

SCHEDULE A

BUDGET AND SUPPORTING DOCUMENTATION

ANNUAL BUDGET OF
OR TAMBO DISTRICT
MUNICIPALITY

2020/2021 TO 2021/2022
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

Copies of this document can be viewed:

- At www.ortambodm.gov.za

Table of Contents

PART 1 – ANNUAL BUDGET	2
1.1 FOREWORD BY THE EXECUTIVE MAYOR	2
1.2 COUNCIL RESOLUTIONS	2
1.3 EXECUTIVE SUMMARY	3
1.4 OPERATING EXPENDITURE FRAMEWORK.....	14
1.5 CAPITAL EXPENDITURE	19
1.6 ANNUAL BUDGET TABLES - CONSOLIDATION.....	21
1.7 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	40
1.8 BUDGET PROCESS OVERVIEW	40
1.9 BUDGET TIME SCHEDULE FOR 2019/2020	40
1.10 IDP AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN.....	101
1.11 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	105
1.12 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	110
1.13 OVERVIEW OF BUDGET RELATED-POLICIES.....	121
1.14 OVERVIEW OF BUDGET ASSUMPTIONS	123
1.15 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	164
1.16 COUNCILLOR AND EMPLOYEE BENEFITS.....	165
1.17 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	169
1.18 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	176
1.19 CAPITAL EXPENDITURE DETAILS	176
1.20 OTHER SUPPORTING DOCUMENTS.....	181
1.21 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	191

List of Tables

Table 1 Consolidated Overview of the 2019/2020 MTREF	5
Table 2 Summary of revenue classified by main revenue source.....	7
Table 3 Percentage growth in revenue by main revenue source	7
Table 4 MBRR Table A10 - Basic Service Delivery Measurement	36
Table 5 IDP Strategic Objectives	106
Table 63 MBRR Table SA7 - Measurable performance objectives.....	113

List of Figures

Figure 1 Expenditure by major type.....	28
Figure 2 Planning, budgeting and reporting cycle	111
Figure 3 Definition of performance information concepts.....	113

Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 Foreword by the Executive Mayor

1.2 Council Resolutions

On 31 May 2019 the Council of OR Tambo District Municipality met to adopt the budget which the Executive Mayor tabled for the budget year 2019/2020 and two outer years. The Mayor tabled the budget with following resolutions:

The Executive Mayor recommends to Council that Council:

1.2.1 Adopt the budget for 2019/2020 and the two outer financial years 2019/2020 and 2021/2022. Summary is as follows:

DESCRIPTION	BUDGETED 2018/2019	ADJUSTMENT BUDGETED 2018/2019	BUDGETED 2019/2020	BUDGETED 2020/2021	BUDGETED 2021/2022
Operating Revenue	1 420 748 087	1 495 656 699	1 522 476 017	1 635 147 759	1 677 334 112
Operating Expenditure	1 417 248 086	1 492 156 699	1 514 715 597	1 624 184 634	1 668 351 557
Surplus/(Deficit)	3 500 001	3 500 000	7 760 420	10 963 125	8 982 555
Total Capital Expenditure	1 184 390 453	1 344 541 615	1 129 972 533	917 136 779	1 043 955 660
Overall Total Budget	2 605 138 540	2 840 198 314	2 652 448 549	2 552 284 538	2 721 289 772

The Executive Mayor recommends the council to approve the 2019/2020 budget related policies as follows:

- Budget Policy
- Adjustment budget management policy
- Cash Management and Investment Policy
- Credit Control and Debt Collection Policy
- Funding and Reserves Policy
- Indigent Policy
- Tariff Policy
- Unallocated Deposits Policy
- Virement Policy
- Asset Management Policy

- Supply Chain Management Policy
- Costing Policy

Furthermore the Executive Mayor recommends the council to adopt of 2019/2020 consolidated draft budget and two outer years in terms of National Treasury tables A1 to A10 in accordance with section 24(1) to (2) of MFMA for further public participation of stakeholders as follows:

- Table A1 Consolidated Budget Summary
- Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)
- Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)
- Table A4 Consolidated Budgeted Financial Performance (revenue by source and expenditure by type)
- Table A5 Consolidated Budgeted Capital Expenditure by municipal vote and standard classification and associated funding by source
- 1.1.1. Table A6 Consolidated Budgeted Financial Position
- 1.1.2. Table A7 Consolidated Budgeted Cash Flows
- 1.1.3. Table A8 Consolidated Cash backed reserves and accumulated surplus reconciliation
- 1.1.4. Table A9 Consolidated Asset management
- 1.1.5. Table A10 Consolidated Basic service delivery measurement

1.3 Executive Summary

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

The District Municipality as required by section 23, 24 and 25 of Municipal Systems act (act 32 of 2000) undertook a strategic planning session with a sole mandate of developmental oriented planning so as to have a Integrated Developmental plan with implementable strategies and prioritisation of projects in compliance with section 29 of Municipal Systems act (34 of 2000). Alignment of strategic objectives, priorities and budget was undertaken. The draft IDP has been tabled to the council and further consultations with community, IGR structures and other stakeholders have been undertaken.

The District Municipality will be embarking on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Firstly there is development and implementation of by-laws, data cleansing project to ensure the accuracy of billing, full implementation of credit control and debt collection policy. National Treasury's MFMA Circular No. 51 and 54 and 58 and 59, 66, 67 and 70, 72, 74 and 75, 78, 86 and 94 were used to guide the compilation of the 2019/2020 MTREF.

The main challenges experienced during the compilation of the 2019/2020 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy resulting in low revenue collection.
- Uncertainty on the political climate due to the state capture commission and the looming general elections.
- Aging and poorly maintained water infrastructure;
- Location of the municipality resulting in subsidising 90per cent of rural households with water without return.
- Water and Sanitation infrastructure backlogs;
- Drought resulting in water source significantly reducing and some dams running dry.
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Increase in demand of water in the bulk infrastructure projects undertaken within the district area by National/Provincial government and local municipalities which requires bulk amounts of water whilst there are no means by municipality to monitor and charge the consumption of that water by that (tarring of N2 and provincial roads and access roads).
- The increased cost of bulk water, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Increase in ESKOM tariffs
- Increase in fuel prices;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Implementation of National Minimum Wage for temporal employees
- Funding the renewal of assets through funding depreciation in the operating budget resulting in cutting down on other operating expenditure.
- High cost of delivery of Water to rural communities with no return.
- Implementation of mSCOA requirements in particular the integration of data strings with the entity.

The following budget principles and guidelines directly informed the compilation of the 2019/2020 MTREF with some reference to the SONA 2019:

- The 2018/2019 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were draft as the upper limits for the new baselines for the 2019/2020 annual budget;

- The government theme of **“speeding up the implementation of water projects”**
- Implementation of cost containing measures as per MFMA circular 82
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff increase of 6per cent for residential consumers is affordable and cannot be more. The tariff is not cost reflective due to the nature of the municipality (mostly rural and few are paying customers)
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- “Separation of Power” for the legislative arm where this has been introduced in 2014/2015 budget but not fully capacitated which will require more resources.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/2020 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2019/2020 MTREF

Description	Current Year 2018/19		2018/19 Medium Term Revenue & Expenditure		
	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2020/21
R thousands					
Total Revenue (excluding capital transfers and contributions)	1 420 748	1 495 657	1 522 476	1 635 148	1 677 334
Total Operating Expenditure	1 417 248	1 492 157	1 514 716	1 624 185	1 668 352
Surplus/(Deficit)	3 500	3 500	7 760	10 963	8 983
Transfers recognised - capital	1 022 330	1 212 749	982 905	795 113	940 657
Contributions recognised - capital & contributed assets	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 025 830	1 216 249	990 665	806 076	949 640

Operating revenue has increased by 2 per cent or R27 million for the 2019/2020 financial year when compared to the 2018/2019 Adjustments Budget this is mainly due to inflationary adjustment on operating expenditure.

Total operating expenditure for the 2019/2020 financial year has been appropriated at R1,5 billion and translates into a R7.7 million surplus. When compared to the 2018/2019 Adjustments Budget, operational expenditure has increased by 1.5 per cent for each of the respective outer years of the MTREF. The depreciation has been funded and will enable the municipality to set aside funds that will assist in the renewal of infrastructure assets when the need arises in the years to come. The reserves identified to fund the operations amounted to R76 million for 2019/2020.

The capital budget of R1,1 billion for 2019/2020 is 17 per cent less when compared to the 2018/2019 Adjustment Budget. This decrease is due to the conditional grant allocation decrease, in 2019/2020 MTREF. The municipality is still grant dependant as the conditional grants amounts

to 88 per cent of the total capital budget with only 12 per cent as the own internal funding for the assets. The total allocation for MIG for 2019/2020 is R633 million from R619 million in 2018/2019 and is divided into water projects and sanitation projects. Since the sanitation projects are mainly made up of construction of VIP toilets, this does not meet the requirements of an asset as per GRAP. Previously the municipality resolved on recognising the sanitation portion as operating and only the water projects were recognised as capital. Upon introduction of circular 58, this practice has ceased and the whole MIG allocation is recognised as capital.

Items classified as asset renewal are as follows: replacement of pipes, replacement of water meters, refurbishment of boreholes, and refurbishment of water pumps. These form part of capital expenditure as they replace components of infrastructure assets. There were strides to increase the asset renewal by reducing the other operating expenditure items as recommended by National Treasury to increase the Asset Renewal.

Operating Revenue Framework

For O.R. Tambo District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty and the municipality is in one of poorest regions in South Africa. This is compounded by the increase in VAT to 15% our customer will feel the impact of the increase in the billing. The municipality has undertaken a data cleansing project to clean up the debt book so that the right consumers at right tariff are billed.

The expenditure required to address these challenges will inevitably always exceed available funding due to the area the municipality is situated in as the cost of providing water and sanitation services will not be covered by revenue because only 7per cent of consumers of services are able to pay and the 93per cent in rural areas receive the service without paying, this leads to burden of paying for services in the 7per cent who are in urban areas hence difficult to recover cost of providing the services. The municipality amassed a huge debt book which constantly grows per year due to the debt book being incorrect. The municipality is embarking on a data cleansing project where it is discovered that there are areas where they were not billed before, abnormal monthly billing of some customers due to leakages as a result bills to some of the customers reflects very huge amounts which will not be recovered. There are strategies in place to deal with these challenges. Further there revenue amnesty for consumers where there were incentive by discounting a percentage of old debts if they come forward and pay with strict timelines, this has subsequently lapsed and the municipality is on the drive to recover the outstanding debt after the completion of the data cleansing project. Budget also includes the amount projected to be received from old debts. Recently the services of the debt collector are in progress with the procurement processes continuing that will assist in collecting the old debt. These initiatives will result in the improvement of collections and consumers being comfortable to pay their bills knowing that is based on their consumptions.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the District Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 70 per cent annual collections

OR Tambo District Municipality 2019/2020 Budget and MTREF

- All government debts do not go beyond 30 days and businesses debts do not go beyond 60 days aging
- Undertaking of data cleansing project to ensure completeness and accuracy of debt book.
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the District Municipality.
- Embark on drive to increase revenue by piloting a project for billing the rural areas (peri urban) which receive the high standard of services as urban areas.

The following table is a summary of the 2019/2020 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	195 346	206 822	230 269	284 698	290 998	290 998	290 998	307 474	335 147	365 310
Investment revenue	35 170	39 504	52 465	26 000	29 300	29 300	29 300	39 382	40 116	41 500
Transfers recognised - operational	1 349 111	1 429 049	1 713 604	798 523	798 523	798 523	798 523	863 952	920 935	991 442
Other own revenue	144 954	185 106	195 400	311 527	376 836	376 836	376 836	311 668	338 950	279 083
Total Revenue (excluding capital transfers and contributions)	1 724 582	1 860 481	2 191 739	1 420 748	1 495 657	1 495 657	1 495 657	1 522 476	1 635 148	1 677 334

Table 3 Percentage growth in revenue by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

As compared to 2018/2019 adjustment budget, the revenue increased by R27 million which is 2 per cent and increases in 2020/2021 by R110 million and R42 million in 2021/2022. This is mainly as a result of increase in government grants (equitable Share) and also projected service charges revenue.

