5%	10.09	8.85	5%
Fines: O/d videos/item/day max R25+ postage	Y	33.64	29.51	5%	35.32	30.98	5%
Fines: other o/d items/item/week+ postage	Y	9.61	8.43	5%	10.09	8.85	5%
Membership fee (o/s municipal area)	Y	81.67	71.64	5%	85.75	75.22	5%
Administration fee	Y	20.16	17.68	5%	21.16	18.56	5%

#### CORPORATE SERVICES

#### NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017

DESCRIPTION		VAT	2015/2016			2016/2017		
			APPROVED			PROPOSED		
			VAT INCL	VAT EXCL	INCR%	VAT INCL	VAT EXCL	INCREASE
			EFFECTIVE FROM 1/7/15					
HALL RENTALS:								
Memorial Hall								
Bazaar		Y	498.18	437.00		R 525.54	R 461.04	5.5%
Concerts & Theatricals: Amateur		Y	498.18	437.00		R 525.54	R 461.04	5.5%
Professional		Y	1,619.94	1,421.00		R 1,708.86	R 1,499.16	5.5%
Rehearsals, Amateur		Y	210.90	185.00		R 222.30	R 195.18	5.5%
Rehearsals, Professional		Y	310.08	272.00		R 327.18	R 286.96	5.5%
Exhibition of Goods		Y	1,619.94	1,421.00		R 1,708.86	R 1,499.16	5.5%
Flower & Agricultural Shows		Y	747.84	656.00		R 788.88	R 692.08	5.5%
Public Meetings & Lectures		Y	624.72	548.00		R 658.92	R 578.14	5.5%
Religious Services		Y	498.18	437.00		R 525.54	R 461.04	5.5%
Weddings & Dances		Y	1,619.94	1,421.00		R 1,708.86	R 1,499.16	5.5%
Other purposes		Y	498.18	437.00		R 525.54	R 461.04	5.5%
Other purposes approved by Council		Y	210.90	185.00		R 222.30	R 195.18	5.5%
Hire of Supper Room only:								
Exhibition of Goods		Y	747.84	656.00		R 788.88	R 692.08	5.5%
Public Meetings & Lectures		Y	624.72	548.00		R 658.92	R 578.14	5.5%
Other Purposes		Y	498.18	437.00		R 525.54	R 461.04	5.5%
Other purposes approved by Council		Y	498.18	437.00		R 525.54	R 461.04	5.5%
Use of equipment:								
Crockery per place setting		Y	3.19	2.80		R 3.36	R 2.95	5.5%
Crockery, per item		Y	3.19	2.80		R 3.36	R 2.95	5.5%
Cutlery, per place setting		Y	3.19	2.80		R 3.36	R 2.95	5.5%
PA System		Y	353.40	310.00		R 372.78	R 327.05	5.5%
Piano		Y	353.40	310.00		R 372.78	R 327.05	5.5%
Deposit: Twice hire charge plus R to a maximum of R		N	1,263.00	1,263.00		R 1,332.00	R 1,332.47	5.5%
Kitchen		Y	532.38	467.00		R 562.02	R 492.69	5.5%
Station Hill New Community Hall: Only 2 tables and 150 chairs								
Weddings		Y	873.24	766.00		R 921.12	R 808.13	5.5%
Concerts & Theatricals: Amateur		Y	498.18	437.00		R 525.54	R 461.04	5.5%
Professional		Y	873.24	766.00		R 921.12	R 808.13	5.5%
Rehearsals, Amateur		Y	148.20	130.00		R 156.18	R 137.15	5.5%
Rehearsals, Professional		Y	148.20	130.00		R 156.18	R 137.15	5.5%
Church Services (per hour)		Y	297.54	261.00		R 385.00	R 275.36	5.5%
Bazaars		Y	498.18	437.00		R 525.54	R 461.04	5.5%
Games evenings		Y	148.20	130.00		R 156.18	R 137.15	5.5%
Other purposes		Y	498.18	437.00		R 525.54	R 461.04	5.5%
Other purposes approved by Council		Y	211.36	185.40		R 223.44	R 195.60	5.5%
Deposit for Weddings		N	661.00	661.00		R 697.00	R 697.36	5.5%
Deposit for other purposes		N	331.00	331.00		R 349.00	R 349.21	5.5%
NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017								
DESCRIPTION		VAT	2015/2016			2016/2017		



		APPROVED			PROPOSED		
		VAT INCL	VAT EXCL	INCR	VAT INCL	VAT EXCL	INCREASE
		EFFECTIVE FROM 1/7/15			EFFECTIVE FROM 1/7/15		
Station Hill Old Hall & Jauka Hall: Only 2 tables and 250 chairs							
Booking Fee							
Weddings	Y	873.24	766.00		R 921.12	R 808.00	5.5%
Disco's	Y	996.36	874.00		R 1,051.08	R 922.00	5.5%
Concerts & Theatricals: Amateur	Y	223.44	196.00		R 235.98	R 207.00	5.5%
Professional	Y	624.72	548.00		R 658.92	R 578.00	5.5%
Rehearsal, Amateur	Y	125.40	110.00		R 132.24	R 116.00	5.5%
Rehearsal, Professional	Y	173.28	152.00		R 182.40	R 160.00	5.5%
Church Services (per hour)	Y	297.54	261.00		R 313.50	R 275.00	5.5%
Public Meetings	Y	624.72	548.00		R 658.92	R 578.00	5.5%
Bazaars	Y	498.18	437.00		R 525.54	R 461.00	5.5%
Games evenings	Y	148.20	130.00		R 156.18	R 137.00	5.5%
In-house sports: Amateur	Y	498.18	437.00		R 525.54	R 461.00	5.5%
Professional	Y	624.72	548.00		R 658.92	R 578.00	5.5%
Other purposes	Y	498.18	437.00		R 525.54	R 461.00	5.5%
Other purposes approved by Council	Y	1,248.30	1,095.00		R 1,316.70	R 1,155.00	5.5%
Deposit for Weddings/dances/discos	N	661.00	661.00		R 697.00	R 697.00	5.5%
Deposit for other purposes	N	331.00	331.00		R 349.00	R 349.00	5.5%
Community Halls - Alexandria: Only 2 tables and 200 chairs							
Deposit for disco and shows	Y	3,420.00	3,000.00		R 3,165.00	R 3,165.00	5.5%
Deposit for all the following:							
Hiring fees:	Y	624.72	548.00		R 0.00	R 578.00	5.5%
Public Meetings excl Religious	Y	297.54	261.00		R 313.50	R 275.00	5.5%
Religious Meetings (Services)	Y						
Social events (incl. Bazaars, concerts, & church functions)	Y	624.72	548.00		R 658.92	R 578.00	5.5%
Sporting events	Y	297.54	261.00		R 313.50	R 275.36	5.5%
School events	Y	297.54	261.00		R 313.50	R 275.36	5.5%
Disco's	Y	997.50	875.00		R 1,052.22	R 923.13	5.5%
Rehearsals	Y	297.54	261.00		R 313.50	R 275.36	5.5%
Outsiders (not resident in District)	Y	1,122.90	985.00		R 1,184.46	R 1,039.00	5.5%
NDLAMBE MUNICIPALITY TARIFF LIST 2016/2017							
DESCRIPTION	VAT	2015/2016			2016/2017		
		APPROVED			PROPOSED		
		VAT INCL	VAT EXCL	INCR	VAT INCL	VAT EXCL	INCREASE
		EFFECTIVE FROM 1/7/15			EFFECTIVE FROM 1/7/15		
BRM & KOS Hall : Only 2 tables and 150 chairs							
Religious Meetings (Services)	Y	297.54	261.00		R 313.50	R 275.36	5.5%
School events	Y	297.54	261.00		R 313.50	R 275.36	5.5%
Other functions	Y	297.54	261.00		R 313.50	R 275.36	5.5%
Hire tables	Y	61.56	54.00		R 64.98	R 56.97	5.5%
Hire chairs	Y	12.54	11.00		R 13.68	R 11.61	5.5%
Deposit for all the following:							
Religious Meetings (Services)	N	414.00	414.00		R 437.00	R 436.77	5.5%
Other functions	N	910.00	910.00		R 960.00	R 960.05	5.5%
Crockery / cutlery deposit	N	249.00	249.00		R 468.41	R 262.70	5.5%
Crockery/ cutlery per place setting	N	2.00	2.00		R 565.71	R 2.11	5.5%
Klipfontein, Marseille, Ekuphumleni, Bathurst and other Halls							
Religious Meetings (Services)	Y	297.54	261.00		R 313.50	R 275.36	5.5%
School events	Y	297.54	261.00		R 313.50	R 275.36	5.5%
Other functions	Y	624.72	548.00		R 658.92	R 578.14	5.5%
Hire tables	Y	61.56	54.00		R 64.98	R 56.97	5.5%
Hire chairs	Y	12.54	11.00		R 13.22	R 11.61	5.5%
Deposit for all the following:							
Religious Meetings (Services)	N	249.00	249.00		R 263.00	R 263.00	5.5%
Other functions	N	745.00	745.00		R 786.00	R 786.00	5.5%



## **OTHER SUPPORTING DOCUMENTS**



EC105 Ndlambe - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

EC 103 Revenue - Supporting Table SAT Supporting detail to Budgeted Financial Performance											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		50 404	58 501	68 592	95 310	95 310	95 310		96 999	102 334	107 962
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)											
Net Property Rates		50 404	58 501	68 592	95 310	95 310	95 310	-	96 999	102 334	107 962
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		41 903	45 182	51 136	59 717	59 717	59 717		61 190	64 556	68 106
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)											
Net Service charges - electricity revenue		41 903	45 182	51 136	59 717	59 717	59 717	-	61 190	64 556	68 106
Service charges - water revenue	6										
Total Service charges - water revenue		25 536	18 398	26 159	34 056	34 056	34 056		49 775	52 512	55 400
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)											
Net Service charges - water revenue		25 536	18 398	26 159	34 056	34 056	34 056	-	49 775	52 512	55 400
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		5 467	5 890	7 211	18 441	18 441	18 441		21 483	22 665	23 911
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)											
Net Service charges - sanitation revenue		5 467	5 890	7 211	18 441	18 441	18 441	-	21 483	22 665	23 911
Service charges - refuse revenue	6										
Total refuse removal revenue		10 673	10 879	11 610	20 736	20 736	20 736		25 418	26 816	28 291
Total landfill revenue		-	-	-	-	-	-		-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-		-	-	-
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-		-	-	-
Net Service charges - refuse revenue		10 673	10 879	11 610	20 736	20 736	20 736	-	25 418	26 816	28 291
Other Revenue by source											
Fuel Levy		-	-	-	-	-	-		-	-	-
Other Revenue		-	-	-	-	-	-		-	-	-
		6 321	4 418	4 459	6 352	6 352	6 352		6 560	6 921	7 227
		-	-	-	-	-	-		0	-	-
		-	-	-	-	-	-		-	-	-
		-	-	-	-	-	-		-	-	-
Total 'Other' Revenue	3										
	1	6 321	4 418	4 459	6 352	6 352	6 352	-	6 560	6 921	7 227
EXPENDITURE ITEMS:											
Employee related costs	2										
Basic Salaries and Wages		52 945	62 247	67 422	79 847	78 950	78 947	-	83 670	86 403	91 139
Pension and UIF Contributions		11 184	10 008	14 488	15 325	13 741	13 741	-	14 487	15 261	16 101
Medical Aid Contributions		5 137	5 929	6 762	5 540	6 102	6 102	-	7 024	7 410	7 818
Overtime		7 115	6 426	7 233	1 869	3 992	3 996	-	3 399	3 582	3 738
Performance Bonus		164	171	311	-	-	-	-	-	-	-
Motor Vehicle Allowance		2 784	2 935	2 965	3 153	3 287	3 289	-	3 425	4 035	4 257
Cellphone Allowance		458	450	322	1 157	845	845	-	989	1 043	1 101
Housing Allowances		310	381	360	360	705	705	-	675	712	751
Other benefits and allowances		-	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		416	651	18	244	244	244	-	252	266	280
Long service awards		470	-	-	-	-	-	-	-	-	-
Paid-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
sub-total	5	86 938	89 226	99 902	107 487	107 866	107 870	-	114 500	118 802	125 183
less: Employees costs capitalised to PPE											
Total Employee related costs	1	86 938	89 226	99 902	107 487	107 866	107 870	-	114 500	118 802	125 183
Contributions recognised - capital											
List contributors by contract		-	-	33 927	-	-	-		-	-	-
Total Contributions recognised - capital		-	-	33 927	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		28 656	37 323	25 209	4 914	4 914	4 914	-	4 641	4 896	5 165
Lease amortisation		77	-	-	-	-	-	-	-	-	-
Capital asset impairment		12 811	-	195	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE		-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	10	41 544	37 323	35 405	4 914	4 914	4 914	-	4 641	4 896	5 165
Bulk purchases	1										
Electricity Bulk Purchases		28 455	31 926	35 222	39 967	39 967	39 967	-	43 973	46 391	48 343
Water Bulk Purchases		7 235	9 100	10 498	5 890	9 890	9 866	-	14 551	15 352	16 196
Total bulk purchases		35 690	41 026	46 720	49 857	49 857	49 854	-	58 524	61 743	65 139
Transfers and grants											
Cash transfers and grants		7 836	8 677	550	605	605	-	-	1 349	1 412	1 479
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	7 836	8 677	550	605	605	-	-	1 349	1 412	1 479
Contracted services											
List services provided by contract		13 342	14 576	18 395	14 774	14 408	14 400	-	17 866	18 628	20 015
		811	823	856	1 090	1 060	1 050		1 149	1 212	1 279

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries
3. Insert other categories where revenue or expenditure is of a material nature (list separate items until 'General expenses' is not > 10% of Total Expenditure)
4. Expenditure to meet any 'unfunded obligations'
- 5 This sub-total must agree with the total on SA22, but excluding councillor and board member items
- 6 Include a note for each revenue item that is affected by 'revenue foregone'
7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)



EC105 Ndlambe - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - COUNCIL GENERAL	Vote 2 - MUNICIPAL MANAGER	Vote 3 - CORPORATE SERVICES	Vote 4 - COMMUNITY PROTECTION SERVICES	Vote 5 - COMMUNITY PROTECTION SERVICES 2	Vote 6 - INFRASTRUCT URAL DEVELOPME T	Vote 7 - INFRASTRUCT URAL DEVELOPME T 2	Vote 8 - ELECTRICITY SERVICES	Vote 9 - WATER SERVICES	Vote 10 - FINANCIAL SERVICES	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
<b>Revenue By Source</b>																	
Property rates		-	-	-	-	-	-	-	-	-	96,999						96,999
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-						-
Service charges - electricity revenue		-	-	-	-	-	-	-	61,190	-	-						61,190
Service charges - water revenue		-	-	-	-	-	-	-	-	49,775	-						49,775
Service charges - sanitation revenue		-	-	-	-	-	21,483	-	-	-	-						21,483
Service charges - refuse revenue		-	-	-	25,418	-	-	-	-	-	-						25,418
Service charges - other	8	-	-	-	-	22	1	-	-	-	551						582
Rental of facilities and equipment		-	-	150	-	-	4,370	-	-	-	-						4,520
Interest earned - external investments	626	-	-	-	-	-	-	-	-	-	-						626
Interest earned - outstanding debtors	1,643	-	-	-	221	-	770	-	591	1,388	2,209						6,822
Dividends received		-	-	-	-	-	-	-	-	-	-						-
Fines		-	-	5	6	358	-	-	-	-	-						369
Licences and permits		-	-	-	781	2,471	-	-	-	-	-						3,252
Agency services		-	-	-	-	-	-	-	-	-	-						-
Other revenue	127	151	103	1,306	71	3,105	201	642	300	555	-						6,560
Transfers recognised - operational	3,789	-	2,750	3,454	-	1,303	-	-	9,950	74,675	-						95,930
Gains on disposal of PPE	177	22	35	91	-	91	-	60	33	41	-						549
<b>Total Revenue (excluding capital transfers and contribution)</b>		6,380	173	3,043	31,277	2,921	31,123	201	62,483	61,446	175,030	-	-	-	-	-	374,077
<b>Expenditure By Type</b>																	
Employee related costs		2,973	7,071	8,015	25,771	11,305	34,903	1,352	449	6,810	15,852						114,500
Remuneration of councillors		5,966	-	-	-	-	-	-	-	-	-						5,966
Debt impairment		14,351	-	-	-	-	-	-	-	-	-						14,351
Depreciation & asset impairment		79	190	247	902	13	1,911	-	846	150	302						4,641
Finance charges		210	-	34	-	-	455	-	-	1,254	-						1,952
Bulk purchases		-	-	19	30	1	8	-	43,953	14,500	14						58,524
Other materials		-	-	-	-	-	-	-	-	-	-						-
Contracted services		160	3,169	-	192	39	2,076	75	10,131	140	1,683						17,666
Transfers and grants		499	650	-	-	-	-	-	-	-	-						1,149
Other expenditure		11,946	4,558	7,287	27,836	4,063	33,625	897	16,315	37,331	11,238						155,095
Loss on disposal of PPE		4	6	16	29	-	57	-	34	-	8						156
<b>Total Expenditure</b>		36,187	15,645	15,618	54,759	15,420	73,035	2,324	71,728	60,185	29,098	-	-	-	-	-	373,999
<b>Surplus/(Deficit)</b>		(29,807)	(15,473)	(12,575)	(23,482)	(12,499)	(41,912)	(2,123)	(9,245)	1,261	145,933	-	-	-	-	-	78
Transfers recognised - capital		-	46	-	780	-	22,580	-	5,500	3,171	129						32,206
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-						-
Contributed assets		-	-	-	-	-	-	-	-	-	-						-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(29,807)	(15,427)	(12,575)	(22,702)	(12,499)	(19,332)	(2,123)	(3,745)	4,432	146,062	-	-	-	-	-	32,284

**References**

1. Departmental columns to be based on municipal organisation structure

EC105 Ndlambe - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

2015/16 Statement of Financial Position - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits < 90 days		-	-	-	-	-	-	-	-	-	-
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
<b>Total Call investment deposits</b>	2	-	-	-	-	-	-	-	-	-	-
<b>Consumer debtors</b>											
Consumer debtors		69,254	61,356	65,304	-	-	-	-	-	-	-
Less: Provision for debt impairment		(42,649)	(48,381)	(40,390)	-	-	-	-	-	-	-
<b>Total Consumer debtors</b>	2	26,605	12,975	24,914	-	-	-	-	-	-	-
<b>Debt impairment provision</b>											
Balance at the beginning of the year		-	-	-	-	-	-	-	-	-	-
Contributions to the provision		(42,649)	(48,381)	(40,390)	-	-	-	-	-	-	-
Bad debts written off		-	-	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>		(42,649)	(48,381)	(40,390)	-	-	-	-	-	-	-
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		1,074,530	1,060,577	1,087,349	36,727	37,638	1,391	-	37,285	62,924	55,752
Leases recognised as PPE	3	26,225	26,208	26,630	-	-	-	-	-	-	-
Less: Accumulated depreciation		444,772	479,192	511,853	-	-	-	-	-	-	-
<b>Total Property, plant and equipment (PPE)</b>	2	655,983	607,593	602,126	36,727	37,638	1,391	-	37,285	62,924	55,752
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		3,371	3,940	4,396	-	-	-	-	-	-	-
Current portion of long-term liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total Current liabilities - Borrowing</b>		3,371	3,940	4,396	-	-	-	-	-	-	-
<b>Trade and other payables</b>											
Trade and other creditors		65,770	36,160	43,072	-	-	-	-	-	-	-
Unspent conditional transfers		9,916	4,845	9,183	-	-	-	-	-	-	-
VAT		3,937	3,166	4,999	-	-	-	-	-	-	-
<b>Total Trade and other payables</b>	2	79,623	44,170	57,254	-	-	-	-	-	-	-
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	23,673	19,777	15,405	-	-	-	-	-	-	-
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
<b>Total Non current liabilities - Borrowing</b>		23,673	19,777	15,405	-	-	-	-	-	-	-
<b>Provisions - non-current</b>											
Retirement benefits		40,315	46,161	47,775	-	-	-	-	-	-	-
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		5,806	20,483	17,117	-	-	-	-	-	-	-
Other		4,064	5,311	5,337	-	-	-	-	-	-	-
<b>Total Provisions - non-current</b>		59,186	71,975	70,229	-	-	-	-	-	-	-
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		583,997	656,255	669,172	-	-	-	-	-	-	-
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		583,997	656,255	669,172	-	-	-	-	-	-	-
Surplus/(Deficit)		31,124	12,917	37,596	31,642	32,554	1,391	-	32,284	36,981	40,674
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
<b>Accumulated Surplus/(Deficit)</b>	1	615,121	669,172	706,768	31,642	32,554	1,391	-	32,284	36,981	40,674
<b>Reserves</b>											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	615,121	669,172	706,768	31,642	32,554	1,391	-	32,284	36,981	40,674
Total capital expenditure includes expenditure on national infrastructure projects											

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services

References

1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)

2. Must reconcile with Table A6 Budgeted Financial Position

3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases

4. Borrowing must reconcile to Table A17



EC105 Ndlambe - Supporting Table SA8 Performance indicators and benchmarks

EC105 Ndlambe - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.5%	2.8%	2.4%	0.8%	0.8%	6.7%	0.0%	0.5%	0.5%	0.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.4%	4.7%	3.7%	1.1%	1.1%	8.9%	0.0%	0.7%	0.7%	0.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	1.6%	2.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.1	0.9	1.0	-	-	-	-	-	-	-
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.1	0.9	1.0	-	-	-	-	-	-	-
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.4	0.4	-	-	-	-	-	-	-
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		92.0%	106.3%	93.1%	100.0%	100.0%	115.8%	0.0%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		92.0%	106.3%	93.1%	100.0%	100.0%	115.8%	0.0%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.0%	11.0%	14.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	371.0%	203.6%	554.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors to Cash and Investments											
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	34.0%	40.0%	39.7%	32.2%	32.3%	32.4%	0.0%	30.6%	30.9%	30.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	36.0%	42.3%	41.9%	33.9%	34.1%	34.1%		32.2%	32.5%	32.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.1%	4.3%	3.7%	6.3%	6.0%	6.0%		6.4%	6.6%	6.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	18.8%	18.2%	15.1%	2.3%	2.3%	2.3%	0.0%	1.8%	1.8%	1.8%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	14.9	13.2	26.2	36.2	36.2	36.2	-	35.4	35.4	37.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	24.2%	17.6%	21.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.1	1.1	0.4	0.0	0.0	(4.2)	52.4	0.4	0.2	0.6
<b><u>References</u></b>											
1. Consumer debtors > 12 months old are excluded from current assets											

**References**

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

**Calculation data**

Debtors > 90 days											
Monthly fixed operational expenditure	15,423	16,057	17,446	20,926	20,896	19,276	(1,650)	23,080	23,983	25,412	
Fixed operational expenditure % assumption	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	
Own capex	12,317	24,584	35,829	4,897	5,808	(480)	-	5,078	27,376	17,827	
Borrowing	200	569	456	-	-	-	-	-	-	-	

EC105 Ndlambe - Supporting Table SA9 Social, economic and demographic statistics and assumptions

[illegible]



## Detail on the provision of municipal services for A10

Total municipal services	Ref.		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		<b>Household service targets (000)</b>									
		<b>Water:</b>									
		Piped water inside dwelling	6 955	6 958	6 962	6 967	-	-	6 977	-	-
		Piped water inside yard (but not in dwelling)	9 609	9 619	9 629	9 639	-	-	9 649	-	-
		Using public tap (at least min service level)	1 826	1 836	1 846	1 856	-	-	1 866	-	-
		Other water supply (at least min service level)	2 910	2 909	2 908	2 898	-	-	2 877	-	-
		<i>Minimum Service Level and Above sub-total</i>	21 300	21 322	21 345	21 360	-	-	21 369	-	-
		Using public tap (< min service level)	-	-	-	-	-	-	-	-	-
		Other water supply (< min service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	21 300	21 322	21 345	21 360	-	-	21 369	-	-
		<b>Sanitation/sewerage:</b>									
		Flush toilet (connected to sewerage)	6 868	6 868	6 868	6 868	-	-	6 868	-	-
		Flush toilet (with septic tank)	4 831	4 831	4 831	4 831	-	-	4 831	-	-
		Chemical toilet	337	337	337	337	-	-	337	-	-
		Pit toilet (ventilated)	1 033	1 033	1 033	1 033	-	-	1 033	-	-
		Other toilet provisions (> min service level)	6 000	5 800	5 760	5 534	-	-	5 534	-	-
		<i>Minimum Service Level and Above sub-total</i>	19 069	18 869	18 829	18 603	-	-	18 603	-	-
		Bucket toilet	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min service level)	-	-	-	-	-	-	-	-	-
		No toilet provisions	850	806	800	729	-	-	729	-	-
		<i>Below Minimum Service Level sub-total</i>	850	806	800	729	-	-	729	-	-
		<b>Total number of households</b>	19 919	19 675	19 629	19 332	-	-	19 332	-	-
		<b>Energy:</b>									
		Electricity (at least min service level)	1 475	1 457	-	1 432	-	-	1 432	-	-
		Electricity - prepaid (min service level)	18 444	18 218	18 175	17 900	-	-	17 900	-	-
		<i>Minimum Service Level and Above sub-total</i>	19 919	19 675	18 175	19 332	-	-	19 332	-	-
		Electricity (< min service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	19 919	19 675	18 175	19 332	-	-	19 332	-	-
		<b>Refuse:</b>									
		Removed at least once a week	979	979	979	980	-	-	1 072	-	-
		<i>Minimum Service Level and Above sub-total</i>	979	979	979	980	-	-	1 072	-	-
		Removed less frequently than once a week	406	398	393	391	-	-	389	-	-
		Using communal refuse dump	246	239	228	211	-	-	203	-	-
		Using own refuse dump	2 125	2 122	2 118	2 112	-	-	2 104	-	-
		Other rubbish disposal	359	351	348	338	-	-	334	-	-
		No rubbish disposal	923	921	910	660	-	-	559	-	-
		<i>Below Minimum Service Level sub-total</i>	4 059	4 031	3 997	3 712	-	-	3 589	-	-
		<b>Total number of households</b>	5 038	5 010	4 976	4 692	-	-	4 661	-	-
Municipal in-house services		<b>Household service targets (000)</b>									
		<b>Water:</b>									
		Piped water inside dwelling	6 955	6 958	6 962	6 967	-	-	6 977	-	-
		Piped water inside yard (but not in dwelling)	9 609	9 619	9 629	9 639	-	-	9 649	-	-
		Using public tap (at least min service level)	1 826	1 836	1 846	1 856	-	-	1 866	-	-
		Other water supply (at least min service level)	2 910	2 909	2 908	2 898	-	-	2 877	-	-
		<i>Minimum Service Level and Above sub-total</i>	21 300	21 322	21 345	21 360	-	-	21 369	-	-
		Using public tap (< min service level)	-	-	-	-	-	-	-	-	-
		Other water supply (< min service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	21 300	21 322	21 345	21 360	-	-	21 369	-	-
		<b>Sanitation/sewerage:</b>									
		Flush toilet (connected to sewerage)	6 868	6 868	6 868	6 868	-	-	6 868	-	-
		Flush toilet (with septic tank)	4 831	4 831	4 831	4 831	-	-	4 831	-	-
		Chemical toilet	337	337	337	337	-	-	337	-	-
		Pit toilet (ventilated)	1 033	1 033	1 033	1 033	-	-	1 033	-	-
		Other toilet provisions (> min service level)	6 000	5 800	5 760	5 534	-	-	5 534	-	-
		<i>Minimum Service Level and Above sub-total</i>	19 069	18 869	18 829	18 603	-	-	18 603	-	-
		Bucket toilet	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min service level)	-	-	-	-	-	-	-	-	-
		No toilet provisions	850	806	800	729	-	-	729	-	-
		<i>Below Minimum Service Level sub-total</i>	850	806	800	729	-	-	729	-	-
		<b>Total number of households</b>	19 919	19 675	19 629	19 332	-	-	19 332	-	-
		<b>Energy:</b>									
		Electricity (at least min service level)	1 475	1 457	-	1 432	-	-	1 432	-	-
		Electricity - prepaid (min service level)	18 444	18 218	18 175	17 900	-	-	17 900	-	-
		<i>Minimum Service Level and Above sub-total</i>	19 919	19 675	18 175	19 332	-	-	19 332	-	-
		Electricity (< min service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		<b>Total number of households</b>	19 919	19 675	18 175	19 332	-	-	19 332	-	-
		<b>Refuse:</b>									
		Removed at least once a week	979	979	979	980	-	-	1 072	-	-
		<i>Minimum Service Level and Above sub-total</i>	979	979	979	980	-	-	1 072	-	-
		Removed less frequently than once a week	406	398	393	391	-	-	389	-	-
		Using communal refuse dump	246	239	228	211	-	-	203	-	-
		Using own refuse dump	2 125	2 122	2 118	2 112	-	-	2 104	-	-
		Other rubbish disposal	359	351	348	338	-	-	334	-	-
		No rubbish disposal	923	921	910	660	-	-	559	-	-
		<i>Below Minimum Service Level sub-total</i>	4 059	4 031	3 997	3 712	-	-	3 589	-	-
		<b>Total number of households</b>	5 038	5 010	4 976	4 692	-	-	4 661	-	-

Municipal entity services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Ref	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Name of municipal entity		<b>Household service targets (000)</b> <b>Water:</b> Piped water inside dwelling Piped water inside yard (but not in dwelling) Using public tap (at least min service level) Other water supply (at least min service level) <i>Minimum Service Level and Above sub-total</i> Using public tap (< min service level) Other water supply (< min service level) No water supply <i>Below Minimum Service Level sub-total</i> <b>Total number of households</b>								
Name of municipal entity		<b>Sanitation/sewerage:</b> Flush toilet (connected to sewerage) Flush toilet (with septic tank) Chemical toilet Pit toilet (ventilated) Other toilet provisions (> min service level) <i>Minimum Service Level and Above sub-total</i> Bucket toilet Other toilet provisions (< min service level) No toilet provisions <i>Below Minimum Service Level sub-total</i> <b>Total number of households</b>								
Name of municipal entity		<b>Energy:</b> Electricity (at least min service level) Electricity - prepaid (min service level) <i>Minimum Service Level and Above sub-total</i> Electricity (< min service level) Electricity - prepaid (< min service level) Other energy sources <i>Below Minimum Service Level sub-total</i> <b>Total number of households</b>								
Name of municipal entity		<b>Refuse:</b> Removed at least once a week <i>Minimum Service Level and Above sub-total</i> Removed less frequently than once a week Using communal refuse dump Using own refuse dump Other rubbish disposal No rubbish disposal <i>Below Minimum Service Level sub-total</i> <b>Total number of households</b>								
Services provided by 'external mechanisms'		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Ref	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Names of service providers		<b>Household service targets (000)</b> <b>Water:</b> Piped water inside dwelling Piped water inside yard (but not in dwelling) Using public tap (at least min service level) Other water supply (at least min service level) <i>Minimum Service Level and Above sub-total</i> Using public tap (< min service level) Other water supply (< min service level) No water supply <i>Below Minimum Service Level sub-total</i> <b>Total number of households</b>								
Names of service providers		<b>Sanitation/sewerage:</b> Flush toilet (connected to sewerage) Flush toilet (with septic tank) Chemical toilet Pit toilet (ventilated) Other toilet provisions (> min service level) <i>Minimum Service Level and Above sub-total</i> Bucket toilet Other toilet provisions (< min service level) No toilet provisions <i>Below Minimum Service Level sub-total</i> <b>Total number of households</b>								
Names of service providers		<b>Energy:</b> Electricity (at least min service level) Electricity - prepaid (min service level) <i>Minimum Service Level and Above sub-total</i> Electricity (< min service level) Electricity - prepaid (< min service level) Other energy sources <i>Below Minimum Service Level sub-total</i> <b>Total number of households</b>								
Names of service providers		<b>Refuse:</b> Removed at least once a week <i>Minimum Service Level and Above sub-total</i> Removed less frequently than once a week Using communal refuse dump Using own refuse dump Other rubbish disposal No rubbish disposal <i>Below Minimum Service Level sub-total</i> <b>Total number of households</b>								
Detail of Free Basic Services (FBS) provided		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Ref	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Electricity		<b>Location of households for each type of FBS</b> Formal settlements - (50 kwh per indigent household per month R'000) Number of HH receiving this type of FBS Informal settlements (R'000) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (R'000) Number of HH receiving this type of FBS Living in informal backyard rental agreement (R'000) Number of HH receiving this type of FBS Other (R'000) Number of HH receiving this type of FBS								





EC105 Ndlambe Supporting Table SA10 Funding measurement

2016/17 Medium Term Revenue & Expenditure Framework														
Description		MFR section	Ref	2012/13 Audited Outcome	2013/14 Audited Outcome	2014/15 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Funding resources														
Cashflow equivalent to the year end - R1000		18/10/1	1	17 727	17 727	7 075	151	173	(81 192)	(81 192)	9 361	5 850	16 300	
Cash - investments at the year end - applications - R1000		18/10/2	2	17 728	5 616	9 281	-	-	-	-	-	-	-	
Supplies (Duties) - excluding depreciation - R1000		18/10/3	3	11	11	0	0	0	(42)	524	04	02	0	
Service charges - rev. % change - macro CPI, capital expenditure		18/10/5/1	4	31 124	12 917	35 761	31 642	32 054	1 701	-	37 284	36 011	40 677	
Cash revenue % of ratepayer & Other revenue		18/10/5/2	5	80 000	100 000	80 000	31 281	31 281	25 100	(13 000)	5 700	10 000	10 000	
Debt/interest expense as a % of total debt/interest		18/10/6/1	7	16 000	11 000	16 000	7 000	7 000	2 000	0 000	5 000	5 000	5 000	
Capital payments % of capital expenditure		18/10/6/2	8	16 000	132 400	132 400	100 000	100 000	160 700	0 000	100 000	100 000	100 000	
Borrowing receipts % of capital expenditure (incl. transfers)		18/10/6/3	9	1 000	7 200	1 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	
Grants % of Gov. legislated/granted allocations		18/10/7	10	-	-	-	-	-	-	-	-	-	-	
Current consumer revenue % change - (incl. other)		18/10/11	11	N/A	(20 000)	46 200	(100 000)	0 000	0 000	0 000	0 000	0 000	0 000	
Long-term revenue % change - (incl. other)		18/10/12	12	N/A	0 000	0 000	(100 000)	0 000	0 000	0 000	0 000	0 000	0 000	
Rate % of Property Rates & Equipment		20/10/13	13	1 000	1 000	1 000	57 000	53 000	1444 200	0 000	64 200	42 000	47 300	
Asset renewal % of capital budget		20/10/14	14	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	
Deficits														
1 Positive cash balances available at minimum compliance - subject to 2														
2 Deficit cash and investment applications - defined from cash balances														
3 Indicators of sufficient liquidity to meet a range of monthly operating payments														
4 Indicators of funded operational requirements														
5 Indicators of adherence to minimum economic targets (prior to 2016/17 revenue not available for high capacity municipalities and later for other capacity classifications)														
6 Revenue average cash collection forecasts as % of annual billed revenue														
7 Realistic average increase in debt repayment - (subject to 1)														
8 Indicators of planned capital expenditure level & cash payment timing														
9 Indicators of compliance with borrowing only for the capital budget - subject not exceed 100% unless necessary														
10 Subsidisation of National revenue allocations included in budget														
11 Indicators of realistic current annual revenue targets (prior to 2016/17 revenue not available for high capacity municipalities and later for other capacity classifications)														
12 Indicators of realistic long-term annual debt collection targets (prior to 2016/17 revenue not available for high capacity municipalities and later for other capacity classifications)														
13 Indicators of a realistic allowance for repairs & maintenance of assets - (excluding assets revenue production)														
14 Indicators of a realistic allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - divided capital plans) - (excluding assets revenue production)														
Supporting indicators														
1. Rate of service charges (prior period rate)		18/10/15	15	3 500	18 000	18 000	0 000	0 000	0 000	(100 000)	11 700	5 500	5 500	
2. Net Property Tax		18/10/16	16	3 500	18 000	18 000	0 000	0 000	0 000	(100 000)	11 700	5 500	5 500	
3. Net Service charges - electricity/municipal		18/10/17	17	3 500	18 000	18 000	0 000	0 000	0 000	(100 000)	11 700	5 500	5 500	
4. Net Service charges - water revenue		18/10/18	18	(20 000)	42 000	30 000	0 000	0 000	0 000	(100 000)	44 000	5 500	5 500	
5. Net Service charges - sanitation revenue		18/10/19	19	7 700	22 400	15 500	0 000	0 000	0 000	(100 000)	16 000	5 500	5 500	
6. Net Service charges - refuse revenue		18/10/20	20	1 000	6 000	7 000	0 000	0 000	0 000	(100 000)	22 000	5 500	5 500	
7. Net Service charges - other		18/10/21	21	(10 000)	(10 000)	244 300	0 000	0 000	(100 000)	10 700	5 500	5 500	5 500	
Total debt/interest revenue		18/10/22	22	154 600	139 200	164 800	228 780	228 780	220 780	-	255 448	219 490	284 320	
Service charges		18/10/23	23	134 600	119 200	164 800	228 780	228 780	220 780	-	255 448	219 490	284 320	
Property rates		18/10/24	24	30 000	51 000	68 000	95 310	95 310	95 310	-	40 000	102 334	161 662	
Service charges - electricity revenue		18/10/25	25	41 900	45 180	51 180	50 710	50 710	50 710	-	61 190	101 566	168 164	
Service charges - water revenue		18/10/26	26	29 500	18 200	(6 180)	24 056	24 056	24 056	-	48 779	32 000	55 400	
Service charges - sanitation revenue		18/10/27	27	5 600	1 800	7 210	18 441	18 441	18 441	-	21 483	22 965	22 811	
Service charges - refuse revenue		18/10/28	28	10 870	10 870	11 610	39 736	39 736	20 740	-	25 418	28 610	28 381	
Service charges - other		18/10/29	29	564	478	153	526	519	526	-	502	614	603	
Rents of buildings and equipment		18/10/30	30	3 437	1 068	1 190	4 204	4 204	4 204	-	4 520	4 703	5 031	
Capital expenditure - excluding capital grant funding		18/10/31	31	13 817	24 584	37 129	4 897	5 668	(480)	-	5 018	27 416	17 927	
Capital expenditure - excluding capital grant funding		18/10/32	32	13 817	157 500	180 000	244 646	244 646	280 754	36 108	270 149	285 007	200 700	
Rents of buildings and equipment		18/10/33	33	15 467	155 100	180 000	251 013	251 013	251 018	(36 108)	270 151	285 204	200 701	
Change in consumer debtors (current and non-current)		18/10/34	34	(3 300)	(6 760)	11 435	(36 108)	(36 108)	(36 108)	-	270 151	285 204	200 701	
Operating and Capital Grant Revenue		18/10/35	35	149 610	118 100	118 524	113 714	111 714	84 352	-	128 137	126 480	127 100	
Capital expenditure - total		18/10/36	36	44 412	54 000	61 195	36 747	37 000	911	-	37 285	61 000	55 752	
Capital expenditure - revenue		18/10/37	37	-	-	-	-	-	-	-	-	-	-	
Supporting benchmarks														
Growth guideline maximum		18/10/38	38	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
CPI guideline		18/10/39	39	4.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
On operating grants total MFR		18/10/40	40	-	-	-	-	-	-	-	-	-	-	
On capital grants total MFR		18/10/41	41	-	-	-	-	-	-	-	-	-	-	
Provision operating grants		18/10/42	42	-	-	-	-	-	-	-	-	-	-	
Provision capital grants		18/10/43	43	-	-	-	-	-	-	-	-	-	-	
Direct Municipality grants		18/10/44	44	-	-	-	-	-	-	-	-	-	-	
Total gazetted/national, provincial and district grants		18/10/45	45	-	-	-	-	-	-	-	-	-	-	
Average annual collection rate (years industry)		18/10/46	46	-	-	-	-	-	-	-	-	-	-	
Debt/interest revenue														
1. Rate of service charges (prior period rate)														
2. Net Property Tax														
3. Net Service charges - electricity/municipal														
4. Net Service charges - water revenue														
5. Net Service charges - sanitation revenue														
6. Net Service charges - refuse revenue														
7. Net Service charges - other														
8. Total debt/interest revenue														
9. Service charges														
10. Property rates														
11. Service charges - electricity revenue														
12. Service charges - water revenue														
13. Service charges - sanitation revenue														
14. Service charges - refuse revenue														
15. Service charges - other														
16. Rents of buildings and equipment														
17. Capital expenditure - excluding capital grant funding														
18. Capital expenditure - excluding capital grant funding														
19. Rents of buildings and equipment														
20. Change in consumer debtors (current and non-current)														
21. Operating and Capital Grant Revenue														
22. Capital expenditure - total														
23. Capital expenditure - revenue														
24. Supporting benchmarks														
25. Growth guideline maximum														
26. CPI guideline														
27. On operating grants total MFR														
28. On capital grants total MFR														
29. Provision operating grants														
30. Provision capital grants														
31. Direct Municipality grants														
32. Total gazetted/national, provincial and district grants														
33. Average annual collection rate (years industry)														
Total Operating Revenue														
Total Operating Expenditure														
Operating Performance Surplus/Deficit														
Cash and Cash Equivalents (30 June 2017)														
Revenue														
Expenditure														
Average Cost Per Budgeted Employee Position (Remuneration)														
Debt/interest revenue														
Capital Revenue														
Capital Expenditure														
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EC105 Ndlambe - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
<b>Current Year 2015/16</b>																	
<b>Valuation:</b>																	
No. of properties		18,602		5,375	1,200		1,160		180								
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		1		1	1		1		1								
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
Estimated no. of properties not valued	5																
Years since last valuation (select)		3		3	3		3		3								
Frequency of valuation (select)		4		4	4		4		4								
Method of valuation used (select)		Market		Market	Market		Market		Market								
Base of valuation (select)		Land & impr.		Land & impr.	Land & impr.		Land & impr.		Land & impr.								
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)		No		No	No		No		No								
Fiat rate used? (Y/N)		Yes		Yes	Yes		Yes		Yes								
Is balance rated by uniform rate/variable rate?		Variable		Variable	Variable		Variable		Variable								
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
<b>Total valuation reductions:</b>																	
Total value used for rating (Rm)	2																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
<b>Rating:</b>																	
Average rate																	
Rate revenue budget (R'000)	3																
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates, exemptions, discounts, discounts (R'000)																	

**References**

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRFA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

EC105 Ndlambe - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
<b>Budget Year 2016/17</b>																	
<b>Valuation:</b>																	
No. of properties		18,602		5,375	1,200		1,160		180								
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		1		1	1		1		1								
Supplementary valuation (R/m)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
Estimated no. of properties not valued	5																
Years since last valuation (select)																	
Frequency of valuation (select)		2	2	2	2		2		2								
Method of valuation used (select)		4	4	4	4		4		4								
Base of valuation (select)		Market	Market	Market	Market		Market		Market								
Phrasing-in properties s21 (run/buy)		Land & impr.	Land & impr.	Land & impr.	Land & impr.		Land & impr.		Land & impr.								
Combination of rating types used? (Y/N)		No	No	No	No		No		No								
Fiat rate used? (Y/N)		Yes	Yes	Yes	Yes		Yes		Yes								
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable		Variable		Variable								
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (R/m)																	
Valuation reductions-nature reserves/park (R/m)																	
Valuation reductions-mineral rights (R/m)																	
Valuation reductions-R15,000 threshold (R/m)																	
Valuation reductions-public worship (R/m)																	
Valuation reductions-other (R/m)																	
<b>Total valuation reductions:</b>	2																
Total value used for rating (R/m)																	
Total land value (R/m)	6																
Total value of improvements (R/m)	6																
Total market value (R/m)	6																
<b>Rating:</b>																	
Average rate																	
Rate revenue budget (R'000)	3	0.007400	0.007400	0.007400	0.007400		0.007400		0.007400							0.007400	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)																	
Special rating areas (R'000)	4	65.0%	65.0%	65.0%	65.0%		65.0%		65.0%								
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
<b>Total rebates,exemptns,reducts,discs (R'000)</b>																	

**References**

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is three' value greater than MPRRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.



EC105 Ndlambe - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			
							Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
<b>Exemptions, reductions and rebates (Rands)</b>										
Pensioner/Rebates as per policy										
45% on business rate		<R3001 pm	15,000	15,000	15,000	15,000	21,750	31,538	45,729	
35% on business rate		bwn R3001 and R4000 pm	4,571	5,028	5,028	6,190	8,357	11,281	15,230	
25% on business rate		bwn R4001 and R5000 pm	6,201	6,821	6,821	8,398	10,498	13,122	16,402	
			7,858	8,526		10,479	15,195	22,032	31,947	
<b>Water tariffs</b>										
Monthly minimum charges per meter		0-10 kl	7	8	8	10	11	12	12	
		11-15 kl	9	8	8	10	12	12	12	
		16-20kl				12	14	14	15	
		21+	9	10	10	15	18	18	18	
Monthly minimum charges vacant even										
Water supply		Water supply by tanker	150	163	163	988	1,146	1,165	1,183	
		15mm	2,257	2,460	2,460	3,012	3,494	3,550	3,607	
		20mm	2,952	2,734	2,734	3,347	3,882	3,945	4,008	
		25mm	5,016	5,467	5,467	6,694	7,765	7,889	8,015	
		50mm	7,273	7,928	7,928	9,706	11,259	11,439	11,622	
<b>Waste water tariffs</b>										
emovl charges monthly (incl vacant even)		1x weekly removal	61	66	66	91	96	102	109	
Special Removal		Household refuse	183	199	199	250	262	280	300	
B&B, Guests House or Similar		1x weekly removal per load	191	208	208	224	240	256	274	
Caravan Parks & similar Private recreational facilities		Multiple dwelling per unit	61	66	66	72	77	82	88	
Additional/special removals		Domestic	275	300	300	324	347	371	397	
Business: Non food selling premises-offices		1x removal per hr per load	271	295	295	319	341	365	391	
Food premises-rent, Hotels, Butcheries, Fast Food outlets		2x removal per load	256	245	245	302	323	346	370	
CBD special call out/request		Week days excl public holidays	325	354	354	383	410	438	469	
Disposal at refuse sites/private residents		1-2 tonnes per load	123	134	134	145	155	166	178	
<b>Electricity tariffs</b>										
Domestic Credit/Pre-payment		(fill in thresholds)								
Basic charge		(fill in thresholds)	139	154	154	198	222	249	279	
Block 1		0-50KWh	1	1	1	1	1	1	1	
Block 2		51-350KWh	1	1	1	1	1	1	2	
Block 3		351-600KWh	1	1	1	2	2	2	2	
Block 4		>600KWh	1	1	1	2	2	2	3	
Energy Changer										
Basic Monthly Change										
Peak		Exceeding 50 Kva	1	1	1	1	1	1	1	
Standard		Exceeding 50 Kva	-	-	-	2	1	1	1	
Off-Peak		Exceeding 50 Kva	-	-	-	0	0	1	1	

EC-105 Ndlambe - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity		Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realized	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of Institution & Investment ID		1	Yr/Months				3.								
Parent municipality	NRB		M	Deposit - Bank (03)	No	Variable (02)	0			30 June 2016	74	-	-	-	74
	INVESTED		M	Deposits - Bank (03)	Yes	Variable (02)	4.75			30 June 2016	13 559	1 244	(75 975)	79 913	17 840
	FNB		M	Deposits - Bank (03)	Yes	Fixed (01)	5			30 June 2016	9 715	598	(386)	1 670	11 597
	STDBANK		M	Deposits - Bank (03)	Yes	Fixed (01)	4.3			30 June 2016	145	56	(2 472)	2 730	489
Municipality sub-total	OLD MUTUAL		M	Issued Corporate Bonds (07)	Yes	Variable (02)	5			30 June 2016	145	3	-	-	148
Municipality sub-total											23 738		(79 833)	84 313	30 128
Entities															
TOTAL INVESTMENTS AND INTEREST		1									23 738		(79 833)	84 313	30 128

- References
1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
  2. List investments in expiry date order
  3. If 'Variable' is selected in column 'r', input interest rate range
  4. Withdrawals to be entered as negative



**EC105 Ndlambe - Supporting Table SA17 Borrowing**

Borrowing - Categorised by type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		27 044	23 673	19 775						
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	27 044	23 673	19 775	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	27 044	23 673	19 775	-	-	-	-	-	-

<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-

**References**

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

EC105 Ndlambe - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		84,571	68,056	69,043	82,072	82,072	81,142	95,930	90,932	97,963
<b>Conditions met - transferred to revenue</b>		<b>84,571</b>	<b>68,056</b>	<b>69,043</b>	<b>82,072</b>	<b>82,072</b>	<b>81,142</b>	<b>95,930</b>	<b>90,932</b>	<b>97,963</b>
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		<b>84,571</b>	<b>68,056</b>	<b>69,043</b>	<b>82,072</b>	<b>82,072</b>	<b>81,142</b>	<b>95,930</b>	<b>90,932</b>	<b>97,963</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		65,335	50,665	35,492	31,642	31,642	3,210	32,206	35,548	37,825
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>65,335</b>	<b>50,665</b>	<b>35,492</b>	<b>31,642</b>	<b>31,642</b>	<b>3,210</b>	<b>32,206</b>	<b>35,548</b>	<b>37,825</b>
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		<b>65,335</b>	<b>50,665</b>	<b>35,492</b>	<b>31,642</b>	<b>31,642</b>	<b>3,210</b>	<b>32,206</b>	<b>35,548</b>	<b>37,825</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>149,906</b>	<b>118,720</b>	<b>104,534</b>	<b>113,714</b>	<b>113,714</b>	<b>84,352</b>	<b>128,137</b>	<b>126,480</b>	<b>135,788</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**References**

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance

2. CTBM = conditions to be met

3. National Treasury database will require this reconciliation for each transfer/grant



EC105 Ndabambe - Supporting Table SA21 Transfers and grants made by the municipality

Ref	Description	Current Year 2015/16						2016/17 Medium Term Revenue & Expenditure Framework			
		2012/13 Audited Outcome	2013/14 Audited Outcome	2014/15 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Cash Transfers to other municipalities											
Insert description											
1											
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
Insert description											
2											
Total Cash Transfers To Entities/Other External Mechanisms*		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
Insert description											
3											
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations		7,836	8,677	550	605	605			1,349	1,412	1,479
Insert description											
7,836	8,677	550	605	605				1,349	1,412	1,479	
Total Cash Transfers To Organisations		7,836	8,677	550	605	605	-	-	1,349	1,412	1,479
Cash Transfers to Groups of Individuals											
Insert description											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	7,836	8,677	550	605	605	-	-	1,349	1,412	1,479
Non-Cash Transfers to other municipalities											
Insert description											
1											
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
Insert description											
2											
Total Non-Cash Transfers To Entities/Other External Mechanisms*		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
Insert description											
3											
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
Insert description											
4											
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
Insert description											
5											
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	7,836	8,677	550	605	605	-	-	1,349	1,412	1,479

## References:

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for EBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for capital purposes and operating purposes

EC105 Ndlambe - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>					20		20	20	-	20
Councillors (Political Office Bearers plus Other Councillors)										
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	5	-	5	5		5	5	-	5
Other Managers	7	17	17	-	14	13	1	19	18	1
Professionals		64	54	11	42	35	7	54	41	12
Finance		58	51	8	39	33	6	50	40	10
Spatial/town planning		2	2	-	2	2	-	2	1	-
Information Technology		3	1	2	1	-	1	1	-	1
Roads		1	-	1				1	-	1
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		177	175	2	372	218	18	405	210	10
Finance		14	12	2	14	12	2	15	12	3
Spatial/town planning		-	-	-	3	3	-	-	-	-
Information Technology		-	-	-	1	-	1	1	-	1
Roads		61	61	-	75	75	-	77	76	1
Electricity		3	3	-	2	2	-	2	2	-
Water		32	32	-	45	45	-	42	40	2
Sanitation		15	15	-	25	25	-	25	22	3
Refuse		52	52	-	56	56	-	58	58	-
Other					151	-	15	185		
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
<b>TOTAL PERSONNEL NUMBERS</b>	9	263	246	18	453	266	51	503	269	48
% Increase					72.2%	8.1%	183.3%	11.0%	1.1%	(5.9%)
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number of persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions
9. Correct as at 30 June
10. Must account for all budgeted positions, as per the municipal organogram



EC105 Ndlambe - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		R thousand												Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		July	August	Sept.	October	November	December	January	February	March	April	May	June			
<b>Revenue By Source</b>																
Property rates		8,910	5,940	5,940	7,920	9,900	10,880	7,920	8,910	10,880	9,900	6,930	2,950	96,999	102,334	107,962
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		5,507	3,671	3,671	4,895	6,119	6,731	4,895	5,507	6,119	6,119	4,283	3,060	61,190	64,556	68,106
Service charges - water revenue		4,480	2,986	2,986	3,992	4,977	5,475	3,982	4,480	5,475	4,977	3,484	2,489	49,775	52,512	55,400
Service charges - sanitation revenue		1,933	1,289	1,289	1,719	2,148	2,363	1,719	1,933	2,363	2,148	1,504	1,074	21,483	22,655	23,911
Service charges - refuse revenue		2,288	1,525	1,525	2,033	2,542	2,796	2,033	2,288	2,796	2,542	1,779	1,271	25,418	26,816	28,291
Service charges - other		52	35	35	47	58	64	47	52	64	58	41	29	582	614	648
Rental of facilities and equipment		407	271	271	362	452	497	362	407	497	452	316	226	4,520	4,768	5,031
Interest earned - external investments		56	38	38	50	63	69	50	56	69	63	44	31	626	660	697
Interest earned - outstanding debtors		614	409	409	546	682	750	546	614	750	682	478	341	6,822	7,198	7,594
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		33	22	22	29	37	41	29	33	41	37	26	18	369	389	410
Agency services		293	195	195	260	325	368	260	293	368	325	228	163	3,252	3,431	3,619
Transfers recognised - operational		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		8,634	5,756	5,756	7,674	9,593	10,552	7,674	8,634	10,552	9,593	6,715	4,797	95,930	90,932	97,963
Gains on disposal of PPE		293	195	195	260	325	368	260	293	368	325	228	163	3,252	3,431	3,619
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>33,549</b>	<b>22,366</b>	<b>22,366</b>	<b>29,821</b>	<b>37,277</b>	<b>41,005</b>	<b>29,821</b>	<b>33,549</b>	<b>41,005</b>	<b>37,277</b>	<b>26,094</b>	<b>19,947</b>	<b>374,077</b>	<b>384,376</b>	<b>407,472</b>
<b>Expenditure By Type</b>																
Employee related costs		10,422	6,948	6,948	9,264	11,580	12,738	9,264	10,422	12,738	11,580	8,106	4,491	114,500	118,802	125,183
Remuneration of councillors		537	358	358	477	597	656	477	537	656	597	418	288	5,966	6,273	6,596
Depreciation & asset impairment		1,292	861	861	1,148	1,435	1,579	1,148	1,292	1,579	1,435	1,005	718	14,351	17,413	20,196
Finance charges		418	278	278	371	464	511	371	418	511	464	325	232	4,641	4,866	5,165
Bulk purchases		176	117	117	156	195	215	156	176	215	195	137	98	1,952	2,053	2,166
Other materials		5,267	3,511	3,511	4,682	5,852	6,438	4,682	5,267	6,438	5,852	4,097	2,926	58,524	61,743	65,139
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		1,693	1,129	1,129	1,505	1,881	2,070	1,505	1,693	2,070	1,881	1,317	941	18,814	20,041	21,294
Other expenditure		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of PPE		13,959	9,306	9,306	12,408	15,509	17,060	12,408	13,959	17,060	15,509	10,857	6,406	153,746	150,146	157,230
<b>Total Expenditure</b>		<b>33,777</b>	<b>22,518</b>	<b>22,518</b>	<b>30,024</b>	<b>37,530</b>	<b>41,283</b>	<b>30,024</b>	<b>33,777</b>	<b>41,283</b>	<b>37,530</b>	<b>26,271</b>	<b>17,465</b>	<b>373,999</b>	<b>382,944</b>	<b>404,622</b>
<b>Surplus/(Deficit)</b>		<b>(228)</b>	<b>(152)</b>	<b>(152)</b>	<b>(202)</b>	<b>(253)</b>	<b>(278)</b>	<b>(202)</b>	<b>(228)</b>	<b>(278)</b>	<b>(253)</b>	<b>(177)</b>	<b>2,481</b>	<b>78</b>	<b>1,433</b>	<b>2,850</b>
Transfers recognised - capital		2,889	1,932	1,932	2,577	3,221	3,543	2,577	2,889	3,543	3,221	2,254	1,610	32,206	35,548	37,825
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>2,671</b>	<b>1,781</b>	<b>1,781</b>	<b>2,374</b>	<b>2,968</b>	<b>3,264</b>	<b>2,374</b>	<b>2,671</b>	<b>3,264</b>	<b>2,968</b>	<b>2,077</b>	<b>4,092</b>	<b>32,284</b>	<b>36,981</b>	<b>40,674</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>		<b>2,671</b>	<b>1,781</b>	<b>1,781</b>	<b>2,374</b>	<b>2,968</b>	<b>3,264</b>	<b>2,374</b>	<b>2,671</b>	<b>3,264</b>	<b>2,968</b>	<b>2,077</b>	<b>4,092</b>	<b>32,284</b>	<b>36,981</b>	<b>40,674</b>
<b>References</b>		<b>1</b>	<b>1,781</b>	<b>1,781</b>	<b>2,374</b>	<b>2,968</b>	<b>3,264</b>	<b>2,374</b>	<b>2,671</b>	<b>3,264</b>	<b>2,968</b>	<b>2,077</b>	<b>4,092</b>	<b>32,284</b>	<b>36,981</b>	<b>40,674</b>

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

Budget Year 2016/17													Medium Term Revenue and Expenditure Framework			
Revenue by Vote		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Vote 1 - COUNCIL GENERAL		574	383	383	510	638	702	510	574	702	638	447	319	6,380	6,706	7,053
Vote 2 - MUNICIPAL MANAGER		20	13	13	17	22	24	17	20	24	22	15	11	219	182	192
Vote 3 - CORPORATE SERVICES		274	183	183	243	304	335	243	274	335	304	213	152	3,043	3,055	3,231
Vote 4 - COMMUNITY PROTECTION SERVICES		2,885	1,923	1,923	2,565	3,206	3,526	2,565	2,885	3,526	3,206	2,244	1,603	32,057	31,018	32,724
Vote 5 - COMMUNITY PROTECTION SERVICES 2		263	175	175	234	292	321	234	263	321	292	204	146	3,252	3,082	3,252
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		4,833	3,222	3,222	4,296	5,370	5,907	4,296	4,833	5,907	5,370	3,759	2,685	53,704	53,333	48,858
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		18	12	12	16	20	22	16	18	22	20	14	10	201	212	223
Vote 8 - ELECTRICITY SERVICES		6,118	4,079	4,079	5,439	6,798	7,478	5,439	6,118	7,478	6,798	4,759	3,389	67,983	74,919	79,470
Vote 9 - WATER SERVICES		5,816	3,877	3,877	5,169	6,462	7,108	5,169	5,816	7,108	6,462	4,523	3,231	64,617	54,328	70,938
Vote 10 - FINANCIAL SERVICES		15,944	10,630	10,630	14,173	17,716	19,488	14,173	15,944	19,488	17,716	12,401	6,858	175,159	187,088	199,355
Vote 11 -																
Vote 12 -																
Vote 13 -																
Vote 14 -																
Vote 15 -																
Total Revenue by Vote																
Expenditure by Vote to be appropriated																
Vote 1 - COUNCIL GENERAL		36,745	24,497	24,497	32,663	40,828	44,911	32,663	36,745	44,911	40,828	28,580	18,414	406,283	419,924	445,297
Vote 2 - MUNICIPAL MANAGER		3,257	2,171	2,171	2,895	3,619	3,981	2,895	3,257	3,981	3,619	2,533	1,809	36,187	40,426	44,230
Vote 3 - CORPORATE SERVICES		1,408	939	939	1,252	1,565	1,721	1,252	1,408	1,721	1,565	1,056	782	15,645	16,506	17,414
Vote 4 - COMMUNITY PROTECTION SERVICES		1,406	937	937	1,249	1,562	1,718	1,249	1,406	1,718	1,562	1,093	781	15,618	16,108	16,999
Vote 5 - COMMUNITY PROTECTION SERVICES 2		4,928	3,286	3,286	4,381	5,476	6,024	4,381	4,928	6,024	5,476	3,833	2,738	54,759	55,792	58,860
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		1,388	925	925	1,234	1,542	1,696	1,234	1,388	1,696	1,542	1,079	771	15,420	16,376	17,277
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		6,663	4,442	4,442	5,923	7,403	8,144	5,923	6,663	8,144	7,403	5,182	2,702	73,035	76,803	80,271
Vote 8 - ELECTRICITY SERVICES		209	139	139	186	232	256	186	209	256	232	163	116	2,324	2,399	2,531
Vote 9 - WATER SERVICES		6,456	4,304	4,304	5,738	7,173	7,890	5,738	6,456	7,890	7,173	5,021	3,566	71,728	74,671	78,655
Vote 10 - FINANCIAL SERVICES		5,444	3,629	3,629	4,839	6,048	6,653	4,839	5,444	6,653	6,048	4,234	2,725	60,185	52,991	55,667
Vote 11 -		2,619	1,746	1,746	2,328	2,910	3,201	2,328	2,619	3,201	2,910	2,037	1,455	29,098	30,873	32,717
Vote 12 -																
Vote 13 -																
Vote 14 -																
Vote 15 -																
Total Expenditure by Vote																
Surplus/(Deficit) before assoc.		33,777	22,518	22,518	30,024	37,530	41,283	30,024	33,777	41,283	37,530	26,271	17,465	373,999	382,945	404,622
Taxation																
Attributable to minorities		2,969	1,979	1,979	2,639	3,298	3,628	2,639	2,969	3,628	3,298	2,309	949	32,284	36,979	40,675
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)		1	1,979	1,979	2,639	3,298	3,628	2,639	2,969	3,628	3,298	2,309	949	32,284	36,979	40,675
References																
Surplus (Deficit) must reconcile with Budgeted Financial Performance																



EC105 Ndlanbe - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		R thousand												Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		July	August	Sept.	October	November	December	January	February	March	April	May	June			
<b>Revenue - Standard</b>																
<b>Governance and administration</b>		16,550	11,033	11,033	14,711	18,389	20,228	16,711	16,550	20,228	18,389	12,872	7,194	181,887	194,114	206,745
Executive and council	592	395	395	395	526	658	724	526	592	724	658	460	329	6,578	6,868	7,223
Budget and treasury office	15,944	10,630	10,630	14,173	17,716	19,088	19,488	15,944	15,944	19,488	17,716	12,401	6,858	175,159	187,088	199,355
Corporate services	13	9	9	12	15	16	16	12	13	16	15	10	7	150	158	167
<b>Community and public safety</b>	1,159	773	773	773	1,030	1,288	1,417	1,030	1,159	1,417	1,288	902	644	12,880	15,332	16,016
Community and social services	510	340	340	340	454	567	624	454	510	624	567	397	284	5,671	7,717	7,993
Sport and recreation	12	8	8	8	11	14	15	11	12	15	14	10	7	137	145	153
Public safety	118	78	78	78	105	131	144	105	118	144	131	91	65	1,307	1,379	1,454
Housing	358	239	239	239	319	398	438	319	358	438	398	279	199	3,982	4,201	4,432
Health	160	107	107	107	143	178	196	143	160	196	178	125	89	1,782	1,880	1,983
<b>Economic and environmental services</b>	2,376	1,584	1,584	1,584	2,112	2,640	2,904	2,112	2,376	2,904	2,640	1,848	3,963	29,044	22,053	9,247
Planning and development	136	91	91	91	121	151	167	121	136	167	151	106	2,719	4,157	4,335	4,641
Road transport	2,136	1,424	1,424	1,424	1,899	2,373	2,611	1,899	2,136	2,611	2,373	1,661	1,187	23,734	16,501	3,622
Environmental protection	104	69	69	69	92	115	127	92	104	127	115	81	58	1,153	1,216	1,283
<b>Trading services</b>	16,422	10,948	10,948	10,948	14,598	18,247	20,072	16,422	16,422	20,072	18,247	12,773	9,124	182,472	188,436	212,990
Electricity	6,118	4,079	4,079	4,079	5,439	6,798	7,478	5,439	6,118	7,478	6,798	4,759	3,399	67,993	74,919	79,470
Water	5,816	3,877	3,877	3,877	5,169	6,462	7,108	5,169	5,816	7,108	6,462	4,523	3,231	64,617	54,228	70,538
Waste water management	1,940	1,293	1,293	1,293	2,155	2,371	2,371	1,724	1,940	2,371	2,155	1,509	1,078	21,551	32,112	34,016
Waste management	2,549	1,699	1,699	1,699	2,266	2,832	3,115	2,549	2,549	3,115	2,832	1,982	1,416	28,321	27,076	28,566
<b>Other</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>		36,508	24,338	24,338	32,451	40,564	44,620	32,451	36,508	44,620	40,564	28,395	20,925	406,283	419,924	445,297
<b>Expenditure - Standard</b>																
<b>Governance and administration</b>		7,492	4,995	4,995	6,660	8,325	9,157	6,610	7,492	9,157	8,325	5,827	4,162	83,246	90,034	96,711
Executive and council	3,677	2,451	2,451	3,268	4,085	4,994	5,210	3,677	3,677	4,994	4,085	2,860	2,043	40,550	45,346	49,421
Budget and treasury office	2,653	1,769	1,769	2,358	2,948	3,243	3,243	2,358	2,653	3,243	2,948	2,064	1,474	29,480	31,277	33,143
Corporate services	1,162	775	775	1,033	1,292	1,421	1,033	1,162	1,162	1,421	1,292	904	646	12,915	13,412	14,147
<b>Community and public safety</b>	4,157	2,771	2,771	2,771	3,695	4,618	5,080	3,695	4,157	5,080	4,618	3,233	2,309	46,184	48,677	51,362
Community and social services	1,610	1,207	1,207	1,609	2,011	2,212	2,212	1,609	1,610	2,212	2,011	1,408	1,006	20,113	21,171	22,344
Sport and recreation	189	126	126	168	210	231	243	168	189	231	210	147	105	2,096	2,212	2,333
Public safety	1618	1,079	1,079	1,438	1,798	1,977	1,977	1,438	1,618	1,977	1,798	1,258	899	17,977	18,966	20,009
Housing	274	183	183	243	304	335	335	243	274	335	304	213	152	3,043	3,210	3,387
Health	266	177	177	236	296	325	236	266	266	325	296	207	148	2,994	3,118	3,289
<b>Economic and environmental services</b>	5,210	3,473	3,473	4,631	5,789	6,368	6,368	4,631	5,210	6,368	5,789	4,052	2,994	57,387	60,421	63,211
Planning and development	3,231	2,154	2,154	2,872	3,590	3,949	2,872	3,231	3,231	3,949	3,590	2,513	1,496	35,603	37,439	38,970
Road transport	1,631	1,087	1,087	1,450	1,812	1,994	1,994	1,631	1,631	1,994	1,812	1,269	706	17,924	18,910	19,945
Environmental protection	347	232	232	309	386	425	425	309	347	425	386	270	193	3,860	4,072	4,296
<b>Trading services</b>	16,918	11,279	11,279	15,039	18,798	20,678	15,039	16,918	16,918	20,678	18,798	13,159	8,599	187,182	183,812	193,339
Electricity	5,979	3,986	3,986	5,314	6,643	7,307	5,314	5,979	5,979	7,307	6,643	4,650	3,322	66,430	69,082	72,759
Water	5,444	3,629	3,629	4,839	6,048	6,653	4,839	5,444	5,444	6,653	6,048	4,234	2,724	60,185	52,990	55,667
Waste water management	2,763	1,866	1,866	2,474	3,093	3,402	2,474	2,763	2,763	3,402	3,093	2,165	1,047	30,428	31,922	33,455
Waste management	2,713	1,808	1,808	2,411	3,014	3,315	2,411	2,713	2,713	3,315	3,014	2,110	1,507	30,139	29,618	31,458
<b>Other</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>		33,777	22,518	22,518	30,024	37,530	41,283	33,777	33,777	41,283	37,530	28,271	17,465	373,999	382,943	404,622
Surplus/(Deficit) before assoc.		2,731	1,820	1,820	2,427	3,034	3,338	2,731	2,731	3,338	3,034	2,124	3,460	32,284	36,980	40,675
Share of surplus/ (deficit) of associate																
<b>Surplus/(Deficit)</b>		2,731	1,820	1,820	2,427	3,034	3,338	2,731	2,731	3,338	3,034	2,124	3,460	32,284	36,980	40,675
References	1															

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

EC105 Ndiambe - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		R thousand												Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June			
<b>Multi-year expenditure to be appropriated</b>	<b>1</b>															
Vote 1 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY PROTECTION SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY PROTECTION SERVICES 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY SERVICES		495	330	330	440	550	605	440	495	605	550	385	275	5,500	9,376	10,029
Vote 9 - WATER SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>2</b>	<b>495</b>	<b>330</b>	<b>330</b>	<b>440</b>	<b>550</b>	<b>605</b>	<b>440</b>	<b>495</b>	<b>605</b>	<b>550</b>	<b>385</b>	<b>275</b>	<b>5,500</b>	<b>18,376</b>	<b>20,029</b>
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		13	9	9	12	15	16	12	13	16	15	10	7	150	663	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	43	-
Vote 4 - COMMUNITY PROTECTION SERVICES		230	153	153	204	255	281	204	230	281	255	179	128	2,555	180	414
Vote 5 - COMMUNITY PROTECTION SERVICES 2		18	12	12	16	20	22	16	18	22	20	14	10	200	9,787	520
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		2,244	1,496	1,496	1,995	2,493	2,742	1,995	2,244	2,742	2,493	1,745	1,247	24,931	28,043	1,520
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY SERVICES		16	11	11	14	18	20	14	16	20	18	13	9	180	50	-
Vote 9 - WATER SERVICES		328	218	218	291	364	400	291	328	400	364	255	182	3,640	475	730
Vote 10 - FINANCIAL SERVICES		12	8	8	10	13	14	10	12	14	13	9	6	129	8	12
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>2</b>	<b>2,861</b>	<b>1,907</b>	<b>1,907</b>	<b>2,543</b>	<b>3,178</b>	<b>3,496</b>	<b>2,543</b>	<b>2,861</b>	<b>3,496</b>	<b>3,178</b>	<b>2,225</b>	<b>1,589</b>	<b>31,785</b>	<b>44,549</b>	<b>35,723</b>
<b>Total Capital Expenditure</b>	<b>2</b>	<b>3,356</b>	<b>2,237</b>	<b>2,237</b>	<b>2,983</b>	<b>3,728</b>	<b>4,101</b>	<b>2,983</b>	<b>3,356</b>	<b>4,101</b>	<b>3,728</b>	<b>2,610</b>	<b>1,864</b>	<b>37,285</b>	<b>62,924</b>	<b>55,752</b>

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure



EC105 Ndlambe - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		R thousand												Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June			
<b>Capital Expenditure - Standard</b>																
<b>Governance and administration</b>	1	25	17	17	22	28	31	22	25	31	28	20	14	279	851	476
Executive and council		4	3	3	4	5	5	4	4	5	5	3	2	46	663	-
Budget and treasury office		12	8	8	10	13	14	10	12	14	13	9	6	129	8	12
Corporate services		9	6	6	8	10	11	8	9	11	10	7	5	104	180	464
<b>Community and public safety</b>		259	172	172	230	287	316	230	259	316	287	201	144	2,875	10,186	5,694
Community and social services		239	159	159	212	266	292	212	239	292	266	186	133	2,655	7,435	4,174
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		18	12	12	16	20	22	16	18	22	20	14	10	200	600	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		2	1	1	2	2	2	2	2	2	2	1	1	20	161	-
<b>Economic and environmental services</b>		1,947	1,298	1,298	1,731	2,163	2,379	1,731	1,947	2,379	2,163	1,514	1,082	21,631	12,817	10,142
Planning and development		16	11	11	14	18	20	14	16	20	18	13	9	180	2,678	2,357
Road transport		1,931	1,287	1,287	1,716	2,145	2,360	1,716	1,931	2,360	2,145	1,502	1,073	21,451	9,800	7,265
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1,125	750	750	1,000	1,250	1,375	1,000	1,125	1,375	1,250	875	625	12,500	39,070	39,441
Electricity		511	341	341	454	588	625	454	511	625	588	398	284	5,680	9,475	10,730
Water		328	218	218	291	364	400	291	328	400	364	255	182	3,640	3,461	16,972
Waste water management		108	72	72	96	120	132	96	108	132	120	84	60	1,200	20,749	11,739
Waste management		178	119	119	158	198	218	158	178	218	198	139	99	1,980	5,365	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	3,356	2,237	2,237	2,983	3,728	4,101	2,983	3,356	4,101	3,728	2,610	1,864	37,285	62,924	55,752
<b>Funded by:</b>																
National Government		2,899	1,932	1,932	2,577	3,221	3,543	2,577	2,899	3,543	3,221	2,254	1,610	32,206	35,548	37,825
Provincial Government																
District Municipality																
Other transfers and grants																
Transfers recognised - capital		2,899	1,932	1,932	2,577	3,221	3,543	2,577	2,899	3,543	3,221	2,254	1,610	32,206	35,548	37,825
Public contributions & donations																
Borrowing																
Internally generated funds		457	305	305	406	508	559	406	457	559	508	355	254	5,078	27,416	17,927
<b>Total Capital Funding</b>		3,356	2,237	2,237	2,983	3,728	4,101	2,983	3,356	4,101	3,728	2,610	1,864	37,285	62,964	55,752
<b>References</b>																

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates  
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

EC105 Mlambe - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS													Medium Term Revenue and Expenditure Framework			
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
<b>Cash Receipts By Source</b>																
Property rates	8 730	5 820	5 820	7 760	9 700	10 670	7 760	8 730	10 670	9 700	6 790	4 850	97 000	102 334	107 962	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	5 507	3 671	3 671	4 685	6 119	6 731	4 895	5 507	6 731	6 119	4 283	3 060	61 190	64 556	68 106	
Service charges - water revenue	4 480	2 966	2 966	3 982	4 977	5 475	3 982	4 480	5 475	4 977	3 484	2 489	49 775	52 512	55 400	
Service charges - sanitation revenue	1 933	1 289	1 289	1 719	2 148	2 363	1 719	1 933	2 363	2 148	1 504	1 074	21 483	22 665	23 911	
Service charges - refuse revenue	2 286	1 525	1 525	2 033	2 542	2 796	2 033	2 286	2 796	2 542	1 779	1 271	25 418	26 816	28 291	
Service charges - other	52	35	35	47	56	64	47	52	64	58	41	29	582	614	648	
Rental of facilities and equipment	407	271	271	362	452	497	362	407	497	452	316	226	4 520	4 768	5 031	
Interest earned - external investments	56	38	38	50	63	69	50	56	69	63	44	31	626	660	697	
Interest earned - outstanding debtors	614	409	409	546	662	750	546	614	750	662	478	341	6 822	7 198	7 594	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licences and permits	33	22	22	29	37	41	29	33	41	37	26	18	369	389	410	
Agency services	293	195	195	280	325	358	280	293	358	325	228	163	3 252	3 431	3 619	
Transfer receipts - operational	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other revenue	8 634	5 756	5 756	7 674	9 593	10 552	7 674	8 634	10 552	9 593	6 715	4 797	95 930	90 932	97 963	
	590	394	394	525	656	722	525	590	722	656	459	328	6 550	6 921	7 227	
<b>Cash Receipts by Source</b>	<b>33 618</b>	<b>22 412</b>	<b>22 412</b>	<b>29 882</b>	<b>37 353</b>	<b>41 088</b>	<b>29 882</b>	<b>33 618</b>	<b>41 088</b>	<b>37 353</b>	<b>26 147</b>	<b>18 676</b>	<b>373 528</b>	<b>383 797</b>	<b>406 861</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	2 899	1 932	1 932	2 577	3 221	3 543	2 577	2 899	3 543	3 221	2 254	1 610	32 206	35 548	37 825	
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	49	33	33	44	55	60	44	49	60	55	36	27	549	579	611	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Cash Receipts by Source</b>	<b>36 565</b>	<b>24 377</b>	<b>24 377</b>	<b>32 503</b>	<b>40 628</b>	<b>44 691</b>	<b>32 503</b>	<b>36 565</b>	<b>44 691</b>	<b>40 628</b>	<b>28 440</b>	<b>20 314</b>	<b>406 283</b>	<b>419 924</b>	<b>445 296</b>	
<b>Cash Payments by Type</b>																
Employee related costs	10 305	6 870	6 870	9 160	11 450	12 595	9 160	10 305	12 595	11 450	8 015	5 725	114 500	118 802	125 183	
Remuneration of councillors	537	358	358	477	597	656	477	537	656	597	418	298	5 966	6 273	6 596	
Finance charges	176	117	117	156	195	215	156	176	215	195	137	98	1 982	2 053	2 166	
Bulk purchases - Electricity	3 958	2 638	2 638	3 516	4 397	4 837	3 516	3 958	4 837	4 397	3 078	2 199	43 973	46 391	48 943	
Bulk purchases - Water & Sewer	1 310	873	873	1 164	1 455	1 601	1 164	1 310	1 601	1 455	1 019	728	14 551	15 352	16 196	
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services	1 590	1 060	1 060	1 413	1 767	1 943	1 413	1 590	1 943	1 767	1 237	2 032	18 814	20 041	21 294	
Transfers and grants - other municipalities	121	61	61	108	135	148	108	121	148	135	94	67	1 349	1 412	1 479	
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	12 306	8 205	8 205	10 941	13 676	15 043	10 941	12 306	15 043	13 676	9 573	23 826	153 746	150 146	157 230	
<b>Cash Payments by Type</b>	<b>30 304</b>	<b>20 203</b>	<b>20 203</b>	<b>26 937</b>	<b>33 671</b>	<b>37 039</b>	<b>26 937</b>	<b>30 304</b>	<b>37 039</b>	<b>33 671</b>	<b>23 570</b>	<b>34 973</b>	<b>354 851</b>	<b>360 471</b>	<b>379 087</b>	
<b>Other Cash Flows Payments by Type</b>																
Capital assets	3 356	2 237	2 237	2 983	3 728	4 101	2 983	3 356	4 101	3 728	2 610	1 864	37 285	62 954	55 752	
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Cash Flows Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Cash Payments by Type</b>	<b>33 660</b>	<b>22 440</b>	<b>22 440</b>	<b>29 920</b>	<b>37 400</b>	<b>41 140</b>	<b>29 920</b>	<b>33 660</b>	<b>41 140</b>	<b>37 400</b>	<b>26 180</b>	<b>36 837</b>	<b>392 136</b>	<b>423 435</b>	<b>434 839</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>2 906</b>	<b>1 937</b>	<b>1 937</b>	<b>2 583</b>	<b>3 228</b>	<b>3 551</b>	<b>2 583</b>	<b>2 906</b>	<b>3 551</b>	<b>3 228</b>	<b>2 260</b>	<b>(16 523)</b>	<b>14 147</b>	<b>(3 510)</b>	<b>10 458</b>	
Cash/cash equivalents at the monthly/year begin:	(4 787)	(1 881)	56	1 993	4 576	7 804	11 355	13 338	16 844	20 395	23 623	25 883	(4 787)	9 361	5 850	
Cash/cash equivalents at the monthly/year end:	(1 881)	56	1 993	4 576	7 804	11 355	13 338	16 844	20 395	23 623	25 883	9 361	9 361	5 850	16 308	

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTRF it is now directly linked to A7.



EC105 Ndlambe - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2015/16 Original Budget	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20 Estimate	Forecast 2020/21 Estimate	Forecast 2021/22 Estimate	Forecast 2022/23 Estimate	Forecast 2023/24 Estimate	Forecast 2024/25 Estimate	Forecast 2025/26 Estimate	Total Contract Value
				Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19								
R thousand	1,3	Total												
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Revenue Implication														
Expenditure Obligation By Contract	2													
Revenue Consulting (PTY) Ltd				2,794	2,934	3,095								8,824
Penny Lindstrom		3 years 5 years		337	354	373								1,064
Cab Holding				1,129	1,186	1,251								3,566
Total Operating Expenditure Implication				4,261	4,474	4,720								13,454
Capital Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Capital Expenditure Implication														
Total Parent Expenditure Implication														
Entities:														
Revenue Obligation By Contract	2			4,261	4,474	4,720								13,454
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Revenue Implication														
Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Expenditure Implication														
Capital Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Capital Expenditure Implication														
Total Entity Expenditure Implication														
References														

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTRF (MFMA s33)
3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R5 million

EC105 Ndlambe - Supporting Table SA34a Capital expenditure on new assets by asset class

Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		58,407	67,510	71,748	25,826	26,351	725	29,202	31,486	33,651
Infrastructure - Road transport		-	6,282	7,275	1,000	1,472	472	20,480	3,200	-
Roads, Pavements & Bridges		-	798	1,759	1,000	1,000	-	20,480	-	-
Storm water		-	5,483	5,516	-	472	472	-	3,200	-
Infrastructure - Electricity		-	-	18	-	-	-	5,500	9,000	10,000
Generation		-	-	-	-	-	-	5,500	9,000	10,000
Transmission & Reticulation		-	-	18	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	42	938	11,325	11,578	253	3,171	-	13,622
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	42	938	11,325	11,578	253	3,171	-	13,622
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	2,775	5,095	13,238	13,238	-	-	19,244	10,029
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	2,775	5,095	13,238	13,238	-	-	-	-
Infrastructure - Other		58,407	58,412	58,422	63	63	-	51	43	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		58,407	58,412	58,422	63	63	-	51	43	-
Parks & gardens		-	(0)	3,774	7,900	7,900	-	2,100	4,105	4,174
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	(0)	3,774	7,900	7,900	-	2,100	4,105	4,174
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		2,843	4,801	7,442	2,994	3,180	666	5,982	27,334	17,927
General vehicles		2,314	2,784	4,574	1,695	1,800	105	2,960	5,140	3,400
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		51	377	919	1,190	1,210	20	1,990	21,006	13,990
Computers - hardware/equipment		183	1,120	1,302	62	65	483	116	90	50
Furniture and other office equipment		295	520	646	47	105	58	917	1,098	488
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		843	974	1,184	217	217	-	-	-	-
Computers - software & programming		843	974	1,184	217	217	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	62,093	73,286	84,148	36,737	37,648	1,391	37,285	62,924	55,752
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
References		-	-	-	-	-	-	-	-	-
1. Total Capital Expenditure on new assets - 2015/16										

**References**

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure in Budgeted Capital Expenditure
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'



EC105 Ndlambe - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Recurrent Expenditure - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		3,904	4,794	4,531	8,300	7,844	7,844	9,174	9,679	10,100
Infrastructure - Road transport		118	1,002	1,056	1,205	1,679	1,679	2,410	2,543	2,682
Roads, Pavements & Bridges		599	612	965	1,000	1,634	1,634	2,000	2,110	2,226
Storm water		(480)	390	91	205	45	45	410	433	456
Infrastructure - Electricity		2,176	1,287	1,185	3,798	3,698	3,698	3,218	3,394	3,581
Generation		-	-	-	268	168	168	268	282	298
Transmission & Reticulation		261	41	290	480	480	480	200	211	223
Street Lighting		1,915	1,246	895	3,050	3,050	3,050	2,750	2,901	3,061
Infrastructure - Water		592	377	461	1,206	716	716	1,437	1,516	1,599
Dams & Reservoirs		62	44	171	460	275	275	634	669	706
Water purification		531	332	290	686	391	391	740	781	824
Reticulation		-	-	-	60	50	50	62	65	89
Infrastructure - Sanitation		148	105	4,634	1,682	1,347	1,347	1,400	1,477	1,558
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		148	105	4,634	1,682	1,347	1,347	1,400	1,477	1,558
Infrastructure - Other		868	2,024	(2,805)	410	405	405	710	749	679
Waste Management		868	2,024	(2,805)	400	400	400	600	633	668
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	10	5	5	110	116	11
<u>Community</u>		-	-	-	46	46	46	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	46	46	46	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other	8	-	-	-	-	-	-	-	-	-
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<u>Other assets</u>		8,313	4,771	4,799	12,728	12,202	12,196	14,770	15,581	16,119
General vehicles		880	1,127	764	4,845	4,525	4,543	5,606	5,914	6,225
Specialised vehicles		376	395	352	781	781	781	958	1,011	1,066
Plant & equipment		103	72	35	389	348	341	480	507	535
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		134	115	158	576	515	490	750	791	834
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		2,270	757	883	2,139	2,031	2,031	2,491	2,628	2,761
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		4,550	2,306	2,608	3,998	4,003	4,011	4,485	4,731	4,698
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-

<b>Intangibles</b>										
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>12,217</b>	<b>9,565</b>	<b>9,330</b>	<b>21,074</b>	<b>20,092</b>	<b>20,086</b>	<b>23,944</b>	<b>25,260</b>	<b>26,219</b>
<b>Specialised vehicles</b>										
Refuse		376	395	352	781	781	781	958	1,011	1,066
Fire		226	201	136	329	329	329	408	430	454
Conservancy		-	-	7	80	80	80	80	85	89
Ambulances		150	195	209	372	372	372	470	496	523
		-	-	-	-	-	-	-	-	-
<b>R&amp;M as a % of PPE</b>		<b>1.9%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>57.4%</b>	<b>53.4%</b>	<b>1444.2%</b>	<b>64.2%</b>	<b>40.1%</b>	<b>47.0%</b>
<b>R&amp;M as % Operating Expenditure</b>		<b>4.5%</b>	<b>3.7%</b>	<b>3.3%</b>	<b>6.3%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.4%</b>	<b>6.6%</b>	<b>6.5%</b>

**References**

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'



EC105 Ndlambe - Supporting Table SA34d Depreciation by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		21,484	17,463	1,939	2,898	2,898	4,914	3,353	3,538	3,732
Infrastructure - Road transport		450	460	150	456	456	-	465	491	518
Roads, Pavements & Bridges		450	460	150	456	456	-	465	491	518
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		508	587	547	846	846	-	846	892	941
Generation		508	587	547	846	846	-	846	892	941
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		370	300	150	150	150	-	150	158	167
Dams & Reservoirs		370	300	150	150	150	-	150	158	167
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		852	865	765	875	875	-	875	923	974
Reticulation		683	700	600	698	698	-	698	737	777
Sewerage purification		158	165	165	177	177	-	177	186	197
Infrastructure - Other		19,305	15,251	326	571	571	4,914	1,018	1,073	1,133
Waste Management		-	-	-	-	-	-	496	523	552
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		19,305	15,251	326	571	571	4,914	521	550	580
<u>Community</u>		19,658	15,767	765	940	940	-	284	300	316
Parks & gardens		250	260	100	156	156	-	156	165	174
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	55	58	61
Recreational facilities		45	46	48	61	61	-	60	63	67
Fire, safety & emergency		70	52	55	95	95	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	13	14	14
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		19,293	15,409	562	628	628	-	-	-	-
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<u>Other assets</u>		401	385	369	1,075	1,075	-	958	1,010	1,065
General vehicles		-	-	-	-	-	-	50	53	56
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	266	281	296
Abattoirs		330	320	334	1,020	1,020	-	641	676	714
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		71	65	35	55	55	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-

Computers - software & programming Other (list sub-class)		-	-	-	-	-	-	46	48	51
Total Depreciation	1	41,544	33,615	3,073	4,914	4,914	4,914	4,641	4,896	5,165
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

#### References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'



EC105 Ndlambe - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
<b>Capital expenditure</b>	1							
Vote 1 - COUNCIL GENERAL		-	663	-				
Vote 2 - MUNICIPAL MANAGER		150	43	-				
Vote 3 - CORPORATE SERVICES		-	180	414				
Vote 4 - COMMUNITY PROTECTION SERVICES		2,555	9,787	520				
Vote 5 - COMMUNITY PROTECTION SERVICES 2		200	1,818	1,520				
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		24,931	37,419	25,584				
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2		-	50	-				
Vote 8 - ELECTRICITY SERVICES		5,680	9,475	10,730				
Vote 9 - WATER SERVICES		3,640	3,481	16,972				
Vote 10 - FINANCIAL SERVICES		129	8	12				
Vote 11 -		-	-	-				
Vote 12 -		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
List entity summary if applicable		-	-	-				
<b>Total Capital Expenditure</b>		37,285	62,924	55,752	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - COUNCIL GENERAL								
Vote 2 - MUNICIPAL MANAGER								
Vote 3 - CORPORATE SERVICES								
Vote 4 - COMMUNITY PROTECTION SERVICES								
Vote 5 - COMMUNITY PROTECTION SERVICES 2								
Vote 6 - INFRASTRUCTURAL DEVELOPMENT								
Vote 7 - INFRASTRUCTURAL DEVELOPMENT 2								
Vote 8 - ELECTRICITY SERVICES								
Vote 9 - WATER SERVICES								
Vote 10 - FINANCIAL SERVICES								
Vote 11 -								
Vote 12 -								
Vote 13 -								
Vote 14 -								
Vote 15 -								
List entity summary if applicable								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		37,285	62,924	55,752	-	-	-	-

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

Check	84,148
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84,148



EC105 Ndlambe - Supporting Table SA37 Projects delayed from previous financial years

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1,2											
Parent municipality:												
List all capital projects grouped by Municipal Vote												
Upgrading of Bulk water supply in Bathurst		Upgrading of Bulk water supply in Bathurst		Examples Infrastructure - Water	Examples Retardation		2014/2015	11,325	16,772	3,171	-	-
Entities:												
List all capital projects grouped by Municipal Entity												
Entity Name												
Project name												

References

1. List all projects with planned completion dates in current year that have been re-budgeted in the MTRRF
2. Refer M-FMA s30
3. As per Table SA34
4. Correct to seconds. Provide a logical starting point on networked infrastructure.

# COMMENTS



## **COMMENTS AND QUESTIONS RECEIVED FROM NDLAMBE RATEPAYERS AND CONSUMERS RELATING TO THE 2016/2017 BUDGET**

The proposed 17 % increase in property rates, as tabled in the draft budget to Council, we cannot accept.

This proposed increase is way above Treasury guidelines, which surely Municipal Officials should realise, will never be accepted by Ndlambe ratepayers. This is a waste of time as in the end the draft budget will need to be re-done and cuts made to bring the percentage rates increase down to a more acceptable level.

We would again propose that the rates increase should be negotiated at the start of the budgetary process by holding public participation meetings led by the Mayor.

This is always an issue and will remain as such until the budget caters for bad debts, depreciation, income forgone, maintenance, staff in certain units.

Each time the audit report comes out and the report highlights unauthorised expenditure the municipality is criticised and told to get their house in order so we budget for it and are then told we have to reduce the budget increase.

Each time the audit report comes out and the report highlights the ineffectiveness of the audit committee, internal audit and performance the municipality is criticised and told to capacitate those units to make them effective. We budget for the staff to capacitate those units and increase the time of the audit committee but are then told the budget increase is not accepted and the budget must be reduced.

Again the depreciation, bad debts provision, income foregone, staff for internal audit, performance management and additional time for the audit committee has been removed from the budget to reduce the increase to ratepayers and consumers.

Mounting Municipal debt

Regretfully this has not been addressed.

The Customer Care, Credit Control & Debt Collecting policy make provision for:

- Interruption of service (Section 7.6.1)
- Extended terms of payment (Annexure A)

In both instances services can be terminated if payment is 1 day overdue – is this being applied?

Electricity services are terminated and a defaulter has to install pre-paid. However this can only be done in the areas that the municipality supplies electricity.

Service delivery

Bearing our deteriorating infrastructure in mind, increasingly the Municipality will be challenged by ratepayers on what are we getting for the tax we pay.

We propose that every year 20% of the rates income from the individual towns (making up Ndlambe) must be spent in that town. To ensure that such funds are correctly utilized, the individual Ratepayers Associations would submit a budget on what the money will be spent, for approval.



The NRF needs to look at the internal capital budget and internal maintenance budget and they will note that not much is there to split between the towns as it has been reduced to lower the increases.

The proposal made by the NRF to spend 20% of the rates income from the individual towns in that individual town is an interesting concept but needs to be expanded on when one unpacks what expenditure rates cover

Water tariff increase 16%

One of the reasons given for this increase is the cost per litre charged by Amatola Water. Using this as a base is not correct as Amatola Water do not supply the whole of Ndlambe of water.

It must also be pointed out that the water quality in areas within Ndlambe does not conform to SANS241 standards of chemical content of the water.

Therefore, the extensive use of rain water tanks by residents for household use.

We, therefore, cannot accept the blanket 16% increase.

We request that:

- Reasons be given why the increase cannot be the CPI;
- A rebate be given where water quality do not conform to SANS 241.

The cost of water throughout Ndlambe must be recovered from water consumers throughout Ndlambe at the same tariff irrespective of the water source. It is correct that Amatola Water does not supply the entire Ndlambe area but it is one of the sources from which water is obtained.

Refuse What provision is being made for handling the huge increase in the volume of refuse during the December holiday period?

The refuse tariff covers the collection of refuse once a week from each household and that is irrespective of the period. Over the holiday season I know that in the smaller towns in Ndlambe, refuse is collected at a more regular basis over the holiday period but that is only if the resources allow. It must be remembered that those extra collections are at no additional cost.

Subsistence and Travelling.

This amount increased from R2.1m (2015-2016 Financial year) to R2.6m for the 2016\_2017 Financial year. Clearly officials are not heeding the Minister of Finances call for cost cutting on travelling. This amount should be cut by 50%.

Since the budget was tabled at Council the Subsistence and Travelling has been cut.

Overtime

It is our contention that the payment for overtime is not strictly controlled.

It is also noted that apart from the "normal" provision for overtime, there is the additional:

- Infrastructure: Roads & General: Salaries & Overtime (Item256)

New provision R300,000

- Infrastructure: Sewerage (Item 530):

New provision R700,000

With the municipal fleet continually breaking down and services having to be rendered it is extremely difficult to reduce the overtime budget as we know that overtime is going to be worked to do basic service delivery. New and additional plant is desperately needed as we



are servicing many new areas with the same fleet that is breaking down. The demand for sewer pump-outs is very high and we cannot inconvenience households with overflowing tanks so again we request staff to work overtime to get rid of back-logs

#### Casual workers

More use should be made of casuals instead of paying overtime.

Has consideration been given to subcontract services like grass cutting, cleaning of road verges, street cleaning ?

Casual employment takes place regularly and in the areas that you mention above.

#### Maintenance: Sport facilities

A number of projects have been implemented or are being implemented with grant funding to provide sporting facilities.

We fully support the provision of sporting facilities, but eventually the maintenance of these facilities becomes a liability on the operating budget.

Can you please indicate:

- What is the yearly maintenance cost of the Titus Multi Sports Centre in Thorn Hill;
- What steps are being taken to ensure that the maintenance of these multi-million rand projects funded from grants, do not become our liability to maintain and negatively impacting on our operating budget.

At present there are no maintenance costs. The management of the facilities is been looked at to ensure that the income derived covers the operating expenditure

#### Privatisation: Municipal workshop

The long turn-around time of vehicles in for repairs was raised at a recent Council meeting.

Why not consider making use of outside facilities to assist in the repair of vehicles and plant. This should not require additional budgetary provision as already provision is made in the budget for repairs to plant/vehicles which can be used to fund outside repairs.

#### Nice-to-Have's

Again laptops, camera and 4X4 bakkies, although presently unfunded, feature in capital budget. We have repeatedly stressed that these items should not be allowed, unless properly motivated, especially given the present economic climate.

We fail to see how the LED unit can motivate the use of a video camera or the Public Participation unit for a 4X4 bakkie.

LED Unit - Video Camera will help the Unit to capture events, important sessions in-house, which is cost effective when having, in comparison to hiring service provider every time we have an event.

#### Salaries.

Please explain how employer related costs, now 30.57% of the operating budget, are calculated. For years salaries were alarmingly well over 40% of the budget. The present figure would indicate a different method of calculating employer costs, thus making it look good.

Salaries percentages are provided in two scenarios – with grant funding and without grant funding – the higher percentage is without grant funding

We oppose the establishment of units e.g. Public Participation, Performance Management and the additional expense to establish them (salaries, vehicles, office equipment), with questionable contribution to delivery of services.

*This is been looked at to be removed. One must remember that ratepayers and stakeholders are part of the sectors that insisted that the municipality improves on its audit outcomes and many of the units established and additionally staffed was to address certain of the issues raised in the audit report.*

Infrastructure.- *This has been corrected.*

Please explain the inconsistent increase/decrease in Salaries, Medical Aid, Pension, UIF in sections Roads & General, Building Control Administration, Workshops, PMU, Estates, Town Planning, Housing, Electricity Administration, Water Administration.

General Works.

Item 53:

Salaries Overtime: Up from R0 to R500k

Items 71 – 125.

All items budgeted for R3500 i.r.o what plant it is e.g. weedeater, bakkie.

Roads & General

Item 256:

Salaries Overtime: up from R0 to R 300k

Sewerage

Item 530:

Salaries overtime up from R0 to R700k

Building Control

Item 622,623:

Corsa Bakkie

Up from R30k to R45k. Explain the use and the increase.

Administration-

Item 669:

Consultancy/Management fees up from R200k to R1.7m

*This is a legislated requirement where on a yearly basis all infrastructure assets have to be assessed and verified. The requirements are that a suitably qualified engineer has to undertake the assessments and verifications and this comes at a cost. Previously grant money has been used but this year grant money could not be sourced to cover the expenditure and it is anticipated that grant funding will also not be obtained to undertake the exercise during the next financial year.*

PMU

What are their function ?

*The function of the PMU unit is to manage and control all grants received by the municipality and manage all projects that the municipality undertakes. They do all the reporting and accounting in this regard.*

Item 772:

Telephone up from R50k to R150k  
Please explain this sharp increase

Community Protection Services

Refuse



Item 622 and 633: Salaries Overtime R527k  
Why not employ more casuals ?

Item 637: Why is the equitable share an expense

The equitable share is to cover indigent households and the expense is covered by the equitable share grant that is shown under income.

Item 639: Explain the Environmental levy R2.9m

The environmental levy is used on refuse sites, cleaning, bull-dozing etc – The purchase of shredders to manage the tips

Item 673: Rental contingency vehicles  
Up from R250k to R500k – What was the amount  
spend last year to justify a 100% increase?

Item 682: Repairs: Refuse site (Mainly fencing)  
Up from R400k to R600k.  
A number of years ago a large portion of the income derived from the environmental levy was used for fencing. It is clear that fencing of refuse sites is a waste of money. The only portion that should be fenced is the entrance and immediate surrounding area.

Animal Pound

Item 732: The income derived from pounding fees must  
cover all the costs of running the pound.

In my opinion and calculations, the income from fees generated through the pound will never cover the overheads of the pound. The aim of the pound is to keep stray animals off the streets and roads. The running costs of the pound accrues daily.

Law Enforcement

Items 853,854: Please explain the approx. 50% decrease in  
income.

Municipal Manager

Item 40: Salaries.  
Please explain the 22% increase

Item 53: Payday support  
Please explain.

This is monthly support fee for payday software: Updating of software, parameter maintenance, data clean-up, problem solving upon particular requests and creation of new and amended reporting pertaining to payroll and or human capital information technology products as provided by contractor. Also transferring of skills to PayDay users.

Item 135: Newsletter Development.  
Up from R50k to R150k – please explain

Items 136: Radio programs  
Up from R50k to R100k – please explain

Item 171: Tourism Development fund R450k – please explain  
As reflected in the IDP, Tourism is one of the strategic pillars of the economy in the area. The Tourism Sector plan supports the development of Tourism Products in the area for promotion of tourists in the area and economic spin offs that are linked to this.

Item 172: LED – Ring fenced. Up from R50k to R150k.  
Please explain what the money is used for.

The is due to the fact that, around Ndlambe, there are no industries or mineral resources that can create employment, let alone employment opportunities, LED is therefore responsible for supporting initiatives that seek to provide employment/ opportunities, the, R50 000 amount is not even enough for one initiative.

Item 244: Salaries.  
Is this for the Performance Management section ?

Council General

Item 22: Explain ;Allowances Pensioners R1.68m

This is Council Contribution to the post-retirement benefits of staff that retired from the municipality. Council through legislation is required to contribute.

Item 28: Consultancy/Management fees  
Up from R15k to R160k –Please explain.  
Is this increase based on the actual expenditure last year ?

Item 37: Legal Expenses. Is this based on actual expenditure last year?

The previous years budget is always used as a guide but cases against the municipality are also assessed and the cost of those cases are also used to determine the budget.

Finance

Supply Chain

Item 80: Explain salaries up by 51%

This is due to a once off provision for outstanding back pay as a result of the 2014 job evaluation that was undertaken on the supply chain staff.

Are all properties in Ndlambe rated – this would increase revenue if they were as there are facts that not all are rated

The finance directorate have acquired a program (Ovu) that can link financial data to maps and this will highlight erven that do not have values and we will then see what properties in the area are not rated and we will then be able to investigate why.



Are all properties in Ndlambe charged for services – this would increase revenue and limit increases

As above will be done to map what services are connected to which erven and erven without service charges can be investigated.

Printing and stationery costs are excessive in the electronic age we are in and all the volumes of agendas should be e-mailed and not printed.

Corporate services will need to respond but I also feel that internally documents need not be always printed

The policy recommending a 2% reduction in the residential rebate in effect means that residential properties will pay 2% more than the rates increase and this is not acceptable.

It is correct that by reducing the 2% on the residential rebate will increase the overall percentage residential properties will have to pay

Key financial indicators – where does the norm come from?

The norms come from National Treasury

Pg 5 of the tabled budget the pie chart shows 10.73 increase not the 17% recommended – Why?

BTO will need to comment here

Pg 5 of the tabled budget shows 46.15% increase on water but the recommended increase is 16% - Why?

BTO will need to comment here

Based on the above is rates subsidising water and if so why?

Yes it is a fact that rates does subsidise trading services as Ndlambe does not cost administration costs and does not cost bulk payments. With mSCOA coming in this will be mainly addressed

Collection of debt is the key not huge increase. What is been done to recover the debt?

REVCO has been employed and other legal avenues are currently been investigated. Internal staff are also working on debt collection. In the areas that Ndlambe supply electricity debt is recovered through pre-paid sales

Need to start cutting salaries by freezing any appointments

This is done but there are critical posts that have to be filled. It will never be possible to freeze all posts that become vacant.

Why is Amatola so slow with implementing the water projects and what is been done about it?

Director: Infrastructure will need to respond

There has been intervention meetings on this matter and the CEO and the Chief Director of Water and Sanitation have been made aware of this issue.

Jo-Jo tanks overflowing all the time at Seafields and water is been wasted.

This has been sorted out.

Refuse sites are in a mess at Seafields and what is been done about them?

What must residents do with garden refuse in Seafields.

When is the municipality going to finish Diaz Road

How often are meters read in Port Alfred as no reading taken for 5 months

The erf provided at the meeting was checked and it was found that an ISUZU Bakkie had been parked on-top of the meter and many attempts were made with the tenants at the property to have the vehicle removed to get access to the property. The tenants were not able to assist as they were not aware who the owner of the vehicle was.

Why is the municipality always way above Treasury recommended increase and when will Ndlambe move towards the recommendations from Treasury

With the demographics of Ndlambe, the economic drivers, the holiday homes, the customer profiles, unemployment and prior budget reductions, it is very doubtful that the municipality will ever get to the inflation rate published for some time.

What is Ndlambe Municipality doing as far as cost saving measures recommended by Treasury are concerned

A item is to be presented to Council based on the National Treasury Circular and the cost savings will come into effect from 1 July 2016

Why does the entire municipality have to pay the increase in water when Amatola only supplies certain areas of Ndlambe

The municipality must implement a uniform tariff to all consumers in the municipal area. All areas throughout Ndlambe get water from different sources and each unit cost for each source is very different so the costs are averaged and a uniform tariff is charged to all

Productivity of staff is shocking and what are managers and foreman doing about it?

Why were we at Cannon Rocks and Bokness informed only 48 hours prior to the meeting



This is not correct as the meeting was advertised the week before the meeting in the newspaper, on noticeboards and website.

Why hasn't every tax payer in Cannon Rocks and Bokness received notification in writing

There is no requirement to notify each and every ratepayer however we will look at various ways to notify ratepayers and consumers of meetings

Why was no financial report of the previous financial year issued beforehand

The financial report is the financial statements and they were made public since December 2015 as well as the Auditor-Generals report on the financial statements

The total loss of revenue in Cannon Rocks and Boknes

Mr Klaas will need to see if he can ring-fence just the debt owed by Cannon Rocks and Bokness. We are Ndlambe Municipality and we report on the entire municipality and do splits on ward level.

The means that have been applied to regain these losses and its success or failure

Three attorneys were appointed to assist with debt recovery and the success was not what was expected. REVCO a debt collection firm was appointed and there has been success but not at the pace we would have liked to see. We are now investigating other avenues to get in the debt owed to the municipality that includes attachment of properties

The total amount that is going to be written off in the Ndlambe District

That is not known now and will only be known at the end of June 2016 as the debt that will be written off will be dependent on the balance left from the equitable share as we do not budget internally for write offs

The application of the environmental fund in our area

The levy is used throughout Ndlambe and is used in the areas that are most critical and this includes hiring plant, procuring shredders, fencing, refuse site clean-ups etc

Your intended revenue increase (17%)

If we are to include all budgets to address issues raised by the public, audit committee, Auditor-General and meet all legislated requirements the increase would have been far higher than 17% but for this year budgets were increased to address certain areas that equated to the 17% increase. However once the cost was determined and the implication known the approach was changed and the increase reduced.

The salary increases of the executive committee over the last past five years



The executive committee consists of the Mayor and three Councillors and their salary and salary increases are gazetted yearly.