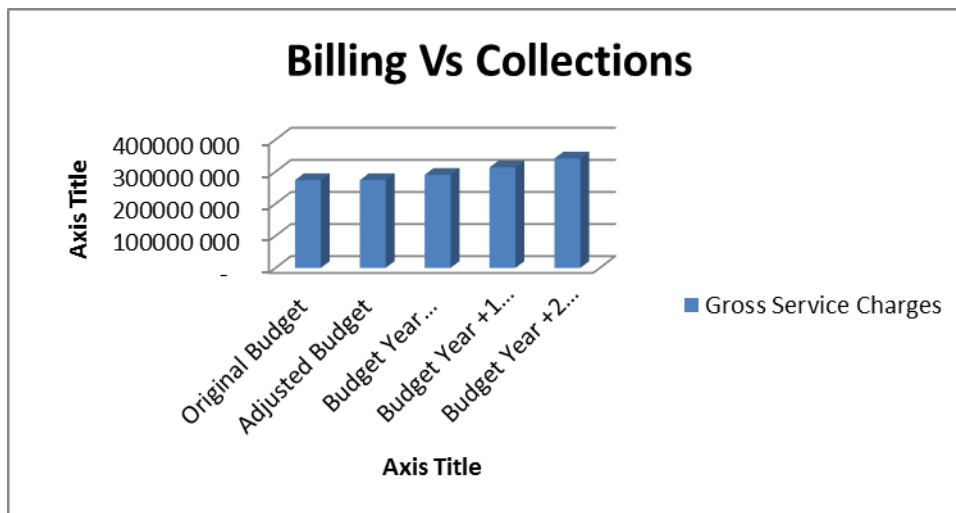
Service Charges

Description	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure		
	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2020/21
Service Charges billed	284 698 174	290 998 174	307 474 028	335 146 691	365 309 893
Interest on Debtors	5 300 000	5 300 000	30 000 000	31 800 000	33 708 000
Gross Service Charges	289 998 174	296 298 174	337 474 028	366 946 691	399 017 893
Less : Debt Impairment	(87 671 211)	(87 671 211)	(92 405 456)	(97 395 351)	(82 654 700)
Service Charges to be Collected	202 326 963	208 626 963	245 068 572	269 551 340	316 363 193

The gross revenue for service charges in original equals to R284 million and adjustment budget equals to R296 million relating to 2018/19 with interest on outstanding debtors of R5.3 million resulting in the gross service charges anticipated to be R289 million in original budget and R296 million in adjustment budget. For the 2019/20 MTREF, the gross revenue for services charges amounts to R307 million, R335 million and R365 million respectively. The anticipated debt impairment for 2018/19 MTREF amounts to R92 million, R97 million and R82 million respectively. Resulting in the anticipated collections being R245 million, R269 million and R316 million being 70per cent in 2018/19, and 70per cent in two outer years collection rate.

The propose tariff increase is 6per cent for residential, 9per cent for business and 12per cent for government during 2019/20. The Tariff policy is attached

Graphic illustration of billing vs. collections budgeted for.



Interest received comprises of interest on investments of R39 million and interest on debtors of R30 million. The interest on investments has been constant from adjustment budget to current year budget for prudence since the economy is projected to worsen due to unstable political climate.

Other own revenue consists mainly of reserves of R76 million, tender fees of R1.1 million,

Operating grants and transfers totals R863 million in the 2019/2020 financial year and increases to R920 million by 2020/2021 and to R991 in 2021/2022. The main item in the operating grants and transfers is the Equitable share amounting to R855 million for 2019/2020, R918 million and R989 million for 2020/2021 and 2021/2022 years respectively.

OR Tambo District Municipality 2019/2020 Budget and MTREF

The filling of critical vacant positions more especially in BTO will address some of the capacity challenges faced by the municipality in collecting the revenue to further increase the revenue base of the municipality in order to decrease the dependency of grants and transfers from the government.

Table 3 Operating Transfers and Grant Receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		631 409	674 226	735 126	798 523	798 523	798 523	863 952	920 935	991 442
Local Government Equitable Share		622 201	669 303	728 270	791 526	791 526	791 526	855 543	918 820	989 327
EPWP Incentive		6 693	3 213	4 811	4 882	4 882	4 882	6 294	0	0
Finance Management		1 575	1 710	2 045	2 115	2 115	2 115	2 115	2 115	2 115
Municipal Systems Improvement		940	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	631 409	674 226	735 126	798 523	798 523	798 523	863 952	920 935	991 442

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the district municipality.

The percentage increases of both water purchases from Department of Water Affairs (DWA) are far beyond the mentioned inflation target. Given that this tariff increases are determined by external agencies, the impact they have on the municipality's water rate tariffs and in these tariffs are largely outside the control of the district municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the district municipality's future financial position and viability.

It must also be appreciated that the consumer price index (CPI), as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol

and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of water, petrol, diesel, chemicals etc more especially that the petrol price is continuing to increase. The current challenge facing the district municipality in managing the gap between cost drivers and tariffs levied as only 7per cent of consumers are charged for consumption and 93per cent is not charged making it difficult to recover costs and at the same time not increasing the tariffs too much for the 7per cent that are charged. Extending the revenue base of the municipality to bill the peri-urban (where most of development of informal and unregulated housing is done) areas around the city boundaries is underway but there are many public participation processes that are required.

1.3.1 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply, since demand growth outstrips supply. Review of the level and structure of water tariffs is planned to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Due to the location and the demographics of the district municipality, the challenge is OR Tambo District Municipality is made up of mostly rural areas. This result in municipality having a huge backlog in providing infrastructure for water and sanitation and the construction of infrastructure is mainly on addressing those backlogs in the rural communities. The overall number of households in the district is over 332 921 of which only 7per cent are in the urban areas of whom the revenue for services is received according to the tariffs. Even households that are in the urban areas, the district has to provide subsidies on services (free basic) due to the indigent status of the households. This presents a challenge because, due to the eradication of backlogs, most of the infrastructures assets are constructed in the rural areas where the household do not pay for the services. Resulting in the value of assets reflected in the financial statement located in rural areas. This means the depreciation of R170 million is largely made up of assets that are located in rural areas.

Currently the depreciation is funded and funding of depreciation will assist in better maintenance of infrastructure.

A tariff increase of 6 per cent for households, 9 per cent for business and increase of 12 per cent for governamen from 1 July 2018 for water is proposed. This is based on input cost assumptions of 6 per cent increase in the cost of bulk water by DWA, in addition 6 kℓ water is provided for free to the indigent households.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 4 Proposed Water Tariffs

KI	2018/19	2019/20		2020/21		2021/22	
	Current Tarriff	Proposed Tariff	Proposed Increase	Proposed Tariff	Proposed Increase	Proposed Tariff	Proposed Increase
Households							
0 - 6lk	6.79	7.20	6%	7.63	6%	8.09	6%
7-10kl	7.72	8.18	6%	8.67	6%	9.19	6%
11-20kl	10.02	10.62	6%	11.26	6%	11.94	6%
21kl +	12.32	13.06	6%	13.84	6%	14.67	6%
Business							
0-30kl	13.03	14.20	9%	15.48	9%	16.87	9%
31-40kl	17.68	19.27	9%	21.01	9%	22.90	9%
41-50kl	20.71	22.58	9%	24.61	9%	26.83	9%
51kl +	23.36	25.47	9%	27.76	9%	30.26	9%
Government							
0-30kl	14.27	15.99	12%	17.90	12%	20.05	12%
31-40kl	19.37	21.70	12%	24.30	12%	27.22	12%
41-50kl	22.70	25.42	12%	28.47	12%	31.89	12%
51kl +	25.60	28.67	12%	32.11	12%	35.96	12%

Basic charges are as follows

Category	2018/19	2019/20		2020/21		2021/22	
	Current Tarriff	Proposed Tariff	Proposed Increase	Proposed Tariff	Proposed Increase	Proposed Tariff	Proposed Increase
Domestic	48.79	51.71	6%	54.82	6%	58.11	6%
Business	81.13	88.43	9%	96.39	9%	105.06	9%
Government	81.13	90.86	12%	101.77	12%	113.98	12%

1.3.2 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent on households, 9 per cent on businesses and 12 per cent on government for sanitation from 1 July 2019 is proposed. This is based on number of units (toilets) the household/business/government has. The tariff is per toilet facility on the household or business and this is tabulated here-under.

Table 4 Proposed sanitation tariffs

OR Tambo District Municipality 2019/2020 Budget and MTREF

Category	2018/19	2019/20		2020/21		2021/22	
	Current Tarrif	Proposed Tariff	Proposed Increase	Proposed Tariff	Proposed Increase	Proposed Tariff	Proposed Increase
Domestic	35.60	37.73	6%	40.00	6%	42.40	6%
Business	63.38	69.08	9%	75.30	9%	82.08	9%
Government	95.18	106.61	12%	119.40	12%	133.73	12%

1.3.3 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services. This shows that for the household, the average bill for water and sanitation per month for the middle income range amounts to R150. This depends on the consumptions as more the consumption, the more the bill. This is only an average for water and sanitation only as other services are not offers by the district municipality. For Indigent, the subsidy offered per month amount to R146 and also depending on the consumption because, if indigent households consumes more than 6kl, the from 7kl upwards, the household is charged.

Table 5 MBRR Table SA14 – Household bills

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		40.95	43.42	46.03	48.79	48.79	48.79	6.0%	51.72	54.82	58.11
Water: Consumption		6.49	6.87	7.29	10.03	10.03	10.03	6.0%	10.63	11.27	11.95
Sanitation		69.72	73.90	78.33	83.03	83.03	83.03	6.0%	88.01	93.29	98.89
Refuse removal											
Other											
sub-total		117.15	124.19	131.65	141.85	141.85	141.85	6.0%	150.36	159.38	168.95
VAT on Services											
Total large household bill:		117.15	124.19	131.65	141.85	141.85	141.85	6.0%	150.36	159.38	168.95
% increase/-decrease			6.0%	6.0%	7.8%	-	-	6.0%	6.0%	6.0%	6.0%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		40.95	43.42	46.03	48.79	48.79	48.79	6.0%	51.72	54.82	58.11
Water: Consumption		6.49	6.87	7.29	7.72	7.72	7.72	6.0%	8.18	8.67	9.19
Sanitation		69.72	73.90	78.33	83.03	83.03	83.03	6.0%	88.01	93.29	98.89
Refuse removal											
Other											
sub-total		117.15	124.19	131.65	139.54	139.54	139.54	6.0%	147.91	156.79	166.19
VAT on Services											
Total small household bill:		117.15	124.19	131.65	139.54	139.54	139.54	6.0%	147.91	156.79	166.19
% increase/-decrease			6.0%	6.0%	6.0%	-	-	6.0%	6.0%	6.0%	6.0%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		40.95	43.42	46.03	48.79	48.79	48.79	6.0%	51.72	54.82	58.11
Water: Consumption		5.72	6.07	6.43	6.79	6.79	6.79	6.0%	7.20	7.63	8.09
Sanitation		69.72	73.90	78.33	83.03	83.03	83.03	6.0%	88.01	93.29	98.89
Refuse removal											
Other											
sub-total		116.39	123.39	130.79	138.61	138.61	138.61	6.0%	146.93	155.74	165.09
VAT on Services											
Total small household bill:		116.39	123.39	130.79	138.61	138.61	138.61	6.0%	146.93	155.74	165.09
% increase/-decrease			6.0%	6.0%	6.0%	-	-	6.0%	6.0%	6.0%	6.0%

1.3.4 mSCOA Compliance

mSCOA is a multi-dimensional recording and reporting system across seven segments. Function or sub-function (GFS votes structure) Item (asset, liability, revenue, expenditure, etcetera) Funding source (rates, services charges, grants, loans, etcetera), Region (wards, whole municipality, head office), costing. National Treasury introduced the mSCOA in order to

standardize and intergrate the municipal activities in order to enhance the comparability, transparency of informantion for better planning, implementation and reporting.

National Treasury requires that the municipalities be able to transact live to mSCOA by 01 July 2017 with the accounting system recognized and accredited by NT. Monthly data strings are generated and uploaded to LG database.

Governance documentation is in place and an mSCOA audit file is maintained. Costing methodology has been developed and a costing policy drafted that was tabled to council in March 2018. Business processes were developed. Transacting is smooth

Challenges faced in mSCOA

Since mSCOA is a huge reform, there are many areas that totally changed and these are the challenges encountered in implementing mSCOA.

Change Management

The reform seeks to integrate all the processes and activities of the municipality forcing intergration and interdependency. Change management is still a challange There are some resistances in this change as the IDP and budget is perceived as for the IDP section and the Budget and Treasury office tools.

Handling large volume of data

Quantity of data to be handled, structured and configured resulted in a number of errors identified. But these are being managed.

IT related limitations

We had huge challenges on the support of our vendor (BCX) for the mSCOA software. This resulted in some of the modules required being delayed. This has also created problems such as non-submission of documents and data strings.

Futher training on use of new mSCOA compliant system is still required. Replacement of IT equipment (servers, computers etc) that are compatible with the mSCOA system.

Intergration with entity

There is still a challenge in intergrating the ledger of the municipality with the entity resulting in intergration of data strings not implemented at the moment. Processes of integration are in progress with both vendors of the district and the entity striving to intergrate.

1.4 Operating Expenditure Framework

The District Municipality's expenditure framework for the 2019/2020 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to backlog eradication ;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2019/2020 budget and MTREF (classified per main type of operating expenditure):

Table 6 Summary of operating expenditure by standard classification item

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Employee costs	393 172	436 331	545 646	500 435	543 197	543 197	543 197	625 440	668 953	713 467
Remuneration of councillors	17 601	17 750	20 305	27 677	21 197	21 197	21 197	22 659	24 166	25 773
Depreciation & asset impairment	156 134	164 456	163 241	162 000	162 000	162 000	162 000	170 472	179 422	188 856
Finance charges	579	12 770	9 152	-	-	-	-	39	42	47
Materials and bulk purchases	43 845	42 407	44 257	133 312	88 734	88 734	88 734	65 904	69 463	73 214
Transfers and grants	122 981	112 120	65 831	91 579	88 235	88 235	88 235	48 646	50 912	53 290
Other expenditure	589 064	618 903	681 998	502 246	588 793	588 793	588 793	581 557	631 227	613 706
Total Expenditure	1 323 375	1 404 736	1 530 431	1 417 248	1 492 157	1 492 157	1 492 157	1 514 716	1 624 185	1 668 352

The budgeted allocation for employee related costs for the 2019/2020 financial year totals R625 million, which equals 41 per cent of the total operating expenditure. Norm recommended in MFMA circular 71 is between 25 per cent to 40 per cent, this is above the norm. Constraints by the municipality is required in this aspect and plans to curb the escalation of employee costs are in progress with a planned review of the structure and skills audit for utilisation of untapped skills inside. The increase between the adjustment budget and budget under consideration equals to 15 per cent. This is mainly due to the increment of 6.9 per cent being projected and the budgeting for the filling of critical vacant posts, increase in benefits due to employment on permanent basis of temporal workers and the provision for notch adjustment for the expected job evaluation results. An annual increase of 6.7 per cent has been included in 2021/2022.

The district municipality decided to increase the salaries by 6.9 per cent as recommended by circular and 94 It should be noted that the total financial implication could not be determined.

The district municipality undertook the Separations of Powers program where there will be significant increase in the council portfolio committees hence increase in the council remuneration

costs and the councillors remunerations are budgeted under the upper limits of public office bearers in grand 5 municipality. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the district municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 69 per cent. For the 2019/2020 financial year this amount equates to R92 million and increases to R97million by 2020/2021 with a decrease to R82 million in 2021/2022 anticipating a decrease in long outstanding debts and improvement in collection rate. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management and Accounting Policies. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R170 million for the 2019/2020 financial and equates to 11 per cent of the total operating expenditure.

The depreciation has been funded and this will assist in the renewal of assets in the future should the need arise.

Bulk purchases are directly informed by the purchase of water from DWA. The annual price increases have been factored into the budget appropriations directly inform the revenue provisions. The expenditures include distribution losses. There is a decrease of 40 per cent in the bulk purchases when comparing with the adjustment budget. This is due to the settlement of the old debt from DWA that will be settled in 2018/19.

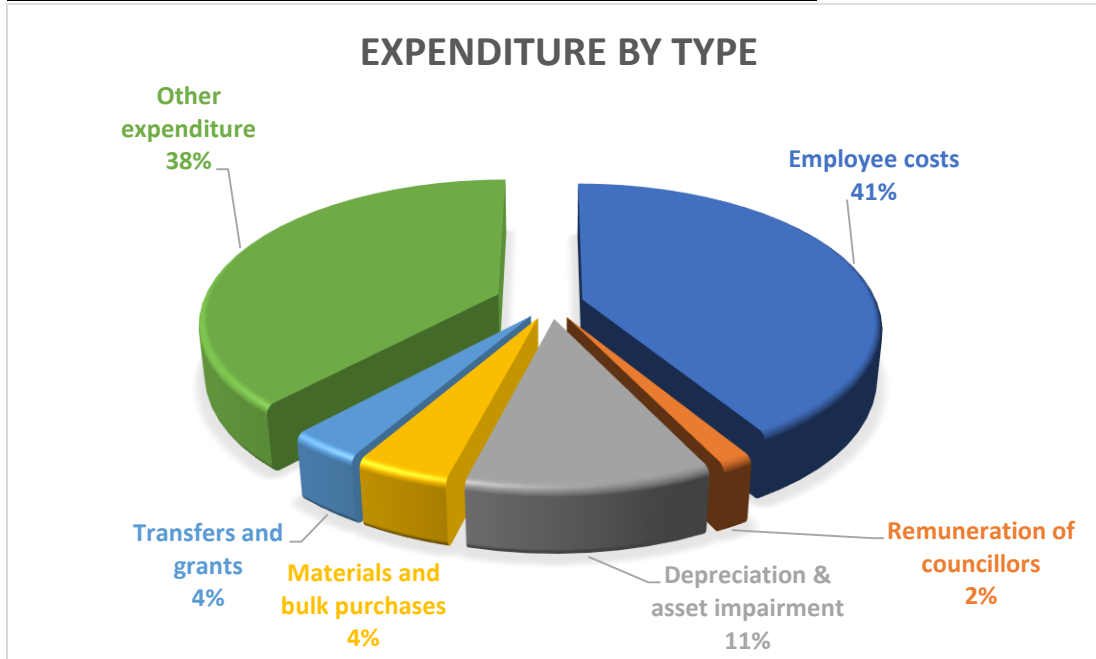
Other materials comprises of inventory materials.

Contracted services expenditure totals R206 million which is made up of contracts with the security company, consultants on professional and other contracted services like catering, hire charges, maintenance, repair of water and sanitation infrastructure and roads, repair of computers, repair of municipal buildings and repair of motor vehicles. Decrease as compared to adjustment budget by 17 per cent and gradually increased to R219 million in 2021/22.

Grants and Transfers are made up of transfers by Ntinga Development Agency to the projects, monetary and non-monetary support to the local municipalities and community programs and projects. The expenditure will increase by 6per cent and 3 per cent in 2020/2021 and 2021/2022 respectively.

Other expenditure comprises of various line items relating to the daily operations of the municipality. **Further detailed list will be provided at the end of this document.**

The following table gives a breakdown of the main expenditure categories for the 2019/2020 financial year.



The chart above indicates the main operational expenditure categories as a percentage of the total budget for the 2019/2020 financial year

1.4.1 Priority given to repairs and maintenance

During the compilation of the 2019/2020 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the district municipality's infrastructure and historic deferred maintenance. Repairs and maintenance increased by 29 per cent in the 2019/2020 financial year, from R65 million to R84 million and decreased by 13 per cent in 2021/2022.

The percentage of R&M in relation to Capital Expenditure is 4 per cent. The norm that National Treasury recommends is 8 per cent of repairs and maintenance to capital expenditure. The operating and maintenance includes the items which are classified under the general expenditure and not in the repairs but they form part of the operating and maintenance. The items included in the general expenditure are :

- Water purification chemicals amounting to R12 million
- Electricity on water schemes – R35 million

When the above items which form part of operating and maintenance are included, the total amount of O&M amounts to R112 million which is 10 per cent of capital expenditure which is above the recommended norm moreover depreciation of R170 million is budgeted for which sets aside funds for planning for the future maintenance of the infrastructure.

OR Tambo District Municipality 2019/2020 Budget and MTREF

Since MIG is considered capital grant, all the expenditure budgeted for under MIG would form part of capital expenditure even though these don't meet the criteria of capital expenditure. In the district municipality, there are projects that are awarded for the construction of sanitation VIP toilets in the rural areas under MIG. The expenditure is not recognised as capital under GRAP.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 7 Repairs and maintenance per asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and Maintenance by Asset Class	3	75 027	86 989	87 767	76 223	56 583	56 583	65 775	84 373	73 929
<i>Roads Infrastructure</i>		-	-	-	2 626	6 626	6 626	5 112	5 399	6 594
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		59 866	65 087	71 080	42 448	13 895	13 895	31 144	37 826	34 868
<i>Sanitation Infrastructure</i>		7 433	15 103	10 548	17 820	21 747	21 747	19 759	30 848	21 612
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		67 299	80 190	81 627	62 894	42 268	42 268	56 015	74 073	63 074
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2 735	4 116	1 116	3 694	5 037	5 037	3 653	3 850	4 058
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2 735	4 116	1 116	3 694	5 037	5 037	3 653	3 850	4 058
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	1 025	1 078	1 078	1 144	1 212	1 284
Furniture and Office Equipment		-	-	-	1 785	1 000	1 000	1 274	1 349	1 414
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		4 993	2 683	5 023	6 825	7 200	7 200	3 689	3 888	4 098
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

For the 2019/2020 financial year, 86 per cent or R54 million of total repairs and maintenance will be spent on water and sanitation infrastructure assets. Other assets (computer repairs, building repairs and vehicle repairs) has been allocated R9 million equating to 16 per cent to total repairs.

1.4.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the district municipality's Indigent Policy. The target is to register more indigent households during the 2019/2020 financial year, a process reviewed annually. Detail relating to

free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement

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

Since the district municipality is comprised of deeply rural areas, the large quantities of processed water form part of free basic services as the cost will not be recovered since the access to water in rural communities is mainly use of public taps (minimum service levels).

Out of the households in the district, only 7per cent households live in towns and pay for the services rendered being water and sanitation. Even in the 7per cent there are households that are registered as indigent. Then 93per cent households do not pay for services rendered and form part of free basic services. To eradicate backlogs, projects funded by Municipal Infrastructure Grant (MIG) are mainly constructed in these rural areas and a large portion of water is supplied to the areas leaving only less than 7per cent of total household paying for the water and sanitation. Cost recovery in these circumstances is difficult to maintain and the municipality is constantly reliant on grant funding.

1.5 Capital expenditure

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

Table 8 2019/2020 Medium-term capital budget per vote

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 1 - COUNCIL AND COMMITTEES	1	-	-	157	3 600	3 400	3 400	3 400	2 000	2 000	-
Vote 2 - FINANCIAL AND ADMINISTRATION		18 727	15 562	38 711	36 912	37 412	37 412	37 412	21 836	10 154	8 612
Vote 3 - PLANNING AND DEVELOPMENT		336	1 776	9 834	600	600	600	600	6 745	5 780	4 459
Vote 4 - HEALTH		-	-	-	1 100	100	100	100	120	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - HOUSING		-	-	-	4 250	9 544	9 544	9 544	3 545	45	45
Vote 7 - PUBLIC SAFETY		-	-	-	3 600	3 600	3 600	3 600	8 000	5 500	5 500
Vote 8 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 9 - ENVIRONMENTAL		-	-	-	3 500	3 500	3 500	3 500	-	-	-
Vote 10 - ROADS		-	-	-	19 439	14 439	14 439	14 439	48 112	13 291	3 472
Vote 11 - WATER		491 145	784 897	808 054	1 111 390	1 271 947	1 271 947	1 271 947	1 039 614	880 367	1 021 867
Vote 12 - TOURISM		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		510 208	802 234	856 756	1 184 390	1 344 542	1 344 542	1 344 542	1 129 973	917 137	1 043 956
Total Capital Expenditure - Vote		510 208	802 234	856 756	1 184 390	1 344 542	1 344 542	1 344 542	1 129 973	917 137	1 043 956

For 2019/2020 an amount of R987 billion has been appropriated for the development of infrastructure which represents 95 per cent of the total capital budget which will decrease in

2020/2021 to R800 million then increase to R954 billion in 2021/22. Asset Renewal amount to R49 million, R62 million and R58 million for MTREF which relates to infrastructure,.

Total new assets represent 95 per cent or R1.07 billion of the total capital budget while asset renewal equates to 5 per cent or R51 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 18 MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Capital expenditure is mainly comprised of :-

New Assets -

• Municipal Infrastructure Grant	-	R633 million
• Regional Bulk Infrastructure Grant	-	R246 million
• Water Services Infrastructure Grant	-	R100 million
• Motor Vehicles	-	R11.5 million
• Buildings	-	R15 million
• Fire Fighting Equipment	-	R5 million
• Disaster facilities	-	R30 million
• Provision of public toilets	-	R4.8 million

Asset Renewal (replacement) –

• Refurbishment of Water Schemes	-	R22 million
• Water Meters	-	R10 million
• Sewerage Reticulation	-	R10 million
• Water Pump Stations	-	R5.2 million
• Maintenance of Pipe Leaks	-	R3.2 million
• Element of Treatment Works	-	R1 million

Capital Expenditure is funded by

Conditional Grants being:-

• Municipal Infrastructure Grant	– R 633 million
• Water Services Infrastructure grant	- R 100 million
• Bulk Infrastructure Grant	- R246 million
• Rural Roads Asset Management	- R 3.1 million

Internally Generated being

Value Added Tax (VAT)	- R140 million
Other own revenue	- R7.7 million

In arriving at the VAT projection, actual outcome received from previous periods form basis of VAT projection and this is not a provision.