Reasons for the poor management and degeneration of infrastructure

The reason for the degeneration of infrastructure is due to the maintenance budgets been cut for the past number of years to keep the increases to ratepayers and consumers down. The other fact to be reminded of is that the capital budget is also cut to limit the annual increase and without the plant and machinery maintenance suffers.

The amount paid for overtime work on Saturdays, Sundays and public holidays and the reasons for such work

Service directorates will need to input here

The section of the ratepayers and consumers from Boknes and Cannon Rocks that walked out the meeting stated – If their points are not addressed they are to rally all taxpayers in Ndlambe for mass action - To circulate a petition requesting the public prosecutor for a full investigation into Ndlambe matters – to promote the non-payment of revenue

Points raised by the group are addressed above

Debt is very important – what is been done

Three attorneys were appointed to assist with debt recovery and the success was not what was expected. REVCO a debt collection firm was appointed and there has been success but not at the pace we would have liked to see. We are now investigating other avenues to get in the debt owed to the municipality that includes attachment of properties

Pensioners – what happens with more and more increases – will we lose our houses

Pensioners need to investigate rebates that are available to them and also seek advise from the revenue department as to options that are available

How do we as public input into the budget

The budget process starts in August each year and from that date public can get involved. The IDP process is one of the most important processes to be involved in and I would suggest that all roll players get the program that indicates when input can be presented

Street lights in Bokness

The street lights will be looked at once the new budget has been approved but with the available budget strategic lights will be repaired.

Fix the Bokness beach front

Ward Cnl never seen in the Bokness area

Restore Gabion wall on the West bank in Bushmans River



Prevention or reduction of flooding near Pascoe Crescent in Port Alfred

Make property owners maintain their own sidewalk

Property owners are encouraged to maintain the sidewalks in front of their properties and we really appreciate the efforts of many property owners that already do. It is not possible to enforce any property owner to maintain property that is not theirs without some form of compensation. The other problem we would have is how would one define the level of maintenance and how we would enforce such a matter.

Deal with sand encroachment in Kleinemonde

Desiltation of rivers to enhance navigational channels – Ramhoa and SBH in Kowie river

Consider cremation and/or grave-sharing

Enhance fleet within the Waste management service

The municipality each year is attempting to introduce a capital budget so that fleet in all sections can be enhanced and replaced. Unfortunately capital budgets are always cut so that the increase on rates and services can be reduced. The ripple effect to not enhancing fleet is additional overtime and repair costs.

Nature reserves are seldom publicised. Is there a reason for this? Who are the users, costs incurred, is revenue derived. Is the net result profit or a loss?

It is not in our interest to market the nature reserves until such time as the road has been repaired by Provincial Roads. If you note, Provincial Roads has locked the gate to the Kapp River Nature Reserve due to the bridge that has been washed away and this reserve normally brings in the highest revenue. As soon as the road has been repaired the marketing can again be vigorously undertaken and revenue will once again exceed expenditure.

River bank collapse at Riet River

Currently only 40% of ward 10 households are linked to the municipal waterborne sewerage system. As a matter of urgency the remaining 60% of households must be prioritized to link to the municipal sewerage system

Pave Vroom street

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.

Upgrade and resurface Princes avenue

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.



Upgrade and resurface BEACH Road from Guidos to Shelly Beach

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Resurface DOVE and SPORTS lane

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Resurface Halstead road

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.

Resurface PARK lane

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.

Establish proper pavement up WESLEY street from the traffic lights to STENDEN

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.

Install drainage systems around the Port Alfred Police Station

Pave Keey street

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Install drainage systems from van der Riet street to Campbell, Masonic and Biscay streets.



Remove soil from edge of the CRICKET FIELD on the Hospital sports field. Rehabilitate . This was caused by the 2012 flood.

As far as I am aware this is not municipal property and I am sure that the development from which the soil came should be held liable to have the soil removed.

Install drainage in the streets in Forest Downs and Southdowns. Grade all the gravel roads in those suburbs.

Resurface BATHURST street from the BP garage to HIGH street

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.

Resurface portion of SMITH street.

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.

Resurface SALTVEI road

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.

Resurface BECKER street.

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.

WARD 10 Wheelchair ramps in CBD

I assume that the wheelchair ramps are required at municipal offices as the municipality cannot build on private property.

Ward 10 Upgrade pavement along Causeway

I am sure that ratepayers and consumers have noted that the municipality has started to concrete, pave and resurface roads, parking lots and sidewalks. The municipality does not have the funding to do all roads in Ndlambe at once and are working to a schedule that deals first with roads that carry the majority of traffic and are strategic roads to navigate around the towns.

Ward 10 Upgrade and Repair the Boardwalk at the Duckpond in the CBD

It will be noted that work has commenced on paving the Duckpond parking area. The repairs to the boardwalk were discussed at the same time and before any commitments or further costs are incurred on the boardwalk, the structural integrity of the foundations and pillars are to be assessed.

The Kowie river bank stone wall has crumbled in a number of places between Wharf street and the river mouth. This requires urgent attention

Job Creation                      R700 000

There are various National Government and private sector initiatives making funds available for SMME's. Those responsible for allocation of funds are also best suitable for evaluating the feasibility of investing in a particular venture  
*It is not Ratepayers responsibility to in addition to the above, provide funding for job creation.*

*We object in the strongest terms for this amount to be included in the budget.*

Salaries overtime.

We reiterate that overtime is not strictly controlled and measures must be implemented to address this.

Therefore the R2.8m increase (from R1.2 m to R4.1m) is unacceptable.

We propose that:

- Salaries: Overtime should be capped at R1.5m;
- The amount may not be increased through the year by means of an adjustment budget;
- Application for additional funds during the year must first be approved by Council.

Security guards

Security guards are already deployed – how can there be a 60% increase in sites that need to be guarded?

Instead of security guards cannot more use be made of alarm systems/outside beams connected to an armed response company?

Training

Please explain what the amount of R189 000 for training under Council: General is intended for?

Teas

Referring to Ndlambe's Entertainment Policy and Treasury's circular no.82 on cost cutting measures, we cannot see any justification for this increase 39%.

*In fact there should be a **decrease** if Ndlambe Municipality is serious in adhering to the Treasury circular on cost cutting measures.*

Wheely bins.



Last year we recorded our opposition to the further introduction of wheely bins. There are no reasons why the black refuse bin used by most residents cannot be used, which are cheaper than wheely bins.

It is debatable how much labour is saved using wheely bins and a compactor with a lifting device compared to the normal refuse bin.

It must also be pointed out that wheely bins are not conducive to encourage recycling which are of critical importance to reduce the amount of refuse being deposited at our landfill site and thus prolonging it's life span.

Casuals.

Casuals up 22.84% to R2 141 257- is this because the most of the work force has such low productivity casuals have to be brought in to do their tasks?

Errors- Cell referencing

It was apparent that there were numerous errors in cell referencing from the Directors budgets to the Consolidated budget that need to be investigated.

**PART 3: MUNICIPAL MANAGERS QUALITY  
CERTIFICATE & LOCK CERTIFICATE**



## MUNICIPAL MANAGER'S QUALITY CERTIFICATION

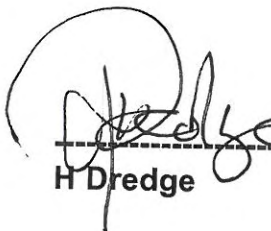


### QUALITY CERTIFICATE

I **Howard Dredge**, Acting Municipal Manager of **Ndlambe Municipality**, hereby certify that the budget and 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 the annual budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

**Howard Dredge**

**Acting Municipal Manager of Ndlambe Municipality (EC105)**

  
H Dredge

**23 June 2016**  
**DATE**

# **Certification that the adopted budget for 2016/17 is correctly captured and locked on the municipality's financial management system**

*(as requested by National Treasury in terms of section 74 of the MFMA, with reference to paragraph 6.3 of MFMA Budget Circular 59 dated 16 March 2012)*

I, Howard Dredge, in my capacity as accounting officer of the municipality, hereby certify that:

- The adopted annual budget has been captured on the municipality's financial system;
- There is 100 per cent reconciliation between the budget on the system and the budget adopted by council;
- The adopted annual budget on the municipality's financial system is locked and will not be changed as it serves as the baseline against which to monitor and measure performance; and
- The relevant budget return forms have been submitted to the local government database.

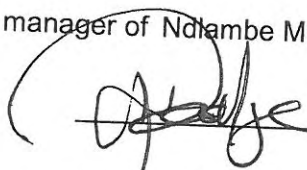
I, further certify that the municipality has in place controls to ensure that any changes to the adopted budget will be captured separately and only in accordance with:

- a virement authorised by the municipal manager, or duly delegate official, in terms of a council approved virements policy; and
- an adjustments budget approved by council.

Print Name                      Howard Dredge

Acting Municipal manager of Ndlambe Municipality EC 105

Signature

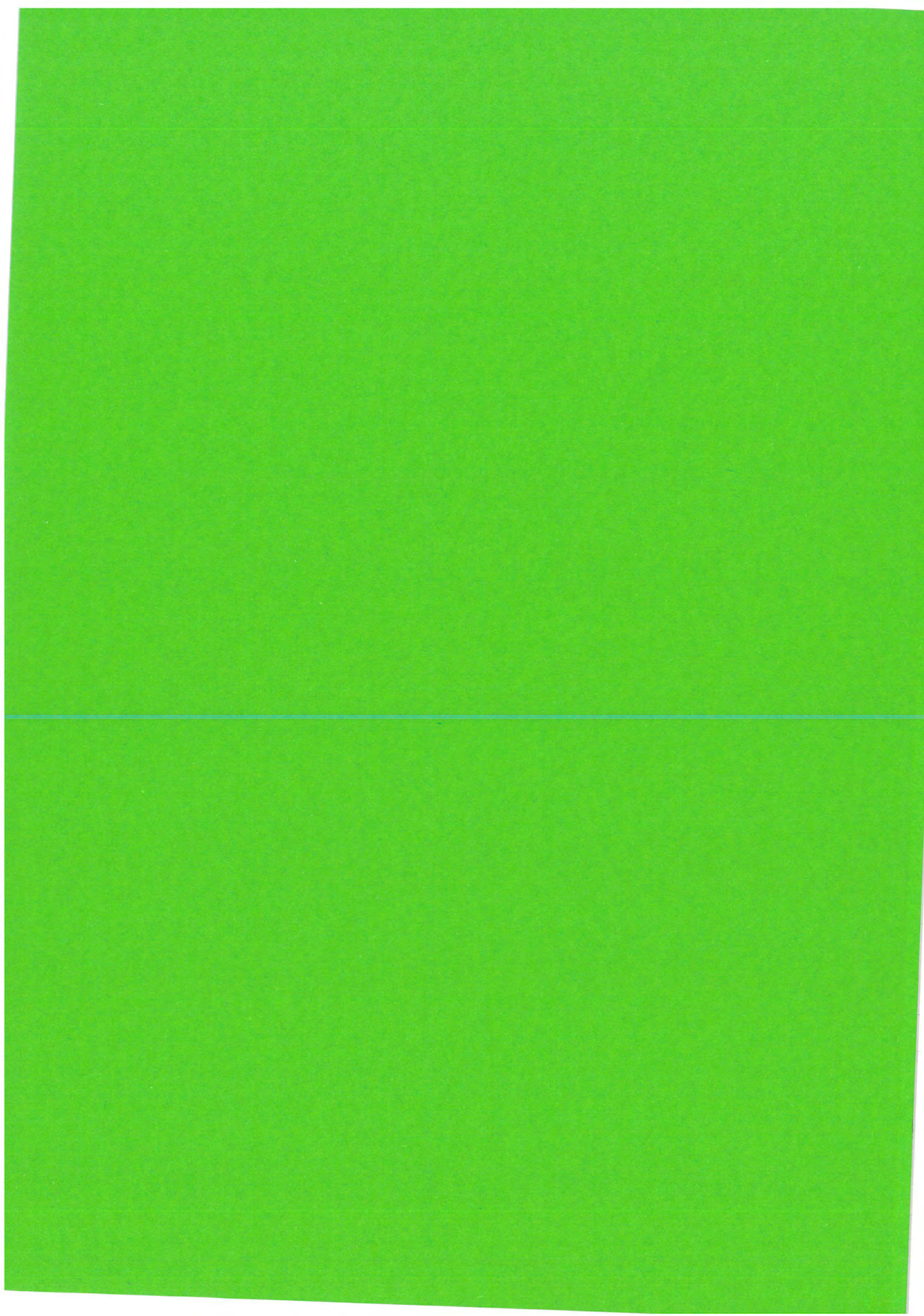


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Date

23 June 2016







**NDLAMBE MUNICIPALITY**

# **FIXED ASSETS POLICY**

**2016/2017**



## **FIXED ASSETS POLICY**

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## **FIXED ASSETS POLICY**

### **PART 1 DEFINITION OF A FIXED ASSET**

A fixed asset is defined in GRAP 17 as a tangible item of property, plant or equipment held by a municipality for use in the productions or supply of goods or services, for rental to others, or for administrative purposes, and which is expected to be used during more than one reporting period (financial year).

A fixed asset is thus an asset, either movable or immovable, under the control of the municipality, and from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year.

To be recognized as a fixed asset, an asset must also meet the criteria referred to in Parts 13,14 and 15 below.

An asset held under a finance lease, shall be recognized as a fixed asset, as the municipality has control over such an asset even though it does not own the asset.

### **PART 2 ROLE OF MUNICIPAL MANAGER**

As accounting officer of the municipality, the municipal manager shall be the principal custodian of all the municipality's fixed assets, and shall be responsible for ensuring that the fixed asset management policy is scrupulously applied and adhered to.

### **PART 3 ROLE OF CHIEF FINANCIAL OFFICER**

The chief financial officer shall be the fixed asset registrar of the municipality, and shall ensure that a complete, accurate and up-to-date computerised fixed asset register is maintained.

No amendments, deletions or additions to the fixed asset register shall be made other than by the chief financial officer or by an official acting under the written instruction of the chief financial officer.

### **PART 4 FORMAT OF FIXED ASSET REGISTER**

The fixed asset register shall be maintained in the format determined by the chief financial officer, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribed.

The fixed asset register shall reflect the following information:

- a brief but meaningful description of each asset;
- the date on which the asset was acquired or brought into use;
- the location of the asset;
- the department(s) or vote(s) within which the assets will be used;
- the title deed number, in the case of fixed property;
- the stand number, in the case of fixed property;
- where applicable, the identification number, as determined in compliance with part 11 below;
- the original cost, or the revalued amount determined in compliance with part 26 below, or the fair value if no costs are available;
- the (last) revaluation date of the fixed assets subject to revaluation;
- the revalued value of such fixed assets;
- who did the (last) revaluation;

- accumulated depreciation to date;
- the depreciation charge for the current financial year;
- the carrying value of the asset;
- the method and rate of depreciation;
- impairment losses incurred during the financial year (and the reversal of such losses, where applicable);
- the source of financing;
- the current insurance arrangements;
- whether the asset is required to perform basic municipal services;
- whether the asset has been used to secure any debt, and – if so – the nature and duration of such security arrangements;
- the date on which the asset is disposed of;
- the disposal price;
- the date on which the asset is retired from use, if not disposed of.

All heads of department under whose control any fixed asset falls shall promptly provide the chief financial officer in writing with any information required to compile the fixed asset register, and shall promptly advise the chief financial officer in writing of any material change which may occur in respect of such information.

A fixed asset shall be capitalized, that is, recorded in the fixed assets register, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, whereafter it shall be appropriately capitalized as a fixed asset.

A fixed asset shall remain in the fixed assets register for as long as it is in physical existence. The fact that a fixed asset has been fully depreciated shall not in itself be a reason for writing-off such an asset.

## PART 5 CLASSIFICATION OF FIXED ASSETS

In compliance with the requirements of the National Treasury, the chief financial officer shall ensure that all fixed assets are classified under the following headings in the fixed assets register, and heads of departments shall in writing provide the chief financial officer with such information or assistance as is required to compile a proper classification:

### PROPERTY, PLANT AND EQUIPMENT

- land (not held as investment assets)
- infrastructure assets (assets which are part of a network of similar assets)
- community assets (resources contributing to the general well-being of the community)
- heritage assets (culturally significant resources)
- other assets (ordinary operational resources)

### INVENTORY

- Assets held for sale in the ordinary course of business,
- In the process of production for such sale or
- In the form of materials or supplies to be consumed in the production process.
- In the form of materials or supplies to be consumed or distributed in the rendering of services.



## INVESTMENT PROPERTY

- investment assets (resources held for capital or operational gain)

The chief financial officer shall adhere to the classifications indicated in the annexure on fixed asset lives (see part 33 below), and in the case of a fixed asset not appearing in the annexure shall use the classification applicable to the asset most closely comparable to the asset in question.

### PART 6 INVESTMENT PROPERTY

Investment assets shall be accounted for in terms of IAS 40 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

Investment assets shall not be depreciated, but shall be valued annually to determine their fair (market) value. Investment assets shall be recorded in the balance sheet at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

An expert valuer shall be engaged by the municipality to undertake such valuations.

If the Council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – hereafter it shall be reclassified as an investment asset.

### PART 7 INVENTORY

Inventories are assets:

- (a) in the form of materials or supplies to be consumed in the production process;
- (b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
- (c) held for sale or distribution in the ordinary course of operations; or
- (d) in the process of production for sale or distribution.

### PART 8 RECOGNITION OF HERITAGE ASSETS IN THE FIXED ASSET REGISTER

If no original costs or fair values are available in the case of one or more or all heritage assets, the chief financial officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For balance sheet purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

## PART 9 RECOGNITION OF DONATED ASSETS

Where a fixed asset is donated to the municipality, or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the fixed asset register at its fair value, as determined by the chief financial officer.

## PART 10 SAFEKEEPING OF ASSETS AND INTERNAL CONTROL

Every head of department shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question.

In exercising this responsibility, every head of department shall adhere to any written directives issued by the municipal manager to the department in question, or generally to all departments, in regard to the control of or safekeeping of the municipality's fixed assets.

## PART 11 IDENTIFICATION OF FIXED ASSETS

The municipal manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerized fixed asset register.

The identification system shall be determined by the municipal manager, acting in consultation with the chief financial officer and other heads of departments, and shall comply with any legal prescriptions, as well as any recommendations of the Auditor-General as indicated in the municipality's audit report(s), and shall be decided upon within the context of the municipality's budgetary and human resources.

Every head of department shall ensure that the asset identification system approved for the municipality is scrupulously applied in respect of all fixed assets controlled or used by the department in question.

## PART 12 PROCEDURE IN CASE OF LOSS, THEFT, DESTRUCTION, OR IMPAIRMENT OF FIXED ASSETS

Every head of department shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the department in question is promptly reported in writing to the asset manager / asset clerk and – in cases of suspected theft or malicious damage – also to the South African Police Service.

## PART 13 CAPITALISATION CRITERIA: MATERIAL VALUE

No item with an initial cost or fair value of less than R1 000 (one thousand rand) or with a useful life less than one financial year – or such other amount as the Council of the municipality may from time to time determine on the recommendation of the municipal manager – shall be recognized as a fixed asset. If the item has a cost or fair value lower than this capitalization benchmark, it shall be treated as an ordinary operating expense.

Every head of department shall, however, ensure that any item with a value in excess of R250 (two hundred and fifty rand), and with an estimated useful life of more than one year, shall be recorded on a stocksheet. Every head of department shall moreover ensure that the existence of items recorded on such asset inventory sheet is verified from time to time, and at least once in every financial year, and any amendments which are made to such stocksheets pursuant to such stock verifications shall be retained for audit purposes.



#### PART 14 CAPITALISATION CRITERIA: INTANGIBLE ITEMS

No intangible item shall be recognized as Property, Plant and Equipment except that the chief financial officer, acting in strict compliance with the criteria set out in GRAP 102 (dealing with research and development expenses) may recommend to the Council that specific development costs be recognized as fixed assets.

#### PART 15 CAPITALISATION CRITERIA: REINSTATEMENT, MAINTENANCE AND OTHER EXPENSES

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized.

Expenses incurred in the maintenance of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalized, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalized as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

#### PART 16 MAINTENANCE PLANS

Every head of department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the Council of the municipality for approval.

If so directed by the municipal manager, the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

The head of department controlling or using the infrastructure asset in question, shall annually report to the Council, not later than in July, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the asset concerned.

#### PART 17 DEFERRED MAINTENANCE

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset (see part 16 above), the chief financial officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the financial statements. Such note shall also indicate any plans which the Council of the municipality has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the chief financial officer shall re-determine the useful operating life of the fixed asset in question, if necessary in consultation with the head of department controlling or using such asset, and shall recalculate the annual depreciation expenses accordingly.

## PART 18 GENERAL MAINTENANCE OF FIXED ASSETS

Every head of department shall be directly responsible for ensuring that all assets (other than infrastructure assets which are dealt with in part 16 and part 17 above) are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

## PART 19 DEPRECIATION OF FIXED ASSETS

All fixed assets, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which a fixed asset is used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed.

However, depreciation shall initially be calculated from the day following the day in which a fixed asset is acquired or – in the case of construction works and plant and machinery – the day following the day in which the fixed asset is brought into use, until the end of the calendar month concerned. Thereafter, depreciation charges shall be calculated monthly.

Each head of department, acting in consultation with the chief financial officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

## PART 20 RATE OF DEPRECIATION

The chief financial officer shall assign a useful operating life to each depreciable asset recorded on the municipality's fixed asset register. In determining such a useful life the chief financial officer shall adhere to the useful lives set out in the annexure to this document (see part 33 below). In the case of a fixed asset which is not listed in this annexure, the chief financial officer shall determine a useful operating life, if necessary in consultation with the head of department who shall control or use the fixed asset in question, and shall be guided in determining such useful life by the likely pattern in which the asset's economic benefits or service potential will be consumed.

## PART 21 METHOD OF DEPRECIATION

Except in those cases specifically identified in part 23 below, the chief financial officer shall depreciate all depreciable assets on the straight-line method of depreciation over the assigned useful operating life of the asset in question.

## PART 22 AMENDMENT OF ASSET LIVES AND DIMINUTION IN THE VALUE OF FIXED ASSETS

The chief financial officer shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be



consumed and the chief financial officer shall inform the Council of the municipality of such amendment.

If the value of a fixed asset has been diminished to such an extent that it has no or a negligible further useful operating life or value such fixed asset shall be fully depreciated in the financial year in which such diminution in value occurs.

Similarly, if a fixed asset has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the fixed asset has physically ceased to exist, it shall be written off the fixed asset register.

In all the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the fixed asset in question.

If any of the foregoing events arises in the case of a normally non-depreciable fixed asset, and such fixed asset has been capitalized at a value other than a purely nominal value, such fixed asset shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable asset, and the department or vote controlling or using the fixed asset in question shall bear the full depreciation expenses concerned.

#### PART 23 ALTERNATIVE METHODS OF DEPRECIATION IN SPECIFIC INSTANCES

The chief financial officer may employ the sum-of-units method of depreciation in the case of fixed assets which are physically wasted in providing economic benefits or delivering services.

The chief financial officer shall only employ this method of depreciation if the head of department controlling or using the fixed asset in question gives a written undertaking to the municipal manager to provide:

- estimates of statistical information required by the chief financial officer to prepare estimates of depreciation expenses for each financial year; and
- actual statistical information, for each financial year.

The head of department concerned shall moreover undertake to provide such statistical information at the specific times stipulated by the chief financial officer.

Where the chief financial officer decides to employ the sum-of-units method of depreciation, and the requirements set out in the preceding paragraph have been adhered to, the chief financial officer shall inform the Council of the municipality of the decision in question.

#### PART 24 CARRYING VALUES OF FIXED ASSETS

All fixed assets shall be carried in the fixed asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation.

The only exceptions to this rule shall be revalued assets (see part 26 below) and heritage assets in respect of which no value is recorded in the fixed asset register (see part 8 above).

#### PART 25 REVALUATION OF FIXED ASSETS

All land and buildings recorded in the municipality's fixed asset register shall be revalued with the adoption by the municipality of each new valuation roll (or, if the land and buildings concerned fall

within the boundary of another municipality, with the adoption by such municipality of each new valuation roll).

The chief financial officer shall adjust the carrying value of the land and buildings concerned to reflect in each instance the value of the fixed asset as recorded in the valuation roll, provided the chief financial officer is satisfied that such value reflects the fair value of the fixed asset concerned.

The chief financial officer shall also, where applicable, create a revaluation reserve for each such fixed asset equal to the difference between the value as recorded in the valuation roll and the carrying value of the fixed asset before the adjustment in question.

The fixed asset concerned shall, in the case of buildings, thereafter be depreciated on the basis of its revalued amount, over its remaining useful operating life, and such increased depreciation expenses shall be budgeted for and debited against the appropriate line item in the department or vote controlling or using the fixed asset in question.

The chief financial officer shall ensure that an amount equal to the difference between the new (enhanced) monthly depreciation expense and the depreciation expenses determined in respect of such fixed asset before the revaluation in question is transferred each month from the revaluation reserve to the municipality's appropriation account. An adjustment of the aggregate transfer shall be made at the end of each financial year, if necessary (see part 24 above).

If the amount recorded on the valuation roll is less than the carrying value of the fixed asset recorded in the fixed asset register, the chief financial officer shall adjust the carrying value of such asset by increasing the accumulated depreciation of the fixed asset in question by an amount sufficient to adjust the carrying value to the value as recorded in the valuation roll. Such additional depreciation expenses shall form a charge, in the first instance, against the balance in any revaluation reserve previously created for such asset, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the asset in question.

Revalued land and buildings shall be carried in the fixed asset register, and recorded in the annual financial statements, at their revalued amount, less accumulated depreciation (in the case of buildings).

## PART 26 VERIFICATION OF FIXED ASSETS

Every head of department shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the department concerned.

Every head of department shall promptly and fully report in writing to the chief financial officer in the format determined by the chief financial officer, all relevant results of such fixed asset verification, provided that each such asset verification shall be undertaken and completed as closely as possible to the end of each financial year, and that the resultant report shall be submitted to the chief financial officer not later than 30 June of the year in question.

## PART 27 ALIENATION OF FIXED ASSETS

In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy and the Municipal Asset Transfer Regulations of 2008.

Every head of department shall report in writing to the chief financial officer on 31 October and 30 April of each financial year on all fixed assets controlled or used by the department concerned which such head of department wishes to alienate by public auction or public tender. The chief financial officer shall thereafter consolidate the requests received from the various departments,



and shall promptly report such consolidated information to the Council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

The Council shall delegate to the municipal manager the authority to approve the alienation of any fixed asset excluding Council owned immovable property with a carrying value not exceeding R40 000 (forty thousand rand) subject to provisions of section 14 of the MFMA

The Council shall ensure that the alienation of any fixed asset including Council owned immovable property with a carrying value in excess of R1 000 000 (One Million RAnd) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004 (see part 34 below).

Once the fixed assets are alienated, the chief financial officer shall delete the relevant records from the fixed asset register.

If the proceeds of the alienation are less than the carrying value recorded in the fixed asset register, such difference shall be recognized as a loss in the income statement of the department or vote concerned. If the proceeds of the alienation, on the other hand, are more than the carrying value of the fixed asset concerned, the difference shall be recognized as a gain in the income statement of the department or vote concerned.

All gains realized on the alienation of fixed assets shall be appropriated annually to the municipality's Capital Replacement Reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the income statement of the department or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

Transfer of fixed assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the above procedures, except that the process of alienation shall be by private treaty.

## **PART 28 OTHER WRITE-OFFS OF FIXED ASSETS**

A fixed asset even though fully depreciated shall be written off only on the recommendation of the head of department controlling or using the asset concerned, and with the approval of the Council of the municipality.

Every head of department shall report to the chief financial officer on 31 October and 30 April of each financial year on any fixed assets which such head of department wishes to have written off, stating in full the reason for such recommendation. The chief financial officer shall consolidate all such reports, and shall promptly submit a recommendation to the Council of the municipality on the fixed assets to be written off.

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the chief financial officer shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned (see also part 22).

## PART 29 REPLACEMENT NORMS

The municipal manager, in consultation with the chief financial officer and other heads of departments, shall formulate norms and standards for the replacement of all normal operational fixed assets. Such norms and standards shall be incorporated in a formal policy, which shall be submitted to the Council of the municipality for approval. This policy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items. Such policy shall also provide for the replacement of fixed assets which are required for service delivery but which have become uneconomical to maintain.

## PART 30 INSURANCE OF FIXED ASSETS

The municipal manager shall ensure that all movable fixed assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.

The municipal manager shall recommend to the Council of the municipality, after consulting with the chief financial officer, the basis of the insurance to be applied to each type of fixed asset: either the carrying value or the replacement value of the fixed assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the municipality.

## PART 31 BIOLOGICAL AND AGRICULTURE ASSET

Accounting for biological assets and agricultural produce shall take place in accordance with the requirements of GRAP 101.

The chief financial officer, in consultation with the head(s) of department concerned, shall ensure that all biological assets, such as livestock and crops, are valued at 30 June each year at fair value less estimated point-of-sales costs. Such valuation shall be undertaken by a recognized valuer in the line of the biological assets concerned. Any losses on such valuation shall be debited to the department or vote concerned as an operating expense, and any increase in the valuation shall be credited to the department or vote concerned as an operating revenue.

If any biological asset is lost, stolen or destroyed, the matter – if material – shall be reported in writing by the head of department concerned in exactly the same manner as though the asset were an ordinary fixed asset.

Records of the details of biological assets shall be kept in a separate section of the fixed assets register or in a separate accounting record altogether and such details shall reflect the information which the chief financial officer, in consultation with the head of department concerned and the internal auditor, deems necessary for accounting and control purposes.

The chief financial officer shall annually insure the municipality's biological assets, in consultation with the head(s) of department concerned, provided the Council of the municipality considers such insurance desirable and affordable.

## PART 32 ANNEXURE: FIXED ASSET LIVES

### INFRASTRUCTURE ASSETS

The following is the list of infrastructure assets, with the estimated useful life in years indicated in brackets in each case.

* Electricity	
Power stations	(30)
Cooling towers	(30)
Transformer kiosks	(30)
Meters	(20)



		Load control equipment	(20)
		Switchgear	(20)
		Supply and reticulation networks	(20)
		Mains	(20)
*	Roads		
		Motorways	(20)
		Other roads	(20)
		Traffic islands	(20)
		Traffic lights	(20)
		Street lights	(25)
		Overhead bridges	(30)
		Stormwater drains	(20)
		Bridges, subways and culverts	(30)
		Car parks	(20)
		Bus terminals	(20)
*	Water		
		Mains	(20)
		Supply and reticulation networks	(20)
		Reservoirs and storage tanks	(20)
		Meters	(15)
		Rights (that is, the right to draw water from a particular source belonging to another party)	(20)
*	Sewerage		
		Sewer mains	(20)
		Outfall sewers	(20)
		Sewage purification works	(20)
		Sewerage pumps	(15)
		Sludge machines	(15)
*	Pedestrian malls		
		Footways	(20)
		Kerbing	(20)
		Paving	(20)
*	Airports		
		Runways	(20)
		Aprons	(20)
		Taxiways	(20)
		Airport and radio beacons	(20)
*	Security measures		
		Access control systems	(5)
		Security systems	(5)
		Security fencing	(3)

## COMMUNITY ASSETS

The following is a list of community assets, showing again the assigned or estimated useful lives in years in brackets:

*	Buildings and other assets	
	Ambulance stations	All buildings to be uniform with the accounting policy and what PWC does in the asset register
	Aquariums	(30)
	Beach developments	(30)
	Care centres	(30)

	Cemeteries	(30)
	Civic theatres	(30)
	Clinics and hospitals	(30)
	Community centres	(30)
	Fire stations	(30)
	Game reserves and rest camps	(30)
	Indoor sports	(30)
	Libraries	(30)
	Museums and art galleries	(30)
	Parks	(30)
	Public conveniences and bath houses	(30)
	Recreation centres	(30)
	Sports and related stadiums	(30)
	Zoos	(30)
*	Recreation facilities	
	Bowling greens	(20)
	Tennis courts	(20)
	Swimming pools	(20)
	Golf courses	(20)
	Jukskei pitches	(20)
	Outdoor sports facilities	(20)
	Organs (that is, pipe organs that are fixtures in a municipal hall or other centre)	(20)
	Lakes and dams	(20)
	Fountains	(20)
	Flood lighting	(20)

# Sum-of-units method of depreciation may be preferred.

## HERITAGE ASSETS

The following is a list of at least some typical heritage assets encountered in the municipal environment (no asset lives are given, of course, as no ordinary depreciation will be charged against such assets):

- Museum exhibits
- Works of art (which will include paintings and sculptures)
- Public statues
- Historical buildings or other historical structures (such as war memorials)
- Historical sites (for example, an Iron Age kiln, historical battle site or site of a historical settlement)

## INVESTMENT ASSETS

It is not possible to provide an exhaustive list of investment assets, as the actual list will depend very much on the local circumstances of each municipality. However, the following will be among the most frequently encountered:

- Office parks (which have been developed by the municipality itself or jointly between the municipality and one or more other parties) (30)
- Shopping centres (again developed along similar lines) (30)
- Housing developments (that is, developments financed



and managed by the municipality itself, with the sole purpose of selling or letting such houses for profit) (30)

## OTHER ASSETS

The following is a list of other assets, again showing the estimated useful life in years in brackets:

*	Buildings	
	Abattoirs	(30)
	Asphalt plant	(30)
	Cable stations	(30)
	Caravan parks	(30)
	Compacting stations	(30)
	Hostels used to accommodate the public or tourists	(30)
	Hostels for municipal employees	(30)
	Housing schemes	(30)
	Kilns	(30)
	Laboratories	(30)
	Fresh produce and other markets	(30)
	Nurseries	(30)
	Office buildings	(50)
	Old age homes	(30)
	Quarries	(30)
	Tip sites	(30)
	Training centres	(30)
	Transport facilities	(30)
	Workshops and depots	(30)
*	Office equipment	
	Computer hardware	(5)
	Computer software	(3-5)
	Office machines	(3-5)
	Air conditioners	(3-5)
*	Furniture and fittings	
	Chairs	(5-10)
	Tables and desks	(5-10)
	Cabinets and cupboards	(5-10)
*	Bins and containers	
	Household refuse bins	(5)
	Bulk refuse containers	(10)
*	Emergency equipment	
	Fire hoses	(5)
	Other fire-fighting equipment	(15)
	Emergency lights	(5)
*	Motor vehicles	
	Ambulances	(5-10)
	Fire engines	(10-15)
	Buses	(15)
	Trucks and light delivery vehicles	(3-10)
	Ordinary motor vehicles	(3-7)
	Motor cycles	(3)
*	Plant and equipment	
	Graders	(10-15)
	Tractors	(10-15)
	Mechanical horses	(10-15)
	Farm equipment	(5)
	Lawn mowers	(2)

	Compressors	(5)
	Laboratory equipment	(5)
	Radio equipment	(5)
	Firearms	(5)
	Telecommunication equipment	(5)
	Cable cars	(15)
	Irrigation systems	(15)
	Cremators	(15)
	Lathes	(15)
	Filling equipment	(15)
	Conveyors	(15)
	Feeders	(15)
	Tippers	(15)
	Pulverising mills	(15)
*	Other	
	Aircraft	(15)
	Watercraft	(15)

# Sum-of-units may be preferred.

#### PART 33 ANNEXURE: PARAPHRASE OF SECTION 14 OF THE MUNICIPAL FINANCE MANAGEMENT ACT 2003

A municipality may not alienate any capital asset required to provide a minimum level of basic municipal services.

A municipality may alienate any other capital asset, but provided:

- the Council, in a meeting open to the public, has first determined that the asset is not required to provide a minimum level of basic municipal services, and
- the Council has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.





# NDLAMBE MUNICIPALITY BANKING AND INVESTMENT POLICY

**2016/2017**

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## **1. LEGAL COMPLIANCE**

The Municipality shall at all times manage its banking arrangements and investments and conduct its cash management policy in compliance with the provisions of and any further prescriptions made by the Minister of Finance in terms of the Municipal Finance Management Act No. 56 of 2003.

## **2. OBJECTIVE OF INVESTMENT POLICY**

The Council of the Municipality is the trustee of the public revenue, which it collects on behalf of the community, and it therefore has an obligation to the community to ensure that the Municipality's cash resources are managed effectively and efficiently.

The Council therefore has a responsibility to invest these public revenues in a knowledgeable and judicious way, and can account fully to the community in regard to such investments.

The investment policy provides a framework to ensure the preservation, safety of investments and diversification of investments and adequate cash flows are available to meet short and long-term commitments.

The investment policy of the Municipality is therefore aimed at gaining the highest possible return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the investment policy is dependent on the accuracy of the Municipality's cash management programme, which must identify the amounts surplus to the Municipality's needs, as well as the time when and period for which such revenues are surplus.

## **3. EFFECTIVE CASH MANAGEMENT**

### **3.1 Cash Collection**

All monies due to the Municipality must be collected as soon as possible, either on or immediately after the due date and banked on a daily basis.

The respective responsibilities of the Chief Financial Officer and other heads of departments in this regard is defined in a code of financial practice approved by Council.

The unremitant support and commitment to the Municipality's credit control policy, both by the Council and the Municipality's officials, is an integral part of proper cash collections, and by approving the present policy the Council pledges itself to such support and commitment.

### **3.2 Cash Management Programme**

The Chief Financial Officer shall monitor cash flows on a daily basis to ensure that Council is able to meet its financial commitments and that the operating bank account does not carry unduly high balances. Any surplus funds shall be transferred on a daily basis to a call account attracting the highest possible interest provided that those funds can be retrieved at short notice.



The Chief Financial Officer shall prepare an annual estimate of the Municipality's cash flows divided into calendar months, and shall update this estimate on a quarterly basis. The estimate shall indicate when or for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have to be liquidated and when – if applicable – either long-term or short-term debt must be incurred. Heads of departments shall in this regard furnish the Chief Financial Officer with all such information as is required, timeously and in the format indicated.

The Chief Financial Officer shall report to the Council on a quarterly basis the cash flow estimate or revised for such quarter or reporting period respectively, together with the actual cash flows for the quarter or period concerned, a cumulatively to date, as well as the estimates or revised estimates of the cash flows for the remaining months of the financial year, aggregated into the quarters where appropriate. The cash flow estimates shall be divided into calendar months, and in reporting the Chief Financial Officer shall provide comments and explanations in regard to any significant cash flow deviation in any calendar month forming part of such report. Such report shall also indicate any movements in respect of the Municipality's investments, together with appropriate details of the investments concerned.

#### **4. INVESTMENT ETHICS**

The Chief Financial Officer shall be responsible for investing the surplus revenues of the Municipality, and shall manage such investments if investments are for a period of up to 6 months. Investments for a period exceeding 6 months must first be approved by Council and the Municipal Manager and thereafter managed by The Chief Financial Officer in consultation with the Executive Mayor or Portfolio Councillor, as the case may be, and in compliance with any policy directives formulated by the Council and prescriptions made by the Minister of Finance.

In making such investments the Chief Financial Officer shall at all times have only the best considerations of the Municipality in mind, and, shall not accede to any influence by or interference from Councillors, investment agents or institutions or any other outside parties.

Neither the Chief Financial Officer, any staff member nor Councillors may accept commission or other reward in respect of any investment.

#### **5. INVESTMENT PRINCIPLES**

##### **5.1 Limiting Exposure**

Subject to section 6 of Municipal Cash Management and Investment Regulations where large sums of money exceeding R50 million are available for investment the Chief Financial Officer shall ensure that they are invested with more than one institution, wherever practicable, in order to limit the risk exposure of the Municipality. The Chief Financial Officer shall further ensure that, as far as it is practically and legally possible, the Municipality's investments are so distributed that more than one investment category is covered.

To limit exposure to a single institution for investments exceeding R50 million :

- i. The following investment with any financial institution should be based on the following formula:

$$\begin{array}{lcl} \text{Percentage Exposure} & & \text{Total shareholder Equity of individual Approved Bank} \\ \text{For individual Bank} & = & \text{Total shareholder Equity of All Approved Banks} \\ & = & \% \text{subject to sub-paragraph (ii) and (iii)} \end{array}$$

- ii. At the beginning 'Notwithstanding the provisions of para 3.2 of available funds should be placed with any financial institution subject to sub-paragraph (iii);
- iii. Investments should be placed only with financial institutions that have shareholder equity in excess of R6 billion.

## 5.2 Risk and Return

Subject to section 4 (c) (ii) of the Municipal Cash Management and Investment Regulations, the Chief Financial Officer in making investments on behalf of the Municipality shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved.

At the end of every financial year, a certificate must be obtained from every institution with which funds were invested, certifying that no monetary consideration (of whatever nature) was paid in respect of investments and that no advantage accrued or will accrue to any Councillor or employee, his representative or nominee as a result on investments being made.

## 5.3 Call Deposits and Fixed Deposits

Before making fixed deposits, the Budget and Treasury manager in consultation with the Chief Financial Officer shall obtain quotations from all qualifying institutions.

Given the volatility of the money market, the Budget and Treasury manager in consultation with the Chief Financial Officer, shall, whenever necessary, request quotations telephonically, and shall record on an appropriate investment schedule the name of the institution, the name of the person contacted, and the relevant terms and rates offered by such institution, as well as any other information which may be relevant.

Once the verbal investment quotations have been recorded, written confirmation of the telephonic quotation must be immediately obtained (by facsimile, email or any other expedient means).

The responsible officer then prepares an agenda for the investment committee which should at least contain the following informations / documents :

- Cash Flow Budget;
- Quotations for Investment of Funds;
- Investment Criteria Schedule; and
- Current Investment Portfolio

Copies of these documents are attached for reference purposes.

#### 5.4 Restriction on Tenure of Investments

No investment with a tenure exceeding twelve months shall be made without the prior approval of the Municipal Manager and Council.

### 6. CONTROL OVER INVESTMENT

The Chief Financial Officer shall ensure that proper records and an investment register is kept of all investment made by the Municipality. Such records shall indicate to date on which investment is made, the institution with which the monies are invested, the amount of the investment, the interest rate applicable, interest accrued and the maturity date. If the investment is liquidated at a date other than the maturity date, such date shall be indicated.

The Chief Financial Officer shall ensure that all interest properly due to the Municipality is timeously received and shall take appropriate steps or cause such appropriate steps to be taken if interest is not fully or timeously received.

### 7. OTHER EXTERNAL INVESTMENTS

From time to time it may be in the best interests of the Municipality to make longer-term investments. Subject to section 6 of the Municipal Investment and Municipal PPP Regulation, the Chief Financial Officer must be guided by the best rates of the interest pertaining to the specific type of investment which the Municipality requires and to the best instrument available at the time.

### 8. BANKING ARRANGEMENTS

The Municipal Manager is responsible for the management of the Municipality's bank accounts but may delegate this function to the Chief Financial Officer. The Chief Financial Officer is authorised at all times to sign cheques and any other documentation associated with the management of such accounts. The Municipal Manager, in consultation with the Chief Financial Officer, is authorised to appoint six or more additional signatories in respect of such accounts and to amend such appointments from time to time. The list of current signatories shall be reported to the mayor on an annual basis.

### 9. INVESTMENTS FOR THE REDEMPTION OF LONG-TERM LIABILITIES

In managing the Municipality's investments, the Chief Financial Officer shall ensure that whenever a long-term (non-annuity) loan is raised by the Municipality, an amount, if available, is invested at least annually equal to the principal sum divided by the period of the loan. Such investment shall be accumulated and used only for redemption of such loan on due date. The making of such investment shall be approved by the Council at the time that the loan itself is approved.

If the loan raised is not a fixed term loan but an annuity loan, the Chief Financial Officer shall ensure that sufficient resources are available to repay the principal amounts due in respect of such loan on the respective due dates.



## **10. INTEREST ON INVESTMENTS**

The interest accrued on all the Municipality's investments shall, in compliance with the requirements of generally recognised accounting practice, be recorded in the first instance in the Municipality's operating account as ordinary operating revenues and may thereafter be appropriated to the fund or account in respect of which such investment was made depending on the conditions which apply to the fund or account.



# **NDLAMBE LOCAL MUNICIPALITY**

## **BUDGET POLICY**

**2016/2017**

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## **1. PURPOSE OF THE POLICY**

The purpose of this policy is to ensure sound and sustainable management of the budget process according to norms and standards of applicable legislation. The following acts form the basis of the content of this policy:

- The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- The Municipal Systems Act, 2000 (Act 32 of 2000)
- The Local Government Laws Amendment Act, 2002 (Act 51 of 2002)
- The Municipal Finance Management Act, 2003 (Act 56 of 2003)

Ndlambe Local Municipality stands for the improvement of the living standard of its community and to achieve its mission and objectives the municipality has to make some informed fiscal interventions to ensure sustainable service delivery and economic growth within the available limited resources.

This policy sets out the budgeting principles that the municipality will follow in preparing each annual budget and sets parameters for any fiscal measures of intervention to achieve its objectives.

## **2. GENERAL BUDGETING PRINCIPLES**

- 2.1. The budget and the budget preparation process shall comply with legislative requirements and specifically with Chapter 4 of the Municipal Finance Management Act, 2003 (Act 32 of 2003) and nothing contained in this policy shall contradict any legislation.
- 2.2. The municipality shall not budget for a deficit and must also ensure that revenue projections in the budget are realistic taking into account actual collection levels.
- 2.3. Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- 2.4. Ndlambe Local Municipality shall prepare three-year budgets (medium term revenue and expenditure framework - MTREF) which shall be reviewed and approved annually by the Council.
- 2.5. The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan.

### **3. BUDGET PREPARATION PROCESS**

#### **3.1. Budget Timetable**

The formulation, consideration and approval of a budget timetable for the ensuing medium term shall be done in accordance with the legislative requirements in the MFMA and must be aligned with the IDP timetable.

--- Attached as Annexure A is a detailed budget timetable that will guides the annual process.

#### **3.2. Budget Strategy**

The Chief Financial Officer shall assist the Mayor to prepare a budget strategy which shall contain the principles, objectives and strategies that will apply during the forthcoming budget preparation process. Such strategy shall take cognisance of the directives, guidelines and economic factors prevailing at the time or circulated by National and or Provincial Government. The budget strategy shall give general direction to the budget process and also indicate affordable budget growth and envisaged tariff increases as the base line of the budget process.

A clear indication of available funding for infrastructure development through the Capital budget should form part of this strategic directive.

#### **3.3. Public Participation Process**

The tabled annual budget must be presented in Council at least by the end of March in each year and as soon as this was done, the Municipality must convene public hearings on the tabled budget during April at which members of the community and stakeholder organisations will be invited to make representation and to submit comments in response to the tabled budget.

#### **3.4. Approval of the Budget**

Consideration and final approval of budget must be done not later than 30 days prior to the start of the budget year to which it relates. (Not later than 31 March as the budget year starts on 1 July)

The budget must be submitted to Council for approval and must be accompanied by all the following documents:

- a) tabled resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
- b) tabled resolutions (where applicable) amending the IDP and the budget-related policies;
- c) measurable performance objectives for each budget vote, taking into account the municipality's IDP;

- d) the projected cash flows for the financial year by revenue sources and expenditure votes broken down per month;
- e) any proposed amendments to budget related policies;
- f) the cost to the municipality for the budget year of the salaries, allowances and other benefits of its political office bearers and other Councillors, the municipal manager, the chief financial officer, and other senior managers employed in terms of Section 57 of the Municipal Systems Act;
- g) particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as NGOs, welfare institutions and so on;
- h) particulars of the municipality's investments; and
- i) any other supporting documentation as may be prescribed

### 3.5. **Publication of the Budget**

The Chief Financial Officer must within 14 days after approval of the budget submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury, other prescribed National and Provincial organs of state and other Municipalities affected by the budget. The approved budget must also be made available on the Council's website and Municipal Libraries.

### 3.6. **Service Delivery and Budget Implementation Plan (SDBIP)**

The Municipal Manager will submit to the Mayor a Service Delivery and Budget Implementation Plan. The Mayor must in consultation with the Executive Member, approve such SDBIP within 28 days after approval of the Budget by the Council.

The SDBIP shall include at least the following:

- Quarterly projections of actual revenue to be collected for each source;
- Quarterly projections of operating expenditure per vote;
- Monthly projections of capital expenditure per vote/project;
- Service delivery targets and performance indicators for each quarter.
- The SDBIP information on revenue will be monitored and reported monthly by the Municipal Manager in terms of Section 71(1)(a) and (e)
- Weighting for each performance indicator



#### **4. APPROPRIATION OF FUNDS FOR EXPENDITURE**

The municipality may, except where otherwise provided for in the Act and its regulations, incur expenditure only in terms of an approved budget (including an approved adjustments budget) and within the limits of the amounts provided for in the budget. (Section 15 of the MFMA)

All expenditure or commitments for payment outside the approved amount in a budget will be deemed as either unauthorised, irregular, or fruitless and wasteful expenditure in terms of Section 32 of the MFMA.

#### **5. CAPITAL BUDGET**

- 5.1. Each Directorate will be responsible to compile a Capital budget consistent with the Councils' IDP and within the limits of available funding sources, whilst the Chief Financial Officer will be responsible for coordination and consolidation of inputs received from all Directorates. Inputs from Ward Councillors which are consistent with the IDP should go through the relevant Directorate.
- 5.2. Expenditure on a project shall be included in the capital budget if it meets the asset definition i.e. if it results in an asset being acquired or created and its value exceeds R1000 or has a useful life in excess of one year.
- 5.3. The principle of zero-based budgeting with proper cost calculations of projects shall be applied in the preparation of the Capital budget.
- 5.4. The capital budget component of the annual or adjustments budget shall only be approved by the Council if it has been properly balanced, that is, if the sources of finance which are realistically envisaged to fund the budget equal the proposed capital expenses.
- 5.5. Before approving the capital budget component of the annual or adjustments budget, the Council shall consider the impact on the present and future operating budgets of the municipality in relation to the following:
  - finance charges to be incurred on external loans;
  - depreciation of fixed assets;
  - maintenance of fixed assets; and
  - other ordinary operational expenses and or revenue associated with any item on such capital budget.

#### **6. FUNDING OF THE CAPITAL BUDGET**

##### **6.1. Capital Replacement Reserve (CRR)**

The Council shall establish a Capital Replacement Reserve for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following sources of revenue:

- Un-appropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;

- Interest on the investments of the asset financing reserve appropriated;
- Further amounts appropriated as contributions in each annual or adjustments budget; and
- Net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.
- Proceeds from insurance claims

Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;

A separate bank account shall be opened for the CRR and all interest received on it shall be credited to the reserve fund.

Transfers/contributions to the CRR must be budgeted for in the Operational/cash budget;

#### **6.2. Operational Surplus or Income**

- If the project is to be financed from surplus it shall be done through appropriation of such surplus through the Capital Replacement Reserve (CRR) This reserve should be fully cash-backed.
- If any project is to be financed from revenue, this financing must be included in the Operating/cash budget to raise sufficient cash through service charges for the capital expenditure.

#### **6.3. External Loans**

- External loans can be raised only if it is linked to the financing of an asset;
- A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if it can be reasonably assumed as being secured;
- The loan redemption period should not exceed the estimated life expectancy of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
- Interest payable on external loans shall be included as a cost in the Operating budget;
- Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.
- Limitation: Depreciation and finance charges together shall not exceed 20% of the aggregate expenses budgeted for in the Operating budget component.

#### **6.4. Grant Funding**

- The capital project/item must be budgeted for in the Capital budget;
- Expenditure must be reimbursed from the funding creditor and cash

should be secured before spending can take place.

Interest earned on investments of Conditional Grant Funding shall be allocated directly to the Capital Replacement Reserve.

#### 6.5. **Funding to be cash-backed**

All expenses, including depreciation expenses, shall be cash-funded. The cash received in respect of depreciation expenses on fixed assets financed from external borrowings shall be transferred to the investments created to redeem such borrowing.

### 7. **OPERATING BUDGET**

- 7.1. A realistic **needs-analysis** together with the principle of **zero-based** budgeting shall be applied in the preparation of the Operating budget.
- 7.2. Business Unit Directors shall establish budget requirements in respect of **maintenance of assets**, taking cognisance of backlogs and shall, in consultation with the Chief Financial Officer prepare a strategy to address such maintenance needs and backlogs. At least 10% (labour and transport included) of the expenditure component of the Operating budget shall be set aside for maintenance of Councils' assets.
- 7.3. Council shall ensure that the **labour component** as a percentage of the total operational expenditure remains realistic in terms of the delivery of an effective and efficient service to the Community. In this regard Council shall endeavor to remain below a benchmark figure of 35%. (Remuneration of Councillors excluded)
- 7.4. The Operating budget shall make the following contributions:
  - provision for accrued leave entitlements equal to 100% of the accrued leave entitlement of officials as at 30 June of each financial year;
  - provision for bad debt impairment in accordance with the Ndlambe policies.
- 7.5. The operating budget shall reflect the impact of the capital component on:
  - depreciation charges
  - repairs and maintenance expenses
  - interest payable on external borrowings
  - other operating expenses emanating from the creation of assets.
- 7.6. Revenue projections are the primary responsibility of the different Service providing Directors/Managers and must be done by them in consultation with the Chief Financial Officer, taking cognisance of actual performance, economic growth opportunities as well as affordable and acceptable tariff increases.
- 7.7. The Chief Financial Officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.
- 7.8. When considering the tabled annual budget, Council shall consider the impact, which the proposed increases in rates and service tariffs will have on the



monthly municipal accounts of households. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.