1.6 Annual Budget Tables - Consolidation

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/2020 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	195 346	206 822	230 269	284 698	290 998	290 998	290 998	307 474	335 147	365 310
Investment revenue	35 170	39 504	52 465	26 000	29 300	29 300	29 300	39 382	40 116	41 500
Transfers recognised - operational	857 966	644 152	894 182	798 523	798 523	798 523	798 523	863 952	920 935	991 442
Other own revenue	144 954	185 106	193 534	311 527	376 836	376 836	376 836	311 668	338 950	279 083
Total Revenue (excluding capital transfers and contributions)	1 233 437	1 075 584	1 370 451	1 420 748	1 495 657	1 495 657	1 495 657	1 522 476	1 635 148	1 677 334
Employee costs	393 172	436 331	545 646	500 435	543 197	543 197	543 197	625 440	668 953	713 467
Remuneration of councillors	17 601	17 750	20 305	27 677	21 197	21 197	21 197	22 659	24 166	25 773
Depreciation & asset impairment	156 134	164 456	163 241	162 000	162 000	162 000	162 000	170 472	179 422	188 856
Finance charges	579	12 770	9 152	-	-	-	-	39	42	47
Materials and bulk purchases	43 845	42 407	44 257	133 312	88 734	88 734	88 734	65 904	69 463	73 214
Transfers and grants	122 981	112 120	65 831	91 579	88 235	88 235	88 235	48 646	50 912	53 290
Other expenditure	589 064	618 903	681 998	502 246	588 793	588 793	588 793	581 557	631 227	613 706
Total Expenditure	1 323 375	1 404 736	1 530 431	1 417 248	1 492 157	1 492 157	1 492 157	1 514 716	1 624 185	1 668 352
Surplus/(Deficit)	(89 938)	(329 152)	(159 980)	3 500	3 500	3 500	3 500	7 760	10 963	8 983
Transfers and subsidies - capital (monetary allocation)	491 145	784 897	819 422	1 022 330	1 212 749	1 212 749	1 212 749	982 905	795 113	940 657
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(89 938)	455 745	659 442	1 025 830	1 216 249	1 216 249	1 216 249	990 665	806 076	949 640
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(89 938)	455 745	659 442	1 025 830	1 216 249	1 216 249	1 216 249	990 665	806 076	949 640
Capital expenditure & funds sources										
Capital expenditure	510 208	802 234	856 756	1 184 390	1 344 542	1 344 542	1 344 542	1 129 973	917 137	1 043 956
Transfers recognised - capital	481 354	780 649	819 422	1 022 330	1 212 749	1 212 749	1 212 749	982 905	795 113	940 657
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	28 854	21 586	37 334	162 060	131 792	131 792	131 792	147 068	122 024	103 299
Total sources of capital funds	510 208	802 234	856 756	1 184 390	1 344 542	1 344 542	1 344 542	1 129 973	917 137	1 043 956
Financial position										
Total current assets	576 192	455 665	453 688	569 449	637 785	637 785	637 785	662 789	670 780	712 949
Total non current assets	4 768 382	5 376 246	6 043 912	10 326 487	10 487 044	8 487 044	8 487 044	9 718 279	10 559 052	11 512 268
Total current liabilities	403 396	395 321	415 453	338 740	338 740	338 740	338 740	282 180	330 342	376 333
Total non current liabilities	54 837	102 837	87 087	100	100	100	100	40 675	35 199	34 954
Community wealth/Equity	4 886 340	5 333 752	5 995 060	10 557 096	10 785 990	8 785 990	8 785 990	10 058 214	10 864 290	11 813 930
Cash flows										
Net cash from (used) operating	616 172	684 008	815 135	1 349 890	1 573 094	1 573 094	1 573 094	1 167 880	991 280	1 142 961
Net cash from (used) investing	(586 211)	(800 861)	(853 000)	(1 184 390)	(1 339 257)	(1 339 257)	(1 339 257)	(1 129 973)	(917 137)	(1 043 956)
Net cash from (used) financing	(124)	38 775	(38 795)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	369 437	291 315	214 655	380 155	448 491	448 491	448 491	455 518	529 662	628 668
Cash backing/surplus reconciliation										
Cash and investments available	369 393	291 315	214 655	380 155	448 491	448 491	448 491	455 518	529 662	628 668
Application of cash and investments	197 522	216 071	118 020	(14 372)	60 370	60 370	60 370	(1 343)	(16 948)	(39 547)
Balance - surplus (shortfall)	171 870	75 244	96 634	394 527	388 121	388 121	388 121	456 862	546 610	668 214
Asset management										
Asset register summary (WDV)	510 208	802 234	856 756	1 184 390	1 344 542	1 344 542	1 344 542	1 129 973	917 047	1 043 956
Depreciation	263 916	164 456	163 241	162 000	162 000	162 000	162 000	170 472	179 422	188 856
Renewal and Upgrading of Existing Assets	-	-	-	102 212	79 512	79 512	79 512	51 039	62 949	58 149
Repairs and Maintenance	-	86 311	87 767	76 223	56 583	56 583	56 583	73 331	92 331	82 311
Free services										
Cost of Free Basic Services provided	-	-	-	690 500	690 500	690 500	769 989	769 989	826 938	890 394
Revenue cost of free services provided	1 948	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	213	212	169	173	173	173	177	177	182	185
Sanitation/sewerage:	37	29	76	65	65	65	63	63	61	60
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the district municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. For the audited outcome, there was a deficit before the capital transfers which amounted to R89 million, R329 million and R159 million from 2015/16 to 2017/18. There is a projected operating surplus of R7.7 million in 2019/2020 and R11 million and R8.9 million in two outer years respectively over the MTREF.
 - b. Capital expenditure is funded by grant transfers and own revenue of which
 - i. 56 per cent (R633 million) is MIG allocation
 - ii. 9 per cent (R100 million) is Water Services infrastructure grant
 - iii. 22 per cent (R246 million) is Bulk Infrastructure grant
 - iv. 0.27 per cent (R3.1 million) is rural roads asset management grant
 - v. 12 per cent (R140 million) other assets in capital expenditure are funded by the VAT.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional	1									
Governance and administration		1 039 536	1 098 634	800 097	474 578	535 857	535 857	526 534	521 357	552 624
Executive and council		5 610	-	-	219 647	246 518	246 518	203 946	209 796	222 638
Finance and administration		1 033 926	1 098 634	800 097	254 931	289 339	289 339	314 029	302 457	320 303
Internal audit		-	-	-	-	-	-	8 559	9 103	9 682
Community and public safety		3 240	-	425	88 660	129 578	129 578	124 239	136 158	144 740
Community and social services		-	-	425	38 994	43 639	43 639	44 317	49 210	52 286
Sport and recreation		-	-	-	8 775	10 905	10 905	11 213	11 874	12 575
Public safety		-	-	-	23 733	31 203	31 203	30 760	34 853	37 080
Housing		-	-	-	13 647	23 380	23 380	16 118	16 965	18 026
Health		3 240	-	-	3 512	20 452	20 452	21 832	23 256	24 773
Economic and environmental services		19 968	3 175	28 535	140 728	120 168	120 168	204 416	219 831	230 778
Planning and development		17 630	3 175	25 947	91 884	85 532	85 532	167 873	182 223	190 148
Road transport		2 338	-	2 587	17 310	20 663	20 663	21 716	22 930	25 106
Environmental protection		-	-	-	31 534	13 973	13 973	14 828	14 678	15 524
Trading services		661 837	758 672	1 362 682	1 733 223	1 916 187	1 916 187	1 643 372	1 545 473	1 681 962
Energy sources		-	-	-	-	-	-	-	-	-
Water management		661 837	715 881	1 314 447	1 733 223	1 916 187	1 916 187	1 643 372	1 545 473	1 681 962
Waste water management		-	42 791	48 235	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	5 888	6 615	6 615	6 819	7 441	7 888
Total Revenue - Functional	2	1 724 582	1 860 481	2 191 739	2 443 078	2 708 406	2 708 406	2 505 381	2 430 261	2 617 991
Expenditure - Functional										
Governance and administration		437 599	527 812	519 912	474 578	535 857	535 857	532 472	527 615	559 219
Executive and council		131 395	127 198	185 780	219 647	246 518	246 518	207 872	213 934	227 000
Finance and administration		302 180	395 650	328 323	254 931	289 339	289 339	316 041	304 577	322 537
Internal audit		4 025	4 964	5 809	-	-	-	8 559	9 103	9 682
Community and public safety		52 048	56 089	76 739	88 660	124 294	124 294	124 795	136 738	145 346
Community and social services		23 814	25 374	34 871	38 994	43 639	43 639	44 873	49 790	52 892
Sport and recreation		4 109	4 895	5 251	8 775	10 905	10 905	11 213	11 874	12 575
Public safety		11 337	14 460	18 343	23 733	31 203	31 203	30 760	34 853	37 080
Housing		8 085	8 328	15 703	13 647	18 096	18 096	16 118	16 965	18 026
Health		4 704	3 033	2 570	3 512	20 452	20 452	21 832	23 256	24 773
Economic and environmental services		121 552	119 761	172 419	137 789	117 229	117 229	191 997	205 131	217 856
Planning and development		68 558	76 591	136 495	91 884	85 532	85 532	162 570	175 018	185 121
Road transport		30 926	18 226	9 781	14 371	17 724	17 724	14 160	14 973	16 724
Environmental protection		22 068	24 944	26 143	31 534	13 973	13 973	15 266	15 140	16 012
Trading services		709 989	700 135	756 665	710 332	708 161	708 161	658 633	747 260	738 042
Energy sources		-	-	-	-	-	-	-	-	-
Water management		709 989	700 135	756 665	710 332	708 161	708 161	658 633	747 260	738 042
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	2 187	938	4 697	5 888	6 615	6 615	6 819	7 441	7 888
Total Expenditure - Functional	3	1 323 375	1 404 736	1 530 431	1 417 248	1 492 157	1 492 157	1 514 716	1 624 185	1 668 352
Surplus/(Deficit) for the year		401 206	455 745	661 308	1 025 830	1 216 249	1 216 249	990 665	806 076	949 640

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 12 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Water and Waste water functions. As already noted above, the municipality depends on government grants as there is a huge backlog of services, the municipality will be undertaking to endeavour in increasing the revenue collection more especially in water services so as to be able to finance the depreciation of assets and explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

3.

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote	1									
Vote 1 - COUNCIL AND COMMITTEES		5 610	-	-	219 647	246 518	246 518	221 893	228 834	242 833
Vote 2 - FINANCIAL AND ADMINISTRATION		1 033 926	1 098 634	800 097	254 931	289 339	289 339	306 554	294 558	311 956
Vote 3 - PLANNING AND DEVELOPMENT		17 630	3 175	25 947	91 884	85 532	85 532	165 960	180 188	187 983
Vote 4 - HEALTH		3 240	-	-	3 512	20 452	20 452	21 832	23 256	24 773
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	13 756	15 573	15 573	15 361	16 317	17 332
Vote 6 - HOUSING		-	-	-	13 647	23 380	23 380	16 118	16 965	18 026
Vote 7 - PUBLIC SAFETY		-	-	425	48 971	59 269	59 269	59 716	67 746	72 034
Vote 8 - SPORTS AND RECREATION		-	-	-	8 775	10 905	10 905	11 213	11 874	12 575
Vote 9 - ENVIRONMENTAL		-	-	-	31 534	13 973	13 973	14 828	14 678	15 524
Vote 10 - ROADS		2 338	-	2 587	17 310	20 663	20 663	21 716	22 930	25 106
Vote 11 - WATER		661 837	758 672	1 362 682	1 733 223	1 916 187	1 916 187	1 643 372	1 545 473	1 681 962
Vote 12 - TOURISM		-	-	-	5 888	6 615	6 615	6 819	7 441	7 888
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 724 582	1 860 481	2 191 739	2 443 078	2 708 406	2 708 406	2 505 381	2 430 261	2 617 991
Expenditure by Vote to be appropriated	1									
Vote 1 - COUNCIL AND COMMITTEES		143 401	145 798	202 227	219 647	246 518	246 518	225 819	232 972	247 194
Vote 2 - FINANCIAL AND ADMINISTRATION		294 198	382 015	317 685	254 931	289 339	289 339	308 566	296 678	314 190
Vote 3 - PLANNING AND DEVELOPMENT		68 558	76 591	136 495	91 884	85 532	85 532	160 657	172 983	182 956
Vote 4 - HEALTH		4 704	3 033	2 570	3 512	20 452	20 452	21 832	23 256	24 773
Vote 5 - COMMUNITY AND SOCIAL SERVICES		11 434	11 890	11 549	13 756	15 573	15 573	15 917	16 897	17 938
Vote 6 - HOUSING		8 085	8 328	15 703	13 647	18 096	18 096	16 118	16 965	18 026
Vote 7 - PUBLIC SAFETY		23 716	27 943	41 666	48 971	59 269	59 269	59 716	67 746	72 034
Vote 8 - SPORTS AND RECREATION		4 109	4 895	5 251	8 775	10 905	10 905	11 213	11 874	12 575
Vote 9 - ENVIRONMENTAL		22 068	24 944	26 143	31 534	13 973	13 973	15 266	15 140	16 012
Vote 10 - ROADS		30 926	18 226	9 781	14 371	17 724	17 724	14 160	14 973	16 724
Vote 11 - WATER		709 989	700 135	756 665	710 332	708 161	708 161	658 633	747 260	738 042
Vote 12 - TOURISM		2 187	938	4 697	5 888	6 615	6 615	6 819	7 441	7 888
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 323 375	1 404 736	1 530 431	1 417 248	1 492 157	1 492 157	1 514 716	1 624 185	1 668 352
Surplus/(Deficit) for the year	2	401 206	455 745	661 308	1 025 830	1 216 249	1 216 249	990 665	806 076	949 640

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the district municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the water trading services.

Table 12 Surplus/ (Deficit) calculations for the trading services

Description	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure		
	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Water					
Revenue (including capital grants and transfers)	1 733 223 299	1 916 187 446	1 643 371 529	1 545 473 500	1 681 962 130
Operating Expenditure	710 332 299	708 161 446	658 632 780	747 259 786	738 042 292
Surplus/(Deficit) for the year	1 022 891 000	1 208 026 000	984 738 748	798 213 713	943 919 838
Percentage Surplus	59%	63%	60%	52%	56%

2. The Water Services trading surplus is 59 per cent in 2018/2019 and in 2019/2020 being 60 per cent and decreased to 52 per cent and 56 per cent in two outer years respectively.
3. The surplus on the water account remains relatively constant over the MTREF Table 13

OR Tambo District Municipality 2019/2020 Budget and MTREF
MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	156 597	164 031	182 034	199 289	205 589	205 589	205 589	214 245	233 527	254 545
Service charges - sanitation revenue	2	38 749	42 791	48 235	85 409	85 409	85 409	85 409	93 229	101 620	110 765
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		872	822	90	58	58	58	58	61	64	68
Interest earned - external investments		35 170	39 504	52 465	26 000	29 300	29 300	29 300	39 382	40 116	41 500
Interest earned - outstanding debtors		42 029	46 914	36 952	5 300	5 300	5 300	5 300	30 000	31 800	33 708
Dividends received											
Fines, penalties and forfeits											
Licences and permits											
Agency services		714	407	77							
Transfers and subsidies		857 966	644 152	894 182	798 523	798 523	798 523	798 523	863 952	920 935	991 442
Other revenue	2	101 176	136 725	156 114	306 169	371 478	371 478	371 478	281 567	307 046	245 267
Gains on disposal of PPE		163	237	301					40	40	40
Total Revenue (excluding capital transfers and contributions)		1 233 437	1 075 584	1 370 451	1 420 748	1 495 657	1 495 657	1 495 657	1 522 476	1 635 148	1 677 334
Expenditure By Type											
Employee related costs	2	393 172	436 331	545 646	500 435	543 197	543 197	543 197	625 440	668 953	713 467
Remuneration of councillors		17 601	17 750	20 305	27 677	21 197	21 197	21 197	22 659	24 166	25 773
Debt impairment	3	107 782	147 042	89 118	87 671	87 671	87 671	87 671	92 405	97 395	82 655
Depreciation & asset impairment	2	156 134	164 456	163 241	162 000	162 000	162 000	162 000	170 472	179 422	188 856
Finance charges		579	12 770	9 152					39	42	47
Bulk purchases	2	43 845	42 407	44 257	70 500	67 500	67 500	67 500	41 145	43 367	45 709
Other materials	8	75 027	26 844	41 554	62 812	21 234	21 234	21 234	24 759	26 096	27 505
Contracted services		29 036	174 491	229 344	42 664	249 092	249 092	249 092	206 417	239 520	220 834
Transfers and subsidies		122 981	112 120	65 831	91 579	88 235	88 235	88 235	48 646	50 912	53 290
Other expenditure	4, 5	377 137	254 034	299 825	371 911	252 030	252 030	252 030	282 735	294 312	310 218
Loss on disposal of PPE		81	16 491	22 158							
Total Expenditure		1 323 375	1 404 736	1 530 431	1 417 248	1 492 157	1 492 157	1 492 157	1 514 716	1 624 185	1 668 352
Surplus/(Deficit)		(89 938)	(329 152)	(159 980)	3 500	3 500	3 500	3 500	7 760	10 963	8 983
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	491 145	784 897	819 422	1 022 330	1 212 749	1 212 749	1 212 749	982 905	795 113	940 657
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		401 206	455 745	659 442	1 025 830	1 216 249	1 216 249	1 216 249	990 665	806 076	949 640
Taxation				(1 866)							
Surplus/(Deficit) after taxation		401 206	455 745	661 308	1 025 830	1 216 249	1 216 249	1 216 249	990 665	806 076	949 640
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		401 206	455 745	661 308	1 025 830	1 216 249	1 216 249	1 216 249	990 665	806 076	949 640
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		401 206	455 745	661 308	1 025 830	1 216 249	1 216 249	1 216 249	990 665	806 076	949 640

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

- Total revenue is R1.5 billion in 2019/2020 and increase to R1.67 billion by 2021/2022. This represents an increase of 11 per cent for the 2020/2021 financial year and increase R155 million being 10 per cent for the 2021/2022 financial year.
- Services charges' relating to water and sanitation constitutes the biggest component of the revenue basket of the district municipality totalling R307 million for the 2019/2020 financial year and increasing to R355 million by 2021/2022.

3. Transfers recognised – local government equitable share and other operating grants from national and provincial government.
4. The following graph illustrates the major expenditure items per type.

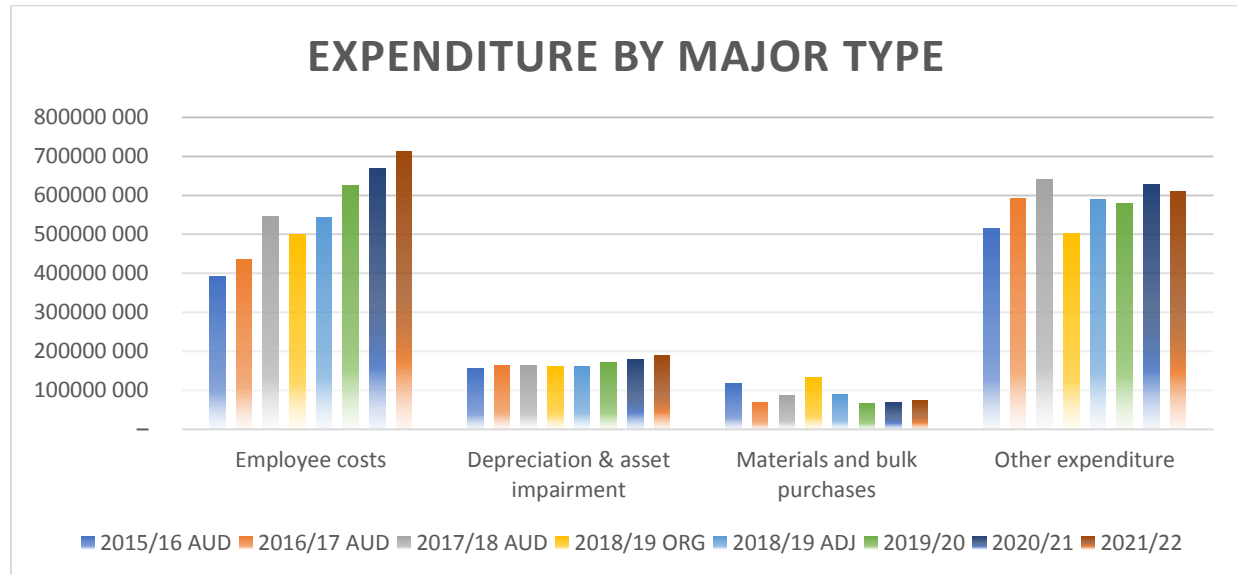


Figure 1 Expenditure by major type

5. Bulk purchases have increased from 2019/2020 to 2020/2021 period from R51 million to R73 million being 4 per cent from 2020/2021 to 2021/2022 respectively. These increases are in line with the tariff increase for bulk water purchases from DWA and repayment of old debt.
6. Employee related costs, bulk purchases, depreciation, are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

When comparing the surplus for the audited outcome for the 2017/2018 financial year with the budget for 2018/19, the actual outcome amounts to R1.5 million whilst the budget amounts to R1.4 million. The reason for the difference is due to the classification between GRAP and MBRR. For GRAP, capital revenue is included in the transfer recognised as revenue recognition on the spending of capital grants whilst in MBRR, the actual allocation for the capital transfers is not recognised in the line item for the transfer recognised hence the difference.

Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2019/20	+1 2020/21	+2 2021/22
Governance and administration		18 727	15 562	38 868	40 512	40 812	40 812	40 812	23 836	12 154	8 612
Executive and council		-	-	157	3 600	3 400	3 400	3 400	2 000	2 000	-
Finance and administration		18 727	15 562	38 711	36 912	37 412	37 412	37 412	21 836	10 154	8 612
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	8 950	13 244	13 244	13 244	11 665	5 545	5 545
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	3 600	3 600	3 600	3 600	8 000	5 500	5 500
Housing		-	-	-	4 250	9 544	9 544	9 544	3 545	45	45
Health		-	-	-	1 100	100	100	100	120	-	-
Economic and environmental services		336	1 776	9 834	23 539	18 539	18 539	18 539	54 857	19 071	7 931
Planning and development		336	1 776	9 834	600	600	600	600	6 745	5 780	4 459
Road transport		-	-	-	19 439	14 439	14 439	14 439	48 112	13 291	3 472
Environmental protection		-	-	-	3 500	3 500	3 500	3 500	-	-	-
Trading services		491 145	784 897	808 054	1 111 390	1 271 947	1 271 947	1 271 947	1 039 614	880 367	1 021 867
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		491 145	784 897	808 054	1 111 390	1 271 947	1 271 947	1 271 947	1 039 614	880 367	1 021 867
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	510 208	802 234	856 756	1 184 390	1 344 542	1 344 542	1 344 542	1 129 973	917 137	1 043 956
Funded by:											
National Government		481 354	780 649	819 422	1 022 330	1 212 749	1 212 749	1 212 749	982 905	795 113	940 657
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	481 354	780 649	819 422	1 022 330	1 212 749	1 212 749	1 212 749	982 905	795 113	940 657
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		28 854	21 586	37 334	162 060	131 792	131 792	131 792	147 068	122 024	103 299
Total Capital Funding	7	510 208	802 234	856 756	1 184 390	1 344 542	1 344 542	1 344 542	1 129 973	917 137	1 043 956

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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Single-year capital expenditure has been appropriated at R1,1 billion for the 2019/2020 financial year and then decreases in 2020/2021 to R917 million and in 2021/2022 to R1.043 billion.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the District Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from capital and provincial grants and transfers being MIG, WSIG and own revenue (VAT).

Table 15 MBRR Table A6 - Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets											
Cash		59 725	291 315	214 655	219 697	219 697	219 697	219 697	225 423	226 809	319 474
Call investment deposits	1	309 668	-	-	160 458	228 794	228 794	228 794	230 095	302 853	309 194
Consumer debtors	1	102 184	55 062	66 405	163 243	163 243	163 243	163 243	168 546	100 024	58 499
Other debtors		87 904	88 395	149 407	4 884	4 884	4 884	4 884	3 112	6 403	9 875
Current portion of long-term receivables				1 866	2 524	2 524	2 524	2 524			
Inventory	2	16 711	20 893	21 355	18 643	18 643	18 643	18 643	35 613	34 690	15 908
Total current assets		576 192	455 665	453 688	569 449	637 785	637 785	637 785	662 789	670 780	712 949
Non current assets											
Long-term receivables		1 198	1 199	1 199							
Investments											
Investment property		2 200	2 200	2 200							
Investment in Associate											
Property, plant and equipment	3	4 746 141	5 349 901	6 024 044	10 307 899	10 468 456	8 468 456	8 468 456	9 717 593	10 558 328	11 511 506
Biological		16 616	20 955	11 232	15 817	15 817	15 817	15 817	-	-	-
Intangible		2 136	1 902	4 989	2 772	2 772	2 772	2 772	686	723	762
Other non-current assets		90	90	247							
Total non current assets		4 768 382	5 376 246	6 043 912	10 326 487	10 487 044	8 487 044	8 487 044	9 718 279	10 559 052	11 512 268
TOTAL ASSETS		5 344 574	5 831 911	6 497 600	10 895 936	11 124 829	9 124 829	9 124 829	10 381 068	11 229 831	12 225 217
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	20	-	-	286	286	286	286	298	303	322
Consumer deposits		2 450	1 605	2 931	3 156	3 156	3 156	3 156	3 314	3 479	3 653
Trade and other payables	4	398 750	391 505	408 900	335 297	335 297	335 297	335 297	278 568	326 559	372 358
Provisions		2 176	2 211	3 623	-	-	-	-	-	-	-
Total current liabilities		403 396	395 321	415 453	338 740	338 740	338 740	338 740	282 180	330 342	376 333
Non current liabilities											
Borrowing		-	38 795	-	100	100	100	100	104	100	100
Provisions		54 837	64 042	87 087	-	-	-	-	40 571	35 099	34 854
Total non current liabilities		54 837	102 837	87 087	100	100	100	100	144 675	135 199	134 954
TOTAL LIABILITIES		458 234	498 159	502 540	338 840	338 840	338 840	338 840	322 854	365 541	411 287
NET ASSETS	5	4 886 340	5 333 752	5 995 060	10 557 096	10 785 990	8 785 990	8 785 990	10 058 214	10 864 290	11 813 930
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		4 886 340	5 333 752	5 995 060	10 557 096	10 785 990	8 785 990	8 785 990	10 058 214	10 864 290	11 813 930
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	4 886 340	5 333 752	5 995 060	10 557 096	10 785 990	8 785 990	8 785 990	10 058 214	10 864 290	11 813 930

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in

order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 45 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions noncurrent;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 16 MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges		138 063	127 560	131 458	197 027	197 027	197 027	197 027	215 069	237 751	282 655
Other revenue		80 281	124 791	177 279	468 287	371 536	371 536	371 536	288 373	312 890	249 794
Government - operating	1	1 296 585	1 414 280	735 539	798 523	798 523	798 523	798 523	863 952	920 935	991 442
Government - capital	1			978 071	1 022 330	1 207 465	1 207 465	1 207 465	982 905	795 113	940 657
Interest		52 452	59 708	93 945	31 300	34 600	34 600	34 600	69 382	71 916	75 208
Dividends									-	-	-
Payments											
Suppliers and employees		(950 750)	(1 034 580)	(1 233 957)	(1 075 998)	(947 821)	(947 821)	(947 821)	(1 203 154)	(1 296 413)	(1 343 505)
Finance charges		(459)	(7 753)	(1 370)	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	(65 831)	(91 579)	(88 235)	(88 235)	(88 235)	(48 646)	(50 912)	(53 290)
NET CASH FROM/(USED) OPERATING ACTIVITIES		616 172	684 008	815 135	1 349 890	1 573 094	1 573 094	1 573 094	1 167 880	991 280	1 142 961
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				608					-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(586 211)	(800 861)	(853 608)	(1 184 390)	(1 339 257)	(1 339 257)	(1 339 257)	(1 129 973)	(917 137)	(1 043 956)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(586 211)	(800 861)	(853 000)	(1 184 390)	(1 339 257)	(1 339 257)	(1 339 257)	(1 129 973)	(917 137)	(1 043 956)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing			38 795						-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(124)	(20)	(38 795)					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(124)	38 775	(38 795)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		29 837	(78 078)	(76 660)	165 500	233 836	233 836	233 836	37 908	74 144	99 005
Cash/cash equivalents at the year begin:	2	339 601	369 393	291 315	214 655	214 655	214 655	214 655	417 611	455 518	529 662
Cash/cash equivalents at the year end:	2	369 437	291 315	214 655	380 155	448 491	448 491	448 491	455 518	529 662	628 668

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the District Municipality decreased from 2015/16 to 2017/18 period owing directly to a net decrease in cash.