- 7.9. In preparing its revenue budget, the municipality shall strive to maintain the aggregate revenue from property rates at not less than 25% of the aggregate revenue budgeted for.

Procurement plan must accompany the budget.

## **8. FUNDING OF THE OPERATING BUDGET**

The Operating budget may be financed only from:

- 8.1. realistically expected revenues, based on current and previous collection levels;
- 8.2. cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
- 8.3. grants (conditional and un-conditional) received for operational purposes;
- 8.4. subsidies received for agency or contractual services
- 8.5. borrowed funds only on special approval in terms of legislation and for short term purposes (to be redeemed in same financial year)

## **9. UNSPENT FUNDS / ROLL OVER OF BUDGET**

- 9.1. The appropriation of expenditure not funded by grants in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year
- 9.2. No funding for projects funded from Capital Replacement Reserve (as long as it is cash back) shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
- 9.3. Unspent grants (if the conditions for such grant funding allow) may be rolled over to the next budget year. Conditions of the grant fund shall be taken into account in applying for such rollover of funds.

Application for rollover of funds accompanied by a proper motivation on why completion will not be according to the original budget and SDBIP shall be forwarded to the budget office by at least the 15<sup>th</sup> of April each year to be included in next year's budget for adoption by Council in May. Requests for rollover of funds after 15 April will not be considered and requests for rollovers after the start of the new financial year are not allowed.

Adjustments in terms of actual amounts rolled over, shall be done during the 1<sup>st</sup> budget adjustment in the new financial year after taking into account expenditure up to the end of the previous financial year.

- 9.4. Expenditure funded by grants may be rolled over to the next budget year for specific operational purposes.

## **10. SURPLUS AND DEFICIT ON THE OPERATING ACCOUNT**

10.1. Each annual and adjustments budget shall reflect :

- An excess however nominal of current revenues over operating plus capital expenditure, or
- an excess however nominal of current revenues plus cash-back CRR funds over operating plus capital expenditure or
- or a combination of current revenue plus cash-back CRR funds over operating plus capital expenditure, or
- an excess, however nominal, of current revenues over expenses.

10.2. An impending operating deficit shall be recovered in an adjustments budget, but if an operating deficit arises at the end of a financial year, notwithstanding the precautionary measures adopted by the Council, such deficit shall immediately be made good in the annual or adjustments budget for the year following the ensuing financial year, and shall not be offset against any unappropriated surplus carried forward from preceding financial years.

## **11. INTEREST EARNED**

Interest earned on the municipality's investments shall be budgeted for in the Operating budget as revenue.

## **12. ALLOCATION OF BUDGET INCREMENT**

12.1. In the preparation of the tabled Operating budget component of the annual budget, the allowable budgetary increment from own resources to be determined by Council in August each year, except in so far as certain other line-item provisions relate to matters determined by the Chief Financial Officer and matters resolved by Council in terms of the municipality's approved policies and contractual and statutory commitments. (For example, depreciation charges, finance charges, insurance costs, skills development levies payable, contribution to funds, administrative charges, etc.)

12.2. The Head of the Directorate/department, service or function to which each budget vote relates shall justify the allocation of the aggregate budget for such vote to the various line-items within the vote, to the Municipal Manager in conjunction with the CFO and to the Committee responsible for budgeting. In motivating the allocations made to and within the vote, the Head concerned shall provide the relevant Committee with appropriate quarterly performance indicators and service delivery targets pertaining to the budget. Such indicators and targets shall form part of the annual Service Delivery and Budget Implementation Plan (SDBIP).

### 13. ADJUSTMENTS BUDGET

13.1. The Mayor in consultation with the Executive Committee may table an adjustments budget where:

- There is material under collection of revenue;
- To appropriate additional revenue that has become available but only to revise or accelerate spending on programmes already budgeted for;
- To authorise unforeseeable and unavoidable expenditure supported by appropriate documentation and motivations in relation to the Exemption Report which is approved by the Mayor in consultation with the Executive Committee, Municipal Manager and Chief Financial Officer;
- To authorise utilisation of projected savings between votes;
- To authorise spending of unspent funds as at previous year within legislative prescripts.

13.2. All recommendations for budget adjustments must contain financial comment by the Chief Financial Officer prior to consideration by the Council.

13.3. Only Council may approve an adjustments budget.

13.4. An adjustments budget must contain all of the following:

- an explanation of how the adjustments affect the approved annual budget;
- appropriate motivations for material adjustments; and
- an explanation of the impact of any increased spending on the current and future annual budgets.

13.5. Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan

.

13.6 Each adjustment budget must include a thorough review of actual vs Budgeted **REVENUE** and projections amended upwards or downwards as may be required.

Budgets cannot be adjusted between operating and capital. .

### 14. BUDGET IMPLEMENTATION AND MONITORING

14.1. The accounting officer with the assistance of the Chief Financial Officer and other Senior Managers is responsible for the implementation of the budget, and must take all reasonable steps in their respective areas to ensure that:

- funds are spent in accordance with the budget;
- expenses are reduced if expected revenues are less than projected; and



- revenues and expenses are properly monitored.
- 14.2 The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.
- 14.3 The Accounting Officer must, with the assistance of the Chief Financial Officer, comply with all reporting requirements in terms of the legislative framework.

## **15. CONCLUSION**

The budget is not only a financial document, but it stipulates what has been planned for the forthcoming years. As a result, the budget document discloses the direction the municipality wish to follow over the next three years, especially if read together with the Integrated Development Plan (IDP).

It also forms the basis on which the service delivery and budget implementation plan (SDBIP) will be compiled for approval and execution.

Compliance with this policy document together with applicable legislation is of paramount importance and puts a responsibility on every employee and Councillor.

## **ANNEXURE A**

### **DETAILED BUDGET TIMETABLE**

<b>Section of Municipal Finance Management Act No. 56 of 2003</b>	<b>Date by which action must be completed</b>	<b>Action required</b>	<b>Responsible party</b>	<b>Practical considerations</b>
21(1)(b)	31 August	Mayor must at least 10 months before start of budget year table in Council time schedule outlining key deadlines for <ul style="list-style-type: none"> <li>- preparation, tabling and approval of annual budget</li> <li>- annual review of IDP</li> <li>- annual review of budget-related policies</li> <li>- tabling and adoption of any amendments to IDP and budget-related policies</li> <li>- any consultative processes forming part of foregoing</li> </ul>	Mayor	Time schedule must either fit in with already scheduled Council meetings or must indicate when special Council meetings must be scheduled.
Section 88	20 January	Accounting officer of municipal entity must assess entity's budgetary and financial performance for first six months of financial year, and submit assessment report to board of directors and parent municipality.		
72(1), (2) and (3)	25 January	Accounting officer of municipality must assess budgetary and financial performance of municipality for first six months of financial year, make recommendations on whether adjustments budget necessary, and recommend revised projections for revenues and expenses. This assessment must be submitted to the mayor, national treasury and the provincial treasury (presumably immediately).	Accounting officer	
54(1)(f)	31 January	Mayor must submit accounting officer's report to Council.	Mayor	Special Council meeting may have to be scheduled.
87	31 January or earlier if so requested by parent municipality	Board of directors of municipal entity must submit to parent municipality proposed budget for entity for ensuing financial year.	Board of directors of entity	It is not clear to what person or structure in the parent municipality this budget must be submitted. However, it makes good sense for the Council of the municipality to consider this budget at the same meeting that it considers the municipality's own proposed adjustments budget.
87	(31 January to mid-March)	Parent municipality must consider proposed budget, and make any necessary recommendations.		It is not clear what person or structure in the parent municipality must perform this action, but the Council seems the logical party. It would also make sense for the Council to consider this budget by 31 January.

7	(Tabled in Council by 31 January)	Board of directors of entity may, with approval of mayor of parent municipality, revise budget of entity for certain prescribed reasons. Adjustments budget once approved by board of directors of entity must be tabled by mayor at next meeting of Council of parent municipality. Adjustments budget must be made public.	Board of directors and mayor of parent municipality	Evidently such an adjustments budget may be prepared at any stage. It would make good sense, however, for the parent municipality to insist that the entity's revised budget be prepared and submitted to the mayor at the same time that or before the entity's proposed budget for the new financial year is considered. Again the potential problem of different parent municipalities having different views will have to be resolved by (presumably) the mayors considered.
54(1) and (2)	(Between 31 January and 31 March)	If municipality faces "serious financial problems" mayor must "promptly" respond to and initiate remedial steps proposed by accounting officer, including steps to reduce expenses and tabling of adjustments budget. Mayor must also consider revisions to service delivery and budget implementation plan. (Note that only Council may approve changes to service delivery targets and KPIs – these changes must therefore be tabled with the adjustments budget).	Mayor	Adjustments budgets may be prepared by the accounting officer, and tabled in Council by the Mayor "when necessary". They must be prepared and tabled (within prescribed limits as to timing and frequency) whenever material adjustments to expenses or revenues are required, and not only when "serious financial problems" are looming. In general, adjustments budgets should preferably be tabled by or as soon as possible after 31 January, and certainly not later than 31 March when the draft annual budget for the next year is first tabled.
54(3)	(Between 31 January and 31 March)	Mayor must ensure that revisions to service delivery and budget implementation plan are "promptly" made public. (Note that no concomitant revision of performance agreements is evidently envisaged).	Mayor	Presumably the accounting officer must make these revisions for the mayor's approval as part of the process of adjusting the annual budget. The deadline for these revisions must be by or as soon as possible after 31 January, but certainly not later than 31 March. See also 54(1) and (2).
87	100 days before start of financial year (approximately mid March)	Board of directors of entity must consider recommendations, and if necessary submit revised budget to parent municipality.	Board of directors of entity	
16(2)	31 March	Mayor must table (draft) annual budget of municipality at Council meeting at least 90 days before start of budget year.	Mayor	Council meeting must be scheduled appropriately.



87	31 March	Mayor of parent municipality must table originally proposed or proposed revised budget (as case may be) of entity when (draft) annual budget of municipality first tabled.	Mayor	-
22(a) and 22(b)	Immediately after 31 March or earlier date if annual budget tabled before 31 March	Immediately after (draft) annual budget tabled in Council, accounting officer must (1) make public budget and documents referred to in Section 17(3), and invite local community to submit representations in connection with budget, and (2) submit annual budget in both printed and electronic formats to provincial treasury, and in either format to prescribed national and provincial organs of state and to other municipalities affected by the budget.	Accounting officer	
23(2)	Before 31 May	Council must give mayor opportunity (1) to respond to submissions received on (draft) annual budget and attendant documentation and (2) to revise budget, if necessary, and table amendments for consideration by Council.	Mayor and Council	-
24(1) and (2)	31 May	Council must consider approval of annual budget, together with resolutions imposing rates and levies, setting tariffs, approving measurable performance objectives for revenue from each source and for each vote, approving any changes to IDP, and approving any changes to budget-related policies.		
	Council	Although Council has until 30 June to approve budget, best practice will be to approve budget not later than 31 May.		
87(4)	31 May	Board of directors of municipal entity must approve budget for coming year, having taken into account recommendations of Council of parent municipality, and must make budget public.	Board of directors of municipal entity	
24(3)	(Immediate after approval date)	Accounting officer must submit approved annual budget to national treasury and provincial treasury.	Accounting officer	No time limit is specified for this action, and neither is the format in which the budget is to be submitted specified. Common sense dictates that the submission should be at least in electronic format and that it should be made as soon as possible after the approval date.



## **NDLAMBE MUNICIPALITY**

### **CREDITORS, COUNCILLORS AND STAFF PAYMENT POLICY**

**2016/2017**

## **CREDITORS, COUNCILLORS AND STAFF PAYMENT POLICY**

### **(1) OBJECT**

The object of this policy is to provide standard procedures relating to payments due to creditors, councillors and staff from municipal funds.

### **(2) LEGISLATIVE REQUIREMENTS**

In terms of section 65 of the Municipal Finance Management Act, Act 56 of 2003, the municipal manager as accounting officer of the Municipality is responsible for the management of the expenditure of the Municipality and, to this end, must take all reasonable steps to ensure that the Municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds.

### **(3) DEFINITIONS**

In this policy –

“**Act**” means the Local Government: Municipal Finance Management Act, 56 of 2003;

“**creditor**” means a person / service provider excluding councillors and staff that provides goods and/or services to

whom money is owing by the Municipality;

“**accounting officer**” means the municipal manager;

“**Chief Financial Officer**” means the official of the Municipality designated as such by the accounting officer in terms of section 80[2][a] of the Act;

“**municipality**” means the Ndlambe Municipality;

“**prescribed**” means prescribed in terms of the Act.

### **(4) GENERAL DUTY OF ACCOUNTING OFFICER**

The accounting officer must take all reasonable steps to ensure –

- (a)** that the Municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;



- (b)** that the Municipality has and maintains a management, accounting and information system that –
  - (i)** recognises expenditure when it is incurred;
  - (ii)** accounts for creditors of the Municipality; and
  - (iii)** accounts for payments made by the Municipality;
- (c)** that the Municipality has and maintains a system of internal control in respect of creditors and payments.

**(5) PAYMENT TO CREDITORS/SUPPLIERS**

- (1)** The accounting officer must ensure that –
  - (a)** that all payments made by the Municipality is made direct to the person that supplied the relevant service or goods or to whom such payment is due, unless otherwise agreed upon for good reason; Any cession of payments to be advised of before orders are finalised.
  - (b)** that payments by the Municipality are made electronically only at the Post Office-Albany Test Centre, magistrate courts, SARS and Telkom.
  - (c)** that all tenders and quotations invited by and contracts entered into by the Municipality, stipulate payment terms favourable to the Municipality, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by the Municipality, provided that all reasonable steps shall be taken to ensure that payment is made within thirty (30) days of the date of the invoice received or statement concerned.
- (2)** The provisions of subparagraph [c] may be relaxed by the accounting officer –
  - (a)** when such relaxation is, in the opinion of the accounting officer, financially beneficial to the Municipality;
  - (b)** in respect of small, micro and medium enterprises, where the total income derived from contract work entered into with the Municipality does not exceed R100 000.00 in a municipal financial year, in which case payment may be effected at the conclusion of the month during which the service is

rendered, or within fourteen days of the date of such service being rendered, whichever is the latter: Provided that –

- (i) no more than two (2) payments may be effected during any period of thirty (30) days; and
  - (ii) any early payment shall be specifically approved by the accounting officer before payment is made to enterprise concerned;
- (3) Notwithstanding the foregoing policy directives, the accounting officer must, when it is financially beneficial to the Municipality, make full use of any extended terms of payment offered by suppliers of goods and services to the Municipality and may not settle any accounts earlier than such extended due date;
- (4) Payments in terms of this policy are subject to compliance with all financial requirements relating to payments to creditors by the Municipality and the submission of all documentation substantiating a particular payment.

#### **(6) PAYMENTS TO COUNCILLORS/STAFF**

- (1) In the case of subsistence and travel claims submitted by councillors and staff, payments will be effected on submission of all supporting documentation except for Section 57 employees where payment will be effected on their return and on submission of all supporting documentation. Provided that such a travel claim is received prior to the date determined by the accounting officer for the processing of creditors.
- (2) Subject to the authority of the accounting officer, councillors and staff are permitted to claim the minimum anticipated expenditure prior to travelling, provided that such action will not place an unnecessary work load on the creditors processing section of the Municipality;
- (3) Where a claim for payment is received from a councillor or staff member after the date determined for the processing of creditors, such claim will be processed in conjunction with the processing of creditors for the next month;
- (4) Subparagraph (1) may be relaxed in respect of overseas travel approved by the Council and only in respect of the overseas travel and accommodation costs.

- (5) Local subsistence and travel in respect of the overseas trip concerned must be processed in accordance with subparagraph (1).
- (6) When third parties are used, all substantiated documentation and proof of payment must be supplied to the head of the creditors section.

**(7) CESSIONS AGREEMENTS**

- (1) Unless for compelling and substantiated reasons and subject to subparagraphs (2) and (3), only one cession of a creditor of the Municipality to a third party may be permitted per contract ;
- (2) A cession approved in terms of subparagraph (1) must relate to the supply of raw materials associated with a project undertaken by a creditor on behalf of the Municipality and not in respect of the provision of other services;
- (3) Cessions in terms of subparagraph (1) are limited to a maximum of 30% of the total project contract sum.

**(8) DELEGATION OF FUNCTIONS AND POWERS**

The accounting officer may, in terms of section 79 of the Act, delegate his or her functions and powers in terms of this policy to the Chief Financial Officer or any other senior finance manager.





# **NDLAMBE MUNICIPALITY**

## **IMPREST PETTY CASH POLICY**

**2016/2017**

**NDLAMBE MUNICIPALITY**  
**IMPREST PETTY CASH POLICY**

**Purpose of Policy**

Where the need may arise in a department/division to have cash available for payments of a minor and recurring nature and it is impracticable to obtain cheque payments for every expense, such payments (excluding remuneration for services rendered) may be handled by means of petty cash facilities.

Formal application for petty cash facilities must be made to the Municipal Manager who is ultimately accountable for the management of a petty cash float.

The Municipal Manager may delegate control and management of the petty cash float to Chief Financial Officer in which event reference to the Municipal Manager in this policy shall be construed as reference to the Chief Financial Officer.

At the discretion of the Municipal Manager, departments or divisions of the Municipality may be provided with their own petty cash floats or to a designated petty cash officer who may be appointed for the entire municipality.

In the event of the Municipal Manager designating a petty cash officer for the entire Municipality, such officer shall be a staff member of the Treasury Department of the Municipality and be independent of all other cash functions such as cashiering.

In the event of a Department or Division being authorised to keep a petty cash float, the Head of Department or Division concerned shall designate a staff member as a Departmental or Divisional Petty Cash Officer.

The administration of petty cash facilities is regulated by the following fixed procedures.

**Maximum Petty Cash Float**

The Council shall by resolution determine the maximum amount which may be withdrawn from the banking account of the Council for purposes of the central petty cash float or departmental/divisional cash floats.

**Procedures for the handling of Petty Cash**

- [a] The application for a petty cash facility or for increase of the operational amount of an existing petty cash float, must be made in writing to the Municipal Manager.

- [b] The application must state reasons for the need of a petty cash float and the amount required for its operation, as well as the cost centre from which funds are to be applied for the petty cash. The amount should be sufficient to cover expenses for approximately one month.
- [c] The responsibility for operating petty cash and the safe keeping of petty cash funds in a Department or Division must be assigned to the designated Petty Cash Officer only and the head of the department/division shall be co-responsible for petty cash management in such Department or Division.
- [d] The keeping of a formal petty cash register is compulsory .
- [e] Payments to establish a petty cash float may only be by way of manual cheque made payable to the designated Petty Cash Officer and upon submission of a requisition signed by such Petty Cash Officer and countersigned by the relevant Head of Department or Divisional Head..
- [f] The requisitioned amount should not exceed a maximum amount determined by the Council.
- [g] Petty Cash payments may only be made by the designated Petty Cash Officer upon production of a cash requisition accompanied by proper supporting documents such as cash sale slips or receipts containing the supplier's name.
- [h] If cash is advanced without supporting documents, it should be on the basis of an advance or I.O.U. authorised by the Head of Department or Divisional Head.
- [i] After a purchase is made, the supporting document[s] must be submitted to Petty Cash Officer within a day from the date of such advance.
- [j] The Petty Cash Officer must regularly pursue outstanding advances and long outstanding advances must be brought to the attention of the Chief Financial Officer who must take the appropriate action to ensure that the amount advanced has been properly spent and proof of expenditure is submitted.
- [k] Each petty cash requisition must be entered in the Petty Cash Register.
- [l] When the cash in the petty cash float is almost exhausted, the petty cash register must be balanced and reconciled.
- [m] Replenishment of the petty cash float is undertaken after the balancing and reconciliation of the Petty Cash Register has been checked and approved by the Chief Financial Officer or his delegee.
- [n] A cheque must be made out to the Petty Cash Officer for the replenishment of the petty cash float and such cheque must be



encashed by this officer who must record the amount received in the Petty Cash Register.

- [o] Petty cash funds and vouchers must at all times be secured in a lockable container suitable for securing the money or in a safe. If no safe is available, a lockable cabinet provided for this purpose, must be used. Under no circumstances should money be kept in desk drawers, open filing cabinets or cupboards.
- [p] Reasonable precautions must be exercised for the safe keeping of keys to the petty cash container and the room where it is kept. The keys must not be left at the premises after hours.
- [q] Petty cash funds are to be used exclusively for the payment of smaller official expenses (excluding any form of remuneration for services rendered) and no "I O U's" representing private loans from petty cash funds are permitted. No staff cheques may be cashed out of petty cash funds.
- [r] The petty cash is operated by means of imprest payments. The cash balance added to the total expenses at any stage, must be equal to the authorised imprest amount. The internal auditors of the Municipality may, at any stage without prior notice, perform an audit of a petty cash to confirm the cash balance.
- [s] Shortages and surplus funds concerning petty cash must immediately be paid in at the cashier and the reason for the shortage/surplus must be investigated by the head of department or division with a view to rectification.
- [t] The total balance of petty cash funds must be paid in at the Council's main Cashier before 30 June in each year. A receipt for the payment must be issued by the Cashier.
- [u] The Petty Cash total on hand at financial year end must be reconciled to the petty cash requisition forms, voucher and other documentation.
- [v] The petty cash provision may be resumed at the beginning of the next financial year at the request of the department or division concerned in accordance with the procedures outlined above.



# **NDLAMBE MUNICIPALITY**

## **SUBSISTENCE & TRAVELLING**

### **POLICY**

**2016/2017**

## **1. POLICY**

- 1.1 Every representative who travels on the business of the Municipality must comply with this policy in letter and in spirit.
  - 1.1.1 Representatives who travel on the business of the Municipality must appreciate, at all times, that they are ambassadors for the municipality, that their action, conduct and statements must be in the best interest of the Municipality and that they must comply with any specific mandates they have been given.
  - 1.1.2 Council delegates or representatives to any conference, workshops or meeting must ensure that they arrive on time and attend until the conclusion of such event.

## **2. GENERAL**

- a) Councillors and staff are divided into three different categories to determine Subsistence and Travel and Car Rental. The categories being the following:
  - (i) Mayor/ Speaker / Municipal Manager
  - (ii) Councillors /Directors / Deputy Directors / Assistant Directors
  - (iii) All other officials
- b) When beyond the borders of the Ndlambe Municipality categories (i) to (iii) as mentioned above would be entitled to stay in the following categories of accommodation establishments when officially away on business:
  - (i) Accommodation establishment, standard room only and a maximum of R1300 all inclusive of bed, and breakfast (BB and parking). Provided that, should no accommodation / BB and parking be available within the amount of R1300, the accounting officer may authorize expenditure up to R1750 may be authorized subject to the provision of three quotes.
  - (ii) Accommodation establishment, standard room only and a maximum of R1300 all inclusive of bed, and breakfast (BB and parking)
  - (iii) Accommodation establishment, standard room only and a maximum of R1250 all inclusive of bed, and breakfast (BB and parking)



- c) The accounting officer may approve accommodation at a higher rate where the extra cost of accommodation is more cost effective subject to the provision of three quotes.
- d) Council will not paying for accommodation for the night after meeting if the distance home is less than 250 kilometers
- e) If a meeting starts before 08:30am, in a distance of 250 kilometers it will be permissible to stay overnight the day before.

## **2. SUBSISTENCE ALLOWANCE**

### **a) Within The Republic of South Africa**

- Where a Councillor /Official is actually and necessarily absent from the ordinary place of residence for more than 24 hours and **Council** is responsible for paying for accommodation:
  - R300.00 per overnight stay or each completed period of 24 hours of such absence, plus R60.00 per completed 24 hours
  - 
  - OR
  - The actual cost of hotel accommodation (considering paragraph 1.b) to include dinner and lunch, if provided; bed and breakfast, including laundry, plus R60 per night
- Where a Councilor/Official is actually and necessarily absent from the ordinary place of residence for more than 24 hours and the **host** is paying for both accommodation and meals:
  - An additional allowance of R60.00 per completed 24 hours is payable to cover reasonable expenses.
- When a Councillor / Official is actually and necessarily absent from the ordinary place of residence for more than 24 hours or as approved by the Municipal Manager if less than 24 hours and the host is paying for accommodation OR meals:
  - A R60.00 additional allowance is payable to cover reasonable expenses.

- The cost of meals if not paid by the host is claimable subject to following maximum limits per person

• Lunch	R 95.00
• Dinner	R200.00
• Breakfast	R 75.00

- Any additional costs, other than approved entertainment as provided in the budget, shall be for the account of the official.

**b) Travel outside of the The Republic**

Where a Councillor/Official is required to visit a destination outside Africa:

**REVISION OF SPECIAL DAILY ALLOWANCES FOR OFFICIAL VISITS ABROAD.**

1. Following the revision of special daily allowances in respect of certain countries for official visits abroad in March 2012, the Minister for Public Service and Administration has in terms of section 3(5)(a) of the Public Service Act, 1994, as amended, read with Part V/E. 2(a) of the Public Service Regulations, 2001, determined the implementation with retrospective effect from 01 March 2013 that-
  - 1.1 the special daily allowances for official visits abroad be revised in respect of the identified countries depicted on the attached Annexure A.
  2. The Financial Manual for the calculation and the application of the special daily allowances for official visits abroad will be amended in due course.
  3. Expenditure in respect of this adjustment must be accommodated within the existing departmental allocations.

**SEE ATTACHED ANNEXURE A FOR ACCOMMODATION ON OFFICIAL JOURNEYS OUTSIDE THE REPUBLIC OF SOUTH AFRICA**

**c) Calculation of subsistence allowance**

- Allowances shall be calculated in respect of the period from the latest reasonable time as which it would be necessary for the traveler using the authorized form of transport to leave the ordinary place of residence or office in order to be present at the

appointed time to the earliest reasonable time on or about which such traveler could, by using such transport, arrive back at the ordinary place of residence or office; provided that where the traveler has made use of a use of a form of transport other than that which has been authorized by the Council and the period taken up in actually and necessarily traveling to and from the appointed venue, by means of such unauthorized form of transport, is less than the period which would have been taken up in so traveling by means of the authorized form of transport, the allowance in respect of subsistence expenses shall be calculated in respect of the period actually and necessarily taken up in traveling by means of such unauthorized form of transport.

- Allowances payable where an overnight stay in is not allowed shall only be payable where an absence of at least four hours is involved.

### **3. TRAVELLING EXPENSES**

When Councillors/Officials make use of own transport for official traveling, the following rates will be applicable:

- (a) Officials who are driving subsidized vehicles and Councillors who are receiving a traveling allowance will be reimbursed on official trips from the Ndlambe Municipal office to destinations outside Ndlambe Municipal area of jurisdiction. This will be based on the South African Revenue Service Ratings and kilometers base on shortest distance per the distance calculator per google map.
- (b) All other Officials using private vehicles after approval has been obtained will be remunerated from their work place and back for kilometers traveled at the prevailing rate per kilometer as fixed by the Minister of Finance from time to time (SARS rate) and kilometers based on shortest distance per the distance calculator per google map.

Any fuel, damages, service or repairs to personal vehicle occurring during the trip will be individual responsibility as these cost are included in the per kilometer costs reimbursement.

### **4. CAR RENTAL**



The same categories are to be used as for Subsistence Allowance will apply as follows:

- (i) Car Grouping refer to categories above for 1,ii and iii– Mercedes C-class / BMW 3 Series / Audi A4 or similar
- (ii) Car Grouping – 1600cc Manual Sedan with air conditioner (Toyota Corolla or similar)
- (iii) Car Grouping – VW Hatch or similar
- (iv) Vehicles hired by Ndlambe officials are to be used to transport Ndlambe officials only.
- (v) Any car hired must be used for official business only

## **5. AIR TRAVEL BOTH WITHIN AND OUTSIDE THE REPUBLIC OF SOUTH AFRICA**

- (a) Officials/Councillors are to travel Economy Class except for The Mayor, Speaker and Municipal Manager who are entitle to travel Business Class

This will, however, depend on whether the host nation pays for air travel.

## **GENERAL**

Where actual amounts/rates are listed during the compilation of the Policy, it must be borne in mind that they are subject to change from time to time based on decisions made by Council.

All claims for meals where it exceeds the limit per the policy and not entertainment, etc must be accompanied by slips. Failure to produce slips will result in amount being deducted from salaries.

If a Councillor or staff member travels with a Councillor or staff member that are permitted higher class accommodation or travel, both councillor and staff member will be permitted to use higher class travel and /or accommodation.

## **CLAIMS**

All claims relating to the above are to be made on the official Ndlambe Municipality Subsistence & Travel claim form as amended from time to time and authorized by the relevant official as per the Ndlambe Municipality Delegation Register.

The Mayor, Municipal Manager and Directors can only claim after trip has been taken. All other councilors and officials to claim at least three days before trip.

All claims must have an attendance register-failure to provide an attendance register will result in the claim not been or money been recovered from salary.



## NDLAMBE MUNICIPALITY

### CLAIM FOR TRAVELLING & SUBSISTENCE EXPENSES

NAME OF CLAIMANT : \_\_\_\_\_

ATTENDING : \_\_\_\_\_

VENUE & TOWN : \_\_\_\_\_

VOTE :      FUNDS AVAILABLE : Y/N

AUTHORITY (If Applicable) : Council Minute No. \_\_\_\_\_ Date : \_\_\_\_\_

MODE OF TRAVEL\* : 

Bus	Own Car	Air	Taxi	Municipal Vehicle
-----	---------	-----	------	-------------------

  
\*(Mark Applicable)

	R	c
Officials driving subsidised vehicles and Councillors receiving a travelling allowance :		
Kilometres : _____ @ _____ cents per kilometre =		
All other officials using private vehicles :		
Kilometres : _____ @ _____ cents per kilometre =		
Airfare : Single = R _____ Return = R _____ Total =		
Taxi Fare : To = R _____ From = R _____ Total =		
Bus Fare : To = R _____ From = R _____ Total =		
Date of Departure : _____ Time of Departure : _____		
Date of Return : _____ Time of Return : _____		
Number of Days Away : _____ @ R _____ per Day =		
Car Hire (Quotations to be attached) :		
Other Incidental Expenses to be refunded to Claimant : _____		
_____		
_____		
<b>TOTAL CLAIMED :</b>	<b>R</b>	

CERTIFIED CORRECT :

APPROVED :

COUNCILLOR / OFFICIAL (Claimant)

BUDGET OFFICE

MUNICIPAL MANAGER or  
DELEGATED OFFICIAL



**ANNEXURE A**

**ACCOMMODATION ON OFFICIAL JOURNEYS OUTSIDE THE  
REPUBLIC OF SOUTH AFRICA**

ACCOMMODATION ON OFFICIAL JOURNEYS OUTSIDE THE REPUBLIC

**NOTE: PLEASE ALSO CHECK CIRCULARS ON the dpsa website FOR THE LATEST ADJUSTMENTS BEFORE IMPLEMENTING THE ALLOWANCES IN THE TABLE HEREUNDER**

1. When expenditure on accommodation is wholly met from public funds an employee is compensated on the following basis:
  - 1.1. In the case of official visits to the countries listed in the table hereunder:
    - 1.1.1. The reasonable actual expenses in respect of accommodation, dry cleaning and laundering; and
    - 1.1.2. A special daily allowance to compensate for the employee's three meals (breakfast lunch and dinner) and incidental expenses (e.g. reading matter, private telephone calls, soft drinks which do not form part of meals, etc).
  - 1.2. In the case of official visits to the countries not listed in the table hereunder:
    - 1.2.1. The reasonable actual expenses in respect of accommodation, dry cleaning, and laundering;
    - 1.2.2. The reasonable actual costs of three meals; and
    - 1.2.3. A special daily allowance, equal to the special daily allowance for local official visits when actual expenses are claimed, to defray incidental expenses (reading matter, private telephone calls, soft drinks which do not form part of meals, etc). This allowance was determined to be R98.00 per day up to the 31 March 2014 and is revised with effect from 1 April each year.
2. The amounts set out in the table hereunder are maximum amounts. Therefore when accommodation expenditure and related expenses are wholly or partially sponsored by a donor or sponsor, or where part of the meals (e.g. breakfast included in hotel accommodation expenses) is paid by the Employer, the payment of a reduced special daily allowance must be considered.

Due to the above, it is advisable to have a departmental policy on the payment of such reduced amounts. In the formulation of such policy, departments are strongly advised to consider the following breakdown of the special daily allowance to determine the reduced special daily allowance to be paid:

  - 2.1 Incidental expenses (15%)
  - 2.2 Breakfast (20%)
  - 2.3 Lunch (20%)
  - 2.4 Dinner (45%)

Country	Currency	Special Daily Allowance	
		Head of Departments mentioned in the first Schedule of the Public Service Act, 1994 or employees (irrespective of rank) accompanying a Minister or Deputy Minister	Other employees
Albania	Euro	88	66
Algeria #	Euro	102	77
Angola	US \$	293	221
Antigua and Barbuda	US \$	200	151
Argentina	US \$	107	80
Armenia	US \$	200	151
Austria	Euro	113	85
Australia	A \$	189	143
Azabaijani	US \$	132	99
Bahamas	US \$	174	132
Bahrain	B Dinars	33	25
Bangladesh	US \$	72	54
Barbados	US \$	184	139
Belarus	Euro	69	52
Belgium	Euro	130	98
Belize	US \$	138	104
Benin	Euro	81	61
Bolivia #	US \$	64	48
Bosnia-Herzegovina #	Bam	139	105
Botswana	Pula	471	355
Brazil #	Reals	288	217
Brunei	US \$	80	60
Bulgaria	Euro	82	62
Burkina Faso #	FCFA	53 012	39 976
Burundi	Burundian Francy	277 550	209 300
Cambodia	US \$	88	66
Cameroon	Euro	187	141
Canada #	C \$	152	115
Cape Verde Islands	Euro	59	44
Central African Republic	Euro	85	64
Chad	Euro	110	83
Chile	US \$	117	88
China (People's Republic)	Renminbi	854	644
Colombia	US \$	85	64



Country	Currency	Special Daily Allowance	
		Head of Departments mentioned in the first Schedule of the Public Service Act, 1994 or employees (irrespective of rank) accompanying a Minister or Deputy Minister	Other employees
Comoros	Euro	114	86
Cook Islands	New Zealand \$	197	148
Cote D'Ivoire #	Euro	87	66
Costa Rica	US \$	93	70
Croatia	Euro	98	74
Cuba #	US \$	112	85
Cyprus #	Euro	107	81
Czech Republic #	Euro	83	63
Democratic Republic of Congo #	US \$	142	107
Denmark #	Danish Kroner	1 183	892
Djibouti	US \$	90	68
Dominican Republic	US \$	90	68
Ecuador	US \$	110	83
Egypt #	US \$	118	89
El Salvador	US \$	65	49
Equatorial Guinea	Euro	118	89
Eritrea #	US \$	117	89
Estonia	Euro	83	63
Ethiopia	US \$	58	44
Fiji	US \$	100	75
Finland	Euro	158	119
France	Euro	142	107
Gabon #	Euro	150	113
The Gambia	Euro	95	71
Georgia	US \$	86	65
Germany #	Euro	109	82
Ghana	US \$	117	88
Greece #	Euro	118	89
Grenada	US \$	137	103
Guatemala	US \$	98	74
Guinea	Euro	71	54
Guinee Bissau	Euro	77	58
Guyana	US \$	107	81
Haiti	US \$	99	75
Honduras	US \$	151	114
Hong Kong	Hong Kong \$	909	685

Country	Currency	Special Daily Allowance	
		Head of Departments mentioned in the first Schedule of the Public Service Act, 1994 or employees (irrespective of rank) accompanying a Minister or Deputy Minister	Other employees
Hungary	Euro	79	60
Iceland	ISK	19 525	14 724
India #	Indian Rupee	5 360	4 042
Indonesia	US \$	78	59
Iran	US \$	95	72
Iraq	US \$	114	86
Ireland #	Euro	113	86
Israel #	US \$	161	121
Italy #	Euro	113	85
Jamaica	US \$	137	104
Japan #	Yen	16 071	12 119
Jordan #	US \$	178	134
Kazakhstan #	US \$	122	92
Kenya	US \$	103	78
Kiribati	Australian \$	212	160
Korea	US \$	165	124
Kuwait (State of) #	US \$	164	124
Kyrgyzstan	US \$	156	118
Laos	US \$	86	65
Latvia	US \$	137	104
Lebanon	US \$	128	96
Lesotho	RSA Rand	682	514
Liberia #	US \$	129	97
Libya	US \$	102	77
Lithuania	Euro	140	106
Macao	Hong Kong \$	1 087	820
Macedonia (Former Yugoslav)	Euro	91	68
Madagascar	Euro	95	72
Madeira	Euro	264	199
Malawi	Malawi Kwacha	19 726	14 875
Malaysia #	Ringgit	333	251
Maldives	US \$	184	139
Mali #	Euro	165	124
Malta	Euro	120	91

Country	Currency	Special Daily Allowance	
		Head of Departments mentioned in the first Schedule of the Public Service Act, 1994 or employees (irrespective of rank) accompanying a Minister or Deputy Minister	Other employees
Marshall Islands	US \$	232	175
Mauritania #	Euro	88	66
Mauritius	US \$	96	72
Mexico #	Mexican Pesos	1 194	901
Moldova	US \$	106	80
Mongolia	US \$	63	48
Montenegro	Euro	156	118
Morocco #	Dirhams	882	665
Mozambique	US \$	101	76
Myanmar	US \$	80	61
Namibia	RSA Rands	759	572
Nauru	Australian \$	253	191
Nepal	US \$	58	43
Netherlands #	Euro	107	81
New Zealand	New Zealand \$	173	131
Nicaragua	US \$	262	197
Niger	Euro	90	67
Nigeria #	US \$	143	108
Niue	New Zealand \$	229	173
Norway	NOK	1 685	1 271
Oman	Rials Omani	63	48
Pakistan #	Pakistani Rupees	5 716	4 310
Palau	US \$	229	173
Palestine	US \$	134	101
Panama	US \$	95	71
Papua New Guinea	Kina	259	195
Paraguay	US \$	57	43
Peru	US \$	121	91
Philippines #	US \$	121	91
Poland #	Euro	88	67
Portugal #	Euro	91	69
Qatar	Qatar Riyals	592	446
Republic of Congo	Euro	135	101
Reunion	Euro	149	113
Romania #	Euro	73	55



Country	Currency	Special Daily Allowance	
		Head of Departments mentioned in the first Schedule of the Public Service Act, 1994 or employees (irrespective of rank) accompanying a Minister or Deputy Minister	Other employees
Russia	Euro	155	117
Rwanda	US \$	96	72
Samoa	Tala	313	236
Sao Tome	Euro	145	109
Saudi-Arabia #	Saudi Riyals	465	351
Senegal	Euro	85	64
Serbia	Euro	69	52
Seychelles	Euro	250	188
Sierra Leone	US \$	82	62
Singapore #	Singapore \$	209	157
Slovakia	Euro	87	65
Slovenia	Euro	87	66
Solomon Islands	Solomon Islands \$	829	625
Spain #	Euro	104	79
Sri Lanka	US \$	97	73
St Kitts & Nevis	US \$	206	156
St Lucia	US \$	195	147
St Vincent & the Grenadines	US \$	170	128
Sudan #	US \$	182	137
Suriname	US \$	97	73
Swaziland	RSA Rand	744	561
Sweden #	Swedish Krona	1 174	886
Switzerland	S Franc	189	142
Syria	US \$	102	77
Taiwan	New Taiwan \$	3 050	2 300
Tajikistan	US \$	98	74
Tanzania #	US \$	112	84
Thailand #	Thai Baht	4 250	3 205
Togo	Euro	71	54
Tonga	Pa'anga	210	158
Trinidad & Tobago	US \$	194	146
Tunisia #	Tunisian Dinar	148	111
Turkey #	Euro	95	71

Country	Currency	Special Daily Allowance	
		Head of Departments mentioned in the first Schedule of the Public Service Act, 1994 or employees (irrespective of rank) accompanying a Minister or Deputy Minister	Other employees
Russia	Euro	155	117
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Trinidad & Tobago	US \$	194	146
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Turkey #	Euro	95	71

Country	Currency	Special Daily Allowance	
		Head of Departments mentioned in the first Schedule of the Public Service Act, 1994 or employees (irrespective of rank) accompanying a Minister or Deputy Minister	Other employees
Turkmenistan	USA \$	114	86
Tuvalu	Australian \$	308	232
Uganda	US \$	79	60
Ukraine #	Euro	114	86
United Arab Emirates #	Dirhams	597	450
United Kingdom	B Pounds	113	85
Uruguay #	US \$	123	93
USA #	US \$	140	106
Uzbekistan	Euro	106	80
Vanuatu	US \$	157	118
Venezuela	US \$	212	160
Vietnam #	US \$	80	60
Yemen	US \$	85	64
Zambia	US \$	108	82
Zimbabwe	US \$	109	82

#### Definition of Symbols

# Revised on 1 March 2013





the dpsa

Department:  
Public Service and Administration  
REPUBLIC OF SOUTH AFRICA


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File : 17/1/P

**TO: ALL HEADS OF NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS**

**REVISION OF SPECIAL DAILY ALLOWANCES FOR OFFICIAL VISITS ABROAD**

1. Following the revision of special daily allowances in respect of certain countries for official visits abroad in March 2012, the Minister for Public Service and Administration has in terms of section 3(5)(a) of the Public Service Act, 1994, as amended, read with Part V/E. 2(a) of the Public Service Regulations, 2001, determined the implementation with retrospective effect from 01 March 2013 that-
  - 1.1. the special daily allowances for official visits abroad be revised in respect of the identified countries depicted on the attached Annexure.
2. The Financial Manual for the calculation and the application of the special daily allowances for official visits abroad will be amended in due course.
3. Expenditure in respect of this adjustment must be accommodated within the existing departmental budget allocations.

  
PP DIRECTOR-GENERAL  
DATE: 2013/04/12



## **NDLAMBE MUNICIPALITY**

# **SUPPLY CHAIN MANAGEMENT** **POLICY**

**2016/2017**

**NDLAMBE MUNICIPALITY**

**REVISED MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY**

## **LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

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### **1. Definitions**

In this policy and any bid documentation or directive issued in terms thereof, the singular includes the plural and vice versa, any one gender includes both genders and, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act has the same meaning as in this Act and -

**“The Act”** means the Local Government: Municipal Finance Management Act No. 56 of 2003 and, unless otherwise stated in this policy, any reference to “the Act” shall mean a reference to this Act;

**“Accounting Officer”** means the manager of the municipal administration and accounting officer of the municipality appointed by the council in terms of section 54A of the Local Government: Municipal Systems Act No. 32 of 2000 and includes any employee of the municipality who acts in his stead and, in the event of the municipality being subject to an intervention in terms of section 139 of the Constitution or any other applicable law, includes the “Administrator” appointed as a consequence of such intervention or in terms of the conditions pertaining thereto;

**“All applicable taxes”** includes value-added tax, pay as you earn, income tax, skills development levies and unemployment insurance fund contributions;

**“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

**“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment;

**“Bid”** means a written offer in a prescribed or stipulated form in response to an invitation to bid issued by the municipality for the procurement of goods, services or works through price quotations, advertised competitive bidding processes, limited bids or proposals or for the disposal of assets and **“tender”** has a corresponding meaning;

**“Bid Committees”** means the committees established in terms of this policy to prepare bid specifications, bid documentation, evaluate responsive bids and, where so authorized, to adjudicate responsive bids and any reference in section 117 of the Municipal Finance Management Act to municipal tender committees shall be construed as a reference to the aforesaid committees;

**“Bid documentation”** means all documentation relating to or necessary in order to complete a procurement or disposal including but not limited to such specification, bidding, certification and contractual documentation as may be prescribed by National Treasury or the Construction Industry Development Board, as the case may be, for municipal supply chain management purposes and the implementation of this policy;

**“Bidder”** means any person who submits a bid or quotation to the municipality in response to an invitation to bid or quote and includes a **“tenderer”**;

**“Bid rigging”** means a prohibited collusive bidding practice in terms of which bidders that would normally be expected to compete in a procurement process either singularly or by association with other persons or firms in a horizontal relationship, secretly conspire to raise prices or lower the quality of goods and/or services or agree not to compete against each other in such process;

**“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act No. 53 of 2003;

**“Chief Financial Officer”** means the official of the municipality designated as such in terms of section 80(2)(a) of the Municipal Finance Management Act;



**“CIDB”** means the Construction Industry Development Board;

**“CIDB regulations”** means any regulations issued in terms of the Construction Industry Development Board Act No. 38 of 2000;

**“Codes of Good Practice”** means the Codes of Good Practice on Black Economic Empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act and contained in General Notice 12 of 9 February 2007;

**“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized, have been taken into consideration;

**“Competitive bidding process”** means a transparent procurement method in which bids from competing contractors, suppliers or vendors are invited by openly advertising the scope, specifications, terms and conditions of the proposed contract as well as the criteria by which responsive bids received will be evaluated;

**“Competitive bid”** means a bid in terms of a competitive bidding process;

**“Consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

**“Construction works”** or **“works”** means the provision of a combination of goods and services arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of a fixed asset including building and engineering infrastructure;

**“Contractor”** means a person or body of persons who undertakes to execute and complete procured construction works for or on behalf of the municipality;

**“Contract”** means the agreement that results from the acceptance of a bid by the municipality in accordance with this policy;

**“Council”** means the council of Ndlambe Municipality;

**“Day”** unless expressly otherwise provided in this policy, means a calendar day, provided that when any particular number of days is prescribed for the doing of any act, or for any other purpose, the same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day happens to fall on a Sunday or on any public holiday, in which case the time shall be reckoned exclusively of the first day and exclusively also of every such Sunday or public holiday;

**“Delegating authority”** means the council, a duly authorized political structure or office bearer thereof, the Accounting Officer or other employee to whom original powers are assigned in terms of legislation and, in relation to a sub-delegation of a power, that delegated body;

**“Delegation”** means the issuing of a written authorization by a delegating authority to a delegated body to act in his stead and, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty and “delegate” and sub-delegate has a corresponding meaning;

**“Delegated body”** in relation to the delegation of a power means the person to whom a power has been delegated by the delegating authority in writing;

**“Designated Official”** means the official of the municipality to whom the accounting officer or the chief financial officer, as the case may be, have, in accordance with sections 79 and 82 of the Municipal Finance Management Act No. 56 of 2003 delegated or sub-delegated powers, functions and duties in connection with the application and implementation of this policy provided that a sub-delegation by the chief financial officer to an official that has not been allocated to him by the accounting officer or to a person contracted by the municipality for the work of its budget and treasury office may only be so authorized with the concurrence of the accounting officer and provided further that the said chief financial officer is satisfied that effective systems and procedures are in place to ensure control and accountability by the person concerned;

**“Designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

**“Disposal”** means a process of preparing, negotiating and concluding a written contract relating to the alienation of a capital asset whether movable or immovable owned by or under the control of the municipality or rights in respect thereof, by means of a sale, lease, donation or cession and **“dispose of”** has a similar meaning;

**“Final award”** in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote was accepted;

**“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy or tax which, in terms of any applicable law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies or the rendering costs of any service, for the execution of a contract;

**“Formal written price quotations”** means quotations referred to in paragraph 12 (1) (c) of this policy;

**“Functionality”** means the measurement according to predetermined norms, as set out in the bid specification, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;

**“Fronting”** means a deliberate circumvention or attempted circumvention of any legislation intended to address imbalances of the past relating to Supply Chain processes

**“HDI”** means Historical Disadvantage Individual

**“Head of Department”** means a senior manager as defined in the Municipal Finance Management Act and who is responsible for a vote as assigned by the accounting officer;

**“Imported content”** means that portion of the bid or tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the

supplier or its sub-contractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port of entry;

**“In the service of the state”** means to be -

- (a) A member of -
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the National Assembly or the National Council of Provinces;
- (b) A member of the board of directors of any municipal entity;
- (c) An official of any municipality or municipal entity;
- (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Act and the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (e) A member of the accounting authority of any national or provincial public entity; or
- (f) An employee of Parliament or a provincial legislature;

**“Line manager”** means a manager reporting directly to a senior manager and who is responsible for a cost centre as assigned by the relevant senior manager;

**"Local content"** means that portion of the bid or tender price which is not included in the imported content, provided that local manufacture does take place;

**“Long term contract”** means a contract with a duration period exceeding one year;

**“List of accredited prospective providers”** means the list of accredited prospective providers which the municipality must keep in terms of paragraph 15 of this policy;

**"Mayor"** means the councillor elected by the council as Mayor in terms of section 48 of the Local Government: Municipal Structures Act No. 117 of 1998 read with section 58 of the Municipal Finance Management Act;

**“Municipal Asset Transfer Regulation”** means Government Notice Nr 878 dated 22 August 2008 entitled Local Government : Municipal Finance Management Act, 2003 Municipal Asset Transfer Regulation

**“Municipality”** means the Ndlambe Municipality, a local municipality established by way of a notice in the Provincial Gazette issued in terms of section 12 of the Local Government: Municipal Structures Act No. 117 of 1998 and includes any employee entitled to or duly authorized to perform any function or duty in terms of this policy and/or is responsible for the implementation of this policy or any part thereof;

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act No. 32 of 2000 and includes the regulations under this Act;

**"Non-firm prices"** means all prices other than "firm" prices;



**“Other applicable legislation”** means any other legislation applicable to municipal supply chain management, including but not limited to -

- (a) the Preferential Procurement Policy Framework Act No. 5 of 2000;
- (b) the Broad-Based Black Economic Empowerment Act No. 53 of 2003;
- (c) the Construction Industry Development Board Act No. 38 of 2000;
- (d) the Local Government: Municipal Systems Act No. 32 of 2000 (Municipal Systems Act);
- (e) the Promotion of Administrative Justice Act No. 3 of 2000;
- (f) the Promotion of Access to Information Act No. 2 of 2000;
- (g) the Protected Disclosures Act No. 26 of 2000;
- (h) the Competition Act No. 89 of 1998;
- (i) the Prevention and Combating of Corrupt Activities Act No. 12 of 2004;

**"Person"** includes an enterprise, partnership, trust, association, consortium, joint venture or a juristic person;

**“Petty cash”** means a relatively small amount of cash kept at hand for making immediate payment for miscellaneous small expenses incurred the municipality.

**“Preferential Procurement Regulations”** means the Preferential Procurement Regulations, 2011 contained in Government Notice R 502 of 8 June 2011 promulgated in Government Gazette No. 34350 of this date;

**“Procurement”** means the processes leading to the negotiation and conclusion of contracts whether in writing or verbally for the acquisition of goods, services or construction works or any combination thereof means of purchase, sale, lease or donation and includes the preparation of all associated bid and contractual documentation and **“procured”** or **“procuring”** has a similar meaning;

**“Quotation”** means a stated price that a supplier expects to receive for the provision of specified services, goods or works;

**“Responsive bid”** means a bid that complies in all material aspects with the requirements set out in or contained in an invitation to bid including the applicable specification;

**“senior manager”** means Section 57 employees

**"Small enterprise"** means a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises, managed by one owner or more predominantly carried on in any sector or sub-sector of the economy which is contained in Annexure B to this policy and classified as a micro-, a very small or, a small enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the said schedule;  
;

**"Stipulated minimum threshold"** means that portion of local production and content as determined by the Department of Trade and Industry from time to time;

**"Sub-contract"** means the primary contractor's assigning, leasing, making out work to, or

employing, another person to support such primary contractor in the execution of part of a project in terms of a contract;

**"Rand value"** means the total estimated value of a contract in South African currency calculated at the time of bid invitations, and includes all applicable taxes and excise duties;

**"SANAS"** means the South African National Accreditation System;

**"Total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice;

**"Trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person;

**"Trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person;

**"Treasury guidelines"** means any guidelines on supply chain management issued by the Minister of Finance in terms of section 168 of the Municipal Finance Management Act;

**"The Regulations"** means the Local Government: Municipal Finance Management Act, 2003: Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

**"Verbal Quotations"** means a verbal process of inviting quotations from an identified limited number of potential suppliers for the supply goods, services and/or works;

**"Verification Certificate"** means a B-BBEE certificate issued in compliance with the B-BBEE Codes of Good Practice and all Sector Codes issued in terms of Section 9(1) of the Broad-Based Black Economic Empowerment Act;

**"Written quotations"** means quotations referred to in paragraph 12 (1) (c) of this policy.

## **POLICY STATEMENT**

### **1. Introduction**

- 1.1 Section 111 of the MFMA requires each municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act.
- 1.2 In addition, the PPPFA requires an Organ of State to determine its Preferential Procurement Policy and to implement it within the framework prescribed. This requirement is given effect to in the Preferential Procurement section of this Policy.