4. The approved 2019/2020 MTREF budget provide for a R37 million in cash held. The 2019/2020 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term and shows cash available
5. Cash and cash equivalents totals R455 million as at the end of the 2019/2020 financial year and R529 billion and R628 billion in two outer years.

Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	369 437	291 315	214 655	380 155	448 491	448 491	448 491	455 518	529 662	628 668
Other current investments > 90 days		(45)	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		369 393	291 315	214 655	380 155	448 491	448 491	448 491	455 518	529 662	628 668
Application of cash and investments											
Unspent conditional transfers		9 501	7 230	160	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(78 436)	(82 239)	(132 676)	(162 060)	(131 792)	(131 792)	(131 792)	(140 323)	(256 566)	(355 406)
Other working capital requirements	3	266 457	291 080	250 535	147 688	192 162	192 162	192 162	138 979	239 618	315 859
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		197 522	216 071	118 020	(14 372)	60 370	60 370	60 370	(1 343)	(16 948)	(39 547)
Surplus(shortfall)		171 870	75 244	96 634	394 527	388 121	388 121	388 121	456 862	546 610	668 214

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2015/16 the surplus was from R171 million then in 2016/17 to 2017/18 of R75 million and R96 million respectively. As part of the budgeting and planning guidelines that informed the compilation of the 2019/2020 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The debtors collection will be improved in 2019/20. In previous

years, creditors were high due to the old debt for the water purchases from DWAS. The debt will be settled by the end of the financial year 2018/19 which will reduce the creditors balances.

6. As can be seen the budget has been modelled to progressively move from actual deficit to surplus of R456 million in 2019/2020 to R668 million in 2021/2022. The VAT refunds form part of the statutory requirements.

Table 18 MBRR Table A9 - Asset Management

CAPITAL EXPENDITURE										
Total New Assets	1	510 208	802 234	856 756	1 082 179	1 265 030	1 265 030	1 078 934	854 188	985 807
<i>Roads Infrastructure</i>		10 759	-	-	2 939	4 439	4 439	3 112	3 291	3 472
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		470 595	784 897	819 422	1 019 391	1 204 526	1 204 526	979 793	791 822	937 185
<i>Sanitation Infrastructure</i>		9 791	-	-	4 596	4 596	4 596	4 844	5 106	5 381
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		491 145	784 897	819 422	1 026 926	1 213 561	1 213 561	987 749	800 219	946 038
Community Facilities		-	-	-	-	-	-	30 000	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	30 000	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1 661	1 974	29 849	5 629	7 389	7 389	16 401	11 476	1 556
Housing		-	-	-	3 500	7 984	7 984	3 500	-	-
Other Assets		1 661	1 974	29 849	9 129	15 373	15 373	19 901	11 476	1 556
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	2 651	2 151	2 151	2 554	2 584	2 616
Intangible Assets		-	-	-	2 651	2 151	2 151	2 554	2 584	2 616
Computer Equipment		-	801	183	2 050	1 350	1 350	5 102	2 739	2 646
Furniture and Office Equipment		17 402	2 502	2 549	3 000	3 700	3 700	2 895	2 526	945
Machinery and Equipment		-	1 623	972	30 345	22 395	22 395	16 633	16 374	17 124
Transport Assets		-	10 437	3 781	8 078	6 500	6 500	14 100	18 270	14 881
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	102 212	79 512	79 512	51 039	62 949	58 149
<i>Roads Infrastructure</i>		-	-	-	1 500	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	95 246	74 246	74 246	45 337	45 501	35 986
<i>Sanitation Infrastructure</i>		-	-	-	4 366	4 366	4 366	4 602	17 357	22 163
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	101 112	78 612	78 612	49 939	62 859	58 149
Community Facilities		-	-	-	-	-	-	1 100	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	1 100	-	-
Heritage Assets		-	-	-	1 100	900	900	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-

OR Tambo District Municipality

2019/2020 Budget and MTREF

Total Capital Expenditure	4	510 208	802 234	856 756	1 184 390	1 344 542	1 344 542	1 129 973	917 137	1 043 956
<i>Roads Infrastructure</i>		10 759	-	-	4 439	4 439	4 439	3 112	3 291	3 472
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		470 595	784 897	819 422	1 114 637	1 278 772	1 278 772	1 025 130	837 323	973 171
<i>Sanitation Infrastructure</i>		9 791	-	-	8 962	8 962	8 962	9 446	22 463	27 544
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		491 145	784 897	819 422	1 128 037	1 292 172	1 292 172	1 037 688	863 077	1 004 187
Community Facilities		-	-	-	-	-	-	31 100	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	31 100	-	-
Heritage Assets		-	-	-	1 100	900	900	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1 661	1 974	29 849	5 629	7 389	7 389	16 401	11 476	1 556
Housing		-	-	-	3 500	7 984	7 984	3 500	-	-
Other Assets		1 661	1 974	29 849	9 129	15 373	15 373	19 901	11 476	1 556
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	2 651	2 151	2 151	2 554	2 674	2 616
Intangible Assets		-	-	-	2 651	2 151	2 151	2 554	2 674	2 616
Computer Equipment		-	801	183	2 050	1 350	1 350	5 102	2 739	2 646
Furniture and Office Equipment		17 402	2 502	2 549	3 000	3 700	3 700	2 895	2 526	945
Machinery and Equipment		-	1 623	972	30 345	22 395	22 395	16 633	16 374	17 124
Transport Assets		-	10 437	3 781	8 078	6 500	6 500	14 100	18 270	14 881
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		510 208	802 234	856 756	1 184 390	1 344 542	1 344 542	1 129 973	917 137	1 043 956

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The district municipality does not meet these recommendations as the district municipality is still having a huge backlog in construction of infrastructure in the rural communities. Bulk of the budget is for construction of new infrastructure.

OR Tambo District Municipality 2019/2020 Budget and MTREF
Table 4 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets										
Water:										
Piped water inside dwelling	1	32 162	20 181	20 181	20 181	20 181	20 181	20 493	20 811	21 134
Piped water inside yard (but not in dwelling)		29 286	39 480	39 480	39 480	39 480	39 480	40 091	40 712	41 343
Using public tap (at least min.service level)	2	46 406	64 720	91 252	93 636	93 636	93 636	95 087	96 561	98 058
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		107 854	124 381	150 913	153 297	153 297	153 297	155 671	158 084	160 535
Using public tap (< min.service level)	3	19 641	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	10 966	10 966	11 767	11 767	11 767	13 578	16 237	16 590
No water supply		193 835	178 733	158 341	161 016	161 016	161 016	163 672	166 209	168 785
<i>Below Minimum Service Level sub-total</i>		213 476	189 699	169 307	172 783	172 783	172 783	177 250	182 446	185 375
Total number of households	5	321 330	314 080	320 220	326 080	326 080	326 080	332 921	340 530	345 910
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		32 162	29 650	29 650	46 389	46 389	46 389	52 153	58 667	61 077
Flush toilet (with septic tank)		21 408	2 027	2 027	2 027	2 027	2 027	2 058	2 090	2 122
Chemical toilet		-	46 792	46 792	46 792	46 792	46 792	47 517	48 254	49 002
Pit toilet (ventilated)		230 569	160 776	163 057	163 057	163 057	163 057	165 584	168 151	170 757
Other toilet provisions (> min.service level)		-	2 542	2 542	2 542	2 542	2 542	2 581	2 621	2 662
<i>Minimum Service Level and Above sub-total</i>		284 139	241 787	244 068	260 807	260 807	260 807	269 893	279 783	285 620
Bucket toilet		-	4 428	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		37 191	45 896	18 185	18 185	18 185	18 185	18 467	18 753	19 044
No toilet provisions		-	21 969	57 967	47 088	47 088	47 088	44 561	41 994	41 246
<i>Below Minimum Service Level sub-total</i>		37 191	72 293	76 152	65 273	65 273	65 273	63 028	60 747	60 290
Total number of households	5	321 330	314 080	320 220	326 080	326 080	326 080	332 921	340 530	345 910
Energy:										
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>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
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>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service										
Water (6 kilolitres per household per month)	7	-	-	-	293 472	293 472	293 472	299 629	306 477	311 319
Sanitation (free minimum level service)		-	-	-	277 664	277 664	277 664	278 710	279 773	282 711
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)	8	-	-	-	483 350	483 350	483 350	577 492	620 204	667 796
Sanitation (free sanitation service to indigent households)		-	-	-	207 150	207 150	207 150	192 497	206 735	222 599
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	690 500	690 500	690 500	769 989	826 938	890 394

Explanatory notes to Table A10 - Basic Service Delivery Measurement

The following tables contain data that is sourced from the IHS Markit Regional eXplorer version 1181. The 2018 to 2019 household figures information is extracted from the WSDP data, and the Average percentage and Household increases and decreases in Table A10 is extrapolated from it.

H/H Services - Sanitation	2019/20 H/H	2020/21 H/H	2021/22 H/H	Ave. H/H Growth
Flush toilet (connected to sewerage)	52 153	58 667	61 077	2974
Pit Toilet (Ventilated)	165 584	168 151	170 757	1724
No toilet provision	44 561	41 994	41 246	-1105
Total	332 921	340 530	345 910	

H/H Services - Water	2018/19 H/H	2019/20H /H	2020/21 H/H	Ave. H/H Growth
Piped water inside dwelling	20 493	20 811	21 134	214
Piped water in yard	40 091	40 712	41 343	417
Using public tap (at least min. service level)	95 087	96 561	98 058	990
Other water supply (< min. service level)	13 578	16 237	16 590	1004
No water supply	163 672	166 209	168 785	1704
Total	332 921	340 530	345 910	

Out of 332 921 households in the district in the 2019/2020 FY, only 20 493 households constituting to 7% receive a high level of water supply service. This therefore means that 7% of the households in the district are urban in their nature and 93 % of the households are rural in nature.

There are 52 153 households that will receive a high level of sanitation service, constituting to 16 % of the 332 921 total households estimated in the 2019/2020 FY. 50% of the households are estimated to be using VIP's (Ventilated Improved Toilet) and a backlog of 8, 8% is anticipated. Although it is noted that there are households that are recorded by Stats SA to be using bucket system, the municipality has eradicated its bucket system backlogs and those households are deemed not to be receiving sanitation services

Furthermore OR Tambo District Municipality is distributing free basic services to its communities that have registered as indigent households and have been successfully approved.

Eastern Cape: OR Tambo District Municipality(DC15) - Schedule of Service Delivery Standards Table

Standard	Description	Service Level
Water Service		
	Water Quality rating (Blue/Green/Brown/N0 drop)	Blue Drop and No Drop
	Is free water available to all? (All/only to the indigent consumers)	Only to the Indigent Consumer
	Frequency of meter reading? (per month, per year)	Per Month
	Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Two Months
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	One month
	Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
	One service connection affected (number of hours)	24 hours
	Up to 5 service connection affected (number of hours)	24 hours
	Up to 20 service connection affected (number of hours)	24 hours
	Feeder pipe larger than 800mm (number of hours)	5 Hours
	What is the average minimum water flow in your municipality?	10l/s
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
	How long does it take to replace faulty water meters? (days)	5 days
	Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
Sewerage Service		
	Are your purification system effective enough to put water back in to the system after purification?	No
	To what extend do you subsidize your indigent consumers?	100 Percent
	How long does it take to restore sewerage breakages on average	
	Severe overflow? (hours)	5 Hours
	Sewer blocked pipes: Large pipes? (Hours)	24 Hours
	Sewer blocked pipes: Small pipes? (Hours)	48 Hours
	Spillage clean-up? (hours)	24 Hours
	Replacement of manhole covers? (Hours)	
Road Infrastructure Services		
	Time taken to repair a single pothole on a major road? (Hours)	
	Time taken to repair a single pothole on a minor road? (Hours)	
	Time taken to repair a road following an open trench service crossing? (Hours)	
	Time taken to repair walkways? (Hours)	
Financial Management		
	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease

OR Tambo District Municipality 2019/2020 Budget and MTREF

Are the financial statement outsources? (Yes/No)	Yes	
Are there Council adopted business process restructuring the flow and management of documentation feeding to Trial Balance?	No	
How long does it take for an Tax/Invoice to be paid from the date it has been received?		30
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	no	
Administration		
Reaction time on enquiries and requests?	1-3 mins (call centre)	
Time to respond to a verbal customer enquiry or request? (working days)	< less than day	
Time to respond to a written customer enquiry or request? (working days)	3-5 working days	
Time to resolve a customer enquiry or request? (working days)	1-3 days (fire services)	
What percentage of calls are not answered? (5per cent, 10per cent or more)	< less than 5per cent	
How long does it take to respond to voice mails? (hours)		
Does the municipality have control over locked enquiries? (Yes/No)	Yes	
Is there a reduction in the number of complaints or not? (Yes/No)	Yes	
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)		
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?		
Community safety and licensing services		
How long does it take to register a vehicle? (minutes)		
How long does it take to renew a vehicle license? (minutes)		
How long does it take to issue a duplicate registration certificate vehicle? (minutes)		
How long does it take to de-register a vehicle? (minutes)		
How long does it take to renew a drivers license? (minutes)		
What is the average reaction time of the fire service to an incident? (minutes)		10 mins urban, 1h35 mins rural depending terrain
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)		Provincial competence
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)		
Economic development		
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)		
Other Service delivery and communication		
Is a information package handed to the new customer? (Yes/No)	Yes	
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes	
Are customers treated in a professional and humanly manner? (Yes/No)	Yes	

Part 2 – Supporting Documentation

1.7 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials.

The primary aim of the Budget Steering Committee is to ensure:

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

1.8 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

1.9 BUDGET TIME SCHEDULE FOR 2019/2020

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
JULY 2018 (Preparation Phase)				
IDP	Development and alignment of IDP, PMS and Budget Process Plan (2019/20)	Municipal Finance Management Act 56 (21)/ Municipal Systems Act 28 (1)	30-31 July 2019	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
BUDGET	Municipality commences with planning for the next three year budget		July 2018	Chief Financial Officer
PMS	<ul style="list-style-type: none"> Print and distribute final approved 2018/19 SDBIP Advertise and publish final approved 2018/19 SDBIP in newspaper and municipal website Finalise 4th Quarter Performance Report 2017/18 	Municipal Finance Management 53 (3) (a)	13 July 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise 2018/19 Performance Agreements	Municipal Systems Act 57 (2)/ Municipal Finance Management Act (69) (3) (b)	31 July 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit signed Performance Agreements to CoGTA	Municipal Finance Management 53 (3) (b)	31 July 2018	Manager: Corporate Performance, Monitoring and Evaluation
AUGUST 2018 (Preparation- Analysis Phase)				
IDP	Advert inviting stakeholders to register for participation in the IDP Rep Forum	Municipal Systems Act (29) (a) (b)	August 2018	IDP Manager
	Advertise first IDP Rep Forum in the newspaper	Municipal Systems Act (29) (a) (b)	August 2018	IDP Manager
	First IDP Rep Forum to present the 2019/20 IDP, PMS and Budget Process Plan and Framework to stakeholders	Municipal Systems Act (29) (a) (b)	29 August 2018	IDP Manager
	Council adoption of the 2019/20 IDP, PMS and Budget Process Plan and Framework	Municipal Systems Act (28) (1)	30 August 2018	Council
BUDGET	2017/18 Financial Statements submitted to Auditor General	Section 21 of the MFMA 56 of 2003: Budget Preparation Process,	31 August 2018	Chief Financial Officer

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
		read with Section 28 (1) of the Municipal Systems Act		
	Review of previous year's budget processes and completion of the budget evaluation checklist, also taking into consideration comments from external stakeholders (NT and PT)		August 2018	Chief Financial Officer
PMS	Advertise and publish signed Performance Agreements in newspaper and municipal website	Municipal Finance Management Act 53 (3) (b)	03-06 August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Compile and submit monthly performance reports		10 August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise Draft Annual Report		15 August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submission of unaudited Draft Annual Report to MayCo		20 August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit signed Performance Agreements to Council	Municipal Finance Management Act 53 (3) (b)	31 August 2018	Manager: Corporate Performance, Monitoring and Evaluation

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
	Submit Draft Annual Report to AG, National Treasury and CoGTA	Municipal Finance Management Act Circular 63	31 August 2018	Manager: Corporate Performance, Monitoring and Evaluation
SEPTEMBER 2018 (Situational Analysis Phase)				
IDP	Submit Final approved 2019/20 IDP, PMS and Budget Process Plan and Framework to the MEC CoGTA, Auditor General and Provincial and National Treasury		13 September 2018	IDP Manager
	Publish and advertise final approved 2019/20 IDP, PMS and Budget Process Plan and Framework in local newspaper and municipal website	Municipal Systems Act (29) (b)	13 September 2018	IDP Manager
	Assessment of Final 2018/19 IDP Review by CoGTA		14 September 2018	IDP Manager
	Consider MEC Comments and recommendations on the 2018/19 IDP Review		September-October 2018	IDP Manager
	Conduct evidence based research information. Review and document information submitted by Senior Management. Determine and assess the current level of development and the emerging challenges, opportunities and issues		September-October 2018	IDP Manager
PMS	Compile and submit monthly Performance Report		10 September 2018	Manager: Corporate Performance, Monitoring and Evaluation
OCTOBER 2018 (Situational Analysis Phase)				

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
IDP/IGR	Convene Cluster Forums to update Situational Analysis		October 2018	IDP/IGR Manager
IDP	Convene IDP Steering Committee to consider draft situational analysis		October 2018	IDP Manager
	First draft Situational Analysis ready		October 2018	IDP Manager
BUDGET	Budget and Treasury Office determines revenue projections and proposed rates and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives		October 2018	Chief Financial Officer
	Engage with Provincial and National sector departments on sector specific programmes for alignment with municipalities' plan (schools, libraries, roads, clinics etc)		October 2018	Chief Financial Officer
	Prepare 'sample' budget for NT using the mSCOA tables and using 2019/20 MTREF final budget		October 2018	Chief Financial Officer
PMS	Finalise 1 st Quarter 2018/19 Performance Report	Municipal Finance Management Act Circular 13	October 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 1 st Quarter Performance Report to Internal Audit		15 October 2018	
	Conduct quarterly reviews with HODs		October 2018	
NOVEMBER 2018 (Situational Analysis Phase)				

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
IDP	IDP Steering Committee to discuss Draft Situational Analysis		November 2018	IDP Manager
	Advertise 2 nd IDP Rep Forum in newspaper		08 November 2018	IDP Manager
	Second IDP Rep Forum to Present Draft Situational Analysis		22 November 2018	IDP Manager
	Assessment of Draft Situational Analysis by CoGTA (phased in approach)		29-30 November 2018	IDP Manager
	Convene IDP and Budget Steering Committee to request inputs for new municipal vision, mission, strategies and objectives. Develop objectives for priority issues and determine programmes to achieve			
BUDGET	Initial review of national policies, budget plans and potential price increase of bulk resources with function and department officials		November 2018	Chief Financial Officer
PMS	Submit Performance Report to Performance Audit Committee			Manager: Corporate Performance, Monitoring and Evaluation
	Compile and submit monthly performance reports		10 November 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct annual 2017/18 reviews with HODs			Manager: Corporate Performance,

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
				Monitoring and Evaluation
DECEMBER 2018 (Situational Analysis Phase)				
IDP	Convene cluster forums to present Situational Analysis and project identification for 2019/20		6-7 December 2018	IDP Manager and IGR Manager
	Set and agree on IDP Priority programmes/projects		December 2018	Senior Management
PMS	Compile monthly performance report		10 December 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise Draft Annual Report, incorporating financial and non-financial information on performance, audit reports and annual financial statements		30 December 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Annual Performance Awards		December 2018	Manager: Corporate Performance, Monitoring and Evaluation
JANUARY 2019 (Strategic Formulation- Integration Phase)				
IDP	Additions to Draft Situational Analysis		January-February 2019	IDP Manager
BUDGET	Accounting Officer and Senior Management consolidate and prepare proposed budget and plans for 2019/20 financial year, taking into account previous years' performance as per audited financial statements			Chief Financial Officer

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
	Commence with the review of tariff (rates and services charges) and budget related policies for 2019/20 financial year.			Chief Financial Officer
PMS	Finalise 2 nd quarter 2018/19 Performance Report	Municipal Finance Management Act Circular 13	15 January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise and submit mid-term Performance Report		15 January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 2 nd Quarter Performance Report to Internal Audit		15 January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct quarterly reviews with HODs		24-25 January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Table the audited Annual Report to Council	Municipal Finance Management Act 127 (2)	31 January 2019	Manager: Corporate Performance, Monitoring and Evaluation
FEBRUARY 2019 (Strategic Formulation- Integration Phase)				

OR Tambo District Municipality 2019/2020 Budget and MTREF

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
IDP	Mayoral Lekgotla and Strategic Planning Session (prioritisation of needs and draft strategic objectives)		11-15 February 2019	Executive Mayor/Municipal Manager
	Senior Management identifying programmes/projects with external stakeholders		February-March 2019	IDP Manager
	Receive proposed budget and projects from Directors of the municipal entity	Municipal Finance Management Act Section 87 (1)	February 2019	CEO: Ntinga Development Agency
BUDGET	Review proposed national and provincial allocations to the DM for incorporation into the Draft Budget for tabling (Proposed national and provincial allocations for three years must be available by 20 January)		February 2019	Chief Financial Officer
	Finalise and submit to Executive Mayor proposed budgets and plans for the next three year budgets, taking into account the recent mid-years review and any corrective measures proposed as part of oversight report for the previous years' audited financial statements and annual report		February 2019	Chief Financial Officer
PMS	Submit mid-term report to National Treasury and CoGTA		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Compile and submit monthly performance report		10 February 2019	Manager: Corporate Performance, Monitoring and Evaluation

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
	Submit the adjusted SDBIP in line with the approved adjustment budget		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit audited Annual Report to AG		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish Annual Report in newspaper and municipal website (and invite for public comment)		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
MARCH 2019 (Approval Phase)				
IDP	Integration of sector plans and institutional programmes		March 2019	IDP Manager
	IDP and Budget Steering Committee to present Draft 2019/20 IDP Review and Draft Budget		March 2019	IDP Manager
	Advertise 3 rd IDP Rep Forum in the newspaper		13 March 2019	IDP Manager
	Third IDP Rep Forum to present Draft IDP 2019/20 Review and Draft Budget		27 March 2019	IDP Manager
	Table Draft IDP 2019/20 and Draft Budget to Council for approval		28 March 2019	IDP Manager
PMS	Adjust Performance Agreements in line with the approved adjusted SDBIP		08 March 2019	Manager: Corporate Performance, Monitoring and Evaluation

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
	Advertise and publish adjusted SDBIP and Performance Agreements in newspaper and municipal website		11 March 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Compile and submit monthly Performance Report		15 March 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Review and submit Performance chapter of the IDP		15 March 2019	Manager: Corporate Performance, Monitoring and Evaluation
APRIL 2019 (Approval Phase)				
IDP	Submit Draft IDP 2019/20 Review and Draft Budget to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Finance Management Act 52 (d)/ Municipal Systems Act (32)	11 April 2019	IDP Manager
	Advertise and publish Draft IDP and Budget in the newspaper and municipal website for public comment	Municipal Systems Act 25 (4) (a)	11 April 2019	IDP Manager
	IDP and Budget Roadshows	Municipal Systems Act 29 (b)	09 April- 10 May 2019	IDP Manager
PMS	Finalise 3 rd Quarter 2018/19 Performance Report		15 April 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 3 rd Quarter 2018/19 Performance Report to Internal Audit			Manager: Corporate Performance,

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
				Monitoring and Evaluation
	Conduct Quarterly Reviews with HODs		24-25 April 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit final Performance Chapter for IDP Review		30 April	Manager: Corporate Performance, Monitoring and Evaluation
MAY 2019 (Approval Phase- Final IDP and Budget)				
IDP	IDP & Budget Steering Committee considers submissions, representations and recommendations from IDP Roadshows. Executive Mayor be provided with an opportunity to respond to submissions during consultation and table amendments for Council consideration.		May 2019	IDP Manager
	Advertise 4 th IDP Rep Forum in newspaper		15 May 2019	IDP Manager
	Fourth IDP Rep Forum to present Final 2019/20 IDP Review and Final budget, with submissions, representations and recommendations from the IDP Roadshows		29 May 2019	IDP Manager
	Table Final IDP 2019/20 Review and Final budget to Council for approval		30 May 2019	IDP Manager
PMS	Compile monthly performance reports		15 May 2019	Manager: Corporate Performance,

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
				Monitoring and Evaluation
	Draft Institutional SDBIP for 2019/20 financial year		31 May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft TIDS and SOPS for 2019/20 financial year		31 May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft Departmental SDBIP for 2019/20 financial year		31 May 2019	Manager: Corporate Performance, Monitoring and Evaluation
JUNE 2019 (Post approval phase)				
IDP	Submit Final IDP 2019/20 Review and Final Budget to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Systems Act (32)	10 June 2019	IDP Manager
	Advertise and publish approved 2019/20 IDP Review and Budget in newspaper and municipal website	Municipal Systems Act 25 (4) (a)	10 June 2019	IDP Manager
	Printing and distribution of Final 2019/20 IDP Review to stakeholders		June 2019	IDP Manager
PMS	Submit Draft 2019/20 SDBIP to the Executive Mayor	Municipal Finance Management Act Circular 13	14 June 2019	Manager: Corporate Performance, Monitoring and Evaluation