### **2. Desired Outcomes**

The desired outcome of this Policy is to provide a mechanism to ensure sound, sustainable and accountable supply chain management within Ndlambe Municipality, whilst promoting black economic empowerment, which includes general principles for achieving the following socio-economic objectives:

- 2.1 to stimulate and promote local economic development in a targeted and focused manner;
- 2.2 to promote resource efficiency and reduce the negative environmental impact of daily operations of the City;
- 2.3 to facilitate creation of employment and business opportunities for the people of Ndlambe with particular reference to B-BBEE;

- 2.4 to promote the competitiveness of local businesses;
- 2.5 to increase the small business sector access, in general, to procurement business opportunities created by Council;
- 2.6 to implement e-Procurement as an alternative to a manual process, to enhance efficiency and service delivery.

This Policy will also strive to ensure that the objectives for uniformity in supply chain management systems between organs of state, in all spheres, not undermined and that consistency with national economic policy on the promotion of investments and doing business with the public sector is maintained.

## **CHAPTER 1**

### **IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY**

#### **Supply chain management policy**

- (1) All officials and other role players in the supply chain management system of the municipality must implement this policy in a way that -
  - (a) gives effect to Section 217 of the Constitution and Part 1 of Chapter 11 and other applicable provisions of the Act;
  - (b) is fair, equitable, transparent, competitive and cost effective;
  - (c) complies with the Regulations and any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
  - (d) is consistent with other applicable legislation;
  - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
  - (f) is consistent with national economic policy concerning the promotion of investments and the conduct of business with the public sector.
- (2) This policy applies when the municipality -
  - (a) procures goods or services or undertakes construction works through a procurement process;
  - (b) disposes of goods no longer needed;
  - (c) selects contractors to provide assistance with the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
  - (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.
- (3) This Policy, except where specifically provided otherwise, does not apply if municipality or municipal entity contracts with another organ of state for-
  - (a) the provision of goods or services to the municipality or municipal entity;
  - (b) the provision of a municipal service or assistance in the provision of municipal service; or
  - (c) the procurement of goods and services under a contract secured by that other



organ of state, provided that the relevant supplier has agreed to such procurement.

- (4) Notwithstanding anything to the contrary in this policy, the municipality shall not award a contract to a contractor in respect of the undertaking, carrying out or completion of any construction works or a portion thereof in terms of a competitive bidding process provided for in this policy unless such contractor is registered with the Construction Industry Development Board established by section 2 of the Construction Industry Development Board Act No. 32 of 2000 and holds a valid registration certificate issued by such Board or is exempted from such registration either in terms of this Act or the "CIDB Regulations".

### **3. Amendment and adoption of the supply chain management policy**

- (1) The accounting officer must at least annually review the implementation of this policy and, when necessary, submit proposals for the amendment thereof to the council through the Mayor acting in conjunction with the mayoral committee.
- (2) If the accounting officer submits proposed amendments to this policy to the council, he must ensure that same comply with the Regulations and Treasury guideline standards determining standards for municipal supply chain management policies.
- (3) The accounting officer must report any deviation from the Regulations and Treasury guideline standards determining standards for municipal supply chain management policies to the National and Provincial Treasuries.
- (4) When amending this policy, the need for uniformity in supply chain practices, procedures and forms between all spheres of organs of state particularly to promote accessibility of supply chain management systems for small businesses, must be taken into account.

### **4. Delegation of supply chain management powers and duties**

- (1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable him -
  - (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of -
    - (i) chapters 8 or 10 of the Act; and
    - (ii) this policy; and
  - (b) to maximize administrative and operational efficiency in the implementation of this policy; and
  - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this policy; and
  - (d) to comply with his responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

- (3)** The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality.
- (4)** This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 27 of this policy.

## **5. Sub-delegations**

- (1)** The accounting officer may, in terms of section 79 of the Act, sub-delegate any supply chain management powers and duties, including those vested in him in terms of legislation or delegated to him in terms of this policy or by resolution of the council, but any such sub-delegation must be consistent with subparagraph (2) and paragraph 4 of this policy.
- (2)** The power to make a final award -
  - (a)** above R10 million (VAT included) may not be sub-delegated by the accounting officer;
  - (b)** above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated by the accounting officer but only to -
    - (i)** the chief financial officer;
    - (ii)** a senior manager ; or
    - (iii)** a bid adjudication committee of which the chief financial officer or a senior manager is a member;
  - (c)** not exceeding R2 million (VAT included) may be sub-delegated by the accounting officer but only to -
    - (i)** the chief financial officer;
    - (ii)** a senior manager;
    - (iii)** a manager directly accountable to the chief financial officer or a senior manager; or
    - (iv)** a bid adjudication committee.
- (3)** An official or bid adjudication committee to whom or which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must, within five days of the end of each month, submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including -
  - (i)** the amount of the award;
  - (ii)** the name of the person to whom the award was made; and
  - (iii)** the reason why the award was made to that person.

- (4) A written report referred to in subparagraph (3) must be submitted-
- (a) to the accounting officer, in the case of an award by -
    - (i) the chief financial officer;
    - (ii) a senior manager; or
    - (iii) a bid adjudication committee of which the chief financial officer or a senior manager was a member;
  - (b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by -
    - (i) a manager referred to in subparagraph (2)(c)(iii); or
    - (ii) a bid adjudication committee of which the chief financial officer or a senior manager was not a member.
- (5) Subparagraphs (3) and (4) do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 27 of this policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.
- 6. Oversight role of the council**
- (1) No councillor may be a member of a bid committee or any other committee evaluating or approving quotations or bids nor attend any meeting of such committees as an observer.
- (2) The council must maintain oversight over the implementation of this policy to ensure that the accounting officer implements all supply chain management activities in accordance therewith.
- (3) For the purposes of such oversight, the accounting officer must -
- (a) within 30 days of the end of each financial year, submit a report on the implementation of this policy to the council through its mayor;
  - (b) whenever there are serious and material problems in the implementation of this policy, immediately submit a report thereon to the council through its mayor.
- (4) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of this policy to the mayor.
- (5) The aforesaid reports must be made public in accordance with section 21A of the Municipal Systems Act.
- (6)
- 7. Supply chain management unit**



- (1) A supply chain management unit is hereby established to assist in implementing this policy.
- (2) The supply chain management unit shall operate under the direct supervision of the chief financial

## **8. Training of supply chain management officials**

The training of officials involved in implementing this policy should be in accordance with any Treasury guidelines on supply chain management training and applicable prescribed competency level requirements.

## **CHAPTER 2** **SUPPLY CHAIN MANAGEMENT SYSTEM**

## **9. Format of supply chain management system**

This policy provides systems for -

- (i) Demand management;
- (ii) Acquisition management;
- (iii) Logistics management;
- (iv) Disposal management;
- (v) Risk management; and
- (vi) Performance management.

### **Part 1: Demand management**

## **10. System of demand management**

- (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality supports its operational commitments and its strategic goals as outlined in the municipality's Integrated Development Plan.
- (2) The demand management system must -
  - (a) include timely planning and management processes to ensure that all goods, services and works required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates and are of the appropriate quality and quantity procured at a fair cost;
  - (b) take into account any benefits of economies of scale that may be derived in the case of procurements of a repetitive nature;
  - (c) provide for the compilation of the required specifications to ensure that municipal needs are met;
  - (d) allow for the undertaking of appropriate industry analysis and research to

ensure that innovations and technological benefits are maximized.

- (3)** The accounting officer must, prior to issuing an invitation to bid-
- (a)** properly plan for, and, as far as possible, accurately estimate the costs for the provision of goods, services and/or works for which an invitation to bid is to be issued;
  - (b)** determine the appropriate preference point system to be utilized in the evaluation and adjudication of bids to be received in response to the contemplated invitation to bid; and
  - (c)** determine whether the goods, services and/or works for which an invitation to bid is to be issued has been designated for local production and content in terms of section 9 of the Preferential Procurement Regulations and paragraph 29(5) of this policy.
- (4)** The accounting officer must indicate in an invitation to submit a bid and in the applicable bid specification or terms of reference-
- (a)** that such bid will be evaluated on functionality and, in such event, the following shall be clearly stated:
    - (i)** the evaluation criteria for measuring functionality which criteria must be objective;
    - (ii)** the weight of each criterion which should not be generic but be determined separately for each bid on a case by case basis;
    - (iii)** the applicable values that will be utilized when scoring each criterion which values must be objective;
    - (iv)** the minimum qualifying score for functionality in order to enable the bid concerned to be further evaluated in terms of this policy provided that the aforesaid qualifying score:
      - (a)** should not be generic but be determined separately for each bid on a case by case basis; and
      - (b)** should not be prescribed so low that it may jeopardize the quality of the service or works required nor be so high that it may be restrictive to the extent that it jeopardizes the fairness of the supply chain management system;
  - (b)** the fact that no bid will be regarded as an acceptable bid if the bidder or the goods, services and/or works to be procured, as the case may be, fails to achieve the minimum qualifying score for functionality as indicated in the invitation to bid and the relevant bid specification or terms of reference; and
  - (c)** that bids that have achieved the minimum qualification score for functionality will be evaluated further in terms of the preference point systems referred to in paragraphs 29(3) and 29(4) of this policy.
- (5)** Any system designed in terms of this paragraph shall take cognizance of the provisions of this policy.

## **Part 2: Acquisition management**

### **11. System of acquisition management**

- (1)** The accounting officer must implement an efficient system of acquisition management in order to ensure -
- (a)** that goods, services and works are procured by the municipality in accordance with authorized processes only;
  - (b)** that expenditure on goods, services and works is incurred in terms of an approved budget in terms of section 15 of the Act;
  - (c)** that the threshold values for the different procurement processes are complied with;
  - (d)** that bid documentation, evaluation and adjudication criteria and the general conditions of a contract, are in accordance with any applicable legislation; and
  - (e)** that any Treasury guidelines on acquisition management are properly taken into account.

### **12. Range of procurement processes**

- (1)** Goods and services may only be procured by way of -
- (a)** at least one written quotation for procurements of a up to R2, 000 (VAT included);
  - (b)** formal written quotations for procurements of a transaction value over R2,000 up to R30,000 (VAT included);
  - (c)** formal written price quotations for procurements of a transaction value over R30,000 up to R200,000 provided that, in addition to any other relevant requirements contained in this policy, procurement invitations shall be advertised for at least seven days on the website and an official notice board of the municipality;
  - (d)** a competitive bidding process for -
    - (i)** procurements above a transaction value of R200 000 (VAT included); and
    - (ii)** the procurement of long term contracts.
- (2)** The accounting officer may, in writing:
- (a)** lower but not increase, the different threshold values specified in subparagraph (1) above; or
  - (b)** direct that written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2000;



- (c) direct that formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or
  - (d) direct that a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.
- (3) Procurement invitations may not deliberately be split into parts or items of a lesser value than the threshold amounts referred to in subparagraph (1) merely to avoid compliance with the requirements of this policy or any applicable legislation. When determining transaction values, a requirement for goods, services or works consisting of different parts or items must, as far as possible, be treated and dealt with as a single transaction.

### **13. Special categories of bidders and suppliers**

In order to promote B-BBEE and comply with applicable legislation including the Codes of Good Practice, this policy recognizes the following special categories of bidders and suppliers:

#### **13.1 Exempted Micro-Enterprise**

- (a) An exempted Micro-Enterprise (EME) is an entity with an annual turnover of R5 million or less provided that this amount may be reduced in accordance with sector charter thresholds for specific sectors or industries.
- (b) The current thresholds for the Tourism and Construction Sector charters are R2.5 million and R1.5 million respectively.
- (c) Exempted Micro-Enterprises are deemed to possess a B-BBEE Status of "Level Four Contributor", having a B-BBEE procurement recognition of 100%.
- (d) An Exempted Micro-Enterprise qualifies for a promotion to a B-BBEE Status of "Level Three Contributor" having a B-BBEE procurement recognition of 110% if it is more than 50% owned by black people or by black women.
- (e) Exempted Micro-Enterprises are allowed to be measured in terms of the QSE scorecard contained in the applicable code of good practice in the event of them wishing to maximize their points and move to the next procurement recognition level.
- (f) Sufficient evidence of qualification as an Exempted Micro-Enterprise is an auditor's certificate or similar certificate issued by an accounting officer of a closed corporation or a verification agency accredited by SANAS.

#### **13.2 Qualifying Small Enterprise**

- (a) Any enterprise with an annual Total Revenue of between R5 million and R35 million qualifies as a Qualifying Small Enterprise.
- (b) Enterprises claiming qualifying small enterprise status must include in any bid submitted to the municipality, an original and valid B-BBEE status level certificate or a certified copy thereof, substantiating their B-BBEE rating. This certificate must be issued by a verification agency accredited by SANAS or a Registered Auditor approved by the Independent Regulatory Board of

Auditors.

### 13.3 Start-up enterprises

- (a) Start-up enterprises must be measured as Exempted Micro-Enterprises for the first year following their formation or incorporation. This provision applies regardless of the expected total revenue of the start-up enterprise.
- (b) Start-up Enterprises are deemed to have a "B-BBEE Status of Level Four Contributor".
- (c) In order to qualify as a Start-up Enterprise, the enterprise must provide an independent confirmation of its status.
- (d) Notwithstanding subparagraphs (a) and (b), Start-up Enterprises must submit a QSE Scorecard when tendering for any contract or seeking any other business with a value higher than R5 million but less than R35 million. For contracts above R35 million, they should submit the generic scorecard. The preparation of such scorecards must use annualized data.
- (e) The accounting officer shall reserve the right to require a Start-up Enterprise referred to in subparagraph (d) to submit a verification certificate issued by either a verification agency approved by SANAS or a Registered Auditor approved by the Independent Regulatory Board of Auditors.

### 14. General preconditions for consideration of written quotations or bids

A written quotation or bid may not be considered unless the bidder who submitted the quotation or bid concerned -

- (a) has furnished his -
  - (i) full name or names including trading name;
  - (ii) identification number or company or other registration number;
  - (iii) tax reference number and VAT registration number, if any;
- (b) Where an envisaged award is greater than R15000, the bidder has provided the municipality with an **original** valid tax clearance certificate from the South African Revenue Services stating that his tax matters are in order and as authorized the municipality to obtain a tax clearance that the provider's tax matters are in order
- (c) has, where applicable, provided the municipality with a registration certificate from the Construction Industry Development Board to the effect that he holds a valid registration certificate issued by the Board;
- (d) where an envisaged award is greater than R30000, the bidder has provided the municipality with a "Certificate of Independent Bid Determination" on Form MBD 9 or a similar form;
- (e) Where an envisaged award is greater than R15000, the bidder has provided a certificate issued by the municipality or any other municipality to which he may be indebted to the effect that he and, in the event of the bidder being a

company, also any of its directors, is not indebted to the municipality or to any other municipality or municipal entity for rates, taxes and/or municipal service charges which are in arrear for a period of more than three months and that no dispute exists between such bidder and municipality or municipal entity concerned in respect of any such arrear amounts;

- (f) where an envisaged award is greater than R30000, the bidder has submitted a Declaration of Interest form, MBD 4 or similar certifying -
  - (i) that he is not in the service of the state or has been in the service of the state in the previous twelve months;
  - (ii) that, in the event of the bidder not being a natural person, none of its directors, managers, principal shareholders or stakeholders are in the service of the state nor have they been in the service of the state in the previous twelve months;
  - (iii) that neither his spouse, child or parent nor a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state or has been in the service of the state in the previous twelve months;
  - (iv) that he is not an advisor or consultant contracted by the municipality to advise it on the procurement under consideration;

This paragraph must be read in conjunction with paragraph 22 of this policy.

## **15. Lists of accredited prospective providers**

- (1) The accounting officer must -
  - (a) keep a list of accredited prospective providers of goods and services that must be used for procurements through written or verbal quotations and formal written price quotations; and
  - (b) at least once a year through newspapers commonly circulating locally, the municipal website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
  - (c) specify the listing criteria for accredited prospective providers; and
  - (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The aforesaid list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The aforesaid list must also be compiled per commodity and per type of service.

## **16. Petty cash purchases**



- (a) Petty cash purchases up to R70 may be made in accordance with the Imprest Petty Cash policy of the municipality.
- (b) The accounting officer may delegate responsibility for the management of petty cash to an official directly or indirectly reporting to the chief financial officer.
- (c) No item that is an approved stores item may be purchased by means of a petty cash transaction.
- (d) No fixed asset regardless of value may be purchased through petty cash.
- (e) The council must, from time to time, determine the maximum amount of the permissible petty cash expenditure per month;
- (f) A monthly reconciliation report must be provided to the chief financial officer within 5 working days of the end of each month by the official authorized to make petty cash purchases and such report shall contain particulars of each final award made by such official during that month, including:
  - (i) the total amount of petty cash purchases for that month; and
  - (ii) receipts and supporting documents for each purchase.

#### **17. Written or verbal price quotations**

The conditions for the procurement of goods or services through written or verbal quotations are as follows:

- (a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality, provided that if quotations are obtained from providers who are not so listed, such providers must meet the listing criteria determined by the accounting officer in terms of paragraph 15(1)(c) of this policy;
- (b) To the extent feasible, providers must be requested to submit such quotations in writing;
- (c) If it is not possible to obtain at least three quotations, the reasons for such inability as approved by the accounting officer under a deviation must be recorded on the invitation to submit quotations and reported monthly to the chief financial officer;
- (d) The designated officer must record the names of the potential providers requested to provide quotations with their quoted prices; and
- (e) If a quotation was submitted verbally, the order may be placed only against written confirmation of the price and conditions of supply from the selected provider within the period stipulated in the invitation to submit quotations.

#### **18. Formal written price quotations**

The conditions for the procurement of goods or services through formal written price quotations, are as follows:

- (a) Quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;

- (b) In the event of it not being possible to obtain quotations from at least three different providers whose names appear on the list of accredited prospective providers of the municipality, quotations may be obtained from providers who are not so listed, provided that such providers meet the listing criteria determined by the accounting officer in terms of paragraph 15(1)(c) of this policy and, provided further, that the reasons for obtaining such quotations from the providers concerned as approved by the accounting officer under a deviation must be recorded and reported monthly to the chief financial officer.

#### **19. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations**

The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows:

- (a) When using the list of accredited prospective providers, the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- (b) All requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website of and on the official notice board of the municipality;
- (c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (d) Offers below R30 000 (all taxes included) must be awarded based on compliance with specifications, conditions of contract, ability, capacity and capability to deliver the required goods and/or services and lowest price; provided that the accounting officer may direct, in appropriate cases, that the applicable provisions of the Preferential Procurement Regulations be applied in respect of the calculation of preference points for price;
- (e) Offers above R30 000 (all applicable taxes included) must be awarded based on the applicable provisions of the Preferential Procurement Regulations;
- (f) Prior to the award of a contract with a price in excess of R200 000, the designated official must verify the status of recommended bidders (including their directors(s), owners(s) or trustee(s) by checking the Data Base of Restricted Suppliers maintained by National Treasury in order to ensure that no recommended bidder or any of its directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector;
- (g) A call for quotations in terms of the preceding paragraphs must be in writing and contain a specification for the goods and/or services to be procured and if applicable, details of the preference points system to be used in adjudicating quotations;
- (h) The designated official must, in writing, notify the chief financial officer within 3 days after the end of each month of all written, verbal and formal written price quotations accepted or approvals given in terms of this paragraph; and

The chief financial officer must ensure that adequate systems are in place to meet the requirements to record such matters for proper record keeping;

- (i) Where the award is greater than R30000, the procurement award must be made to the bidder who scored the highest points in accordance with the stipulated preference points system.

## **20. Competitive bidding process**

- (1) Subject to paragraph 11 (2) of this policy, goods, services or works above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process.
- (2) Subject to subparagraph (3), no requirement for goods or services above an estimated transaction value of R200 000 (VAT included) may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- (3) The accounting officer may split large procurements into smaller contracts (units) to provide opportunities for emerging entrepreneurs. This procedure may only be followed when technically, logistically and financially feasible.
- (4) A senior manager responsible for a vote must submit the under-mentioned information to the chief financial officer prior to the publication of any public invitation of bids in respect of procurements estimated to exceed R10m (all taxes included):
  - (i) proof that budgetary provision exists for the procurement concerned;
  - (ii) details of any ancillary budgetary implications related to the bid concerned;
  - (iii) details of any multi-year budgetary implications associated with a project which will be undertaken over a period of more than one year as well as details of the anticipated expenditure per financial year.
- (5) A procurement referred to in subparagraph (4) may only be advertised for competitive bids after the chief financial officer has verified in writing that budgetary provision exists to enable the relevant project to commence.
- (6) Procurement requirements referred to in subparagraph (4) may not be deliberately split into parts or items of lesser value merely to avoid the information being submitted.

## **21. Process for competitive bidding**

The procedures for the following stages of a competitive bidding process are as follows:

- (a) Compilation of bidding documentation as detailed in paragraph 22;
- (b) Public invitation of bids as detailed in paragraph 23;
- (c) Site meetings or briefing sessions as detailed in paragraph 23;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 24;
- (e) Evaluation of bids as detailed in paragraph 32;
- (f) Award of contracts as detailed in paragraph 33;



- (g) Administration of contracts - after the award of a bid, the accounting officer and the bidder must enter into a written agreement.
- (h) Proper record keeping;
- (i) Original/legal copies of written contractual agreements should be kept in a secure place for reference and audit purposes.

## **22. Bid documentation for competitive bids**

Bid documentation for a competitive bidding process must, in addition to compliance with the requirements listed in paragraph 14, comply with the following requirements:

- (a) Take into account -
  - (i) the general conditions of contract and any special conditions of contract, if specified;
  - (ii) any Treasury guidelines on bid documentation;
  - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction works;
  - (iv) relevant B-BBEE verification and certification requirements;
  - (v) relevant local content or production requirements.
- (b) Include the preference points system to be used in adjudicating bids, namely 80/20 or 90/10 as prescribed in the Preferential Procurement Regulations;
- (c) Compel bidders to declare, by means of an affidavit, any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) If the value of the transaction is expected to exceed R5 million (VAT included), require bidders to furnish -
  - (i) if the bidder is required by law to prepare annual financial statements for auditing, his audited annual financial statements -
    - (a) for the past three years; or
    - (b) since establishment, if established during the past three years;
  - (ii) a certificate signed by the bidder certifying that he has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
  - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contracts;
  - (iv) a statement indicating whether or not any portion of the goods or services required by the municipality are expected to be sourced from outside the Republic, and, if so, what portion and also whether or not any portion of the payment to be made by the municipality is expected to be transferred out of the Republic; and

- (e) Stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

## **23. Public invitation for competitive bids**

- (1) The procedure for the invitation of competitive bids is as follows:
  - (a) any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality and in any other appropriate manner (which may include an advertisement in the Government Tender Bulletin); and
  - (b) the information contained in such public advertisement, must include -
    - (i) subject to subparagraph 2, the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included) or which are of a long term nature or 14 days in any other case, reckoned from the date on which the advertisement is first placed in the aforesaid newspapers;
    - (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality; and
    - (iii) the date, time and venue of any compulsory site meeting or briefing session;
    - (iv) a statement to the effect that a bid from a prospective bidder who did not attend a prescribed compulsory site meeting or briefing session referred to in subparagraph (iii) will not be considered.
- (2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or in any exceptional case where it is impractical or impossible to follow the official procurement process and such fact shall, for auditing purposes, be recorded in the authority to invite bids.
- (3) Bids submitted must be sealed and marked in a manner stipulated in the invitation to bid.
- (4) Where bids are requested in electronic format, such bids must be supplemented by hard copies in sealed enveloped which must deposited in the "bid box" on by the closing time for the receipt of bids on the bid closing date as stipulated in the invitation to bid.
- (5) Where the municipality invites expressions of interest or bids for construction works with a value in excess of R200 000 it must publish such invitations on the website of the CIDB.
- (6) The municipality must also comply with the applicable provisions of the Standard for Uniformity in Construction Procurement contained in Board Notice No. 86 of 2010 issued by the Construction Industry Development Board insofar as such provisions relate to the invitation of bids which are invested in terms of the competitive bidding

procurement processes.

## **24. Procedure for handling, opening and recording of bids**

The procedures for the handling, opening and recording of bids, are as follows:

- (a)** Bids -
  - (i)** must be opened only in public;
  - (ii)** must be opened at the same time and as soon as possible after the published closing time or period for the submission of bids; and
  - (iii)** received after the published closing time or period should not be considered and be immediately returned to the bidder, unopened;
- (b)** Any bidder or member of the public has the right to request that the names of the bidders who submitted bids by the closing time or period be read out and, if practical, also each bidder's total bidding price;
- (c)** No information, except the information referred to in subparagraph (b), relating to a bid should be disclosed to bidders or other persons until the successful bidder is notified of the award of the relevant bid; and
- (d)** The designated official from the Corporate Service directorate opening received bids must -
  - (j)** record in a register, all bids received by the closing time or period for the submission of same and such register shall contain as least the following information in addition to such information as may be prescribed in terms of section 75 of the Act:
    - (a)** the reference number of the bid concerned;
    - (b)** the description of the relevant goods, services or works project to be procured;
    - (c)** the names of all bidders;
    - (d)** where practical, the total price submitted by all bidders that submitted bids in relation to the relevant bid invitation;
  - (ii)** make the aforesaid register available for public inspection during the normal office hours of the municipality; and
  - (iii)** publish the entries in the aforesaid register on the website of the municipality within ten (10) working days from the date referred to in subparagraph (i) and ensure that such entries remain on the website for a period of at least thirty (30) days from date of publication.

## **25. Negotiations with preferred bidders**

- (1)** The accounting officer may negotiate the final terms of a contract with bidders



identified through a competitive bidding process as preferred bidders, provided that such negotiation -

- (a) does not allow any preferred bidder a second or unfair opportunity;
  - (b) is not to the detriment of any other bidder;
  - (c) does not lead to a higher price than the bid as submitted; and
  - (d) will not be contrary to any legal requirement or amount to a prohibited practice.
- (2) Minutes of such negotiations must be kept for record and audit purposes.

## **26. Two-stage bidding process**

- (1) A two-stage bidding process is permissible for -
- (a) large complex projects;
  - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage, technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage, final technical proposals and priced bids should be invited.

## **27. Committee system for competitive bids**

- (1) The accounting officer shall establish a procurement committee system for competitive bids consisting of at least the following committees:
- (a) a bid specification committee;
  - (b) a bid evaluation committee; and
  - (c) a bid adjudication committee;
- (2) The accounting officer shall, in writing, appoint the members of each committee in respect of each competitive bid invitation, taking into account the provisions of section 117 of the Act in terms of which no councillor may be a member of any such committee nor attend any of its meetings as an observer.
- (3) A neutral or independent observer other than an Ndlambe Councillor, appointed by the accounting officer, may attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with -
- (a) paragraphs 28, 32 and 33 of this policy; and
  - (b) any other applicable legislation.
- (5) The accounting officer may, in appropriate cases and in his sole discretion, apply the

committee system to formal written price quotations.

## **28. Bid specification committees**

- (1)** A bid specification committee must compile the specifications or, where applicable, the terms of reference for the procurement of goods, services or works by the municipality.
- (2)** A bid specification committee must be composed of one or more officials of the municipality preferably the line manager responsible for the function concerned and may, when appropriate, include external specialist advisors.
- (3)** No person, advisor or corporate entity involved with the bid specification committee or director of such a corporate entity may bid for any resulting contracts.
- (4)** Where a bid specification or terms of reference are compiled with due regard to the findings and recommendations contained in a prior, associated feasibility study, the person, advisor or corporate entity who or which prepared the said feasibility study may be prohibited from bidding for the resulting contracts in circumstances where such person, advisor or corporate entity may or is likely to obtain an unfair advantage or where a conflict of interest may arise.
- (5)** A specification or terms of reference referred to in this paragraph must be approved by the accounting officer in writing prior to publication of the invitation for bids in terms of paragraph 23.

## **29. Bid Specifications Terms of Reference**

### **29.1 General Requirements**

Bid Specifications terms of reference, as the case may be -

- (a)** must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services to the municipality;
- (b)** must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply;
- (c)** must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
- (d)** may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
- (e)** may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;

### **29.2 Functionality**

Where functionality is utilized as an evaluation criterion, bid terms of reference should clearly specify:

- (i) the evaluation criteria for measuring functionality which criteria must be objective, the weight of each criterion, the applicable values and the minimum qualifying score for functionality; and
- (ii) the fact that no bid will be regarded as an acceptable bid if it or the relevant bidder fails to achieve the minimum qualifying score for functionality as indicated in the terms of reference concerned; and
- (iii) that bids or bidders that have achieved the minimum qualification score for functionality will be evaluated further in terms of the preference point systems referred to in subparagraphs 29.3 and 29.4 below.
- (iv) Prior to publication or submission to the Bid Specification Committee all matters relating to functionality be signed off by the Supply Chain Manager

### 29.3 80/20 Preference Points System

(3.1) Where applicable, bid documentation must include the following preference points evaluation system for the procurement of goods, services or works from a Rand value of R30000 up to a Rand value of R1 000 000 (all applicable taxes included):

- (i) the following formula will be used to calculate the points for price in respect of bids (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R1 000 000 (all applicable taxes included):

$$Ps = 80 \left[ 1 - \frac{Pt - Pmin}{Pmin} \right]$$

Where:

Ps = Points scored for comparative price of bid or offer under consideration;

Pt = Comparative price of bid or offer under consideration; and

Pmin = Comparative price of lowest acceptable bid or offer.

- (ii) Up to maximum of 20, points must be awarded to a bidder for attaining the B-BBEE status level of contributor in accordance with the following tables:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	16



4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

Or

In respect of Exempted Micro Enterprises (EME's)

Black Ownership of EME	Deemed B-BBEE Status Level of Contributor	Number of Preference Points
More than 50%	3	16
Less than 50%	4	12

- (iii) the points scored by a bidder in respect of B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i);

**(3.2)** The B-BBEE status level attained by a bidder must be used to determine the number of points contemplated in subparagraph 3.1 (ii) above.

**(3.3)** Bid documentation must also provide that, in the event of all responsive bids received exceeding the estimated Rand value of R1 000 000, the bid invitation will be cancelled, provided that if one or more of the acceptable bids received are within the aforesaid threshold of R1 000 000, all bids received will be evaluated in accordance with this preference point system.

## 29.4 90/10 Preference Points System

**(4.1)** Where applicable, bid documentation must include the following preference points evaluation system for the procurement of goods, services or works with a Rand value above R1 000 000 (all applicable taxes included):

- (i) the following formula will be used to calculate the points for price in respect of bids with a Rand value above R1 000 000 (all applicable taxes included):

$$Ps = 90 \left[ 1 - \frac{Pt - Pmin}{Pmin} \right]$$

Where:

Ps = Points scored for comparative price of bid or offer under consideration;

Pt = Comparative price of bid or offer under consideration; and

Pmin = Comparative price of lowest acceptable bid or offer.

- (ii) Up to maximum of 10 points, points must be awarded to a bidder for attaining the B-BBEE status level of contributor in accordance with the following tables:

<b>B-BBEE Status Level of Contributor</b>	<b>Number of Points</b>
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

Or

In respect of Exempted Micro Enterprises (EME's)

<b>Black Ownership of EME</b>	<b>Deemed B-BBEE Status Level of Contributor</b>	<b>Number of Preference Points</b>
More than 50%	3	8
Less than 50%	4	5

- (iii) the points scored by a bidder in respect of the level of B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i);

**(4.2)** The B-BBEE status level attained by a bidder must be used to determine the number of points contemplated in subparagraph 4.1 (ii) above.

**(4.3)** Bid documentation must also provide that, in the event of all responsive bids received being equal to, or below R1 000 000, the invitation to bid will be withdrawn and all bids received shall be regarded as having been cancelled provided that, if one or more of the acceptable bids received are above the prescribed threshold of R 1 000 000, all bids received will be evaluated in accordance with this preference point system.

## **29.5 Local Production**

**(5.1)** Where, in the case of bids in designated sectors, local production and content is of critical importance, the relevant bid documentation must clearly state, as a bid condition, that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content, will be considered.

**(5.2)** The relevant bid documentation must also stipulate:

- (a)** that the exchange rate to be used for the calculation of local content or local production will be the exchange rate published by the South African Reserve Bank at 12:00 on the date of advertisement of the bid;

- (b) that only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x will be used to calculate local content in accordance with the following formula:

$$LC = 1 - \left[ \frac{X}{Y} \right] \times 100$$

Where

x imported content

y bid price excluding value added tax (VAT)

and that the prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid;

- (c) that Form MBD 6.2 (Declaration Certificate for Local Content) issued by National Treasury, duly completed and signed, must form part of the bid documentation;
- (d) that the municipality reserves the right to verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the aforesaid Certificate.

(5.3) The accounting officer may decide to include in any bid documentation a specific bidding condition that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by National Treasury in consultation with the Department of Trade and Industry and, in such event, the requirements stipulated in subparagraph 5.2 shall be inserted in the relevant bid documentation.

(5.4) Where necessary, bid documentation for bids referred to in subparagraph 5.1 may state that a two- stage bidding process will be followed, where the first stage will involve functionality and minimum threshold for local production and content and the second stage price and B-BBEE status with the possibility of price negotiations only with the short listed bidders with a view to effecting cost savings in circumstances where the tendered prices are obviously inflated or to ensure the award of the bid concerned within budgetary constraints provided that, where such negotiations take place, the principles contained in paragraph 25.1 of this policy shall be applied.

(5.5) Any bid documentation issued in terms of this subparagraph must be capable of being measured and audited.

## 29.6 B-BBEE status level certificates and scorecards

Bid documentation must provide that:

- (i) Those bidders who qualify as Exempted Micro Enterprises (EME's) in terms of the Broad-Based Black Economic Empowerment Act, must submit, together with their bid, a certificate to this effect issued by a registered auditor, accounting officer (as

contemplated in section 60(4) of the Close Corporations Act, 1984 (Act No. 69 of 1984)) or an accredited verification agency provided that a certificate issued by an Accounting Officer of a closed corporation must be on his letterhead which should also contain his practice number and contact number clearly specified on the face of such certificate.

- (ii) Bidders other than Exempted Micro-Enterprises (EME's) must submit, with their bid, their original and valid B-BBEE Status Level Verification Certificate complying at least with the provisions of subparagraphs (v) and (vi) below, or a certified copy thereof, in support of their B-BBEE rating.
- (iii) A trust, consortium or joint venture will qualify for points for its B-BBEE status level as a legal entity, provided it submits its B-BBEE Status Level Verification Certificate with its bid.
- (iv) A trust, consortium or joint venture will qualify for points for its B-BBEE status level as an unincorporated entity, provided that it submits its consolidated B-BBEE scorecard as if were a group structure and, provided further, that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- (v) As a minimum requirement, all valid B-BBEE Status Level Verification Certificates should have the following information detailed on the face of the certificate:
  - The name and physical location of the measured entity;
  - The registration number and, where applicable, the VAT number of the measured entity;
  - The date of issue and date of expiry;
  - The certificate number for identification and reference purposes;
  - The scorecard that was used (for example EME, QSE or Generic);
  - The name and / or logo of the Verification Agency;
  - The SANAS logo;
  - The signature of the authorized person from the Verification Agency concerned; and
  - The B-BBEE Status Level of Contribution obtained by the measured entity.
- (vi) The format and content of B-BBEE Status Level Verification Certificates issued by registered auditors approved by the Independent Regulatory Board of Auditors (IRBA) must -
  - Clearly identify the B-BBEE approved registered auditor by the auditor's individual registration number with IRBA and the auditor's logo;
  - Clearly record an approved B-BBEE Verification Certificate identification reference in the format required by SANAS;
  - Reflect relevant information regarding the identity and location of the measured entity;



- Identify the Codes of Good Practice or relevant Sector Codes applied in the determination of the scores;
- Record the weighting points (scores) attained by the measured entity for each scorecard element, where applicable, and the measured entity's overall B-BBEE Status Level of Contribution;
- Reflect that the B-BBEE Verification Certificate and accompanying assurance report issued to the measured entity is valid for 12 months from the date of issuance;
- Reflect both the issuance and expiry date of the Verification Certificate.

## **29.7 Additional Conditions**

Bid documentation must include a reference to the following additional conditions, where applicable:

### **29.7.1 Sub-contracting**

- (a) A bidder will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an exempted micro enterprise that has the capability and ability to execute the sub-contract.
- (b) A bidder awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the bidder concerned, unless the contract is sub-contracted to an exempted micro enterprise that has the capability and ability to execute the sub-contract.
- (c) A bidder awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

## **29.8 Miscellaneous Special Conditions of Contract**

Bid documentation must, inter alia, include the following conditions as Special Conditions of Contract:

### **29.8.1 General**

- (a) Only a bidder who has completed and signed the declaration part of a bid may be considered;
- (b) When comparative prices must be calculated, any discounts which have been offered unconditionally will be taken into account;
- (c) A discount which has been offered conditionally will, despite not being taken into account for evaluation purposes, be implemented when payment to a bidder in respect of an accepted bid is effected;
- (d) Points scored in any applicable scoring system will be rounded off to the nearest 2

decimal places.

- (e) (i) In the event that two or more bids score equal total points, the successful bid will be the one scoring the highest number of preference points for B-BBEE;
- (ii) However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid will be the one scoring the highest score for functionality.
- (iii) Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

#### **29.8.2 Cancellation of a bid invitation**

- (f) The accounting officer may, prior to the award of a bid, by notice in the media in which the original bid was advertised, cancel such bid invitation if, due to changed circumstances, there is no longer a need for the goods, services or works requested or if funds are no longer available to cover the total envisaged expenditure or if no acceptable bids are received.

#### **29.8.3 Declarations**

- (g) A bidder must -
  - (i) declare that the information provided in any bid document is true and correct;
  - (ii) declare that the signatory to a bid document is duly authorized; and
  - (iii) undertake to submit documentary proof regarding any bidding issue when required to the satisfaction of the municipality.

#### **29.8.4 Remedies**

- (h) In addition to the action contemplated in paragraph 41 of this policy which shall be read in conjunction with this subparagraph:
  - (i) The municipality will, upon detecting that the B-BBEE status level of contribution has been claimed or obtained by a bidder on a fraudulent basis or any of the conditions of a contract awarded to such bidder or person have not been fulfilled, act against such bidder or person.
  - (ii) The municipality may, in addition to any other remedy it may have against the person contemplated in subparagraph (i) above -
    - (a) disqualify the person concerned from participating in any future bidding process with the municipality;
    - (b) recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;
    - (c) cancel the relevant contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

- (iii) The municipality may restrict a bidder or contractor, its shareholders and directors or only the shareholders and directors, as the case may be, who acted on a fraudulent basis in connection with a bid, from obtaining business from the municipality for a period not exceeding 10 years, provided that, before exercising this right, the municipality shall give the persons or parties concerned an opportunity to make representations and be heard in defence of such contemplated action; and
- (iv) The municipality may refer any fraudulent action on the part of a bidder or contractor or any party aforesaid to the South African Police Services with a view to criminal prosecution.
- (k) Where a bidder or contractor is restricted in terms of subparagraph (h)(iii) above, the accounting officer shall forward the relevant details to National Treasury for inclusion in the Central Database of Restricted Suppliers.

## 29.9 Savings

- (k) A contract may be awarded to a tenderer that did not score the highest total number of points, only in accordance with section 2(1)(f) of the **Preferential Procurement Policy Framework Act No. 5 of 2000**, which section states that: *"the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer"*.  
**Section (d)** states the following: *"the specific goals may include (i) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability; (ii) implementing the programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994"*  
**Section (e)** states the following: *"any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender."*

## 30. Procurement from tertiary institutions

- (1) Where the municipality is in need of a service provided by only tertiary institutions, such services must be procured through a bidding process with the identified tertiary institutions.
- (2) Tertiary institutions referred to in subparagraph (a) will be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- (3) Should the municipality require a service that can be provided by one or more tertiary institutions or public entities and enterprises from the private sector, the appointment of a contractor will be done by means of a bidding process.
- (4) Public entities must be required to submit their B-BBEE status in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- (5) For purposes of this paragraph, a bidding process includes a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of services, through price quotations, advertised competitive bidding processes or proposals.

### **31. Re-invitation of bids**

The accounting officer must re-invite bids cancelled in terms of paragraphs 29 (3.3) and 29 (4.3) and must, in the new bid documents, stipulate the correct preference point system to be applied.

### **32. Bid evaluation committees**

**(1)** A bid evaluation committee must, as far as possible, be composed of-

- (a)** officials from departments requiring the goods, services or works; and
- (b)** at least one supply chain management practitioner of the municipality.

**(2)** A bid evaluation committee must -

- (a)** evaluate bids in accordance with the relevant bid specification or terms of reference, as the case may be, inclusive of unconditional discounts, sub-contracting and this policy; and
- (b)** evaluate each bidder's ability to execute the contract provided that, where bids are invited on the basis of functionality as a criterion, they must be evaluated in the following two stages:

#### **(i) First stage - evaluation of functionality**

- (a)** bids must be evaluated in terms of the evaluation criteria embodied in the bid specification or terms of reference, as the case may be. The amendment of evaluation criteria, weights, applicable values and/or the minimum qualifying score for functionality after the closure of bids is not allowed as this may jeopardize the fairness of the process;
- (b)** a bid will be considered further if it achieves the prescribed minimum qualifying score for functionality;
- (c)** bids that fail to achieve the minimum qualifying score for functionality must be disqualified;
- (d)** score sheets should be prepared and provided to panel members to evaluate the bids;
- (e)** a score sheet should contain all the criteria and the weight for each criterion as well as the values to be applied for evaluation as indicated in the bid specification or terms of reference concerned;
- (f)** each panel member should, after thorough evaluation, independently award his own value to each individual criterion;
- (g)** score sheets should be signed by panel members and if necessary, a written motivation may be requested from panel members where vast discrepancies in the values awarded for



each criterion exist -

provided that if the minimum qualifying score for functionality is indicated as a percentage in the bid specification or terms of reference, as the case may be, the percentage scored for functionality may be calculated as follows:

- (h) the value awarded for each criterion should be multiplied by the weight for the relevant criterion to obtain the score for the various criteria;
- (i) the scores for each criterion should be added to obtain the total score; and
- (j) the following formula should be used to convert the total score to percentage for functionality:

$$Ps = \frac{So}{Ms} \times 100$$

Where:

Ps = percentage scored for functionality by bid under consideration

So = total score of bid under consideration

Ms = maximum possible score

- (k) the percentage of each panel member should be added and divided by the number of panel members to establish the average percentage obtained by each bidder for functionality.

**(ii) Second stage - Evaluation in terms of the 80/20 or 90/10 preference point systems**

Only bids that achieve the minimum qualifying score / percentage for functionality must be evaluated further in accordance with the bid specification or terms of reference for the bid concerned, as the case may be;

- (c) evaluate bids based on a stipulated minimum threshold for local production and content as required in the relevant bid specification in the following two stages:

**(i) First stage - Evaluation in terms of the stipulated minimum threshold for local production and content**

- (a) bids must be evaluated in terms of the evaluation criteria stipulated in the bid specification. The amendment of the stipulated minimum threshold for local production and content after the closure of bids is not allowed as this may jeopardize the fairness of the process;

- (b) a bid must be disqualified if:
    - the bidder fails to achieve the stipulated minimum threshold for local production and content; and
    - the Declaration Certificate for Local Content (Form MBD 6.2) is not submitted as part of the bid;
  - (c) calculate the local content (LC) as a percentage of the bid price in accordance with the SABS approved technical specification number SATS 1286: 201x;
  - (d) verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate for Local Content (Form MBD 6.2);
- (ii) **Second stage - Evaluation in terms of the 80/20 or 90/10 preference point systems**
- (e) only bids that achieve the minimum stipulated threshold for local production and content must be evaluated further in accordance with the relevant preference point system referred to in the bid specification;
  - (f) where appropriate, prices may be negotiated only with short listed or preferred bidders. Such negotiations must, however, not prejudice any other bidders;
- (d) check in respect of the recommended bidder whether or not such bidder's municipal rates and taxes and municipal service charges are not in arrears;
  - (e) verify the status of recommended bidders (including their directors(s), owners(s) or trustee(s)) by checking the Data Base of Restricted Suppliers maintained by National Treasury in order to ensure that no recommended bidder or any of its directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector;
  - (f) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter provided that:
    - (i) a contract must be awarded to the bidder who scored the highest total number of points in terms of the preference points systems referred to in paragraphs 29(3.3) and 29(4.3) as may be applicable; and
    - (ii) in exceptional circumstances and as provided in paragraph 29.9 of this policy, a contract may be awarded to a bidder that did not score the highest number of points provided that the reasons for such a recommendation must be recorded for audit purposes and be defensible in a court of law.

### **33. Bid adjudication committees**

- (1) A bid adjudication committee must consist of at least four senior managers of the municipality which must include -

    - (a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
    - (b) at least one senior supply chain management practitioner who is an official of the municipality; and
    - (c) a technical expert in the relevant field who is an official of the municipality if the municipality has such an expert.
  - (2) The accounting officer must appoint the chairperson of the committee who shall preferably be the chief financial officer. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting and such election must be recorded in the minutes of the meeting concerned.
  - (3) Only with the consent of the accounting officer and upon request by the bid adjudication committee, a member of a bid specification, bid evaluation committee and/or an advisor or person assisting these committees may attend a meeting of a bid adjudication committee only for the purpose of providing clarity and an explanation of difficult technical aspects relating to the bid being adjudicated and without having any right to vote on the said bid being adjudicated.
  - (4) A bid adjudication committee must -

    - (a) consider the report and recommendations of the bid evaluation committee submitted in terms of paragraph 32; and
    - (b) either -

      - (i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
      - (ii) make another recommendation to the accounting officer on how to proceed with the relevant procurement.
  - (5) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must, prior to awarding the bid -

    - (a) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and
    - (b) notify the accounting officer.
  - (6) The accounting officer may -

    - (a) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in subparagraph 5; and
    - (b) if the decision of the bid adjudication committee is rejected, refer the decision
-

of the adjudication committee back to that committee for reconsideration.

- (7) The accounting officer may, at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (8) If a bid other than the one recommended in the normal course of implementing this policy is approved, the accounting officer must, in writing and within 10 working days, notify the Auditor-General and the National and Provincial Treasuries of the reasons for deviating from such recommendation.
- (9) Subparagraph 8 does not apply if a different bid was approved in order to rectify an irregularity.
- (10) Notwithstanding any provision to the contrary in this paragraph or any other provision in this policy:
  - (a) contracts above a value of R10m (all applicable taxes included) may only be awarded to the preferred bidder after the chief financial officer has verified in writing that budgetary provision exists for the procurement concerned and that it is consistent with the Integrated Development Plan of the municipality.
  - (b) during a competitive bidding and adjudication process or before the award of a contract, the accounting officer may, at his/her discretion, specifically request the internal audit function of the municipality or, when so required, an independent external audit service provider (including an organ of state) to carry out audit procedures and provide an opinion on compliance of the bidding process with supply chain management legislation applicable to the municipality.
- (11) The accounting officer shall cause details of all bids awarded through a competitive bidding process to be advertised on the website of the municipality and such notification shall include at least the following information:
  - (a) Contract numbers and description of goods, service or works projects procured;
  - (b) Names of the successful bidder(s) and the B-BBEE level of contribution claimed;
  - (c) The contract prices(s);
  - (d) Brand names and dates for completion of contracts.

#### **34. Procurement of banking services**

- (1) A contract for banking services -
  - (a) must be procured through competitive bidding;
  - (b) must be consistent with section 7 or 85 of the Act; and
  - (c) may not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least



nine months before the end of an existing contract.

- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 23 (1).
- (4) Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

**35. Procurement of IT related goods or services**

- (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The accounting officer must notify SITA together with a motivation of the IT needs if -
  - (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
  - (b) the transaction value of a contract to be procured, whether for one or more years, exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the municipality does not agree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National and Provincial Treasuries and the Auditor-General.

**36. Procurement of goods and services under contracts secured by other organs of state**

- (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if -
  - (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
  - (b) there is no reason to believe that such contract was not validly procured;
  - (c) there are demonstrable discounts or benefits to do so; and
  - (d) that other organ of state and the provider concerned have consented to such procurement in writing.
- (2) Subparagraphs (1) (c) and (d) do not apply if -
  - (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
  - (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

**37. Procurement of goods necessitating special safety arrangements**

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

### **38. Appointment of consultants**

- (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if -
  - (a) the value of the contract exceeds R200 000 (VAT included); or
  - (b) the duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of -
  - (a) all consultancy services provided to an organ of state in the last five years; and
  - (b) any similar consultancy services provided to an organ of state in the last five years.
- (4) The accounting officer must ensure that copyright in any document produced and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised by a consultant in the course of the consultancy service is vested in the municipality.

### **39. Deviation from, and ratification of minor breaches of, procurement processes**

- (1) The accounting officer may -
  - (a) dispense with the official procurement processes established by this policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only -
    - (i) in an emergency;
    - (ii) if such goods or services are produced or available from a single or sole provider only.
    - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
    - (iv) acquisition of animals for zoos and/or nature and game reserves; or
    - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

- (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
  - (2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1) (a) and (b) of this policy and report them to the next meeting of the council and also include such reasons as a note to the annual financial statements of the municipality.
- 40. Unsolicited bids**
- (1) An unsolicited bid is a bid that is submitted by a prospective supplier to the municipality without any procurement requirement first having been identified and advertised. This situation arises when a supplier identifies an opportunity to render services or supply products not ordinarily required by the municipality.
  - (2) In accordance with section 113 of the Act, there is no obligation upon the municipality to consider unsolicited bids received outside a normal bidding process.
  - (3) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid but only if -
    - (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
    - (b) the product or service will be exceptionally beneficial to the municipality or have exceptional cost advantages;
    - (c) the person who made the bid is the sole provider of the product or service concerned; and
    - (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
  - (4) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (3), his decision must be made public in accordance with section 21A of the Municipal Systems Act, together with -
    - (a) reasons as to why the bid should not be open to other competitors;
    - (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
    - (c) an invitation to the public or other potential suppliers to submit their comments on the proposal within 30 days of the publication of the relevant notice.
  - (5) The accounting officer must submit all written comments received pursuant to subparagraph (4), including any responses from the unsolicited bidder, to the National and Provincial Treasuries for comment.
  - (6) Subject to subparagraphs (7) and (8) below, the adjudication committee must consider the unsolicited bid and may, depending on its delegations, award the bid or make a recommendation to the accounting officer.
  - (7) A meeting of the adjudication committee to consider an unsolicited bid may be open to the public.

- (8) When considering the matter, the adjudication committee must take into account -
  - (a) any comments submitted by the public; and
  - (b) any written comments and recommendations of the National and Provincial Treasuries.
- (9) If any recommendations of the National and Provincial Treasuries are rejected or not followed, the accounting officer must submit to the Auditor-General and the National and Provincial Treasuries the reasons for rejecting or not following those recommendations.
- (10) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.
- (11) The processes to be followed by the municipality with regard to the acceptance or rejection of an unsolicited bid shall clearly be made known to the bidder who submits the unsolicited bid concerned if requested by the bidder
- (12) The council shall exercise caution when interviewing a potential supplier or a person who may wish to offer services to the municipality in circumstance which may be tantamount to the submission of or negotiation with regard to an unsolicited bid and shall not do anything or cause anything to be done which may be contrary to this policy.

#### **41. Combating of abuse of supply chain management system**

- (1) The accounting officer must-
  - (a) take all reasonable steps to prevent abuse of the supply chain management system;
  - (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or a failure to comply with this policy, and when justified -
    - (i) take appropriate steps against such official or other role player; or
    - (ii) report any alleged criminal conduct to the South African Police Service;
  - (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder or any of its directors, is listed as a person prohibited from doing business with the public sector;
  - (d) reject any bid from a bidder -
    - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality or to any other municipality or municipal entity, are in arrears for more than three months; or
    - (ii) who, during the last five years, has failed to perform satisfactorily on a



previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;

- (e) reject a recommendation for the award of a contract if the recommended bidder or any of its directors has committed a corrupt or fraudulent act in competing for the particular contract;
  - (f) cancel a contract awarded to a person if -
    - (i) such person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
    - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
  - (g) Reject the bid of any bidder if that bidder or any of its directors has to the Knowledge of the Municipality -
    - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
    - (iii) has been convicted for fraud or corruption during the past five years;
    - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
    - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004).
- (2) The accounting officer must inform the National and Provincial Treasuries in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) above.
- (3) If the accounting officer, on reasonable grounds, believes that a bidder or a contractor has engaged in bid rigging, he shall refer the matter to the Competition Tribunal for investigation and the taking of action against the bidder or contractor concerned in a manner contemplated in the Competition Act No. 89 of 1998.

### **Part 3: Logistics, Disposal, Risk and Performance Management**

#### **42. Logistics management**

The accounting officer must establish and implement an effective system of logistics management, which must include -

- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (f) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

#### **43. Disposal management**

- (1) In terms of section 14 of the Act, the municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.
- (2) A municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in subsection (1), but only after the council, in a meeting open to the public-
  - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
  - (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
- (3) An asset may be disposed of by -
  - (i) transferring the asset concerned to another organ of state in terms of a provision of the Act enabling the transfer of assets;
  - (ii) transferring the asset concerned to another organ of state at market related value or, when appropriate, free of charge;
  - (iii) selling the asset concerned; or
  - (iv) destroying such asset.
- (4) The accounting officer must ensure that -
  - (a) when immovable property is sold by means of a competitive bidding process, the highest price offered shall be accepted, provided such price is equal to or higher than the market related price for the relevant immovable property;
  - (b) in other cases, only at a market related price except when the public interest or the plight of the poor demands otherwise in which event the sale price shall be determined in accordance with the applicable land disposal or indigent policy adopted by the council;

- (c) movable assets are sold either by way of written price quotations, a competitive bidding process or by public auction at the highest offered price, provided such price is market related;
  - (d) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
  - (e) immovable property is let at market related rentals except when the public interest or the plight of the poor demands otherwise in which event the rental shall be determined in accordance with the applicable land disposal or indigent support policy adopted by the council;
  - (f) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
  - (g) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
  - (h) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate, within 30 days, whether or not any of the local schools are interested in such equipment.
- (5) This paragraph must be read with and applied in conjunction with the Municipal Asset Transfer Regulations contained in Government Notice R. 878 of 22 August 2008 and the associated policies adopted by the council. In the event of conflict, the provisions of the aforesaid Regulations shall be applied.

#### **44. Risk management**

- (1) The accounting officer must establish and implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.
- (2) Risk management must include -
  - (a) the identification of risks on a case-by-case basis;
  - (b) the allocation of risks to the party best suited to manage such risks;
  - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
  - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
  - (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

#### **45. Performance management**

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorized supply chain management processes were followed and whether the objectives of this policy were achieved.

#### **Part 4: Other matters**

##### **46. Prohibition on awards to persons whose tax matters are not in order**

- (1)** No award above R15 000 may be made in terms of this policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2)** Before making an award to a person, the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3)** If SARS does not respond within 7 days of a request for confirmation in terms of subparagraph (2), such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

##### **47. Prohibition on awards to persons in the service of the state**

Irrespective of the procurement process followed, no award may be made to a person in terms of this policy -

- (a)** who is in the service of the state;
- (b)** if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c)** who is an advisor or consultant contracted with the municipality.

##### **48. Awards to close family members of persons in the service of the state**

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -

- (a)** the name of that person;
- (b)** the capacity in which that person is in the service of the state; and
- (c)** the amount of the award.

##### **49. Ethical standards**

- (1)** The code of ethical standards annexed to this policy as Annexure A shall apply to all officials and other role players in the supply chain management system of the municipality in order to promote -

- (a)** mutual trust and respect; and
- (b)** an environment where business can be conducted with integrity and in a fair and reasonable manner.

- (2)** A breach of the aforesaid code of ethics must be dealt with as follows -

- (a)** in the case of an employee, in terms of the disciplinary procedures of the



municipality envisaged in section 67(1 )(h) of the Municipal Systems Act;

- (b) in the case of a role player who is not an employee, through other appropriate means with due regard to the severity of the breach;
- (c) in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act and for applicable regulations pertaining to financial misconduct by officials.

#### **50. Inducements, rewards, gifts and favours to municipalities, officials and other role players**

- (1) No person who is a provider or prospective provider of goods or services or a recipient or prospective recipient of goods disposed of or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -
  - (a) any inducement or reward to the municipality for or in connection with the award of a contract; or
  - (b) any reward, gift, favour or hospitality to -
    - (i) any official; or
    - (ii) any other role player involved in the end implementation of the supply chain management policy of the municipality
- (2) The accounting officer must promptly report any alleged contravention of subparagraph 1 to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Subparagraph (1) does not apply to gifts less than R350 in value.

#### **51. Sponsorships**

The accounting officer must promptly disclose to the National and respective Provincial Treasuries any sponsorship promised, offered or granted, whether directly or through a representative or intermediary by any person who is -

- (a) a provider or prospective provider of goods or services to the municipality; or
- (b) a recipient or prospective recipient of goods disposed of or to be disposed of by the municipality.

#### **52. Objections and complaints**

Persons aggrieved by decisions or actions taken in the implementation of the supply chain management system, may lodge with the accounting officer, within 14 days of the decision or action, a written objection or complaint against the decision or action concerned.

#### **53. Resolution of disputes, objections, complaints and queries**

- (1) The accounting officer must appoint an independent and impartial person who is not directly involved in the supply chain management processes -

- (a) to assist in the resolution of disputes between the municipality and other persons regarding -
    - (i) any decisions or actions taken in the implementation of the supply chain management system; or
    - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
  - (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The accounting officer or another official designated by the accounting officer is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must -
- (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - (b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the Provincial Treasury if -
- (a) if it is not resolved within 60 days of lodgment; or
  - (b) no response is forthcoming within 60 days of lodgment.
- (5) If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query concerned may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a competent court, at any time, for such order as may be just and necessary in the circumstances.

#### **54. Contracts providing for compensation based on turnover**

If a service provider acts on behalf of the municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to him is fixed as an agreed percentage of turnover for the service concerned or the amount collected, the contract between such service provider and the municipality must stipulate -

- (a) a cap on the compensation payable to him; and
- (b) that such compensation must be performance based.

#### **55. Contract Management – issue of expansion and variation orders**

- (a) The accounting officer or nominee may, subject to the provisos to this subparagraph and subparagraphs (b) to (d) authorise the issue of expansion or variation orders (herein referred to as “variations orders”) in respect of contract specifications or conditions of contract in order to accommodate costs for additional work either

unforeseen when contracts were awarded for infrastructure projects, essential or necessary additional work or in instances where factors beyond the control of an appointed contractor has led to or will lead to a delay in a contract completion date provided that:

- (i) No expansion or variation order may be authorized for an amount exceeding 20% of the initial contract price for works related goods, services and/or infrastructure projects; or
- (ii) 15% for all other goods and/or services; and, provided further –

that any expansion or variation order issued in excess of the aforesaid thresholds shall be dealt with in a manner provided in section 116 (3) of the Act.

(b) A variation order may only be issued after -

- (i) the need for such order has been fully motivated by the responsible project manager and supported by the head of department concerned; and
- (ii) the chief financial officer has certified that funds are available to cover the cost the required additional work.

(c) A request for the issue of a variation order in an amount exceeding R200 000 shall first be referred to the Bid Adjudication Committee which considered the initial bid for approval provided that the accounting officer may constitute a new Bid Adjudication Committee for this purpose.

(d) No request for a variation order may be approved for an amount exceeding 5% of the initial award, new bids shall be invited for the work concerned. Should the value of the additional work be in excess of 5% of the initial award.

(e) The line manager responsible for the implementation of a project undertaken either departmentally or through an appointed contractor must keep a proper record of all variation orders issued in respect of a project.

(f) The original copy of an issued variation order must be filed with the original bid and contract documents.

(g) The responsible line manager must, upon completion of additional work or the expiry of any extended contract period authorized by a variation order, certify that the terms and conditions of such variation order have been complied with.

## 56. Fronting

(a) For purposes of this paragraph, “fronting” shall include the undermentioned acts on the part of a bidder or any person or party associated with a bidder:

- (i) **Window-dressing:** This includes cases in which HDI are appointed or introduced to an enterprise on the basis of tokenism and may subsequently be discouraged or inhibited from substantially participating in the core activities of the enterprise concerned and/or be discouraged or inhibited from substantially participating in the declared areas and/or levels of their participation;

- (ii) **Benefit Diversion:** This includes initiatives where the economic benefits received by an organization for having B-BBEE Status do not flow to HDI in the ratio specified by law;
- (iii) **Opportunistic Intermediaries:** This includes enterprises that have concluded agreements with other enterprises in order to leverage the opportunistic intermediary's favourable B-BBEE status in circumstances where the agreement involves:
  - (a) Significant limitations or restrictions on the identity of the opportunistic intermediary's suppliers, service providers, clients or customers;
  - (b) The maintenance of their business operations in a context reasonably considered improbable having regard to resources; and
  - (c) Terms and conditions that are not negotiated at arms-length on a fair and reasonable basis.
- (b) Where the accounting officer detects fronting, he must act against the bidder concerned in terms of paragraph 29(8.4) and, in addition, report such fronting to the Department of Trade and Industry.

#### **57. Commencement**

This policy takes effect on the date of its adoption by the council.



**NDLAMBE MUNICIPALITY**

**CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND  
OTHER ROLE PLAYERS**

The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

**1. General Principles**

The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust which implies a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuity from any person or provider / contractor either for themselves, their family, their friends and business associates.

Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively, with integrity and in accordance with applicable legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should, at no time, afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual and they should also not abuse the power and authority vested in them.

**2. Conflict of interest**

An official or other role player involved with supply chain management -

- (a)** must treat all providers and potential providers equitably and fairly;
- (b)** may not use his/her position for private gain or to improperly benefit another person;
- (c)** may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- (d)** must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- (e)** must declare to the accounting officer details of any private or business interest which that person or any close family member, partner or associate, may have in any proposed procurement or disposal process or in any award of a contract by the municipality;
- (f)** must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person or any close family member, partner or associate has any private or business interest;
- (g)** must declare any business, commercial and financial interests or activities

undertaken for financial gain that may give rise to a possible conflict of interest;

- (h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence him/her in the performance of his/her official duties; and
- (i) should not take improper advantage of his/her previous office after leaving his/her official position.

### **3. Accountability**

- 3.1 Practitioners are accountable to the public for their decisions and actions.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods, services or works.
- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries in such a system for any reason whatsoever.
- 3.5 Practitioners must assist the accounting officer in combating fraud, corruption, favoritism, unfair and irregular practices in the supply chain management system.
- 3.6 Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which they may become aware of, including but not limited to -
  - (i) any alleged fraud, corruption, favoritism or unfair conduct;
  - (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
  - (iii) any alleged breach of this code of conduct.
- 3.7 Declarations in terms of subparagraph 2(d)(e) made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

### **4. Openness**

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict the supply of information only if it is in the public interest to do so.

### **5. Confidentiality**

- 5.1 Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid/contract/bidder/contractor may be revealed if such an action will infringe the relevant bidder's/contractors personal rights.

- 5.2** Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after they have left the service of the municipality.

## **6. Bid Specification / Evaluation / Adjudication Committees**

- 6.1** Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 6.2** Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- 6.3** All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- 6.4** No person should-
- 6.4.1** interfere with the supply chain management system of the municipality; or
  - 6.4.2** amend or tamper with any price quotation / bid after its submission.

## **7. Combative Practices**

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

- (i)** suggestions to fictitious lower quotations;
- (ii)** reference to non-existent competition;
- (iii)** exploiting errors in price quotations / bids;
- (iv)** soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

**ANNEXURE B**

Column 1	Column 2	Column 3	Column 4	Column 5
Sector or sub-sector in accordance with the Standard Industrial Classification	Size of class	The total full-time equivalent of paid employees	Total turnover	Total gross asset value (fixed property excluded)
Agriculture	Small Very small Micro	50 10 5	R 3 m R 0.50 m R 0.20 m	R 3 m R 0.50 m R 0.10 m
Mining and Quarrying	Small Very small Micro	50 20 5	R 10 m R 4 m R 0.20 m	R 6 m R 2 m R 0.10 m
Manufacturing	Small Very small Micro	50 20 5	R 13 m R 5 m R 0.20 m	R 5 m R 2 m R 0.10 m
Electricity, Gas and Water	Small Very small Micro	50 20 5	R 13 m R 5.10 m R 0.20 m	R 5 m R 1.90 m R 0.10 m
Construction	Small Very small Micro	50 20 5	R 6 m R 3 m R 0.20 m	R 1 m R 0.50 m R 0.10 m
Retail and Motor Trade and Repair Services	Small Very small Micro	50 20 5	R 19 m R 4 m R 0.20 m	R 3 m R 0.60 m R 0.10 m
Wholesale Trade, Commercial Agents and Allied Services	Small Very small Micro	50 20 5	R 32 m R 6 m R 0.20 m	R 5 m R 0.60 m R 0.10 m
Catering, Accommodation and other Trade	Small Very small Micro	50 20 5	R 6 m R 5.10 m R 0.20 m	R 1 m R 1.90 m R 0.10 m
Transport, Storage and Communications	Small Very small Micro	50 20 5	R 13 m R 3 m R 0.20 m	R 3 m R 0.60 m R 0.10 m
Finance and Business Services	Small Very small Micro	50 20 5	R 13 m R 3 m R 0.20 m	R 3 m R 0.50 m R 0.10 m
Community, Social and Personal Services	Small Very small Micro	50 20 5		





# **NDLAMBE MUNICIPALITY**

## **POLICY - UNFORESEEN AND UNAVOIDABLE EXPENDITURE**

**2016/2017**

## **Table of Content**

1. Scope of the policy
2. Objective of the policy
3. Unforeseen and Unavoidable expenditure
4. Process
5. Reporting

## **1. Scope of the policy:**

This Policy is to make provision for any unforeseen and any unavoidable expenditure that might occur at Ndlambe Municipality.

## **2. Objective of the Policy:**

The MFMA Budget and Reporting Regulations prescribe the process to be followed for approval of unforeseeable and unavoidable expenditure.

## **3. Unforeseen and Unavoidable expenditure:**

Unforeseen and Unavoidable expenditure are expenditure that:

- Could not have been foreseen at the time the annual budget of the municipality was passed
- The delay that will be caused by a pending adjustments budget may:
  - Result in significant financial loss for the municipality
  - Cause a disruption or suspension or serious threat to the continuation of municipal services
  - Lead to loss of life or serious injury or significant damage to property
  - Obstruct the municipality from instituting or defending legal proceedings on an urgent basis.

## **4. Process**

Any directorate becoming aware of the need to incur unforeseen or unavoidable expenditure must immediately approach the Chief Financial Officer with the full details on the unforeseen expenditure, providing information on the consequences of not incurring the expenditure as well as an indication of the expected cost (both for the current year as well as any recurring cost resulting from the event).

A confirmation that the expenditure does not constitute expenditure that may not be allowed by the Executive Mayor as per section 72(2) of the MFMA Budget and Reporting Regulations must be given by the directorate when approaching the CFO.

The Chief Financial Officer will determine whether the cost cannot be dealt with through a process of shifting of funds within the relevant votes.

If sufficient funds are available for shifting within the vote, the shifting of funds process will be followed. If this is not the case, the matter will be reported to the Municipal Manager for consideration as unforeseen and unavoidable expenditure.

Once the Municipal Manager has granted approval, the relevant Executive Director will be authorized to submit a report to the Executive Mayor requesting approval. If approval is granted, the ABAKUS financial system will be adjusted to allow the directorate to process the financial transaction.

The abovementioned process will be dealt with as highest priority to ensure that administrative delays do not exacerbate the situation.

An adjustment budget will be submitted to the next Council meeting. The preferred process would be to shift funds between votes to avoid any negative impact on the total cash position of council.

## **5. Reporting**

The Accounting Officer must ensure compliance with the MFMA reporting requirements in respect of unforeseeable and unavoidable expenditure



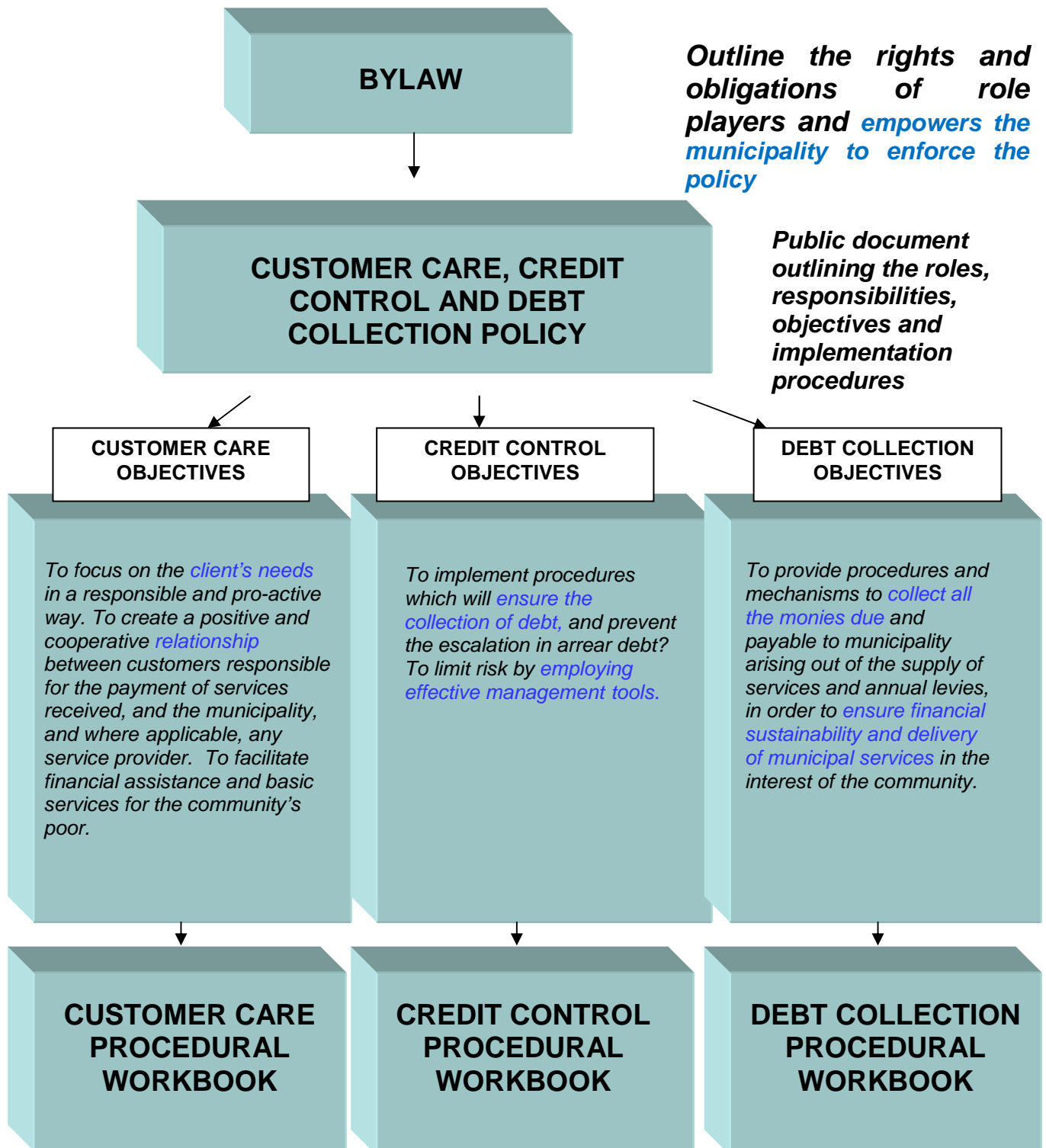


# **NDLAMBE LOCAL MUNICIPALITY**

## **CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

**2016/2017**

# **ROADMAP TO CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION**



***Guidelines for official use and practises for implementation of the policy.***

# **P R E A M B L E**

*WHEREAS section 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires a municipality to adopt, maintain and implement a credit control-, debt collection and customer care policy;*

*AND WHEREAS section 97 of the Systems Act prescribes what such policy must provide for;*

*NOW THEREFORE the Municipal Council of the Local Municipality of Ndlambe adopts the policy as set out in this document.*

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# **CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY**

## **1. DEFINITIONS**

***For the purpose of this policy, the wording or any expression used has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:***

**“Act”**

The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time;

**“Authorized Representative”**

the person or institution legally appointed by the Council to act or to fulfil a duty on its behalf;

**“Chief Financial Officer”**

the person appointed by Council to administer its finances;

**“Council”**

the municipal council of the Local Municipality of Ndlambe;

**“ consumer categories”**

for the purpose of this policy, refer to different groups of consumers with similar consumption patterns like for example residential, business, agriculture, etc.

**“customer”**

any occupier and/or owner of any property to which the municipality has agreed to supply services or already supplies services to, or failing such an occupier, then the owner of the property;

**“defaulter”**

a person who owes money to the municipality after the due date has expired;

**“equipment”**

a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;

**“interest”**

a charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time on arrear monies;

**“MFMA”**

The Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) as amended from time to time;

**“municipality”**

includes a municipality referred to in section 155 (6) of the Constitution;

**“municipal account”**

an account rendered specifying charges for services provided by the municipality, or any authorised and contracted service provider, and/or assessment rates levies;

**“Municipal Manager”**

the person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998, (Act 117 of 1998) and include any person acting in that position or to whom authority was delegated;

**“municipal services”**

those services provided by the municipality, such as, inter alia the supply of water and electricity, refuse removal, sewerage treatment, and for which services charges are levied;

**“occupier”**

any person who occupies any property or part thereof, without taking cognisance of the title in which he or she occupies the property,

“owner” –

- (a) the person in whose name the property is legally vested;
- (b) in the case where the person in whose name the property is vested, is insolvent or deceased, or is disqualified in terms of any legal action, the person who is responsible for administration or control of the property as curator, trustee, executor, administrator, legal manager, liquidator, or any other legal representative;
- (c) in the case where the council are unable to establish the identity of such person, the person who are entitled to derive benefit from the property or any buildings thereon;
- (d) in the case of a lease agreement in excess of 30 years was entered into, then the lessee;
- (e) regarding:
  - (i) a portion of land allotted on a sectional title plan and which is registered in terms of the Sectional Title Act, 1986 (Act 95 van 1986), without limiting it to the developer or managing body to the communal property;
  - (ii) a portion as defined in the Sectional Title Act, the person in whose name that portion is registered in terms of a sectional title, including the legally appointed representative of such person;
- (f) any legal entity including but not limited to :
  - (i) a company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a trust *inter vivos*, trust *mortis causa*, a closed corporation registered in terms of the Close Corporation Act, 1984 (Act 69 of 1984), and any voluntary organisation;
  - (ii) any provincial or national government department or local authority;



- (iii) any council or management body established in terms of any legal framework applicable to the Republic of South Africa; and
- (iv) any embassy or other foreign entity.

“property”

any portion of land, of which the boundaries are determined, within the jurisdiction of the municipality;

## **2. PRINCIPLES**

In the execution of its customer care, credit control and debt collection policy the municipality will apply the following principles:

- 2.1. The administrative integrity of the municipality will be maintained at all costs meaning that democratically elected councillors are responsible for the adoption of the policy, while the Municipal Manager must execute the policy.
- 2.2. All customers must complete an official application form, formally requesting the municipality to connect them to service supply lines.
- 2.3. Changes to legislation, by-laws and policies may require existing customers to complete new application forms.
- 2.4. A copy of the application form, conditions of services and extracts of the customer care, credit control and debt collection policy and by-law must be handed to every customer on request at such fees as may be prescribed.
- 2.5. Billing is to be accurate, timeous and understandable.
- 2.6. The customer is entitled to:
  - 2.6.1. reasonable access to pay points;
  - 2.6.2. a variety of reliable payment methods; and
  - 2.6.3. an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of such an appeal.
- 2.7. Enforcement of payment must be prompt, consistent and effective.
- 2.8. Unauthorised consumption, illegal connection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions.

- 2.9. Incentives and disincentives may be used in collection procedures.
- 2.10. The collection process must be cost-effective.
- 2.11. The Mayor and Executive Committee must report the customer care, credit control and debt collection performance results, regularly and efficiently to Council.
- 2.12. Application forms will be used to, *inter alia*, categorise customers according to credit risk and to determine relevant levels of services and deposits required.
- 2.13. Targets for performance in both customer service, credit control and debt collection will be set and pursued and remedies implemented for non-performance.
- 2.14. Where practically possible, customer care, credit control and debt collection should be handled independently and the organisational structure will reflect the separate functions.

### **3. DUTIES AND FUNCTIONS**

**The following responsibilities, duties and functions are assigned to the under mentioned role players relating to the management, control and implementation of customer care, credit control and debt collection:**

#### **3.1. *Duties and Functions of Council***

- 3.1.1. To approve a budget consistent with the needs of communities, ratepayers and residents.
- 3.1.2. To impose service charges, rates on property and other taxes, levies and duties to finance the budget.
- 3.1.3. To source and provide sufficient funds to give access to basic services for the poor.
- 3.1.4. To provide for a bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the municipality and according to the Bad Debt Policy of the Council.

- 3.1.5. To set improvement targets for customer care, credit control and debt collection, in line with acceptable standards and the ability of the implementing authority.
- 3.1.6. To approve a reporting framework for customer care, credit control and debt collection.
- 3.1.7. To consider and approve a by-law to give effect to the policy.
- 3.1.8. To establish a supervisory authority to monitor the performance of the Municipal Manager regarding to customer care, credit control and debt collection.
- 3.1.9. To revise the budget in terms of section 28 of the MFMA, should the targets for customer care, credit control and debt collection not be met.
- 3.1.10. To take disciplinary and/or legal action against councillors, officials and agents who do not execute the policy and by-law or act improperly in terms thereof.
- 3.1.11. To delegate the required authorities to monitor and execute the customer care, credit control and debt collection policy to the Mayor, Municipal Manager and Service Providers respectively.
- 3.1.12. To provide sufficient capacity in the Finance Directorate to execute customer care, credit control and debt collection or alternatively appoint service providers, or debt collection agents.
- 3.1.13. To provide funds for the training of staff.

### **3.2. *Duties and functions of the Mayor and Executive Committee***

- 3.2.1. To ensure that the budget, cash flow and targets for customer care, credit control and debt collection are met.
- 3.2.2. To monitor the performance of the Municipal Manager in implementing the policy and by-law.
- 3.2.3. To review and evaluate the policy and by-laws in order to improve the efficiency of customer care, credit control and debt collection procedures, mechanisms and processes.
- 3.2.4. To report to Council.

### **3.3. Duties and functions of the Municipal Manager**

- 3.3.1. To implement a customer care management system.
- 3.3.2. To implement the customer care, credit control and debt collection policy and by-law.
- 3.3.3. To install and maintain an appropriate accounting system.
- 3.3.4. To bill customers.
- 3.3.5. To demand payment on due dates.
- 3.3.6. To raise penalties for defaults.
- 3.3.7. To appropriate payments received.
- 3.3.8. To collect outstanding debt.
- 3.3.9. To provide different payment methods.
- 3.3.10. To determine customer care, credit control and debt collection measures.
- 3.3.11. To determine relevant work procedures for, inter alia, public relations, reminders, final demands, arrangements, disconnection of services, summonses, judgements and write-off of debts.
- 3.3.12. To instruct attorneys to proceed with the execution of judgements obtained.
- 3.3.13. To set performance targets for staff.
- 3.3.14. To appoint staff to execute the policy and by-law.
- 3.3.15. To delegate certain functions to heads of departments.
- 3.3.16. To determine control procedures.
- 3.3.17. To monitor contracts with service providers in connection with credit control and debt collection.
- 3.3.18. To report to the Mayor and Executive Committee.

### **3.4. Duties and functions of communities, ratepayers and residents**

- 3.4.1. To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.
- 3.4.2. To pay service charges, rates on property and other taxes, levies and duties imposed by the municipality on or before the due date.



- 3.4.3. To observe the mechanisms and processes of the municipality in exercising their rights.
- 3.4.4. To allow municipal officials reasonable access to their property to execute municipal functions. If access is not available, the property owner will be notified in writing of such a problem and should the problem not be addressed within the allowable meter reading estimation period, the property owner will be required to migrate to a prepaid metering device.
- 3.4.5. To comply with the policy and by-law and other legislation related to customer care, credit control and debt collection.
- 3.4.6. To refrain from tampering with municipal equipment, services and property.

### **3.5. *Duties and functions of Councillors***

- 3.5.1. To address payment for services and outstanding debt at regular ward meetings.
- 3.5.2. To adhere to and convey the policy and by-law to customers, residents and ratepayers.
- 3.5.3. To adhere to the Code of Conduct for Councillors.

## **4. PERFORMANCE EVALUATION**

**The municipal Council will create a mechanism wherein the following targets can be assessed and evaluated and whereby remedial steps can be taken:**

(Must be read in conjunction with Councils' policy on Customer Care)

### **4.1. *Income Collection Targets***

The municipal Council will set income collection targets that will include:

- 4.1.1. The reduction in the monthly increase of debt in line with the performance agreements for officials.

### **4.2. *Customer Service Targets***

The municipal Council will set targets that will include:

- 4.2.1. Response time to customer queries.
- 4.2.2. Date of first account delivery to new customers.
- 4.2.3. Reconnection time lapse.
- 4.2.4. Meter reading cycle.

#### **4.3. *Administrative Performance***

The municipal Council will set targets that will include:

- 4.3.1. Cost efficiency of debt collection.
- 4.3.2. Query and appeal periods.
- 4.3.3. Enforcement mechanism ratios.

## **5. REPORTING**

- 5.1. The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable him/her to report to the Mayor and the Executive Committee as supervisory authority in terms of section 99 of the Act, read in conjunction with section 100(c).

This report will include:

- 5.1.1. The total debt analysis as at month-end.
- 5.1.2. Financial system month-end balances after billing.
- 5.1.3. Brought forward balances at month-end.
- 5.1.4. Number of fully recovered accounts.
- 5.1.5. Number of indigent applications received, rejected and approved..
- 5.1.6. Cash flow situation.
- 5.1.7. Collections of arrangements.
- 5.1.8. Cash received versus debits raised.
- 5.1.9. Attorneys brought forward balances.
- 5.1.10. Meter reading functions.
- 5.1.11. New applications/connections.
- 5.1.12. Final readings/move out.
- 5.1.13. Arrangements made.
- 5.1.14. Number of final demands.
- 5.1.15. Electricity cuts versus reconnections.
- 5.1.16. Water restrictions versus reconnections.

- 5.1.17. Electricity and water revisits.
- 5.1.18. Summonses.
- 5.1.19. Judgements issued.
- 5.2. Performance in all areas against targets agreed to in Annexure “B” of this policy document.
- 5.3. If the actual cash receipts do not match the budgeted income, the Chief Financial Officer must report this with motivation to the Municipal Manager who will, if he agrees and the trend continuous, immediately move for a revision of the budget according to realistically realisable income levels in terms of section 28 of the MFMA.
- 5.4. The Mayor in conjunction with the Executive Committee as Supervisory Authority shall, at intervals of 3 months, report to Council as contemplated in section 99(c) of the Act.

## **6 CUSTOMER CARE SECTION**

(This section should be read in conjunction with the Councils’ Policy on Customer Care)

### **6.1 *Objectives***

The objectives of the customer care section are to:-

- 6.1.1 focus on the client’s needs in a responsible and pro-active way to create a positive and cooperative relationship between customers responsible for the payment of services received, and the municipality, and where applicable, any service provider.
- 6.1.2 To facilitate financial assistance and basic services for the poorest of the poor in the community.

### **6.2 *Communication and feedback***

- 6.2.1 The municipality will, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which will include revised targets for customer care.

- 6.2.2 The Customer Care, Credit Control and Debt Collection Policy or relevant extracts thereof, will be available at the municipal office, the official website and on special request.
- 6.2.3 Council will endeavour to distribute a regular newsletter, which will give prominence to customer care and related issues.
- 6.2.4 Ward councillors will be required to hold regular ward meetings at which customer care and related issues will be given prominence.
- 6.2.5 The press will be encouraged to give prominence to customer care and related issues, and will be invited to Council or Committee meetings where these matters are discussed.

### **6.3 *Handling of Complaints***

Within its financial and administrative capacity the municipality will establish:-

- 6.3.1 a central complaints/feedback office;
- 6.3.2 a centralized complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
- 6.3.3 appropriate training for officials dealing with the public to enhance communications and service delivery; and
- 6.3.4 a communication mechanism to give feedback on service, debt and customer care and related issues.

### **6.4 *Accounts and billing***

- 6.4.1 As from 01 July 2012 the Municipality will only permit consolidated accounts to be opened in the name of registered owners. Only one consolidated account will be allowed per erf.



These provisions as per Section 6.4.1 will not apply to Indigent Household accounts.

- 6.4.2 Owners will receive an understandable and accurate bill from the municipality, which will consolidate all service charges for that property.
- 6.4.3 Accounts will be rendered monthly in meter reading cycles of approximately 30 days at the address last recorded with the municipality or its authorised agent.
- 6.4.4 It is the owner's responsibility to ensure that postal address and other contact details are correct.
- 6.4.5 It is the owner's responsibility to ensure timeous payment and in the event of accounts not received to request a duplicate as non receipt of an account will not serve as an excuse for non-payment.
- 6.4.6 Settlement or due dates will be as indicated on the statement.
- 6.4.7 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.
- 6.4.8 Where any payment is made by a negotiable instrument and is later dishonoured by a bank, the municipality or its authorised agent:-
  - 6.4.7.1. may recover the bank charges and penalties related to the transaction against the account of the owner; and
  - 6.4.7.2. shall regard such an event as a default on a payment.
- 6.4.8 The municipality or its authorised agent must, if administratively possible, issue a duplicate account to a owner on request, at a cost as determined by Council.
- 6.4.9 Where it is found that the Municipality is not in the possession of all documentation required through relevant credit regulations, the municipality will serve a 7 day notice on such tenant / owner requesting all necessary documentation required. If the tenant / owner does not provide the municipality with the requested documentation in due time, the services to that property will be discontinued.

## **6.5    *Metering***

- 6.5.1      Within practical and financial limits the municipality will endeavour to provide meters for every consumable service.
- 6.5.2      All meters will be read monthly as close as possible to a 30 day cycle. In cases where access to a premises or circumstances beyond control do not allow for a monthly reading, an estimate based on the average consumption of the preceding 3 months will be used to levy a monthly consumption.
- 6.5.3      Customers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.
- 6.5.4      Customers will be informed of meter replacements.
- 6.5.5      If a service is metered but it cannot be read due to constraints or circumstances out of the control of the municipality or its authorised agent, and the customer is charged for an estimated consumption, the account following the estimated account, must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.
- 6.5.6      If the municipality detects water leaks or water wastage on a property, the municipality will serve a 7 day notice on the owner of the property to rectify the matter failing which the municipality will have the matter rectified and bill the owner with all costs related thereto.

## **6.6    *Payment facilities and methods***

- 6.6.1      The municipality will operate and maintain suitable and accessible payment facilities.
- 6.6.2      The municipality will, at its discretion allocate payments between service debts and debtors may not specify that payments are for specific portions of the account.
- 6.6.3      With the consent of a customer the municipality may in terms of section 103 of the Systems Act, approach an employer to secure a debit- or stop order arrangement.

- 6.6.4 The municipality may provide for special incentives as contemplated in section 103 of the Systems Act.
- 6.6.5 The customer will acknowledge, in the customer agreement, if he/she uses agents to transmit payments to the municipality for which the customer will still be responsible for late and non-payments.
- 6.6.6 Where the consumer/owner elects to settle their accounts via any electronic payment method, the onus is on the consumer/owner to ensure that the correct reference number is displayed on the payment advice, failure to do so will result in interest being levied on the account and the account being subjected to any credit control procedures.
- 6.6.7 To ensure that sufficient time is allowed for the transfer to be made from the consumer/owner's banking account to the Ndlambe banking account prior to the due date.
- 6.6.8 Where the owner/consumer elects the Post Office or any other delivery service/agent in the payment or settlement of their account, it is the onus of the owner/consumer to ensure that sufficient time is allowed for the payment of the account before due date.

## **6.7 Enquiries, appeals and service complaints**

- 6.7.1 If a customer is convinced that his or her account is inaccurate, he or she can lodge a query with the municipality to investigate and adjust the account if found valid.
- 6.7.2 In the interim the debtor must pay an amount equal to the average of the preceding three month's consumption where such history of the account is available. Where no such history is available, the debtor must pay an estimated amount as calculated by the municipality until the matter is resolved.
- 6.7.3 The relevant department will investigate the query lodged in terms of paragraph 6.7.1 and inform the debtor within the period specified in the policy targets.
- 6.7.4 Failure to make interim payments will subject the customer to the normal credit control and debt collection procedures.

- 6.7.5 A customer may appeal to the Municipal Manager against the finding of the municipality or its authorised agent in terms of paragraph 6.7.3.
- 6.7.6 An appeal in terms of paragraph 6.7.5 must be made and lodged with the municipality within 21 (twenty-one) days after the notification of such finding has been received and must:-
- 6.7.6.1. set out the reasons for the appeal; and
  - 6.7.6.2. be accompanied by any security determined for the testing of a measuring device, if applicable.

## **6.8. Customer Categories**

- 6.8.1. Customers will be categorised according to specific classifications based on *inter alia* the type of entity and applicable tariffs and risk levels.
- 6.8.2. Processes for credit control, debt collection and customer care may differ from category to category, as deemed appropriate from time to time by the Municipal Manager.

## **6.9. Priority Customer Management**

- 6.9.1. Certain customers may be classified as priority customers based on criteria determined by the Municipal Manager.
- 6.9.2. A priority customer liaison officer may be appointed to take care of priority customers.
- 6.9.3. The envisaged priority customers will be administrated and managed by a dedicated official who will be responsible for the ongoing management of the customers so classified and will perform tasks such as the review of monthly accounts to ensure accuracy, the monitoring of prompt settlement of accounts and response to queries.

## **6.10. Customer assistance programmes**



### **6.10.1. Water leakages**

- 6.10.1.1. If the leakage is on the customer's side of the meter, the customer will be responsible for the payment of all water supplied to the property.
- 6.10.1.2. The customer has the responsibility to control and monitor his/her water consumption on a daily basis to ensure that there are no leaks on their line.
- 6.10.1.3. The Council may consider measures to assist registered indigent households to repair leakages inside their premises subject to the availability of funding on the approved Operating Budget of the Council.

### **6.11. Arrangements for settlements**

- 6.11.1. Customers / ratepayers with arrears must agree to the conversion to a prepayment meter if so requested by the Council.
- 6.11.2. When a prepayment meter is installed due to defaults on payments, the cost of the meter and all arrears can be paid off:-
  - 6.11.2.1. monthly over an agreed period; and
  - 6.11.2.2. at the discretion of the Municipal Manager, by adding the debt as a surcharge to the prepaid electricity / prepaid water cost, and be repaid with each purchase of electricity / water until the debt is settled in full.
- 6.11.3. The municipality reserves the right to raise the deposit requirement of debtors who seek arrangements.
- 6.11.4. Where an arrangement is made outside of the conditions of payment as set out in Annexure "A", such payments will be accepted, subject to the normal credit control and debt collection procedures.
  - (a) Consequences of a breach of arrangements as mentioned above shall be that the owner, at their cost, install a pre-paid meter device and provisions set out in sub-section 6.11.2.2 will be applied.

### **6.12. Property Rates cycle and instalments**

- 6.12.1. A property rates cycle will be for the 12 months of a Municipal financial year which runs from 1 July to 30 June. Property rates will be determined for the financial year and will be payable per month in twelve equal instalments.
- 6.12.2. Instalments not paid will be regarded as an amount in arrear and interest at a rate as determined by the Council will be levied on such arrear amounts.
- 6.12.3. Any customers that wants to pay rates annually must complete the relevant form and submit to the Finance Office

### **6.13. Indigent subsidy**

- 6.13.1. Customers may apply for an indigent subsidy on the conditions as stipulated in the municipality's Indigent Policy. The Credit Control and Debt Collection Policy to be read in conjunction with the Indigent Management Policy.

### **6.14. Free basic services**

- 6.14.1. Council may provide, free of charge to a customer, certain basic levels of services, as determined from time to time.

## **7. CREDIT CONTROL SECTION**

### **7.1. Objectives**

The objectives of the credit control section are to:

- 7.1.1. Implement procedures that will ensure the prevention of escalation in arrear debt.
- 7.1.2. Limited risk by employing effective management tools.

### **7.2. Service application and agreements**

- 7.2.1. All property owners of services will be required to sign an agreement governing the supply and cost of municipal services:-
  - 7.2.1.1. Such agreements must inter alia provide for payment of consumer deposits where pre-paid systems are not used.
  - 7.2.1.2. On default by a tenant, the owner will be the debtor of last resort.
- 7.2.2. Prior to signing these agreements, customers will be entitled to receive the policy document of the municipality on request at a cost determined by Council.
- 7.2.3. On the signing of the agreement, customers will receive a copy of the agreement for their records.
- 7.2.4. Customers are responsible for costs of collection, interest and penalties in the event of delayed and/or non payment.
- 7.2.5. Existing customers of services may be required to sign new agreements as determined by the Municipal Manager from time to time.

### **7.3. *Customer screening and securities***

- 7.3.1. All applicants for municipal services may be checked for credit-worthiness including checking information from banks, credit bureaux, other local authorities, trade creditors and employers.
  - 7.3.1.1 All applications for services may to be subjected to credit worthiness checks and in cases where the credit worthiness indicates a risk, the owner will be required at their cost to install pre-paid water and electricity devices prior to occupation.
- 7.3.2. Consumer deposits, either in cash or if so approved by the Council, any other security acceptable to the municipality, will be charged for any new connection or any default on existing payment or payment arrangement except where there is a new application for a prepaid device. No interest will be payable on consumer deposits.

- 7.3.3. Deposits can be increased at the discretion of the municipality and in case of defaulting on payments it can be increased to a maximum of three times the average of the total monthly account for all services.
- 7.3.4. Deposits can vary according to the credit-worthiness or category of the applicant.
- 7.3.5. On termination of the agreement the amount of the deposit, less any outstanding amount due to the municipality, will be refunded to the consumer.
- 7.3.6. Different accounts with outstanding balances on the same property in the name of the owner/ occupant or any family member(s) of the owner/occupant, except in the case of an indigent owner, are not allowed and may lead to immediate termination of services.
- 7.3.7. Consumers are not allowed to lodge a new application for services on property in the municipal area of Ndlambe Local Municipality unless all accounts in their names with the Municipality are paid up to date.

#### **7.4. *Right of access to premises***

- 7.4.1. The owner and or occupier of property must allow an authorised representative of the municipality access at reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service.
- 7.4.2. The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.
- 7.4.3. Building plans will only be approved if placement of the water and electricity meters is allocated on the sidewalk where it is accessible to the Municipality. In cases where building plans are submitted for improvements to dwellings where meter(s) are still inside the premises, it will be a requirement for approval that meters be relocated to the sidewalk on account of the owner/applicant.



- 7.4.4. If a person fails to comply with paragraph 7.4.2, the municipality or its authorised representative may:-
- 7.4.3.1. by written notice require such person to provide/restore access at his/her own expense within a specified period; and
  - 7.4.3.2. as a matter of urgency, without prior notice restore access and recover the cost from such person.
  - 7.4.3.3. Implement a surcharge equal to 10 times of the average monthly usage over the last 12 months

## **7.5. *Personal contact***

- 7.5.1. Within the constraints of affordability Council will endeavour to notify customers of their arrears situation by telephonic contact or by delivering a final demand notices.
- 7.5.2. During the contact customers will be informed of their rights and obligations in terms of the customer care, credit control and debt collection policy including making arrangements and applying for indigent support.
- 7.5.3. Such contact is not a right and disconnection of services and other collection proceedings may continue in the absence of such contact.

## **7.6. *Interruption of service***

- 7.6.1. Customers who are in arrears with their municipal account and who have not made arrangements with the municipality will have their supply of electricity and or water, and other municipal services, suspended, restricted or disconnected. For purposes of interrupting the electricity supply, there will be no deviation between a conventional- and a pre-paid electricity meter.
- 7.6.2. The disconnection of services may happen when the municipal account is 1(one) day overdue.
- 7.6.3. Council reserves the right to deny or restrict the sale of electricity or water and to withhold proof of residence to customers who are in arrears

with their rates or other municipal charges or where no suitable arrangement is made or indigent application done.

- 7.6.4. Upon the liquidation of arrears, or the conclusion of acceptable arrangements, the service will be reconnected as soon as conveniently possible.
- 7.6.5. All costs related to notices, the restrictions or dis- and reconnections and installation of pre-paid meters for water and electricity, will be determined by tariffs approved by the municipal Council, and will be payable by the customer.
- 7.6.6. The deposit of any defaulter will be adjusted and brought into line with the policy and tariff structure of the municipality.

#### **7.7. *Assessment Rates/Consolidated Account***

- 7.7.1. On the sale of any property in the municipal jurisdiction where rates, services and consumption charges are in arrears in excess of 24 months preceding rates clearance application date, Section 118(3) of the Systems Act shall be applied
- 7.7.2. The Council reserves the right to recover any outstanding assessment rates and or other debt on municipal services from tenants or occupants paying rental or any agent receiving rental on behalf of the owner of a property.
- 7.7.3. For the purpose of outstanding debt on a property, all debt may be consolidated in terms of section 102 of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

#### **7.8 MUNICIPAL CLEARANCE CERTIFICATES**

Subject to Sections 118(1) and (1A) of the Act, the following shall apply to the issue of a Municipal Clearance Certificate for the purpose of effecting transfer of a property to a new owner.

- 7.8.1 Application shall be made by the conveyancing attorney, in the prescribed format, providing the following information in respect of the property in question:

- i. Present owner of the property;
- ii. Property description;
- iii. Physical address;
- iv. Rates Account No's;
- v. Electricity Account No's. (Or electricity meter no's.);
- vi. Water Account No's. (Or water meter no's.);
- vii. Purchasers details; identity numbers and postal address;
- viii. with respect to Vacant Land, an Affidavit from the seller that the property does not have a water supply connection and an undertaking from the purchaser that should a water supply connection be discovered on the property and such account is in arrears, then the purchaser accepts liability for such arrears.

Copies of all the accounts must accompany the application. *If the relevant information is not provided, the application will be returned to the conveyancer.*

### **7.9. The Pre-payment System**

- 7.9.1. The municipality may use its pre-payment system to recover arrears in respect of accrued municipal taxes and other municipal levies, tariffs and duties in respect of services such as water, rates, refuse removal, sanitation and sewerage.
- 7.9.2. A customer with arrears, incurred after 30 June 1999 who applies for a pre-payment system, will be required to repay all arrears in full before a pre-payment electricity / water meter is installed or, if the amount outstanding is large and/or the customer's ability to pay is limited the arrears can be repaid as per Schedule A of the policy on all purchases before any electricity / water credit is given.

### **7.10. Incentives for prompt payment**

- 7.10.1. To encourage prompt payment and/or to reward regular payers, the municipality may consider incentives for the prompt payment of accounts.
- 7.10.2. If introduced such an incentive scheme will be reflected in the operating budgets as an additional expenditure.

### **7.11. Interest**

- 7.11.1. Simple Interest will be raised at the Municipality's bank prime rate plus 1% as a charge on all accounts not paid by the due date in accordance with applicable legislation.
- 7.11.2. Interest is based on a full month and part of a full month shall be deemed to be a full month.
- 7.11.3. Section 7.11.1 will not apply to indigent accounts
- 7.11.4. Interest rates charged may be reviewed annually during the budget process.

### **7.12. Theft and fraud**

- 7.12.1. Any natural or juristic person found to:-
  - 7.12.1.1. be illegally connected to municipal services;
  - 7.12.1.2. has tampered with meters, the reticulation network or any other supply equipment;
  - 7.12.1.3. has committed any unauthorised act associated with the supply of municipal services, and;
  - 7.12.1.4. be involved in theft of and fraudulent activity;  
will be prosecuted and/or held liable for penalties as determined from time to time.
- 7.12.2. Council will immediately terminate the supply of services to a customer should such conduct as outlined in paragraph 7.11.1 be detected.
- 7.12.3. The total bill owing, including penalties, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, will be due and payable before any reconnection can be sanctioned.
- 7.12.4. The municipality will maintain monitoring systems in order to identify customers who are undertaking illegal actions.



- 7.12.5. The municipality reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.
- 7.12.6. Any person failing to provide information or providing false information to the municipality may face immediate disconnection and/or legal action.

### **7.13 *Staff and Councillors in Arrears***

- 7.13.1 Schedule 2 to the Municipal Systems Act, 2000 (Act No 32 of 2000) determines in paragraph 10 as follows:

“A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months and a municipality may deduct any outstanding amounts from a staff members salary after this period”

The Chief Financial Officer may issue a salary deduction instruction where appropriate and in compliance with the Basic Conditions of Employment Act.

- 7.13.2 Schedule 1 of the Municipal Systems Act, 2000 (Act No 32 of 2000) was amended per the Local Government Laws Amendment Act, 2002 (Act No. 51 of 2002) to provide as follows in paragraph 12A:

“A councillor may not be in arrears to the municipality for rates and service charges for a period longer than 3 months.”

The Municipal Manager may issue a salary deduction instruction where appropriate or take other action as provided for in the Act.

- 7.13.3 In respect of 7.13.1 and 7.13.2 where the property is not in the name of the staff member or councillor, this will include, property rented by or property occupied by a staff member or councillor, the same provisions of 7.13.1 and 7.13.2 will apply.

### **7.14 *Rates***

At any stage that rates debt is outstanding after all other procedures have been taken, or no pre-paid systems to recover debt are attached to the property to collect such debt, the ultimate sanction of Sale of Execution will be followed.

## **8. DEBT COLLECTION SECTION**

### **8.1. *Objective***

The objectives of the debt collection section are to:-

- 8.1.1. Provide procedures and mechanisms to collect all the monies due and payable to the municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community.

### **8.2. *Legal Process/Use of attorneys/Use of credit bureaus***

- 8.2.1. The municipality may, when all other credit control actions have been exhausted, commence legal process against debtors which process could involve summonses and judgements. In the case of registered indigents, the Municipality will conduct a social assessment before any legal actions are taken.
- 8.2.2. The municipality will exercise strict control over this process, and will require regular reports on progress from service providers.
- 8.2.3. The municipality will establish procedures and codes of conduct with these outside parties.
- 8.2.4. Garnishee orders, in the case of employed debtors, are preferred to sales in execution, but both are part of the municipality's system of debt collection.
- 8.2.5. All steps in credit control and debt collection procedures will be recorded for the municipality's records and for the information of the debtor.
- 8.2.6. Individual debtor account information is protected and not the subject of public information.

- 8.2.7. The municipality will release debtor information to credit bureaus and reserves the right to register consumers with a Credit Bureau that are in arrears with any debt due to the municipality and defaults on payment. All costs relating to registering / deregistering from the credit bureaus are liable to the person.
- 8.2.8. The municipality may consider the cost effectiveness of the legal process, and will receive reports on relevant matters, including cost effectiveness.
- 8.2.9. The municipality may consider the use of agents as service providers and innovative debt collection methods and products.
- 8.2.10. Customers will be informed of the powers and duties of such agents or service providers and their responsibilities including their responsibility to observe agreed codes of conduct.
- 8.2.11. Any agreement concluded with an agent, service provider or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute a breach of the contract.

### **8.3. Cost of collection**

- 8.3.1. All costs associated with credit control and debt collection including interest, penalties, service discontinuation costs and legal costs are for the account of the debtor and should reflect at least the cost of the particular action.

### **8.4. Abandonment of Claims**

- 8.4.1. The Municipal Manager must ensure that all avenues are utilised to collect the municipality's debt.
- 8.4.2. The valid termination of debt collection procedures as contemplated in section 109(2) of the Systems Act, may be considered under the following circumstances:-
- 8.4.2.1. the insolvency of the debtor, whose estate has insufficient funds;
  - 8.4.2.2. a balance being too small to recover, for economic reasons, considering the cost of recovery; and

- 8.4.2.3. where the municipality deems that a customer or group of customers are unable to pay for services rendered.
- 8.4.3.1. The municipality must maintain audit trails in such instances, and document the reasons for the abandonment of the actions or claims in respect of the debt.



## **ANNEXURE “A”**

### ***Arrangements***

If a customer cannot pay his/her account with the municipality then the municipality may enter into an extended term of payment with the customer according to the applicable category of the customer. The customer must:

- i. Sign an acknowledgement of debt;
- ii. Sign a consent to judgement;
- iii. Provide a garnishee order/emolument order/stop order (if he or she is in employment);
- iv. Acknowledge that interest could be charged at the prescribed rate;
- v. Pay the current portion of the account;
- vi. Sign an acknowledgement that, if the arrangements being negotiated are later defaulted on, that no further arrangements will be possible and that disconnection/restriction of water and electricity will follow immediately, as will legal proceedings.
- vii. Acknowledge liability of all costs incurred.
- viii. Acknowledge and accept the following conditions to be applicable:

### **CATEGORIES OF DEBTORS**

#### **DOMESTIC CUSTOMERS**

<b>DEBT</b>	<b>PAYMENT OF ARREARS</b>
R1,00 to R2 500,00	<p><b>30%</b> of outstanding debt plus the cost of the credit control actions as down payment. The balance over maximum 6 months. If during the 6 month period the current portion of the account or arrangements fall into arrears, the service will be disconnected immediately and the full amount will be payable without any further arrangements been made with the Municipality.</p> <p>Where outstanding debt is recovered through the pre-paid system, the arrears will be recovered at a rate of 15.5% of the outstanding debt with no electricity credit granted until the full monthly re-payment is paid. Deposit adjusted to 3 times average of total monthly account.</p>

R2 501,00 to R5 000,00	<p><b>20%</b> of outstanding R2 500,00</p> <p><b>10%</b> over R2 500,00 plus the cost of the credit control actions as down payment. The balance of the outstanding amount over maximum 12 months. If during the 12 month period the current portion of the account or arrangements fall into arrears, the service will be disconnected immediately and the full amount will be payable without any further arrangements been made with the Municipality</p> <p>Where outstanding debt is recovered through the pre-paid system, the arrears will be recovered at a rate of 15.5% of the outstanding debt with no electricity credit granted until the full monthly re-payment is paid. Deposit adjusted to 3 times average of total monthly account.</p>
R5 000,00 and more	<p><b>20%</b> of the first R2 500,00 outstanding</p> <p><b>10%</b> of the second R 2 500,00 outstanding</p> <p><b>2,5%</b> above R5 000,00 outstanding plus the cost of the credit control actions as down payment. The balance of the outstanding amount over maximum 18 months. If during the 18 month period the current portion of the account or arrangements fall into arrears, the service will be disconnected immediately and the full amount will be payable without any further arrangements been made with the Municipality</p> <p>Where outstanding is recovered through the pre-paid system, the arrears will be recovered at a rate of 15.5% of the outstanding debt with no electricity credit granted until the full monthly re-payment is paid.</p> <p>Deposit adjusted to 3 times average of total monthly account.</p>

In all cases the consumer deposit to be increased to 3 times the average monthly consumption or a minimum as determined annually and published in the tariff list.

In respect of domestic consumers the Deputy Director : Finance may deviate from the percentages based on the affordability where the percentage applied results be less than the amount of a single state pension supporting documents of all earning and statutory deductions of the domestic customer.

## **BUSINESS**

	<b>PAYMENT OF ARREARS</b>
1 <sup>st</sup> default in any twelve month cycle:	<p><b>50%</b> of arrear amount plus current account as down payment. Balance over maximum of 6 months If during the 6 month period the current portion of the account or arrangements fall into arrears, the service will be disconnected immediately and the full amount will be payable without any further arrangements been made with the Municipality</p> <p>Where outstanding debt is recovered through the pre-paid system, the arrears will be recovered at a rate of 15.5% of the outstanding debt with no electricity credit granted until the full monthly re-payment is paid and 20% from the amount you vend.</p> <p>Deposit adjusted to 3 months consumption.</p>
2 <sup>nd</sup> default in any twelve month cycle:	<p><b>100%</b> of arrear amount plus current account as down payment.</p> <p>Deposit adjusted to 3 times average of total monthly account to be paid with down payment.</p>
<b><u>SPORT- and SOCIAL CLUBS</u></b>	<p><b>50%</b> of arrear amount plus current account as down payment.</p> <p>Balance over maximum of 3 months.</p> <p>Where outstanding debt is recovered through the pre-paid system, 50% from the amount you vend.</p> <p>Deposit adjusted to 3 times average of total monthly account.</p>

## **OLD AGE & DISABILITY PENSIONERS**

DEBT	PAYMENT OF ARREARS
R1,00 to R2 500,00	<p><b>5%</b> of outstanding debt plus the cost of the credit control actions as down payment. The balance over maximum of 6 months. If during the 6 month period the current portion of the account or arrangements fall into arrears, the service will be disconnected immediately and the full amount will be payable without any further arrangements been made with the Municipality.</p> <p>Where outstanding debt is recovered through the pre-paid system, the arrears will be recovered at a rate of 15.5% of the outstanding debt with no electricity credit granted until the full monthly re-payment is paid</p> <p>.</p> <p>Deposit adjusted to 3 times average of total monthly account.</p>
R2 501,00 to R5 000,00	<p><b>5%</b> of outstanding R2 500,00</p> <p><b>3%</b> over R2 500,00 plus the cost of the credit control actions. The balance of the outstanding amount over maximum 12 months. If during the 12 month period the current portion of the account or arrangements fall into arrears, the service will be disconnected immediately and the full amount will be payable without any further arrangements been made with the Municipality.</p> <p>Where outstanding debt is recovered through the pre-paid system, the arrears will be recovered at a rate of 15.5% of the outstanding debt with no electricity credit granted until the full monthly re-payment is paid and 8.5% from the amount you vend.</p> <p>Deposit adjusted to 3 times average of total monthly account.</p>
R5 000,00 and more	<p><b>5%</b> of the first R2 500,00 outstanding</p> <p><b>3%</b> above R2 500,00 outstanding plus the cost of the credit control actions. The balance of the outstanding amount over maximum 18 months.</p> <p>If during the 18 month period the current</p>



	<p>portion of the account or arrangements fall into arrears, the service will be disconnected immediately and the full amount will be payable without any further arrangements been made with the Municipality</p> <p>Where outstanding debt is recovered through the pre-paid system, the arrears will be recovered at a rate of 15.5% of the outstanding debt with no electricity credit granted until the full monthly re-payment is paid and 5.5% from the amount you vend.</p> <p>Deposit adjusted to 3 times average of total monthly account.</p>
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### **ACCOUT HOLDERS UNDER ADMINISTRATION**

Where a person has been placed under administration the following procedures will be followed:

- i. The debt as at the date of the administration court order will be placed on hold, and collected in terms of the court order by the administrator's dividend.
- ii. The administrator is to open a new account on behalf of the debtor, with a new deposit – No account is to be opened/operated in the debtor's name as the debtor is not entitled to accumulate debt (refer section 74S of the Magistrates Courts Act 32 of 1944).
- iii. Until such time as this new account is opened, the debtor is to be placed on limited services levels. The consumer will be compelled to install a prepaid electricity meter, should one not already be in place. The Municipality will be entitled to recover the cost of the basic services by means of purchases made on the prepaid meter.
- iv. Should there be any default on the current account – the supply of services is to be limited or terminated, and the administrator handed over for the collection of this debt.

### **INDIGENT**

- i. All customers qualifying as indigent and having remaining arrear debt after any relief has been granted, will repay that debt as follows:

Over 36 months, in addition to monthly service charges, with immediate payment of the cost of the credit control action taken.

In case it is found that payment at present and in future will be impossible, the arrear amount shall be recommended to be written off.

## **NDLAMBE MUNICIPALITY**

### **CUSTOMER SERVICE TARGETS**

- (i) Response time to customer queries: - Initial response within 7 working days.
- (ii) Resolution of Queries: - 14 working days to resolve queries and appeals.
- (iii) Date of first account delivery to new customers: - By second billing cycle after date of application or occupation which even is the latest.
- (iv) Reconnection time: - within 12 hours after appropriate payment / arrangement are paid at the municipal cashier or payment is reflected on the municipality bank statement
- (v) Meter reading cycle: - 95% of meters being read on monthly basis on a date not more than 10 days off the previous reading date.
- (vi) Equity application (Indigent): - within 2<sup>nd</sup> billing cycle response for approval of disapproval, as well as provision of subsidy.

### **ADMINISTRATIVE PERFORMANCE TARGETS**

- (i) Cost efficiency of debt collection :
  - Cost of collection not to exceed the capital debt amount;
  - All reasonable steps to be taken to limit cost to Council or the customer;
  - Cost of collection is to be recovered from the defaulting customers;
  - Total cost of collection to be recovered by means of applicable credit control tariffs.
- (ii) Enforcement mechanism ratio:
  - 95% of total number of arrear customers being successfully notified / disconnected;



# **NDLAMBE MUNICIPALITY**

## **ENTERTAINMENT POLICY**

**2016/2017**



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## **1. Purpose**

1.1 The purpose of this policy is to provide guidelines for Councillors and Officials when incurring expenses for entertainment, meetings, office teas and meals in the course of performing official functions. It serves to ensure that work related entertainment, meetings, office teas and meals occurs in a controlled environment and in the best interest of the Municipality. It further strives to improve internal control and accountability regarding these expenditures.

## **2. Scope**

2.1 This policy applies to –

2.1.1 The Mayor

2.1.2 The Speaker

2.1.3 Executive Committee Members

2.1.4 The Municipal Manager

2.1.5 Directors (Section 57 Employee/Head of Department)

2.1.6 Any other official who has the delegated authority to authorize and arranged expenditure of this nature for the Municipality.

## **3. Definitions**

3.1 The following definitions apply in respect of terms used in this policy -

3.1.1 **“Entertainment Expenses”** Costs incurred in networking and socialization associated directly with the business, purpose and mandate of the Ndlambe Municipality. Such expenses are required to be supported by documentary evidence to qualify.

3.1.2 **“Associated”** Having worked with or had a special relation with. For example, two partner Municipalities are associated with one another because of the business they conduct together.

3.1.3 **“Qualifying Official/Employee”** refers to those employees or Councillors referred to in the “Scope” section of this policy.

#### **4. Principles**

4.1 Funding for entertainment and office teas and meals forms part of the Municipality's operational expenses and must be provided for in the annual budget of the Municipality. Under no circumstances may expenses be incurred unless sufficient funding is available under the respective line item / vote number.

4.2 Amendments to the budget of the entertainment line item may only be done with the approval of the Municipal Manager.

4.3 Expense regarding to office teas and meals are mainly for the use of:

- \_ The Mayor
- \_ The Speaker
- \_ Executive Committee Members
- \_ The Municipal Manager
- \_ Directors (Section 57 Employee/Head of Department)
- \_ Visitors/ Guest of the abovementioned

It is expected that other officials will buy their own tea, coffee and meals, unless approved by the above Officials

4.4 Any expenses incurred for entertainment must be for official purposes only and should be in the interest of the Municipality at all times.

4.5 Under no circumstances may any private expenditure be incurred at any stage, even if there is an intention to repay such amount.

4.6 Entertainment, lunch, supper and or breakfast for oneself, friends and family are deemed to be private expenditure.

4.7 Entertainment expenses are subject to annual auditing. In this regard all claims for expenditure must at all times be accompanied by a receipt stating the goods/or services delivered as well as full details in respect of the occasion and attendees. Failure to do so will result in the expenditure to be regarded as unauthorised expenditure and the individual being held responsible in person for the amount of such expenditure, to the effect that such expenditures will not be processed for payment by the finance section

4.8 The usage of budgets/ funding for alcoholic beverages will only be allowed under the entertainment line items and must be applied with due diligence. This further implies that excessive spending (R100 or more per person per occasion) in this regard may be investigated and personal liability may be determined by the accounting officer.

4.9 Entertainment allowances do not form part of any individual Councillor or official's remuneration package. The budget is intended for use within a particular department or political portfolio and will be controlled by the Municipal Manager

## **5. Policy Provisions**

5.1 The Municipality will, on an annual basis, identify positions that qualify for entertainment and office teas and meals budget.

5.25.1 Entertainment budget will be provided only in respect of those positions where incumbents are expected to entertain visitors and/clients of the municipality.

5.35.2 Beneficiaries of entertainment and office teas and meals must provide a reconciliation of expenditure to account for utilisation of funds on a monthly basis to the finance department.

5.45.3 Budgeted entertainment and office teas and meals budgets should be used with due discretion.

5.55.4 Budgeted amount for entertainment and office teas and meals will vary depending on the level of the position and the perceived level of entertainment and office teas and meals expected of the incumbent.

5.65.5 Amounts payable will be reviewed on an annual basis in line with the budget process.

5.75.6 The Municipal Manager may suspend payment of an entertainment and office teas and meals budget where there is evidence of abuse.

## **6. Procedures**

### **6.1. Determination of Budgeted Amount**

6.1.1. Budgeted amounts are to be determined on individual basis / activities as well as provision for corporate purposes.

6.1.2. Budgeted amounts are to be determined at the beginning of each financial year in the Budget process and may **not be exceeded at all**.

6.1.3. The Chief Financial Officer in consultation with the relevant Director will make recommendations to the Municipal Manager each year on what the individual entertainment and office and teas meals budgeted amount should be.

6.1.4. The Municipal Manager will then obtain approval from Council before the beginning of each financial year on the proposed entertainment and office teas and meals budgeted amount for the new financial year through the budget process

6.1.5 Pre- authorisation of any entertainment expenditure is to be done by the Municipal Manager prior to any expenditure been incurred.

### **6.2. Procedures For Claims**

6.3.1. Expenditure paid for by members mentioned in the scope above

a) Expenditure incurred can be claimed back upon submission of the required documentation. Such documentation must at least include the receipt specifying the goods and/or services rendered as well as particulars in respect of the occasion and attendees.



The method of reimbursement is by requisition/order and will be left to the sole discretion of the Chief Finance Officer.

b) The Municipal Manager must approve all expenditure claims before reimbursement can be effected.

c) Before any expenditure claims are reimbursed the Chief Finance Officer must ensure that the necessary funds are available from the specified vote number. It is the responsibility of the Municipal Manager and Heads of Department alike to ascertain the ***availability of funds before committing to any expenditure.***

### **6.3. Management Reporting**

6.3.1 Management information concerning the status of all official municipality entertainment and office teas and meals use of entertainment and office teas and meals budgets and expenses shall be made available on a monthly basis on the report of the Director of Finance to the Executive Committee.

### **7. Delegations**

7.1 This policy is to be applied in accordance with the Municipality's policy and procedures on delegated powers.

7.2 The delegations refer to those between the Municipal Council and the Municipal Manager, and between the Municipal Manager and other responsible Officials.

7.3 All delegations are to be recorded in writing



# **NDLAMBE MUNICIPALITY**

## **FUNDING AND RESERVE POLICY**

**2016/2017**

## **Funding and Reserve policy**

### **1. Application and Scope**

The Funding and Reserves Policy is applicable to the Ndlambe Municipality.

### **2. Objectives of Policy**

To ensure the operating and capital budgets of council are appropriately funded.

To ensure that provisions and reserves are maintained at the required levels to avoid future year unfunded liabilities.

### **3. Introduction**

The funding of the operating and capital budgets is done on an annual basis for a three year horizon. The budget must be balanced both from an accounting perspective as well as a cash perspective.

The impact of movements in the Statement of Financial Position is taken into account when considering the balancing of the budget.

### **4. Funding of Capital and operational Budget**

The budget may be financed only from:

- i. realistically expected revenues, based on current and previous collection levels;
- ii. cash-backed funds available from previous surpluses where such funds are not required for other purposes; and borrowed funds in respect of the capital budget only.

### **5. Provision for revenue that will not be collected**

The municipality makes provision in the operational expenditure budget for revenue that will not be collected in the budget year.

This provision that will be made must be based on past trends and payment rates, subject to the availability of prior surpluses to make such provisions.

### **6. The funds the municipality can expect to receive from investment.**

The municipality makes provision in the operational revenue budget for revenue that will be realized on investment.

The interest received on investment will be budgeted for in the revenue budget. This forecast will be based on projected interest rates and projected investments for the period.

### **7. Proceeds from transfer or disposal of assets**

The proceeds from transfer or disposal of assets will be budgeted in the operational revenue budget.

## 8. Borrowing requirement

- a. The borrowing requirements as contained in the Loan Policy provide for the following:
  - i. Ndlambe Municipality Long Term Financing Strategy has been used as basis to determine the affordability of loans over the Medium Term Income and Expenditure Framework (MTREF) Period.

## 9. Capital Replacement Reserve (CRR)

- a. Council shall establish a CRR for the purpose of financing capital projects
- b. And the acquisition of assets. Such reserve shall be established from the following sources of revenue:
  - i. Unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
  - ii. Interest on the investments of the CRR, appropriated in terms of the investments policy;
  - iii. VAT refunds from SARS on conditional grants.
  - iv. Proceeds from sale of assets.
  - v. Proceeds from insurance claims.
- c. Additional amounts appropriated as contributions in each annual or adjustments budget; and
- d. Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;
- e. If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;
- f. Transfers to the CRR must be budgeted for in the cash budget





# **NDLAMBE LOCAL MUNICIPALITY**

## **INDIGENT POLICY**

**2016/2017**

**NDLAMBE MUNICIPALITY  
INDIGENT SUPPORT POLICY**

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## DEFINITIONS

**“child headed household”** means a household where both parents are deceased and where all occupants of the property are children of the deceased and are under the legal age to contract for services;

**“household”** means all owners / occupants / residents / dependents / tenants that are over the age of 18 years or who have a potential earning capacity;

**“indigent”** means any household or category of households, including a child headed household, residing / occupying on a single residential property or group housing, earning a combined gross income not exceeding the equivalent of two Government Old-age pensions and has a municipal valuation that does not exceed an amount of R200 000, as determined by the municipality annually in terms of a social and economic analysis and municipal valuation roll of its area, which qualifies for rebates/remissions, support or a services subsidy; provided that child support grants are not included when calculating such household income;

**“Indigent Management System”** an electronic management system applied by NDLAMBE Municipality for the management of the register of indigent households;

**"municipality"** means the NDLAMBE Municipality, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councilor, duly authorized agent or any employee acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councilor, agent or employee;

**“programme officer”** an official duly authorised by the municipality, or an employee of a service provider appointed by the municipality, who is responsible for the following:

- (a) to ensure that applications for indigent support are received and assessed;
- (b) to ensure that applications are captured on the Indigent Management System;
- (c) to ensure that information on applications are verified and that regular audits are executed; and
- (d) to authorise expenditure with regard to indigent support.

**'occupier'** means the person who controls and resides on or controls and otherwise uses immovable property, provided that -

- (a) the spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;
- (b) where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;

**'indigent register'** means an extract from the Abakus Financial system, which has to be updated on a monthly basis, all the inputted data contained in the indigent files with the completed indigent application forms which contains the following key information:

- Indigent customer details

- Socio-economic details
- Skills
- In addition the indigent register is able to provide reports relating to, but not limited to the following:
- Indigent application exceptions

**'owner'**, in relation to immovable property, means -

- (a) the person in whom is vested the legal title thereto provided that -
  - (i) the lessee of immovable property which is leased for a period of not less than fifty years, whether the lease is registered or not, shall be deemed to be the owner thereof; and
  - (ii) the occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof;
- (b) if the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
- (c) if the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
- (d) if the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;

**'premises'** includes any piece of land, the external surface boundaries of which are delineated on -

- (a) a general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937);
- (b) a general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and situated within the jurisdiction of the municipality;

**'rates'** means any tax, duty or levy imposed on property by the Council;

## INTRODUCTION

As a developmental institution, the municipality needs to commit to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

The municipality must therefore at all times strive to fulfill the constitutional objectives as contemplated in Section 152 of the Constitution and to meet the criteria for a credible indigent policy as laid down in the Credible Indigent Policy Assessment Framework, 2008, provided by the Department of Local Government.



The successful implementation of this policy depends totally on affordability and the social analysis of the area as should be included in the municipality's IDP. With regard to affordability the foundation is laid in section 74 of the Municipal Systems Act, 2000, which stipulates that poor households must have access to basic service through tariffs that cover only the operating and maintenance costs.

The municipality therefore adopts an indigent support policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidisation of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence.

## **1. POLICY PRINCIPLES**

In recognition of the abovementioned National Framework the municipality undertakes to promote the following principles:

- 1.1 To ensure that the Equitable Share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;
- 1.2 To link this policy with the municipality's IDP, local economic development (LED) initiatives and poverty alleviation programmes;
- 1.3 To promote an integrated approach to free basic service delivery; and
- 1.4 To engage the community in the development and implementation of this policy;

## **2. POLICY OBJECTIVES**

In support of the above principles the objective of this policy will be to ensure the following:

- 2.1 The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- 2.2 The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
- 2.3 Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and an exit strategy;
- 2.4 The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;
- 2.5 To ensure co-operative governance with other spheres of government; and
- 2.6 To enhance the institutional and financial capacity of the municipality to implement the policy.

## **3. THE LEGISLATIVE FRAMEWORK**

This policy is designed and implemented within the framework of the following legislation:

- The Constitution of the RSA, 1996;
- The Municipal Systems Act, 2000 (Act 32 of 2000);

- The Municipal Finance Management Act, 2003 (Act 56 of 2003);
- The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
- The Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- The Property Rates Act, 2004 (Act 6 of 2004).

#### **4. QUALIFICATION CRITERIA**

Qualification criteria for indigent support shall be determined by the municipality from time to time, provided that until the municipality determines otherwise, the following criteria shall apply:

- 4.1 The applicant must be a resident of the municipality.
- 4.2 The applicant must be in possession of a valid South African identity document.
- 4.3 The combined or joint gross income of all occupants or dependants in a single household which receives services from the municipality may not exceed the thresholds determined by the municipality annually during consideration of the budget for the next financial year. The guideline relating to the household income threshold for a 100% rebate is an income of not more than two state pensions per month.
- 4.4 The applicant must be the owner or tenant who receives municipal services and is registered as an account holder on the municipal financial system; provided that the requirement of being registered as an account holder does not apply to households in informal settlements where no accounts are rendered nor in rural areas where no accounts are rendered.
- 4.5 Any occupant or resident, as per the definition of indigent, of the single household referred to above may not own any property in addition to the property in respect of which indigent support is provided.
- 4.6 A tenant can apply for the benefits in respect of the charges he/she is billed for while the landlord remains liable for all ownership related charges such as rates.
- 4.7 The account of a deceased estate, may be subsidised if the surviving spouse or dependants of the deceased who occupy the property, applies for assistance.
- 4.8 Ratable house value of less than R200 000 or where the owner applies for assistance as a special case and as determined by the rates rebates committee.
- 4.9 Any one of the following factors will serve as a disqualification :
  - 4.9.1 Where the applicant has or allows any business to be operated on the property
  - 4.9.2 Where there is no written service agreement with the applicant;
  - 4.9.3 Where the applicant owns more than one property
  - 4.9.4 Where any of the documents requested in the application is not supplied.

#### **5. TARGETING OF INDIGENT HOUSEHOLDS**

Ndlambe Municipality shall use a household income or Geographical (Zonal) targeting, with the latter approach declaring specific areas (rural or urban) where households are regarded as poor irrespective of service level. Such categorisation will be based on zonal socio-economic conditions.

The effective targeting of indigent households and the implementation of this policy will depend largely on the social analysis included in the IDP, the LED initiatives and other poverty relief programmes of the municipality. The socio-economic information and performance indicators contained in these documents must form the basis for the targeting of indigent households.

## **6. EXTENT OF INDIGENT SUPPORT**

The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

Within the abovementioned budgetary process, and in striving to create a situation where poor households will be granted access to a full social package, the following assistance and support may be granted in respect of one property per applicant.

### **6.1 Water**

Each registered indigent household shall receive water fully subsidised to a maximum of 6kl per month, including the basic charges for such supply; provided that –

- 6.1.1 Where the consumption exceeds 6kl per month the municipality shall be entitled to restrict and recover water supply to the property; and
- 6.1.2 Where excessive consumption is partly due to leaking or poor plumbing, the municipality may install a yard connection to the outside of the dwelling and meter the consumption.

### **6.2 Electricity**

Each registered indigent household shall receive electricity fully subsidised to a maximum of 50 kWh per month. This subsidy may also apply to registered indigent households in rural areas where the municipality is the electricity supplier while agreements with Eskom, where the latter is the supplier, may be negotiated to support such households.

### **6.3 Refuse removal**

Each registered indigent household shall be fully subsidised for refuse removal as provided for in the annual budget.

### **6.4 Sanitation**

Each registered indigent household shall be fully subsidised for sanitation as provided for in the annual budget.

### **6.5 Property Rates**

Each registered indigent household shall be fully subsidised for property rates

### **6.6 Rental (Dwellings and Sites)**

100% subsidy will be granted to indigent households in respect of all dwellings or sites belonging to the municipality;

## **6.7 Burials**

In the event of the death of a member of an indigent household, the municipality may exempt the household from the cost of digging and preparation of a grave, provided that the burial takes place in a municipal cemetery.

## **6.8 Transfer of properties**

In the event of the death of the title holder of a property in an indigent household, the municipality may enter into agreements with local attorneys, the Legal Aid Board or the provincial law society for the administration of the estate and the transfer of the property into the name of the successor at the lowest possible cost.

In the case of where the property gets transferred into another indigent person's name, Council may cover the cost of the transfer.

## **6.9 Food security**

Where the need exists, the municipality may enter into agreements with registered non-profitable organisations to establish soup kitchens or other forms of food supply.

## **6.10 Education**

The municipality may, upon application by a school hostel where accommodation is provided for school-going children from rural and urban areas, consider the subsidisation of a percentage of the monthly municipal account.

## **6.11 Basic Energy**

Indigent households in informal settlements / rural areas where limited or no electricity is available, may be provided with alternative energy as determined by Council from time to time, currently gel, provided that procurement of service providers or services shall be subject to the Supply Chain Management regulations of the municipality and that the support given does not exceed the level of support given to other indigent households.

# **7. INDIGENT HOUSEHOLDS IN RETIREMENT CENTRES AND OLD AGE HOMES**

Indigent consumers living in retirement centres or old age homes shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures :

7.1 The onus will be on the Board of Trustees/Managing Agent (hereinafter referred to as the representative) to apply to the municipality with details as required by the municipality from time to time of each individual residing in the establishment, for indigent status to be granted in respect of water consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification.

7.2 The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect property rates and related charges.



- 7.3 The representative will submit applications to the Chief Financial Officer.
- 7.4 The Programme Officer must verify all applications and he or she must notify:
  - 7.4.1 The representative, whether an application was successful or not, with regard to the water consumption; and
  - 7.4.2 The unit owner whether an application was successful or not, with regard to the property rates and other related charges.
  - 7.4.3 The Chief Financial Officer will credit the monthly municipal :-
    - 7.4.3.1 Water account of the Retirement Centre or Old Age Home with water and sewerage charges, the amount of which will be calculated by dividing the total number of kilolitres of water consumed by the number of units in the complex, but up to a maximum of 6Kl of water per month for each unit that qualifies for assistance.
    - 7.4.3.2 General rates and refuse charges account of the unit owner with the full amount charged.
  - 7.4.5 The representative must, in respect of monthly water credits allowed under indigent support, ensure that the full amount of such credits are off-set against the monthly levies of the relevant individual units; such representative also being required, once every six months, or at such intervals as may be determined by the municipality, to provide proof to the Chief Financial Officer that the monthly levies of poor households which qualify for assistance, have been adjusted by the amounts credited to the account of the Retirement Centre or Old age Home.

## **8. ASSISTANCE PROCEDURES**

### **8.1 Communication**

The municipality must develop a communication strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy and its implementation. Regular information dissemination and awareness campaigns must be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general and methods of communication may include, but will not be limited to:

- 8.1.1 ward committees;
- 8.1.2 community based organisations;
- 8.1.3 local radio stations and news papers;
- 8.1.4 municipal accounts;
- 8.1.5 imbizo's and road shows; and

- 8.1.6 jamborees where government and municipal officials are made available to assist residents with applications such as ID applications, pension- and social grant applications, etc.

## **8.2 Institutional arrangements**

The municipality must designate existing staff or appoint officials, or engage properly Community Development Workers who have been trained in terms of the municipality's directions to assist with the implementation and development of this policy and must establish appropriate registration points in its area, the cost of which may be funded through the equitable share allocation.

## **8.3 Application/Registration**

A person applying for indigent support must complete a formal indigent support application form approved by the municipality. Such forms will be available at approved registration points provided by the municipality and shall be dealt with in terms of the Procedures Manual. In the case where the occupants are old-age pensioners and the state pensions are the only source of income, there is no need for re-registration unless the financial status changes or improves.

## **8.4 Assessment & Screening of Applicants**

Upon registration of an application, all information must be verified by the Programme Officer in terms of the Procedures Manual as per Appendix 1.

## **8.5 Recommendation**

Once the verification has been completed the Indigent Management System must generate a recommendation based on the information captured in the database and shall be dealt with in terms of the Procedures Manual.

## **8.6 Right of appeal**

An applicant who feels aggrieved by a decision taken in respect of his or her application may lodge an appeal in terms of section 62 of the Municipal Systems Act, 32 of 2000.

# **9. PROCESS MANAGEMENT**

## **9.1 Process Management Stakeholders**

Indigent process management shall involve both municipal officials and a two phase Subcommittee structure. The first phase will be at a subcommittee level, consisting of ward Councilor with its ward committee. The second phase shall be at a Municipal level, nominated to review all indigent applications approved by the ward indigent subcommittee. The subcommittee system is aimed at providing, transparency, public participation and ensuring equitable treatment of all applicants.

## **9.2 Applications**

With the exception of Property and Zonal Targeting the indigent application form should be completed in full and then captured onto the relevant indigent register and accounting system.

## **9.3 Validity period**

The validity period of assistance will be for the duration that the applicant remains indigent. Households, in terms of the audit and review process, will be subjected to scrutiny to determine any change in status. Households may have to periodically re-apply, but this would be determined by the municipality from time to time.

## **9.4 Death of Registered Applicant**

In the event that the approved applicant passes away the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met.

## **9.5 Publication of Register of Indigent Households**

Names of indigent beneficiaries must be open for public perusal and comment.

Written objections from the public must be referred to the Programme Officer who will be responsible for investigating the validity of the complaint and referral to the Indigent Committee for appropriate action.

## **9.6 Arrears and excess usage of allocations**

9.6.1 Upon registration as an indigent household, the arrears on the account of the applicant will be kept until year end, when a write off of the debt will be considered.

9.6.2 No interest may be calculated on the arrears as contemplated in 10.4.1.

9.6.3 If the applicant exits from the indigent support programme within the six months period in 10.4.1, the arrears will be re-introduced in the account and will be subject to the credit control and debt collection policy of the municipality;

9.6.4 Where an indigent household exceeds the water consumption level approved by the municipality, the supply may be restricted and be recovered through the prepayment system.

## **9.7 Termination of Indigent Support**

Indigent Support will be terminated under the following circumstances:

9.7.1 Upon death of the account-holder or the head of the household where no accounts are rendered.

9.7.2 At the end of the 12 months cycle, except in the case of pensioners and child-headed households.

9.7.3 Upon sale of the property in respect of which support is granted.

9.7.4 When circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded.

9.7.5 If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:

9.7.5.1 All arrears will become payable immediately;

9.7.5.2 Stringent credit control measures will apply; and

9.7.5.3 The applicant will not be eligible to apply for indigent support for a period of 2 years.

## **9.8 Audit and review**

The municipality may conduct regular audits of the indigent register with regard to the information furnished by applicants, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of applicants. The frequency of such audits will depend on the institutional capacity of the municipality to do so. It is proposed that at least monthly targeted audits and reviews are undertaken, with a complete review scheduled for at least every 5 years.

## **9.9 Exit Programme**

The exit of indigents shall be facilitated through continuous communication with Municipal LED section to determine indigent beneficiary whose economic condition could have changed through participation in LED initiatives.

As part of a broader poverty reduction programme the municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic development (LED) initiatives and in the implementation of integrated development programmes where possible.

The municipality must promote exit from indigence by –

9.9.1 identifying indigents for inclusion in public works projects:

9.9.2 initiating local job creation projects such as cleansing operations, small infrastructure projects, etc;

9.9.3 facilitation of opportunities to enter the informal trade market;

9.9.4 facilitation of food security projects; and

9.9.5 liaison with National and Provincial departments to include indigent persons in their public works programmes.

## **10. MONITORING AND REPORTING**

10.1 The Chief Financial Officer must report monthly to the Municipal Manager via the municipality's Service Delivery and Budget Implementation Plan to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect on:

10.1.1 Number of indigent households applications received;

10.1.2 Amount of subsidy allocated per benefit category;

10.1.3 Amount of debt accumulating and debt recovery information (number of customers; enquires; default arrangements; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such divisions);

10.1.4 Performance against targets set in respect of indigent support and poverty relief and in particular with regard to the following:

10.1.4.1 Number of applications for indigent support dealt with;

10.1.4.2 Time taken to process and finalise applications;

10.1.4.3 Site visits undertaken;

10.1.4.4 Awareness initiatives; and

10.1.4.5 Exit initiatives.



10.1.5 Changes in the registered status of indigents.

## **11. CAPACITY BUILDING**

11.1 The municipality must ensure that all officials and councillors are appropriately capacitated in Free Basic Services in terms of the following key areas:

- Database management
- Demand and revenue management
- Policy and by-law implementation

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**NDLAMBE MUNICIPALITY**

# **LOANS POLICY**

**2016/2017**

## **NDLAMBE MUNICIPALITY LOANS POLICY**

### **(1) PURPOSE OF POLICY**

- (a)** The purpose of this policy is to determine the conditions applying to the raising of both short and long term loans by the municipality.
- (b)** In applying this policy, the municipality must take cognizance of and adhere to the provisions of Section 230A of the Constitution which provides that a Council may, in accordance with national legislation –
  - (i)** raise loans for capital or current expenditure for the municipality, but loans for current expenditure may be raised only when necessary for bridging purposes during a fiscal year; and
  - (ii)** bind itself and a future Council in the exercise of its legislative and executive authority to secure loans or investments for the municipality.

### **(2) DEFINITIONS**

In this policy –

**“Act”** means the Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003);

**“accounting officer”** means the Municipal Manager acting in the capacity of accounting officer of the municipality;

**“allocation”**, means –

- (a)** the municipality's share of the local government's equitable share referred to in section 214 (1) (a) of the Constitution;
- (b)** an allocation of money to the municipality in terms of section 214 (1) (c) of the Constitution;

- (c) an allocation of money to the municipality in terms of a provincial budget; or
- (d) an allocation of money to the municipality by an organ of state, including another Municipality, otherwise than in compliance with a commercial or other business transaction;

**“basic municipal services”** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment;

**“Council”** means the Council of the Ndlambe Municipality referred to in section 18 of the Municipal Structures Act, 1998 (Act No. 117 of 1998),

**“financing agreement”** includes any loan agreement, lease, instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

**“financing costs”** include:

- (a) capitalised interest for a reasonable initial period;
- (b) costs associated with security arrangements in accordance with paragraph 8 of this policy;
- (c) discounts and fees in connection with the relevant financing;
- (d) fees for legal, financial advisory, trustee, credit rating and other services directly connected to the financing; and
- (e) costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing;
- (f) costs of professional services directly related to the capital expenditure funded in terms of this policy; and
- (g) such other costs as may be prescribed.

**“lender”** means a person who provides debt finance to the municipality;

**“long-term debt”** means debt repayable over a period exceeding one year;

**“prescribed”** means prescribed by or in terms of the Act;

**“Mayor”** means the Mayor of the Ndlambe Municipality as defined in the Act;

**“municipal debt instrument”** means any note, bond, debenture or other evidence of indebtedness issued by the municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;



**“security”** means any mechanism intended to secure the interest of a lender or investor and includes any of the mechanisms referred to in this policy;

**“short-term debt”** means debt repayable over a period not exceeding one year.

### **(3) SHORT-TERM DEBT**

**(a)** The municipality may incur short-term debt only when necessary to bridge –

- (i)** shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or
- (ii)** capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

**(b)** The municipality may incur short-term debt only if –

- (i)** a resolution of the council, signed by the Mayor, has approved the debt agreement; and
- (ii)** the accounting officer has signed the agreement or other document which creates or acknowledges the relevant debt.

**(c)** The Council may –

- (i)** approve a short term debt transaction individually; or
- (ii)** approve an agreement with a lender for a short term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility.

- (d) A resolution approving the terms of an agreement contemplated in subparagraph (c) must specify the credit limit.
- (e) A resolution must be passed by the Council whenever the agreement contemplated in subparagraph (c) is changed.
- (f) If the Council approves a credit facility that is limited to emergency use, the accounting officer must notify it in writing as soon as practical of the amount, duration and cost of any debt incurred in terms of such a credit facility as well as options for repaying such debt.
- (g) The municipality –
  - (i) must pay off short-term debt within the financial year in which it is incurred; and
  - (ii) may not renew or refinance short-term debt where such renewal or refinancing will have the effect of extending the short term debt into a new financial year.

## **(5) RESPONSIBILITIES OF LENDER**

- (a) Subject to subparagraph (c), no lender may wilfully extend credit to the municipality for the purpose of renewing or refinancing short-term debt that must be paid off in the financial year in which it is incurred.
- (b) If a lender wilfully extends credit to a municipality in contravention of subparagraph (a), the municipality is not bound to repay the loan or interest on the loan.
- (c) Subparagraph (b) does not apply if the lender –

- (i) relied in good faith on written representations of the municipality as to the purpose of the borrowing; and
- (ii) did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt.

**(6) LONG-TERM DEBT**

- (a) Subject to subparagraph (b), the municipality may incur long-term debt only for the purpose of –
  - (i) capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution; or
  - (ii) re-financing existing long-term debt.
- (b) The long-term debt contemplated in subparagraph (a) may be incurred only if –
  - (i) such existing long-term debt was lawfully incurred;
  - (ii) the re-financing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed;
  - (iii) the net present value of projected future payments (including principal and interest payments) after re-financing is less than the net present value of projected future payments before re-financing;
  - (iv) the discount rate used in projecting the net present value referred to in subparagraph (c) and any assumptions in connection with the calculations, are reasonable and in accordance with criteria set out in any prescribed framework.

- (v) the Council has, by resolution, approved the debt arrangement and the resolution has been signed by the Mayor;
  - (vi) the accounting officer has signed the agreement or other document that creates or acknowledges the debt;
  - (vii) the proposed long-term debt is consistent with its capital budget; and
  - (viii) the accounting officer has complied with the requirements contemplated in section 21A of the Municipal Systems Act, 2000.
- (c) The long-term debt contemplated in subparagraph (a) may be incurred only if the accounting officer, in accordance with the provisions of section 21A of the Municipal Systems Act, 2000, has –
- (i) at least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided;
  - (ii) invited the public to submit written comments or representations to the Council in respect of the proposed debt;
  - (iii) has submitted a copy of the information statement referred to in subparagraph (c) (i) to the Council at least 21 days prior to the meeting at which the resolution referred to in this subparagraph is to be adopted, together with particulars of –
    - (aa) the essential repayment terms, including the anticipated debt repayment schedule; and

- (bb) the anticipated total cost in connection with such debt over the repayment period.

## **(7) CONDITIONS APPLYING TO BOTH SHORT AND LONG-TERM DEBT**

The municipality may incur debt only if –

- (a) the debt is denominated in Rand and is not indexed to, or affected by fluctuations in the value the Rand against any foreign currency; and
- (b) paragraph 8 of this policy has been complied with if security is to be provided by the municipality.

## **(8) SECURITY**

- (a) The municipality may, by resolution of the Council subject to subparagraphs (c), (d) and (e), provide security –
  - (i) in respect of any of its debt obligations;
  - (ii) in respect of its contractual obligations undertaken in connection with capital expenditure by other persons on property, plant or equipment to be used by the municipality or such other person for the purpose of achieving the objects of local government in terms of section 152 of the Constitution; or
  - (iii) in the form of a lien, pledge, mortgage, cession or any other hypothecate of an asset or right or by giving any other form of collateral;
- (b) The municipality may, in respect of security provided as contemplated in subparagraph (a) –



- (i) undertake to effect payment directly from money or sources that may become available and authorise the lender or investor direct access to such sources to ensure payment of the secured debt or the performance of the secured obligations, provided that this form of security may not detract from the municipality's obligations with regard to its primary bank account;
- (ii) undertake to deposit funds with the lender, investor or third party as security;
- (iii) agree to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders or investors, including revenue intercepts, payments into dedicated accounts or other payment mechanisms or procedures;
- (iv) cede as security any category of revenue or rights to future revenue;
- (viii) undertake to have disputes resolved through mediation, arbitration or other dispute-resolution mechanisms;
- (ix) undertake to retain revenues or specific municipal tariffs or other charges, fees or funds at a particular level or at a level sufficient to meet its financial obligations;
- (x) undertake to make provision in its budgets for the payment of its financial obligations, including capital and interest;
- (xi) agree to restrictions on debt that the municipality may incur in future until the secured debt is settled or the secured obligations are met; and
- (x) agree to such other arrangements as the municipality may consider necessary and prudent.

- (c)** The Council resolution authorising the provision of security –
  - (i)** must determine whether the asset or right with respect to which the security is provided is necessary for providing the minimum level of basic municipal services; and
  - (ii)** must indicate the manner in which the availability of the asset or right for the provision of the minimum level of basic municipal services contemplated in subparagraph (i) will be protected.
- (d)** If the Council by resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party may, in the event of a default by the municipality, deal with the asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.
- (e)** A determination in terms of subparagraph (c) that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be.

## **(9) DISCLOSURE**

- (a)** An official borrowing money on behalf of a municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective investor –
  - (i)** disclose all known information that may be material to the decision of that prospective lender or investor; and

(ii) take reasonable care to ensure the accuracy of any information disclosed.

(b) A lender or investor may rely on written representations of the municipality signed by the accounting officer, if the lender or investor did not know and had no reason to believe that those representations were false or misleading.

#### **(10) MUNICIPAL GUARANTEES**

The municipality may not issue any guarantee for any commitment or debt of any organ of state or person except if the guarantee concerned is within the limits specified in its approved budget.



## **NDLAMBE MUNICIPALITY**

### **POLICY FOR THE MANAGEMENT OF ACCUMULATED SURPLUS/DEFICIT AND BAD DEBTS**

**2016 / 2017**

## **POLICY FOR THE MANAGEMENT OF ACCUMULATED SURPLUS/DEFICIT AND BAD DEBTS**

### **(1) PURPOSES OF POLICY**

The purpose of the policy is to –

- (a)** provide guidelines for the management of the accumulated surplus/deficit and bad debt provision;
- (b)** recommend corrective steps; and
- (c)** record procedures for the writing-off of bad debts.

### **(2) DEFINITIONS**

In this policy –

**“Accounting Officer”** means the Municipal Manager acting in his or her capacity as accounting officer of the Municipality;

**“Council”** means the Council of the Ndlambe Municipality;

**“Current assets”** comprise debtors, cash, inventories and the short-term portions of investments and long-term debtors of the Ndlambe Municipality;

**“Current liabilities”** consist of creditors, bank overdrafts and the short-term portion of long-term loans [liabilities] of the Ndlambe Municipality;

**“Municipality”** means the Ndlambe Municipality;

**“Net operating capital”** means the difference between current assets and current liabilities of the Ndlambe Municipality;

**“Unfunded funds, reserves and provisions”** mean those funds, reserves and provisions not represented by cash.

### **(3) MANAGEMENT OF THE ACCUMULATED SURPLUS/DEFICIT**

- (1)** The surplus/deficit that arises annually in the appropriation account must be accrued in the accumulated surplus/deficit of the Municipality.
- (2)** Unfunded funds, reserves and provisions may be transferred to the accumulated surplus/deficit of the Municipality.



- (3) If an accumulated deficit exists, a contribution equal to three percent [3%] of the total trading income must be made in the operating budget of the Municipality until the accumulated funds balance is at a surplus.
- (4) Any unallocated funds in the accumulated surplus may be transferred to the provision for bad debts.
- (5) If the Municipality has a bank overdraft, the accounting officer must indicate how and when the overdraft will be redeemed and which funds will be employed for this purpose.
- (6) Prior year expenditure less than R100 000 must be processed in the new year.

#### **(4) MANAGEMENT OF BAD DEBTS**

- (1) The accounting officer must make an annual contribution to the bad debts provision in the operating budget of the Municipality.
- (2) The total bad debts provision of the Municipality must be equal to the total debts outstanding for longer than 90 days excluding such amounts owed by government department. Staff councilor and consumers paying arrangements regularly in accordance with council policy.
- (3) After the consideration of the report contemplated in subparagraph (3), the debt collection, credit management and indigent relief policies of the Municipality must be reviewed and new targets for debt collection must be determined by the Council.
- (4) The Council may approve the writing-off of bad debts after it has considered a report by the accounting office containing –
  - (a) the steps taken to collect particular outstanding debts which must be listed;
  - (b) the success or otherwise of such steps;
  - (c) the solvency status of the listed debtor;
  - (d) the probability of a substantial dividend payment from the insolvent estate of a listed debtor;
  - (e) the possibility of payment from the estate of a deceased debtor; and
  - (f) that the outstanding amount is so insignificant that it is not worthwhile to take further steps to collect the outstanding debt concerned.

**(5) COUNCIL RESOLUTION**

Any resolution by the Council to write-off debt must clearly state the account number, the name of the debtor and amount written off.

**(6) DELEGATION OF POWER**

The accounting officer may delegate his/her responsibilities in terms of this policy to the Chief Financial Officer of the Municipality.



# **NDLAMBE LOCAL MUNICIPALITY**

## **RATES POLICY**

**2016/2017**

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## **1. LEGISLATIVE CONTENT**

- 1.1. This policy is mandated by Section 3 of the Municipal Property Rates Act, 2004 (Act No.6 of 2004), which specifically provides that a Municipality must adopt a Rates Policy.
- 1.2. In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996), a Municipality may impose rates on property.
- 1.3. In terms of the Municipal Property Rates Act, 2004 (Act No.6 of 2004) a Municipality in accordance with:-
  - 1.3.1 Section 2 (1), may levy a rate on property in its area; and
  - 1.3.2 Section 2 (3), must exercise its power to levy a rate on property subject to:-
    - i. Section 229 and any other applicable provisions of the Constitution;
    - ii. The provisions of the Property Rates Act; and
    - iii. The rates policy
- 1.4. In terms of Section 4 (1) (c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Municipality has the right to finance the affairs of the Municipality by imposing, *inter alia*, rates on property.
- 1.5. In terms of Section 62 (1) (f) (ii) of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) the Municipal Manager must ensure that the Municipality has and implements a rates policy.

## **2. DEFINITIONS**

- 2.1. “**Act**” means the Municipal Property Rates Act, 2004 (Act No.6 of 2004).
- 2.2. “**agent**” in relation to the owner of a property, shall mean a person appointed by the owner of the property to receive rental or other payments in respect of the property on behalf of the owner, or to make payments in respect of the property on behalf of the owner;
- 2.3. “**agricultural consumers**” means consumers defined as bona fide farmer as per Gazette number 32061 and 32062 predominantly engaged in agriculture activities by using land for the production or raising of crops, poultry or livestock. Such consumers include an owner, landlord tenant or occupant.
- 2.4. “**agricultural purpose**” in relation to the use of a property, excludes property used solely for residential purposes, any industrial activity, any business activity, any commercial activity, the use of a property for the purpose of eco-



tourism or for the trading in or hunting of game or as a game farm for tourism purposes or for other business purposes like a commercial abattoir.

2.5. **“category”** –

- (a) in relation to property, means a category of property determined in terms of section 8 of the Act;
- (b) in relation to owners of property, means a category of owners determined in terms of section 14 (1A) of the Act;

2.6. **“eco-tourism”** in relation to the use of property and categorisation for purposes of property rates, means property used for the enjoyment and appreciation of nature against payment of a fee and includes **nature tourism** and **game farms**.

2.7. **“eco-village”** in relation to the use of a property, means an urban or rural full-featured settlement which are developed upon a combination of social, ecological and economical dimensions and excludes business activities, agriculture or eco-tourism;

2.8. **“exemption”**, in relation to the payment of a rate, means an exemption granted in terms of section 15 of the Act;

2.9. **“land reform beneficiary”** in relation to a property, shall mean a person who acquired the property through the provision of Land and Assistance Act No. 126 of 1996 or the Restitution of Land Rights Act No. 22 of 1994, or who holds the property subject to the Communal Property Associations Act No. 29 of 1996, or who holds or acquires the property in terms of such other land tenure reform legislation as may be enacted;

2.10. **“market value”**, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

2.11. **“multiple purposes”**, in relation to a property, means the use of a property for more than one purpose as contemplated by section 9 of the Act;

2.12. **“Municipality”** means the Municipal Council for the municipal area of Ndlambe.

2.13. **“municipal property”** means those properties of which the Municipality is the owner.

2.14. **“newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date;

2.15. **“occupier”**, in relation to a property, means a person in actual occupation of a property whether or not that person has a right to occupy the property;

2.16. **“owner”**—

- (a) in relation to property referred to in paragraph (a) of the definition of “property”, means — a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered; or
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation,

provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

- (i) A trustee, in the case of a property in a trust excluding state trust land;
- (ii) an executor or administrator, in the case of a property, in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property, in an insolvent estate or in liquidation;
- (iv) a judicial manager, in the case of a property, in the estate of a person under judicial management;
- (v) a curator, in the case of a property, in the estate of a person under curatorship;
- (vi) an usufructuary or other person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viii) a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

2.17. **“permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of –

- (a) any restrictions imposed by –
  - (i) a condition of title;
  - (ii) a provision of a town planning or land use scheme; or
  - (iii) any legislation applicable to any specific property or properties;
 or
- (b) any alleviation of any such restrictions;

2.18. **“private schools”** means schools not administered by Government;

2.19. **“property”** means —

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;

- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
  - (d) public service infrastructure.
- 2.20. **“property register”** means a register of properties referred to in section 23 of the Act;
- 2.21. **“Public Service Infrastructure”** means publicly controlled infrastructure of the following kinds:
  - (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
  - (b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
  - (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
  - (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
  - (e) railway lines forming part of a national railway system;
  - (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
  - (g) runways or aprons at national or provincial airports;
  - (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
  - (i) any other publicly controlled infrastructure as may be prescribed; or
  - (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);
- 2.22. **“public worship”** means a property registered into the name of and used exclusively as a place of worship by a religious community, including one residence registered in the name of this religious community which is occupied full time by an office bearer of the religious community.
- 2.23. **“ rating ratio”** is a ratio at which bonafide farmers will be rated relative to residential properties as per Gazette Number 32061 and 32062.
- 2.24. **“rebate”**, in relation to a rate payable on a property, means a discount granted in terms of section 15 of the Act;
- 2.25. **“reduction”**, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount;

- 2.26. **“residential”** means a suite of rooms which forms a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, motel, lodge, bed and breakfast establishment, commune, boarding establishment, hostel and compound.
- 2.27. **“small holding”** means a property zoned as agricultural land as per the land use scheme and size is between 2,5 and 10 hectares.
- 2.28. **All other terms** are used within the context of the definitions contained in the Municipal Property Rates Act, 2004 (Act No.6 of 2004).

### **3. POLICY PRINCIPLES**

- 3.1. Rates are levied in accordance with the Act as an amount in the rand based in proportion to the improved value of all rateable property contained in the Municipality’s valuation roll and supplementary valuation roll.
- 3.2. As allowed for in the Act, the Municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The Municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 3.3. Phasing in of rates will be based on the new valuation roll, and in terms of Section 21 of the Act.
- 3.4. Property rates will be used to finance community and subsidised services and not used to subsidise trading and economic services.
- 3.5. The income base of the municipality will be protected by limiting exemptions, rebates and reductions.
- 3.6. The rates policy for the Municipality is also based on the following principles:
- 3.6.1 Equity  
The Municipality will treat all rate payers with similar properties the same.
- 3.6.2 Affordability  
The ability of a person to pay rates will be taken into account by the Municipality. In dealing with the poor/indigent ratepayers, the Municipality will provide relief measures through exceptions, reductions or rebates.
- 3.6.3 Sustainability  
Rating of property will be implemented in a way that:
- i. it supports sustainable local government by providing a stable and continuous revenue source within the discretionary control of the Municipality; and
  - ii. supports local and social economic development.

#### 3.6.4 Cost efficiency

Rates will be based on the value of all rateable properties and the amount required by the Municipality to balance the operating budget after taking into account profits generated on trading services (water, electricity) and economic services (refuse removal, sewerage services) and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the Municipality from time to time.

#### 3.7 Rebate application

Owners or occupants of properties should submit annual application for rates rebate /exemption for consideration by Council.

### 4. SCOPE OF THE POLICY

This policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the applications of the various property rates will be published in the Municipality's schedule of tariffs, which must be read in conjunction with this policy.

### 5. APPLICATION OF THE POLICY

In imposing the rate in the rand for each annual operating budget component, the Municipality shall grant exemptions, rebates and reductions to the categories of properties and owners as allowed for in this policy.

### 6. CATEGORIES OF PROPERTY

6.1. Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions will be according to the:-

- 6.1.1 use of the property;
- 6.1.2 permitted use of the property, or
- 6.1.3 geographical area in which the property is situated.

6.2. The Municipality may differentiate between the following property categories:

- 6.2.1 residential properties;
- 6.2.2 business and commercial properties;
- 6.2.3 industrial properties;
- 6.2.4 mining properties;
- 6.2.5 public service infrastructure;
- 6.2.6 public benefit organisations;



- 6.2.7 agricultural properties used for agricultural purposes;
- 6.2.8 agricultural properties used for eco-tourism or conservation;
- 6.2.9 agricultural properties used for commercial purposes
- 6.2.10 agricultural properties used for the trading in or hunting of game or other business;
- 6.2.11 small holdings used for residential purposes;
- 6.2.12 small holdings used for business
- 6.2.13 eco-villages;
- 6.2.14 privately owned towns serviced by the owner;
- 6.2.15 state-owned properties;
- 6.2.16 municipal owned properties;
- 6.2.17 protected areas;
- 6.2.18 multiple use properties;
- 6.2.19 vacant land.

## **7. CATEGORIES OF OWNERS**

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the:-

- 7.1 indigent status of the owner of a residential property;
- 7.2 owner of a residential property with a source of income within a determined threshold;
- 7.3 owners of property situated within an area affected by:-
  - 7.3.1 a disaster within the meaning of the Disaster Management Act, 2002 Act no.57 of 2002); or
  - 7.3.2 any other serious adverse social or economic conditions;
- 7.4 owners of residential properties with a market value below a determined threshold; or
- 7.5 owners of agricultural properties who are *bona fide* farmers.

## **8. PROPERTIES USED FOR MULTIPLE PURPOSES**

Rates on properties used for multiple purposes will be levied as follow:

- 8.1 by apportioning the market value of a property to the different purposes for which the property is used; and
- 8.2 applying the relevant cent amount in the rand, including any applicable exemption, rebate or reduction, to the corresponding apportioned market value.

## 9. DIFFERENTIAL RATING

- 9.1. Criteria for differential rating on different categories of properties will be according to:-
- 9.1.1 The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- 9.1.2 The promotion of social and economic development of the Municipality.
- 9.2. Differential rating among the various property categories will be done by way of setting a different rate for each property category
- and/or
- 9.3 by way of reductions and rebates.

## 10. EXEMPTIONS

The following properties are exempted from rates:

- 10.1 Municipal properties
- 10.1.1 rateable properties registered in the name of or vested to the Municipality
- except**
- property solely used for the provision of the following services which shall receive a rebate of 30%:
- electricity service
  - water service
  - sewerage service
  - refuse removal service
- 10.1.2 rateable properties registered in the name of the Municipality and which are let to the employees of the Municipality for residential purposes;
- 10.1.3 rateable property registered in the name of the Municipality and which is let by the Municipality for not more than a nominal rent as determined by the Municipality.
- except**
- 10.1.3.1 if any property belonging to a Municipality is disposed of to any person/organisation, he/she shall be considered to be the owner liable for the payment of rates from the date of taking possession.
- 10.1.3.2 any property let to any person/organisation for non-municipal use in which case an amount equivalent to property rates which would

otherwise be levied, property rates will be payable by the lessee from a date as determined in the rental agreement.

10.2     Cemeteries and crematoria

Registered in the names of private persons and operated not for gain.

10.3     Registered indigent property owners will be exempted from the payment of rates to a maximum property value equal to the improved value of a RDP house and stand. The impermissible rates contemplated in terms of section 17 (1) (h) of the Act is included in this value.

10.4.    National, Provincial and Municipal road reserves as well as railway reserves are exempted from payment of rates.

10.5    The following properties may apply for exemption from rates;

10.5.1   Cultural institutions

Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.

10.5.2   Museums, libraries, art galleries and botanical gardens

Registered in the name of private persons, open to the public and not operated for gain.

10.5.3   Youth development organisations

Property owned and/or used exclusively for organisations for the provision of youth leadership or development programmes.

10.5.4   Animal welfare

Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

## 11.    **CONDITIONS FOR EXEMPTION**

Exemptions for properties mentioned under paragraph 10 will be subject to the following conditions:

- 11.1 all applications must be addressed in writing to the Municipality in the prescribed manner or application form;
- 11.2 applications/submissions must include financial statements and bank accounts which includes investment information, for the last 3 years;
- 11.3 a SARS tax exemption certificate must be attached to all applications;
- 11.4 all applications to be approved by the Exemption and Rebate Committee
- 11.5 applications must reach the Municipality before the end of October preceding the start of the new Municipal financial year for which relief is sought;

## **12. REDUCTIONS**

- 12.1 A reduction in the Municipal valuation as contemplated in section 15(1) (b) of the Act will be granted where the value of a property is affected by:-
  - 12.1.1 a disaster within the meaning of the Disaster Management Act, 2002 (Act no.57 of 2002); or
  - 12.1.2 any other serious adverse social or economic conditions.
- 12.2 The reduction will be in relation to the certificate issued for this purpose by the Municipal valuator.
- 12.3 All categories of owners can apply for a reduction in the valuation of the property as described above.
- 12.4 Criteria for granting reductions are as follow:
  - 12.4.1 A reduction in the Municipal valuation as contemplated in section 15(1) (b) of the Act may be granted where the value of a property is affected by fire damage demolition or floods.
  - 12.4.2 The reduction will be in relation to the certificate issued for this purpose by the Municipal valuator.

## **13. REBATES**

### **13.1 Public Benefit Organisations**

The following Public Benefit Organisations may apply for the rebate of property rates subject to submission of a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No.58 of 1962) and financial statements.

#### **13.1.1 Health care institutions**

Properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the Municipality.

13.1.2 Welfare institutions

Properties used exclusively as an orphanage, old age home or benevolent institution, including workshops used by the residents, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the Municipality.

13.1.3 Charitable institutions

Property belonging to registered not-for-gain institutions or organisations that perform charitable work.

13.1.4 Sporting bodies

Property used for the purpose of amateur sports on a non-professional and non-profitable basis.

13.1.5 Retirement Establishments

Rates rebate for non-profit organisations providing accommodation for retired individuals are subject to be considered to receive a rebate that will be calculated as a prorata amount based on the number of occupants that qualify for either an indigent subsidy or rebate will be granted as a prorata amount of the number of qualifying occupants,

All occupants with life rights residing within a retirement establishment would be required to do individual applications by completing either the indigent application form or a pensioner's rebate form. This would apply whether a property is registered in the occupant's name or in an entity's name.

Occupiers without life rights that pay rentals, the organisation will be required to submit all rentals payable by the occupant.

The Municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.

All other property in a retirement establishment not occupied by a tenant or owner for residential purposes will not qualify for a rebate.

The council may grant a rebate to the following categories:

13.2 Categories of property

13.2.1 Business, commercial and industrial properties



The Municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy. The following criteria will apply:

- 13.2.1.1 job creation in the Municipal area;
- 13.2.1.2 social upliftment of the local community; and
- 13.2.1.3 creation of infrastructure for the benefit of the community.

Rebates on this category 13.2.1, will be considered on application subject to:

- a business plan submitted in respect of the company indicating the local, social and economic development objectives of the Municipality are going to be met;
- an implementation plan submitted and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the business entity plans to continue to meet the objectives;
- an assessment by the Municipal Manager or his/her nominee indicating that the company qualifies; and
- approval of the application by a Municipal Council resolution.

- 13.3 State properties  
Receive a rebate as determined in Schedule 1.

- 13.4 Agricultural property rebate

- 13.4.1 Agricultural properties shall be granted a rebate in accordance with Government Gazette 32061 & 32062 issued on 27 March 2009 subject to the owner providing the Municipality with required information in an affidavit received not later than 30 September each year.
- 13.4.2 Qualifying requirements are that the property is being used for agricultural purposes and that these operations are registered as such with SARS or the owner is registered as a *bona fide* farmer with SARS, or
- 13.4.3 where the owner is not taxed as a farmer, proof is required that income from farming activities exceeds 40% of the household income.
- 13.4.4 Rebates may be granted with regard to the following conditions as may be applicable and at a rate as outlined in Schedule 1 to this policy:

- (a) Rebates will be granted as determined in Schedule 1 after submission of proof by the owner to the extent to which agriculture assists in meeting service delivery and development obligations of

the Municipality and contribution to the social and economic welfare of farm workers:

- i. if the owner is providing permanent residential property to the farm workers and the right of permanent residence is conferred by means of a legal document.
- ii. if such residential properties are provided with potable water.
- iii. if the farmer has electrified such residential properties.
- iv. if the farmer is availing his land/buildings to be used for cemetery, education and recreational purposes of the farm workers' children and nearby community in general, etc.

13.5 Agricultural properties used for the trading in or hunting of game or other business, may qualify for a rebate as indicated in Schedule 1.

13.6 Eco-Villages  
Eco-Villages may qualify for a rebate according to the extent that services are not provided by the Municipality as indicated in Schedule 1.

13.7 Privately owned Towns  
Privately owned or developed towns may qualify for a rebate according to the extent that services are not provided by the Municipality as indicated in Schedule 1.

13.8 Small holdings zoned as agriculture will be treated according to the determination for agriculture land or in terms of multiple uses as the case may be.

13.9 Conservation Land  
No rebates are granted to privately owned properties whether designated or used for conservation purposes.

13.10 Historical or heritage properties  
No rebates are granted other than residential rebates if appropriate.

13.11 Public Service Infrastructure  
Rebate will be granted in accordance with Gazette number 32061 & 32062 issued on 27 March 2009.

13.12 Categories of owners

13.12.1 Retired and Disabled Persons: Rate Rebate

Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:

- 13.12.2 occupy the property as his/her normal residence;
- 13.12.3 is at least 60 years of age or in receipt of a disability pension from the Department of Social Welfare or other approved pension funds;
- 13.12.4 is in receipt of a total monthly income from all sources (including income of spouses of owner) as per Schedule 1;
- 13.12.5 not be the owner of more than one property; and
- 13.12.6 provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement;
- 13.12.7 Property owners must apply on a prescribed application form for a rebate as determined by the Municipality;
- 13.12.8 Applications must be accompanied by:-
  - a certified copy of the bar coded identify document, passport, driver's license, birth certificate or any other proof of the owner's age which is acceptable to the Municipality;
  - sufficient proof of income of the owner and his/her spouse;
  - an affidavit from the owner;
  - if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
  - if the owner has retired at an earlier age for medical reasons proof thereof must be submitted;
  - be in receipt of a total monthly income from all sources (including income of spouses of owner) as determined in Schedule 1:
- 13.12.9 These applications must reach the Municipality before the end of September preceding the start of the new Municipal financial year for which relief is sought.
- 13.12.10 The Municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.
- 13.12.11 Properties with a market value below a prescribed valuation level

These properties instead of a rate determined on the market value may be levied a uniform fixed amount per property.

13.13 Private Roads

All roads in private developments that are on individual erven can receive a rebate as per Schedule 1.

## **14. COMPULSORY PHASING IN OF RATES**

### **14.1 Newly Rateable Properties**

14.1.1 Rates levy on newly rateable property will be phased in over a period of three financial years.

14.1.2 The phasing-in discount will be determined as follow:

14.1.2.1 In the first year, 75% discount on the rates for the year applicable on the property,

14.1.2.2 in the second year, 50% discount on the rates for the year applicable on the property,

14.1.2.3 in the third year, 25% discount on the rates for the year applicable on the property.

### **14.2 Newly Rateable property owned and used by Public Benefit Organisations**

14.2.1 Rates levied on newly rateable property owned and used by organisations conducting specified public benefit activities determined by Council and registered in terms of the Income Tax Act for those activities will be phased in over a period of four financial years.

14.2.2 The phasing-in discount will be determined as follow:

14.2.2.1 In the first year no rates will be levied on the property concerned;

14.2.2.2 In the second year, 75% discount on the rates for the year applicable on the property;

14.2.2.3 in the third year, 50% discount on the rates for the year applicable on the property;

14.2.2.4 in the fourth year, 25% discount on the rates for the year applicable on the property.

### **14.3 Rates on Property belonging to a land reform beneficiary or his/her heirs**

14.3.1 The exclusion on property belonging to a land reform beneficiary or his/her heirs from levying of rates will lapse ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.

14.3.2 After the exclusion period has lapsed, rates payable on the properties concerned will be phased-in over a period of three financial years.

14.3.3 The phasing-in discount will be determined as follows:-

14.3.3.1 In the first year, 75% discount on the rates for the year applicable on the property;

- 14.3.3.2 in the second year, 50% discount on the rates for the year applicable on the property;
- 14.3.3.3 in the third year, 25% discount on the rates for the year applicable on the property.

## **15. COST TO THE MUNICIPALITY DUE TO EXEMPTIONS, REDUCTIONS, REBATES, EXCLUSIONS, PHASING IN AND THE BENEFIT THEREOF TO THE LOCAL COMMUNITY.**

- 15.1 The Municipal manager shall ensure that the revenue foregone in respect of the foregoing rebates, exemptions and reductions, are appropriately disclosed in each annual operating budget and in the annual financial statements and annual report and that such rebate, are clearly indicated on the rates account submitted to each property owner.
- 15.2 The municipal manager must annually table in Council:-
  - 15.2.1 a list of all exemptions, reductions and rebates, i.e phasing in discounts, 20% rebate, etc, granted by the municipality during the previous financial year;
  - 15.2.2 a statement reflecting the income which the municipality has foregone during the previous financial year by way of such exemptions, reductions and rebates and the phasing in discount granted in terms of section 21 of the Municipal Property Rates Act

## **16 RATES INCREASES**

- 16.1 The Municipality may consider increasing rates annually during the budget process using the guidelines issued by National Treasury from time to time as a guide.
- 16.2 Rate increases will be used to finance the increase in operating costs of community and subsidised services.
- 16.3 Affordability of rates to ratepayers.
- 16.4 All increases in property rates will be communicated to the local community in terms of the Municipality's policy on community participation meetings, local newspapers, community libraries and municipal websites participation.
- 16.5 A rates tariff in a financial year shall be determined as a proportion of the amount required to finance the difference between the total budget and the amount raised through the trading services.

## **17 NOTIFICATION OF RATES**

- 17.1 The Municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective.



Accounts delivered after the 30 days notice will be based on the new rates.

- 17.2 A notice stating the extent of the Municipality's resolution and the date on which the new rates become operational will be displayed by the Municipality at places provided for that purpose.
- 17.3 Rates tariff to be used for the levying of rates during a financial year will be promulgated in a Provincial Gazette

## **18 PAYMENT OF RATES**

- 18.1 Ratepayers may choose between paying rates annually in one instalment on or before 30 September or in twelve equal instalments on or before the date mentioned on the monthly municipal account.
- 18.2 Twelve equal monthly instalments will be used as default method to levy property rates on the accounts of owners and owners will have to apply for an annual payment.
- 18.3 If the owner of property that is rateable, notifies the Municipal Manager or his/her nominee not later than 31 May in any financial year, or such later date in such financial year as may be determined by the Municipal Manager or his/her nominee that he/she wishes to pay all rates in respect of such property in one instalment, such owner shall be entitled to pay all rates in the subsequent financial year and each subsequent financial year in one instalment until such notice is withdrawn by him/her in a similar manner.
- 18.4 Interest on arrears of rates whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the bank prime rate plus 1% as determined from time to time by the SA Reserve Bank. Interest will be calculated on arrears.
- 18.5 If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and Indigent Policies of the Municipality.
- 18.6 Arrear rates may be recovered from tenants, occupiers and agents of the owner, in terms of Section 28 and 29 of the Act.
  - 18.6.1 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the tenant or occupier of the property, despite any contractual obligation between the tenant and the owner. The Municipality will only recover the outstanding rates from the tenant or occupier after a written notice has been served to the tenant or occupier.
  - 18.6.2 The amount that the municipality will recover from the tenant or occupier will be limited to the amount of the rent or other money due and payable, but not yet paid by the tenant or occupier to the owner of the property. The tenant or occupier must set off any amount recovered from them by the municipality against any money owed to the owner.

- 18.6.3 The tenant or occupier of a property will on request of the municipality, furnish the municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period as may be determined by the municipality.
- 18.6.4 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined, the municipality will recover the amount in whole or in part from the agent of the owner. The Municipality will only recover the outstanding rates from the agent after a written notice has been served to the agent.
- 18.6.5 The amount that the municipality will recover from the agent will be limited to the amount of the rent or other money received by the agent on behalf of the owner less any commission due to the agent.
- 18.6.6 The agent will on request of the municipality, furnish the municipality with a written statement specifying all payments for rent on the property and any money received by the agent on behalf of the owner during a period as may be determined by the municipality.
- 18.6.7 A rate levied by the Municipality on a property must be paid by the owner of the property. Joint owners of a property are jointly and severally liable for the amount due for rates on that property.

18.6.8 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

18.7 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

#### 18.8 Effective Implementation Date

General / Supplementary Valuation

General Valuation will be effective on the first day of a financial year.

## 19 PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEME

The rate levied on a sectional unit is payable by the owner of the unit. The Municipality may not recover the rate on such sectional title unit, or any part of such rate, from the body corporate controlling the sectional title scheme,

except when the body corporate itself is the owner of any specific sectional title unit.

## **20 ACCOUNTS TO BE FURNISHED**

20.1 The Municipality must furnish each person liable for the payment of a rate with a written account specifying:

- 20.1.1 The amount due for rates payable;
- 20.1.2 The date on or before which the amount is payable;
- 20.1.3 How the amount was calculated;
- 20.1.4 The market value of the property;
- 20.1.5 Phasing in discount if applicable.

20.2 The person liable for payment of the rates remains liable for such payment whether or not such person has received a written account from the Municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries from the Municipality.

## **21 REGULAR REVIEW PROCESSES**

The rates policy must be reviewed on an annual basis to ensure that it complies with legislation and the Municipality's strategic objectives as contained in the IDP.

## **22 CORRECTION OF ERRORS AND OMISSIONS**

Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be approximately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.

## **23 FREQUENCY OF VALUATIONS**

The Municipality shall prepare a new valuation roll every 4 (four) years and supplementary valuation every 12 (6) six (6) months.

## **24 GENERAL VALUATION AND PREPARATION OF VALUATION ROLL**

- 24.1. The Municipality must cause a general valuation to be made of all properties in the Municipality's jurisdiction and must prepare a valuation roll of all properties in terms of such valuation.
- 24.2. All rateable properties in the Municipal area of Ndlambe must be valued during such general valuation, including properties fully or partially excluded from rates in terms of section 17 of the Property Rates Act.
- 24.3. The general valuation must reflect the market value of properties in accordance with the market conditions that apply as at the date of the valuation, and in accordance with any other applicable provisions of the Property Rates Act.
- 24.4. A valuation roll takes effect from the start of the financial year. Following completion of the public inspection period required by the Act and remains valid for that financial year and subsequent years but not exceeding four financial years.
- 24.5. The market value of a property is the amount the property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer.
- 24.6. When valuing a property which is subject to a sectional title scheme, the valuator must determine the market value of each sectional unit in the scheme.
- 24.7. The Municipality must regularly, at least once a year update its valuation roll by causing a supplementary valuation roll to be prepared.

## **25. COMMUNITY PARTICIPATION**

Before the Municipality adopts its rates policy, the Municipality must follow the process of Community participation envisaged in chapter 4 of the Municipal Systems Act, and comply with the following requirements:

The Municipal Manager must:

- 25.1. Conspicuously display the draft rates policy for a period of at least 30 days at the Municipality's head and satellite offices and libraries and website if any;
- 25.2. Advertise in the media a notice stating that a draft rates policy has been prepared for submission to the Council, and that such policy is available at various Municipal offices for public inspection and is also available on the website if any, and inviting local community to submit comments and representatives to the Municipality within a period specified in the notice, but which period shall not be less than 30 days.
- 25.3. Council must take all comments and representations made to it into account when considering the draft rates policy.

## **26. LEVYING OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES**

A rate on a property which is subject to a sectional title scheme must be levied on the individual sectional title units in the scheme, and not on the property as a whole.

## **27. REGISTER OF PROPERTIES**

- 27.1. The Municipality must draw up and maintain a register in respect of all properties situated within the Municipality jurisdiction, dividing such register into part A and part B.
- 27.2. Part A of the register consists of the current valuation roll of the Municipality including any supplementary valuation rolls prepared from time to time.

Part B of the register specifies which properties on the valuation roll or any supplementary valuation roll are subject to:

- 27.2.1. An exemption from rates in terms of section 15 of the Property Rates Act;
  - 27.2.2. A rebate on or a reduction in the rate in terms of section 15;
  - 27.2.3. A phasing in of the rate in terms of section 21;
  - 27.2.4. An exclusion referred to in section 17.
- 27.3. The register must be open for inspection by public during office hours. Council must at regular intervals annually update part B of the register.

## **28. BY-LAWS TO GIVE EFFECT TO THE RATES POLICY**

The Municipality must adopt by-laws to give effect to the implementation of its rates policy and such by-laws may differentiate between different categories of properties, and different categories of owners of properties liable for the payment of rates.



## 29. SHORT TITLE

This policy is the Property Rates Policy of the Ndlambe Local Municipality.

## 30. ENFORCEMENT/IMPLEMENTATION

This policy has been amended by the Municipality in terms of resolution and comes into effect from 1 July 2012.

### SCHEDULE 1

#### SCHEDULE OF REBATES

Category/Description	Proposed rebate	Based on:
<b><u>RESIDENTIAL</u></b>		
All Residential properties	16%	Business rate
<b><u>AGRICULTURAL LAND (Definition: Agricultural consumer) (Refer par.13.1.3.4)</u></b>		
<b><u>Contribution to social and economic welfare of farm workers:</u></b>		
Concrete structure permanent residential property provided to all farm workers with all basic services (potable water through a tap at house, water borne sewer, electricity, refuse removal)	4% (1% per each service)	After application of Agricultural rate
Availing land/buildings for education and recreational purposes for farm workers	1.0%	After application of Agricultural rate
<b><u>AGRICULTURAL LAND USED FOR THE TRADING IN OR HUNTING OF GAME OR OTHER BUSINESS</u></b>		
No Municipal services on property	30.0%	Business rate
Partial Municipal services on property	25.0%	Business rate

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Category/Description	Proposed rebate	Based on:
<b><u>ECO-VILLAGES</u></b>		
All residential properties	16%	Business rate
Rebate for all services not provided funded by rates	8%	Business rate
<b><u>ECO-TOURISM</u></b>		
Rebate for all services not provided funded by rates	30.0%	
<b><u>PRIVATELY OWNED TOWNS SERVICED BY OWNER</u></b>		
All residential properties	16%	Business rate
Rebate for all services not provided funded by rates	8%	Business rate
<b>RETIRED AND DISABLED OWNERS ON RESIDENTIAL PROPERTY WITH RATEABLE VALUE OF LESS THAN R1 100 000</b>		
Category/Description	Proposed rebate	Based on:
Owner with income up to R 3000 per month	45.0%	Business rate
Owner with income between R 3001 and R 4000	35.0%	Business rate
Owner with income between R 4001 and R 5000	25.0%	Business rate
<b>PRIVATE ROADS / PRIVATE OPEN SPACES</b>		
Private roads / Private open spaces fully accessible to the public on individual erven	100.0%	
<b>INDIGENT HOUSEHOLDS</b>	<b>Proposed rebate</b>	<b>Based on:</b>
Owners with income up to the equivalent of two government old age pensions	100%	Business rate
Owners with income greater than two government old age pension and R 3 500 per month	30.0%	Business rate

All above rebates will only be granted on completion of the necessary application form and the submission of all required documentation.

All applications will be subjected to verification before approval.

In terms of section 17 of the Act, a Municipality may not levy a rate:-

- a) on the first 30% of the market value of public service infrastructure
- b) on the first R15 000 of the Market value of a property assigned in the valuation roll or supplementary valuation roll of the municipality for:
  - i) all residential properties
  - ii) all properties used for multiple purpose, provided one or more components of the property are used for residential purpose



# **NDLAMBE MUNICIPALITY**

## **TARIFF POLICY**

**2016/2017**

## **Tariff Policy**

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## **TARRIFF POLICY**

### **PART 1: GENERAL INTRODUCTION AND OBJECTIVE**

A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

The tariffs policy has been compiled taking into account, where applicable, the guidelines set out in Section 74 (see part 9 of this policy).

In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

### **PART 2: GENERAL PRINCIPLES**

Service tariffs imposed by the local municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the ability to pay the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigency relief measures approved by the municipality from time to time).

The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.

Tariffs for the four major services rendered by the municipality, namely:

- electricity
- water
- sewerage (waste water)
- refuse removal (solid waste),

shall as far as possible recover the expenses associated with the rendering of each service concerned. The tariff which a particular consumer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.

The municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the foregoing services further generate an operating surplus each financial year of 10% or such lesser percentage as the council of the municipality may determine at the time that the annual operating budget is approved. Such surpluses shall be applied in relief of property rates and for the partial financing of general services or for the future capital expansion of the service concerned, or both. The modesty of such surplus shall prevent the service tariffs concerned from being viewed as concealed taxes.

In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.

The municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidization between categories of consumers or users shall be evident to all consumers or users of the service in question.

The municipality undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.

In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.

In addition, the municipality shall levy monthly availability charges for the services concerned, and these charges shall be fixed for each type of property as determined in accordance with the detailed policies set out below. Generally, consumers of water and electricity shall therefore pay two charges: one, which is unrelated to the volume of consumption and is levied because of the availability of the service concerned; and another directly related to the consumption of the service in question.

In considering the costing of its water, electricity and sewerage services, and the municipality shall take due cognisance of the capital cost of establishing and expanding such services, and of the resultant fixed costs, as opposed to variable costs of operating these services. The municipality therefore undertakes to plan the management and expansion of the services carefully in order to ensure that both current and reasonably expected future demands are adequately catered for, and that demand levels which fluctuate significantly over shorter periods are also met. This may mean that the services operate at less than full capacity at various periods, and the costs of such surplus capacity must also be covered in the tariffs which are annually levied.

In adopting what is fundamentally a two-part tariff structure, namely a fixed availability charge coupled with a charge based on consumption, the municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.

### PART 3: CALCULATION OF TARIFFS FOR MAJOR SERVICES

In order to determine the tariffs which must be charged for the supply of the four major services, the municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

- Cost of bulk purchases in the case of water and electricity.
- Distribution costs.
- Distribution losses in the case of electricity and water.
- Depreciation expenses.
- Maintenance of infrastructure and other fixed assets.
- Administration and service costs, including:
  - service charges levied by other departments such as finance, human resources and legal services;
  - reasonable general overheads, such as the costs associated with the office of the municipal manager;
  - adequate contributions to the provisions for bad debts and obsolescence of stock;
  - all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area (note: the costs of the democratic process in the municipality – that is, all expenses associated with the political structures of the municipality – shall form part of the expenses to be financed from property rates and general revenues, and shall not be included in the costing of the major services of the municipality).

- The intended surplus to be generated for the financial year, such surplus to be applied:
  - as an appropriation to capital reserves; and/or
  - generally in relief of rates and general services.
- The cost of approved indigency relief measures.

The municipality shall provide the first 50kWh of electricity per month and the first 6kl of water per month free of charge to consumers who have registered as indigents in terms of the municipality's indigent policy. The municipality shall further consider relief in respect of the tariffs for sewerage, refuse removal, service charges, property rates and availability charges for such registered indigents to the extent that the council deems such relief affordable in terms of each annual budget, but on the understanding that such relief shall not be less than a discount of 50% on the monthly amount billed for the service concerned.

Because water is a scarce national resource, and this municipality is committed to the prudent conservation of such resources, the tariff levied for all consumption of water shall escalate according to the volume of water consumed. The tariff for consumption shall be based on monthly consumption of up to 10 kl, more than 10 kl but not more than 20 kl, more than 20 kl.

Tariffs for pre-paid meters shall be the same as the ordinary consumption tariffs levied on the category of consumer concerned, but no availability charge shall be levied on properties where pre-paid meters have been installed. This distinction is made in recognition of the financial advantages which pre-paid metering entails for the services in question.

#### PART 4: ELECTRICITY

The various categories of electricity consumers, as set out below, shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments approved by N.E.R shall be effective from 1 July each year or as soon as possible thereafter.

Categories of consumption and charges shall be as follows:

- With the single exception of registered indigents, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- The tariff for domestic consumption of electricity shall not exceed 75% per kWh of the tariff applicable to other consumers. All other consumers, including businesses, industries and institutional consumers shall pay the same tariff per kWh.
- All domestic electricity consumers of the municipality who are registered as indigents with the municipality shall receive free the first 50kWh (fifty) of electricity consumed per month.
- All electricity consumers (including undeveloped properties, if able to connect to main line) other than the Municipality and consumers using prepaid meters per month shall additionally be billed a basic (availability) charge per meter installed.
- All commercial, industrial and other non-domestic properties shall additionally be billed where applicable, a demand charge and or energy charge appropriate to their respective levels of consumption.

#### PART 5: WATER

The categories of water consumers as set out below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year.

Categories of consumption and charges shall be:

- All domestic water consumers registered as indigents with the municipality shall receive free the first 6 (six) kl of water consumed per month. Thereafter a stepped tariff per kl as determined by the council from time to time shall be applicable on metered water consumption, as set out in Part 3 of this policy.
- All other domestic consumers shall be billed for actual water consumption at a stepped tariff per kl as determined by the council from time to time, and as set out in Part 3 of this policy.
- Water consumers such as creche's, pre-school's, school's, sporting bodies and religious institutions shall pay the same single tariff per kl, irrespective of the volume of water consumed.
- All water consumers (including undeveloped properties, if able to connect to main line) other than the Municipality and consumers using prepaid meters per month shall additionally be billed a basic (availability) charge per meter installed.

#### PART 6: REFUSE REMOVAL

The categories of refuse removal as set out below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year.

A monthly refuse removal basic (availability) charge shall apply to the following categories of users, based on the costs of the service concerned:

- Domestic, multiple dwellings and undeveloped properties (once weekly removal)
- Business, commercial and other ( twice weekly removal)

#### PART 7: SEWERAGE

The categories of sewerage users as set out below shall be charged per month at the applicable tariff as approved by the council in each annual budget.

Tariff adjustments will be effective from 1 July each year.

Categories of usage and charges shall be:

- A monthly basic (availability) charge shall be charged for undeveloped erven other than the Municipality, irrespective of their permitted or intended use and only if able to connect to main sewer line.
- A monthly basic (availability) charge based on the costs of the service shall be charged for bucket removal other than the Municipality.
- A monthly basic (availability) charge based on the costs of the service shall be charged for all users other than the Municipality who is able to connect to main sewer line.
- A fixed monthly charge based on the costs of the service per urinal, sewer point/toilet shall be charged to multiple dwelling units, hotels, accommodation establishments, creche's, pre-schools and schools.

#### PART 8: MINOR TARIFFS

All minor tariffs shall be standardized within the municipal region.

All minor tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidized by property rates and general revenues, particularly

when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

All minor tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, shall annually be adjusted at least in line with the prevailing consumer price index, unless there are compelling reasons why such adjustment should not be effected.

The following services shall be considered as community services, and no tariffs shall be levied for their use:

- municipal reference library;
- municipal lending library (except for fines set out below); and
- municipal parks and open spaces.

The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:

- maintenance of graves and garden of remembrance (cremations)
- housing rentals
- rentals for the use of municipal halls and other premises ((subject to the proviso set out below)
- building plan fees
- sales of plastic refuse bags
- sales of refuse bins
- cleaning of stands
- electricity, water, sewerage: new connection fees
- sales of livestock and plants
- photocopies and fees
- clearance certificates.

The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:

- fines for lost or overdue library books;
- advertising sign fees;
- pound fees;
- electricity, water: disconnection and reconnection fees;
- penalty and other charges imposed in terms of the approved policy on credit control and debt collection;
- penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable
- cheques.

Market-related rentals shall be levied for the lease of municipal properties.

In the case of rentals for the use of municipal halls and premises, if the municipal manager is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the municipal manager may waive 50% of the applicable rental.



The municipal manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields, and in so determining shall be guided by the likelihood of the municipality's sustaining damages as a result of the use of the facilities concerned.

## **PART 9: ANNEXURE: LEGAL REQUIREMENTS**

### **SECTION I: WATER SERVICES ACT NO.108 OF 1997**

#### **SECTION 10: NORMS AND STANDARDS FOR TARIFFS**

A municipality, in its capacity as a water services authority, must apply a tariff for water services which is not substantially different from any norms and standards which the Minister of Water Affairs and Forestry, with the concurrence of the Minister of Finance, has prescribed in terms of the present Act.

#### **SECTION 21: BY-LAW**

A municipality, in its capacity as water services authority, must make by-laws which contain conditions for the provision of water services, and which provide for at least the following (inter-alia):

- the standard of the services;
- the technical conditions of supply, including quality standards, units or standards of measurement, the verification of meters, acceptable limits of error and procedures for the arbitration of disputes relating to the measurement of water services provided;
- the determination and structure of tariffs in accordance with Section 10 of the present Act.

If the municipality, in its capacity as water services authority, has imposed conditions under which water services are provided, such conditions must be accessible to consumers and potential consumers.

If the municipality, in its capacity as water services authority, provides water for industrial use, or controls a system through which industrial effluent is disposed of, it must make by-laws providing for at least the following:

- the standards of the service;
- the technical conditions of provision and disposal;
- the determination and structure of tariffs.

### **SECTION II: LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO.32 OF 2000**

#### **SECTION 74: TARIFF POLICY**

The council of a municipality must adopt and implement a tariff policy on the levying of fees for the services provided by the municipality itself or by way of service delivery agreements.

Such policy must comply with the provisions of the present Act and any other applicable legislation.

Such tariff policy must reflect at least the following principles:

- that users of municipal services must be treated equitably in the application of the municipality's tariffs;
- that the amount individual users pay for services must generally be in proportion to the use of such services;
  
- that poor households must have access to at least basic services through tariffs which cover only operating and maintenance costs, special tariffs or lifeline tariffs for low levels of use or consumption of services or for basic levels of services, or any other direct or indirect method of subsidization of tariffs for poor households;
- that tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges;
- that tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidization from sources other than the service concerned;
- that provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
- that provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
- that the economic, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged;
- that the extent of subsidization of tariffs for poor households and other categories of users must be fully disclosed.

The tariff policy may differentiate in respect of services, service standards, service providers and other matters between different categories of users, debtors or geographical areas.

If the policy entails such differentiation, the municipality must ensure that this does not amount to unfair discrimination.

#### SECTION 73: GENERAL DUTY

The municipality must give effect to the provisions of the Constitution, and in doing so give priority to the basic needs of the local community, promote the development of the local community, and ensure that all members of the local community have access to at least the minimum level of basic municipal services.

The services provided by the municipality must be: equitable and accessible; provided in a manner conducive to the prudent, economic, efficient and effective use of available resources, and the improvement of standards of quality over time; financially sustainable; environmentally sustainable; and regularly reviewed with a view to upgrading, extension and improvement.

#### SECTION 75: BY-LAWS TO GIVE EFFECT TO POLICY

The council of the municipality must adopt by-laws to give effect to the implementation and enforcement of its tariff policy.

Such by-laws may differentiate in respect of services, service standards, service providers and other matters between different categories of users, debtors or geographical areas, but in a manner which does not amount to unfair discrimination.



## **NDLAMBE MUNICIPALITY**

### **VIREMENT POLICY**

**2016/2017**

## POLICY ON VIREMENTS

### (1) PURPOSE

The purpose of this policy is to provide directives relating to virements and to enable the accounting officer to amend budgets in the light of experience or to provide for anticipated changes.

### (2) DEFINITIONS

In this policy –

**“accounting officer”** means the municipal manager as the accounting officer of the municipality;

**“approved budget”** means an annual budget approved by the council;

**“budget-related policy”** means a policy of the municipality affecting or affected by its annual budget;

**“capital budget”** means the estimated amount for capital items in a given fiscal period.

**“capital items”** are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods.

**“Council”** means the Council of Ndlambe municipality.

**“financial year”** means a 12-month year ending on 30 June.

**“MFMA”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

**“municipality”** means the Ndlambe Municipality.

**“operating budget”** means the municipality’s financial plan, which outlines proposed expenditure for the coming financial year and the estimates of revenues to be received in order to finance them.

**“ring-fenced”** means an exclusive combination of line items grouped for specific purposes, such as salaries and wages.



**“service delivery and budget implementation plan”** means a detailed plan approved by the mayor of the municipality in terms of section 53(1)(c)(ii) of the MFMA for implementing the municipality’s delivery of municipal services and its annual budget.

**“virement”** is the process of transferring an approved budget allocation within a vote from one operating line item or capital project to another, with the approval of the relevant Manager.

**“vote”** means one of the main segments into which a budget of the municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned Ndlambe’s vote list as per Schedule 1.

### **(3) FINANCIAL RESPONSIBILITIES**

- (a)** Strict budgetary control must be maintained throughout the financial year in order that potential overspends and/or income under-recovery within individual vote departments is identified at the earliest possible opportunity.
- (b)** The accounting officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of those controls.
- (c)** It is the responsibility of each manager or head of a department or activity to which funds are allotted, to –
  - (i)** plan and conduct assigned operations so as not to expend more funds than budgeted; and
  - (ii)** identify and report any irregular or fruitless and wasteful expenditure to the accounting officer in terms of section 78 and 102 of the MFMA.

#### **(4) VIREMENT RESTRICTIONS**

The following restrictions apply to virement transfers:

- (a)** Virements may not exceed a maximum of R50 000 per item per vote check.
- (b)** A virement may not create new policy, significantly vary current policy or alter the approved outcomes/outputs as approved in the Integrated Development Plan for the current or subsequent years.
- (c)** Virements resulting in adjustments to the approved SDBIP need to be submitted with an adjustments budget together with altered outputs and measurements to the council for approval.
- (d)** No virement may commit the municipality to increasing recurrent expenditure which commits the Council's resources in the following financial year.
- (e)** No virement may be made where it would result in over-expenditure.
- (f)** No virement may add to the staff establishment of the municipality without the approval of the accounting officer.
- (g)** Virements may not be made in respect of ring-fenced allocations.
- (h)** Budgeted allocations may not be transferred from –
  - (i)** salaries / allowances;
  - (ii)** interdepartmental costs;

- (iii)** Insurance
  - (iv)** capital financing;
  - (v)** depreciation;
  - (vi)** contributions / provisions
    - Electricity, Water, Rates
    - Interest
    - Telephone
    - Uniforms
    - Skills Development Levy
    - Security Guards
  - (vii)** grant expenditure.
- (j)** Virements in capital budget allocations –
- (i)** are permitted only within specified action plans;
  - (ii)** are not across funding sources; and
  - (iii)** must have a comparable asset lifespan classification.
- (k)** No virements are permitted in the first three months or during the adjustment budget process and the final two months of the financial year without the express approval of the accounting officer in terms of the natural disaster unforeseen.
- (l)** Virement amounts may not be rolled over to subsequent years or create expectations on following budgets.

## **(5) VIREMENT PROCEDURES**

The accounting officer must determine procedures to be followed in respect of virement transfers that include but are not limited to the following:

- (a)** All virement proposals must be completed on the prescribed form accompanied by supporting documentation if applicable and forwarded to the Budget and Treasury office for checking and implementation.
- (b)** All virement proposals must be supported by the vote holder and the manager within which the vote is allocated.
- (c)** A virement form must be completed, motivated and signed by the relevant manager for all budget transfers.
- (d)** All virement transfer documentation must be in order and approved before any expenditure can be committed or incurred.
- (e)** All transfers must be motivated and need approval of the accounting officer or someone nominated by the accounting officer.
- (f)** The accounting officer must report to the Mayor and the Executive Committee on a quarterly basis on all virements that have taken place during that quarter.
- (g)** The virement must be consolidated with the adjustment budget.



## **NDLAMBE MUNICIPALITY**

### **POLICY ON THE WRITE OFF OF IRRECOVERABLE DEBT**

**2016/2017**



## **POLICY ON THE WRITE OFF OF IRRECOVERABLE DEBT**

### **(1) WHEN DEBT IS IRRECOVERABLE**

**(1)** Debt is regarded as irrecoverable if:

- (a)** All reasonable notifications and cost effective measures to recover a specific outstanding amount have been exhausted; and/or
- (b)** If the amount to be recovered is too small to warrant further endeavours to collect it; and/or
- (c)** The cost to recover the debt does not warrant further action; and/or
- (d)** The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; and/or
- (e)** A deceased estate has no liquid (cash) assets to cover the outstanding amount; and/or
- (f)** It has been proven that the debt has prescribed; and/or
- (g)** The debtor is untraceable or cannot be identified so as to proceed with further action; and/or
- (h)** It is impossible to prove the debt outstanding; and/or
- (i)** Recovery of the debt would cause undue hardship to the debtor and/or his/her dependents; and/or
- (j)** It would be to the advantage of the Council to affect a settlement of its claim or to waive its claim; and/or
- (k)** The outstanding amount is due to an administrative error

## **(2) AUTHORISATION**

### **(1) RATES**

- (a)** Rates are deemed to be recoverable in all instances.
- (b)** All requests to write off debt in respect of rates must be presented as individual items by the Chief Financial Officer to Council.
- (c)** Rates items must fully contain –
  - (i)** details of the property;
  - (ii)** details of the outstanding amount;
  - (iii)** details of the steps taken to recover the debt from previous and current owners; and
  - (iv)** the reasons for the proposed write-off.
  - (v)** details of all costs incurred to recover the debt

### **(2) OTHER DEBT**

- (a)** Schedules must be compiled and submitted to the Council for consideration with a view to writing off debt as irrecoverable.
- (b)** The schedules contemplated in subparagraph 2(b) must indicate the –
  - (i)** debtor's account number;
  - (ii)** debtor's name;
  - (iii)** physical address in respect of which the debt was raised;
  - (iv)** address;
  - (v)** erf number, if applicable,
  - (vi)** amount per account category;
  - (vii)** steps taken to recover the debt; and

**(viii)** reason to write off the amount.

**(c)** Notwithstanding the above, Council or its authorised officials will be under no obligation to write off any particular debt and will always have the sole discretion to do so.



## **NDLAMBE MUNICIPALITY**

### **POLICY AND PROCEDURES FOR IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

**2016/2017**

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## **1. Background and the objective of the policy**

### **1.1 Background**

The following Laws and regulations, amongst others, inform this policy:

- (a) Section 32 of the MFMA
- (b) Section 170 and 173 of the MFMA
- (c) Regulation 23 and 74 of the Municipal Budget and Reporting Regulations
- (d) Relevant GRAP statements

### **1.2 Objective**

The objectives of this policy includes amongst other things:

- (a) Emphasising the accountability of employees ;
- (b) Ensuring that employees have a clear and comprehensive understanding of the procedures they must follow when dealing with unauthorised, irregular or fruitless and wasteful expenditure;
- (c) Ensuring that resources made available to employees are utilised efficiently, effectively, economically and for authorised official purposes;
- (d) Ensuring that the Municipality's resources are managed in compliance with the MFMA, the Municipal Regulations and other relevant legislation,
- (e) Ensure that irregular, unauthorised or fruitless and wasteful expenditure is detected, processed, recorded, and reported timeously.

## 2. Definitions

**“fruitless and wasteful expenditure”** means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**“irregular expenditure”**, in relation to a municipality or municipal entity, means—

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”

**“unauthorised expenditure”**, in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes—

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” in the MFMA otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

**“overspending”** –

- (a) In relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure as the case may be;
- (b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) In relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section

**“Vote”** means –

- (a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different department or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

### **3. Role of the accounting officer**

MFMA outlines the responsibilities of the Accounting Officers which include amongst others:

- (a) To exercise all reasonable care to prevent and detect irregular, unauthorised, fruitless and wasteful expenditure and must for this purpose implement effective, efficient and transparent processes of financial and risk management
- (b) To inform, in writing the mayor, executive committee and council, as the case may be, if a decision is taken which, if implemented, is likely to result in irregular, unauthorised, fruitless and wasteful expenditure
- (c) On discovery of any irregular, unauthorised, fruitless and wasteful expenditure to report promptly in writing, the particulars of the expenditure to the Mayor
- (d) The MFMA further prescribe the process that must be followed to deal with irregular, unauthorised, fruitless, and wasteful expenditure.

### **4. Policy and Procedures for dealing with irregular or fruitless and wasteful expenditure**

- 4.1 Any official who becomes aware of or suspects the occurrence of irregular or fruitless and wasteful expenditure should immediately report in writing,

- the particulars of such expenditure which are within his or her knowledge, to the Accounting Officer or his or her delegate;
- 4.2 Once the Accounting Officer or his or her delegate has received the report alleging the occurrence of irregular or fruitless and wasteful expenditure, the details of such expenditure must be recorded in the register for irregular or fruitless and wasteful expenditure;
- 4.3 The Accounting Officer or his or her delegate should investigate the alleged irregular or fruitless and wasteful expenditure to determine whether the expenditure meets the definition of irregular or fruitless and wasteful expenditure;
- 4.4 For accounting records purposes, during the investigation, the expenditure must remain in the expense account i.e. the vote of the department. The results of the investigation will determine the appropriate action to be taken regarding such expenditure;
- 4.5 Should the investigation reveal that the expenditure is not irregular or fruitless and wasteful expenditure as defined; the details of the expenditure should be retained in the register for record purposes and to provide a full audit trail. The register must be updated to reflect the outcome of the investigation;
- 4.6 Should the investigation reveal that the expenditure is irregular or fruitless and wasteful expenditure as defined above, the Accounting Officer must immediately report, in writing, the particulars of such expenditure to the Mayor. The register must be updated to reflect the outcome of the investigation;
- 4.7 The Accounting Officer- must also include the expenditure in the departments monthly revenue and expenditure report submitted to council in terms of the MFMA;
- 4.8 For accounting records purposes, the irregular or fruitless and wasteful expenditure must be treated as an asset in the books of the municipality until such time as the expenditure is recovered from the responsible



person or certified by council as irrecoverable and written off in the Annual Financial Statements.

## **5. Policy and procedures for dealing with unauthorised expenditure**

- (a) Any employee who becomes aware of, or suspects the occurrence of unauthorised expenditure must immediately report, in writing, such expenditure to the Accounting Officer or his/her delegate;
- (b) On discovery of alleged unauthorised expenditure, such expenditure must be left in the account i.e. relevant vote and the Accounting Officer or his/her delegate should record the details of the expenditure in an unauthorised expenditure register. (Attached as “Annexure B”)
- (c) The Accounting Officer or his/her delegate must investigate the alleged unauthorised expenditure to determine whether the expenditure meets the definition of unauthorised expenditure.
- (d) During the period of investigation, the expenditure must remain in the expenditure account. The results of the investigation will determine the appropriate action to be taken regarding the expenditure.
- (e) Should the investigation reveal that the expenditure is in fact valid expenditure and therefore does not constitute unauthorised expenditure the details of the expenditure should be retained in the register for completeness purposes (and to provide an appropriate audit trail). The register must then be updated to reflect the outcome of the investigation;
- (f) If the investigation indicates that the expenditure is in fact unauthorised expenditure the Accounting Officer must immediately report, in writing, the particulars of the expenditure to the Mayor.
- (g) If council subsequently condones the unauthorised expenditure, the municipality requires no further action as the amount has already been

expensed in the statement of financial performance. The register should be updated to reflect the fact that the unauthorised expenditure was condoned.

- (h) If however, the council does not condone the amount, the Accounting Officer must take effective and appropriate action to recover the amount from the responsible person.

## **6. Process to authorise unauthorised expenditure**

6.1 In terms of section 32 of the MFMA, 'unauthorised expenditure' may only be authorised (condoned) by the municipal council in an adjustment budget. In this regard, regulation 23(6) of the municipal Budget and Reporting Regulations provides that:

- (6) An adjustment budget contemplated in section 28(2)(g) may only authorise unauthorised expenditure as anticipated in 32(2)(a)(i) of the MFMA and must be
  - (a) Dealt with as part of the adjustment budget contemplated in sub-regulation (1); and
  - (b) A special adjustment budget tabled in the municipal council when the mayor tables, the annual report in terms of section 127(2) of the act, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the MFMA

6.2 This means the following process must be followed:

- a) Unauthorised expenditure that occurs in the first half of the municipal year must be authorised in the main adjustment budget that must be tabled in council before 28 February.
- b) Unauthorised expenditure that occurs in the second half of the financial year, or that occurred in the first half of the year but was not authorised in the main adjustment budget (above), has to be reported in the annual financial

statements, audited and then only when the mayor tables the annual report in council can an adjustment budget be tabled in council to authorise this expenditure.

- c) If the council decides not to authorise the unauthorised expenditure, then it must be recovered from the person liable for that expenditure unless the council certifies that the amount is irrecoverable and it is written off by the council.

6.3 The power to authorise unauthorised expenditure and certify unauthorised, irregular or fruitless and wasteful expenditure as irrecoverable may not be delegated to a council committee or to any administrative committee or official. In this regard, regulation 74 of the Municipal Budget and Reporting Regulations provides that:

- (1) A council committee contemplated in section 32(2)(a)(ii) of the Act to investigate the recoverability of any unauthorised, irregular or fruitless and wasteful expenditure must consider-
  - (a) The measures already taken to recover such expenditure;
  - (b) The cost of the measures already taken to recover such expenditure;
  - (c) The estimated cost and likely benefit of further measures that can be taken to recover such expenditure; and
  - (d) Submit a motivation explaining its recommendation to the municipal council for final decision

6.4 Section 32 of the MFMA (nor any other section) does not permit council to authorise or condone irregular or fruitless and wasteful expenditure under any circumstances

6.5 Irregular or fruitless and wasteful expenditure may only be

- 1) Recovered from the person liable for the expenditure or
- 2) Certified by the council as irrecoverable and written off.

6.6 Under exceptional circumstances, the National Treasury may be approached to condone unauthorised, irregular or fruitless and wasteful expenditure in terms of section 170 of the MFMA

## **7. Investigations and disciplinary actions**

7.1 In terms section 172 and 173 of the MFMA, an Accounting Officer is guilty of financial misconduct and an offence respectively if he or she:

- (a) will fully or negligently fails to take effective and appropriate steps to prevent unauthorised, irregular or fruitless and wasteful expenditure as required by the MFMA;
- (b) fails to take effective and appropriate disciplinary steps against an official in the department who makes or permits unauthorised, irregular or fruitless and wasteful expenditure;
- (c) fails to report unauthorised, irregular or fruitless and wasteful expenditure in terms of the MFMA.

7.2 As soon as the Accounting Officer becomes aware of an allegation of financial misconduct against an official, the Accounting Officer has a responsibility to ensure that the Mayor initiates an investigation into the matter and if the allegations are confirmed, holds a disciplinary hearing in accordance with the prescripts of the applicable legislation.

7.3 In terms of section 172 of the MFMA, an official of a department to whom a duty or power has been assigned commits an act of financial misconduct if that official will fully or negligently fails to perform that duty or exercise that power in line with applicable legislation.

7.4 In terms of the MFMA, the accounting officer must take appropriate and effective disciplinary steps against an official who makes or permits unauthorised, irregular or fruitless and wasteful expenditure.

7.5 When an accounting officer determines the appropriateness of disciplinary steps against an official in terms of applicable legislation, he or she must take into account the following:

- (a) circumstances of the transgression;

- (b) extent of the expenditure involved;
- (c) nature and seriousness of the transgression

## **8. Charge of misconduct**

- 8.1 A charge of financial misconduct against an accounting officer or an official must be investigated, heard, and disposed of in terms of the statutory or other conditions of appointment or employment applicable to that Accounting officer or official.
- 8.2 In the case of departments, the applicable acts and regulations and the relevant collective agreements (bargaining council resolutions) will apply.

## **9. Recovery**

- 9.1 Notwithstanding the disciplinary process, the accounting officer must identify the official who is responsible for the unauthorised, irregular or fruitless and wasteful expenditure.
- 9.2 The information would normally be evident from the investigation process.
- 9.3 The amount of the expenditure should be recovered from the official concerned by taking the following steps:
- (a) The Accounting Officer must write to the official concerned and request him or her to pay the amount within 30 days or in reasonable instalments.
  - (b) Reasonable instalments will vary from case to case depending on such factors as the total amount involved and the affordability level of the official concerned.
  - (c) The accounting officer is expected to apply his or her discretion judiciously;
- 9.4 Should the official refuse or fail to pay as requested, the matter may be referred to an attorney for recovery



9.5 If the amount is not recoverable, the Accounting Officer may request council to certify the debt as irrecoverable and write it off in terms of the MFMA;

## **10 Reporting**

10.1 The Accounting Officer must comply with the following reporting Requirements:

10.1.1 Immediately upon discovery of unauthorised, irregular or fruitless, and wasteful expenditure, the Accounting Officer must report the details of the unauthorised, irregular or fruitless, and wasteful expenditure to the Mayor. The report must include the following details:

- (a) amount of the Unauthorised, irregular or fruitless and wasteful expenditure;
- (b) name of the vote from which the expenditure was made;
- (c) reason why the unauthorised, irregular or fruitless and wasteful expenditure could not be avoided;
- (d) name and title of the responsible official;
- (e) details of any recovery steps taken or to be taken by the municipality;
- (f) details of any disciplinary steps taken or to be taken by the municipality,

10.1.2 The Accounting Officer must also include the expenditure in the department's monthly revenue and expenditure report submitted to the Council in terms of the MFMA;

10.1.3 All unauthorised, irregular or fruitless and wasteful expenditure must be reported as a note to the annual financial statements.

## **11. Regular review of the irregular, unauthorised or fruitless and wasteful expenditure register**

The unauthorised, irregular or fruitless and wasteful expenditure register should be reviewed on a monthly basis by the Chief Financial Officer of

the municipality. This review will ensure that unauthorised, irregular or fruitless and wasteful expenditure are adequately disclosed, dealt with, recorded and that no mathematical errors exists.

## **12. Accounting treatment of unauthorised, irregular or fruitless and wasteful expenditure**

- (a) Unauthorised, irregular or fruitless and wasteful expenditure identified during one financial period, but not paid in the specific period should be recorded in the following financial year.
- (b) The cumulative unauthorised, irregular or fruitless and wasteful expenditure incurred at financial year end should be adequately and appropriately disclosed in the financial statements of the municipality.
- (c) Recognition and measurement of unauthorised, irregular or fruitless and wasteful expenditure shall be treated in terms of latest available guidelines for the compilation of the Annual Financial Statements issued to municipalities by National Treasury on an annual basis and be in line with the latest GRAP requirements.

## **13 POLICY ADOPTION**

This policy has been considered and approved by the Council of Ndlambe Municipality on .