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
	Executive Mayor approved the 2019/20 SDBIP	Municipal Finance Management Act 69 (3) (a)	28 June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise 2019/20 Performance Agreements	Municipal Finance Management Act 69 (3) (b)/ Municipal Systems Act 57 (2)	28 June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Print and distribute final approved SDBIP to stakeholders		29 June 2019	Manager: Corporate Performance, Monitoring and Evaluation

2 King Sabata Dalindyebo Local Municipality Process Plan

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
JULY 2018 (Preparation Phase)				
IDP	Review of Rollovers to be included in the 2018/19 Budget	Section 21 of the MFMA 56 of 2003:Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000	02-13 July 2018	General Manager: Mayor's Office/ IDP Manager
IDP and BUDGET	Develop draft process and timetable for the 2019/20 Budget		July 2018	General Manager: Mayor's Office/ IDP Manager
IDP, BUDGET AND PMS	IDP, Budget and PMS Technical Committee/ MANCOM to discuss Draft process plan		July 2018	General Manager: Mayor's Office/ IDP Manager
IDP, PMS AND BUDGET	Alignment of draft process plan and draft IDP process framework with O R Tambo district municipality		30-31 July 2018	General Manager: Mayor's Office/ IDP Manager
AUGUST 2018 (Preparation- Analysis Phase)				
IDP & BUDGET	IDP /Budget Technical/ Steering Committee – to submit process plan for discussion	Section 21 of the MFMA 56 of 2003:Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000	17 August 2018	General Manager: Mayor's Office/ IDP Manager
IDP	IGR Forum		27/28 August 2018	IGR Manager
IDP	IDP Representative forum meeting- presentation of draft IDP ,Budget and PMS process plan		22 August 2018	General Manager: Mayor's Office/ IDP Manager
IDP, PMS & BUDGET	Council consider IDP, Budget and PMS Process Plan 2019-2020 for adoption		31 August 2018	Executive Mayor
BUDGET	2017/18 Financial Statements submitted to Auditor-General		31 August 2018	CFO & Directors
SEPTEMBER 2018 (Situational Analysis Phase)				

OR Tambo District Municipality 2019/2020 Budget and MTREF

IDP & PMS	Submission of IDP and PMS Process Plan to OR Tambo DM and other spheres of government	Section 21 of the MFMA 56 of 2003: Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000	03 September 2018	General Manager: Mayor's Office/ IDP Manager
IDP	Replication of ward based planning to all wards (desktop session-in-house)		03-07 September 2018	General Manager: Mayor's Office/ IDP Manger
IDP	IDP Awareness Campaign and Budgeting Process		03-20 September 2018	General Manager: Mayor's Office/ IDP Manger
IDP, PMS & BUDGET	Advertise IDP/ PMS and Budget Process Plan on the local print media		05-14 September 2018	General Manager: Mayor's Office/IDP Manager
IDP	Submission of IDP and PMS Process Plan to OR Tambo DM and other spheres of government	Section 21 of the MFMA 56 of 2003: Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000	05-13 September 2018	General Manager: Mayor's Office/ IDP Manager
IDP	Review of Ward Based Profiles		10-28 September 2018	General Manager: Mayor's Office/ IDP Manager
IDP	IDP/Budget Framework Workshop	Section 21 of the MFMA 56 OF 2003: budget preparation process	11 September 2018	CFO
IDP	IDP Assessment by COGTA	Section 32 of the Municipal Systems Act of 2000: Sub-section (1), (2) and (3) The municipal manager of a municipality must submit a copy of integrated development plan as adopted by the council of the municipality, and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of	2nd week September 2018	General Manager: Mayor's Office/ IDP Manager

		the plan for MEC comments and proposals		
IDP, PMS & BUDGET	IDP, Budget and PMS Process Plan steering committee- unpack and review situational gap analysis		17 September 2018	Municipal Manager
OCTOBER 2019 (Situational Analysis Phase)				
HR & BUDGET	HR and Budget collate Personnel Request Forms and analyze results through staff keys book	Section 21 of the MFMA 56 of 2003: Budget Preparation Process	03 – 22 October 2018	Director Corporate Services, CFO, GM Budget and Accounting and GM: Human Resources
IDP	Ward to Ward IDP, Budget and PMS Outreach Programme – Needs Analysis and prioritisation	Section 16 of Local Government: Municipal Systems Act, No. 32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose (a) encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in- (i) the preparation, implement and review of its integrated development plan in terms of chapter 5 Section 21 of the MFMA 56 OF 2003: budget preparation process	03 October - 23 October 2018	Executive Mayor & Members of the Mayoral Committee
IDP	District Planning Forum (ORT DPF)		2 nd week of October 2018	

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Analyze results of personnel expenditure and communicate to Directorates	Section 21 of the MFMA 56 of 2003 : Budget Preparation Process	22 -31 October 2018	Director Corporate Services, CFO GM Budget and Accounting and GM Human Resources
IDP	IDP Technical / Steering Committee – Presentation and discussions on the performance reports of the 1st quarter Continue with the reviewal of situational analysis gaps	Section 55 (1)of Local Municipality: Municipal Systems Act, No.32 of 2000 states that As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council ,responsible and accountable for-(ii) equipped to carry out the task of implementing the municipality ‘s integrated development plan in accordance with chapter 5.	23 October 2018	Municipal Manager, All Directors
IDP	IDP Representative Forum to present update on Draft situational analysis report	Section 16 of Local Government: Municipal Systems Act, No.32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose (a) encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in- (i)the preparation, implement and review of its integrated development plan in terms of chapter 5	25 October 2018	Executive Mayor

OR Tambo District Municipality 2019/2020 Budget and MTREF

		Section 21 of the MFMA 56 OF 2003: budget preparation process		
IGR	IGR Forum		29 November 2018	IGR Manager
IDP	IDP Steering Committee – Presentation and discussions on the performance reports of the 1st quarter continue with the situational analysis	Section 55 (1) of Local Municipality: Municipal Systems Act, No.32 of 2000 states that as head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for-(ii) equipped to carry out the task of implementing the municipality 's integrated development plan in accordance with chapter 5. (c) the implement of the municipality's integrated development plan, and monitoring of progress with implementation of the plan	29-31 October 2018	Municipal manager, All Directors
BUDGET	Submission of D-Form to NERSA	Section 43 of the MFMA: Applicability of Tax and Tariff capping on Municipalities	30 October 2018	GM: Budget and Accounting ,CFO and Electrical Engineer
PMS	Submission of Performance reports and performance information of the first quarter to Council	Section 55 (1) of Local Municipality: Municipal Systems Act, No.32 of 2000 states that As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for-(ii) equipped	31 October 2018	Executive Mayor and Municipal Manager

		to carry out the task of implementing the municipality 's integrated development plan in accordance with chapter 5. (c) the implement of the municipality's integrated development plan, and monitoring of progress with implementation of the plan		
NOVEMBER 2018 (Situational Analysis Phase)				
BUDGET	Submission of Budget Request Forms General Expenses-Capital outlay ,Capital Budget ,Operating Projects	Section 21 of the MFMA 56 of 2003 Budget Preparation Process	05-21 November 2018	Municipal Manager, All Directorates
BUDGET	Check with National, Provincial Governments and District Municipalities for any information in relation to budget and adjustment budget to projected allocations for the next three years.	Section 21 of the MFMA 56 of 2003 Budget Preparation Process	07-30 November 2018	GM: Accounting and Budget /CFO
IDP	IDP Technical / Steering Committee – Presentation and discussions on the performance reports of the 1st quarter ; Unpack key issues derived from situational analysis and introduction of Objectives and Strategies and Project Identification	Section 55 (1)of Local Municipality: Municipal Systems Act,No.32 of 2000 states that As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council ,responsible and accountable for-(ii) equipped to carry out the task of implementing the municipality 's integrated development plan in accordance with chapter 5.	08 November 2018	Municipal Manager, All Directors

OR Tambo District Municipality 2019/2020 Budget and MTREF

IGR	IGR Forum		12 November 2018	IGR Manager
BUDGET	Discuss Draft audit report from the Auditor-General for the 2017/2018 financial statements	Section 21 of the MFMA 56 of 2003 Budget Preparation Process	12 -29 November 2018	GM: Accounting and Budget /CFO
IDP	IDP Representative forum –Finalise draft situational analysis and unpacking of Objectives and Strategies and Project Identification.	Section 16 of Local Government: Municipal Systems Act, No.32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance ,and must for this purpose (a) encourage ,and create conditions for, the local community to participate in the affairs of the municipality ,including in- (i)the preparation ,implement and review of its integrated development plan in terms of chapter 5 Section 21 of the MFMA 56 OF 2003: budget preparation process	15 November 2018	Executive Mayor
BUDGET	CFO to collate budgets and analyze results	Section 21 of the MFMA 56 of 2003 Budget Preparation Process	26 -29 November 2018	GM: Accounting and Budget /CFO
IGR	IGR Forum		29 November 2018	IGR Manager

DECEMBER 2018 (Situational Analysis Phase)

OR Tambo District Municipality 2019/2020 Budget and MTREF

IDP	Convene District IDP Cluster Forums to present Situational Analysis		06 & 07 December 2018	Municipal Manager, All Directors
IDP	IDP Steering Committee meeting – Finalize projects identification	Section 16 of Local Government: Municipal Systems Act, No. 32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose (a) encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in- (i) the preparation, implement and review of its integrated development plan in terms of chapter 5 Section 21 of the MFMA 56 OF 2003: budget preparation process	07 December 2018	All Directorates
BUDGET	Technical Committee/ MANCOM meeting to Review three year capital budget and Operating projects	Section 21 of the MFMA 56 of 2003: Budget Preparation Process	11 December 2018	All Directorates
JANUARY 2019 (Strategic Formulation- Integration Phase)				
IDP	IDP Rep Forum – Finalise developmental strategies and objectives	Section 16 of Local Government: Municipal Systems Act, No. 32 of 2000	10 Jan 2019	Executive Mayor
BUDGET	Obtain any projected adjustment allocations from National, Provincial Governments and District Municipalities	Section 21 of MFMA 56 of 2003 Budget Preparation Process	14-18 January 2018	GM Accounting and Budgeting / CFO

FEBRUARY 2019 (Strategic Formulation- Integration Phase)

BUDGET	Budget adjustment Consultation Process begins	Section 28 of the MFMA the Municipality May revise an approved annual budget though an adjustment budget	01-08 February 2019	GM: Budgeting and Accounting
IDP, PMS & BUDGET	IDP, Budget and PMS Technical Committee - To discuss and Finalize the Draft MTREF Budget and 1 st Adjustment Budget	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	11 February 2019	All Directorates
IDP, PMS & BUDGET	IDP, Budget and PMS Steering Committee - To discuss the and Finalize the Draft MTREF Budget and 1 st Adjustment Budget as well as presentation of the daft IDP	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	15 February 2019	Municipal Manager
BUDGET	Mid – Year Engagement	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	19 February 2019	Municipal Manager/ CFO
IDP	MEGA Strategic Planning Session - Presentation of first draft IDP, PMS 2019/20 and Budget -2019/20/21-21/22/22/23 to finalise integration, alignment of budgets	Section 16 of Local Government: Municipal Systems Act, No.32 of 2000 states that Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance ,and must for this purpose (a) encourage ,and create conditions for, the local community to participate in the affairs of the municipality ,including in- (i)the preparation ,implement and review of its integrated development plan in terms of chapter 5	20- 22 February 2018	Executive Mayor

OR Tambo District Municipality 2019/2020 Budget and MTREF

		Section 21 of the MFMA 56 OF 2003: budget preparation process		
BUDGET	Council to approve 1st Adjustment Budget	Section 28 of the MFMA the Municipality May revise an approved annual budget though an adjustment budget and read together with Section 72(3) The Accounting Officer must as part of the review make recommendations as to whether an adjustment budget is necessary and recommend revised projection of revenue and expenditure to the extent that this may be necessary	26 February 2019	Executive Mayor and Municipal Manager
MARCH 2019 (Approval phase)				
BUDGET	Review of Budget Related Policies (To remove and add it to March 2019)	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	1 st - 06 March 2018	GM: Accounting and Budget /CFO
IDP, PMS & BUDGET	IDP/ PMS and Budget technical committee/MANCOM -first draft IDP 2019/2020 and Draft 2019/22 MTREF Budget	Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year Section 43 of the MFMA	06 March 2019	CFO/ All Directors:
IDP	IDP Steering Committee to present first draft IDP 2019/22 and Draft 20192020 MTREF Budget	Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year Section 43 of the MFMA	15 March 2019	Municipal Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Council adopts 2019-22 First Draft MTREF Budget ,IDP PMS and Draft Budget policies	Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year Section 43 of the MFMA	29 March 2019	Executive Mayor
APRIL 2019 (Approval phase)				
BUDGET	Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government the annual report, Annual financial statements, the audit report and any corrective action taken in response to the findings of the audit report relating to 2018/2019	Regulation 15(4)a: The Municipal Manager must send copies of the annual budget and supporting documentation as tabled in the Municipal Council in both printed and electronic form	05 April 2019	GM: Budget and Accounting/CFO
IDP, PMS & BUDGET	2019-22 Draft MTREF Budget, IDP and PMS advertised for public comments, Public Meetings & Consultation	Section 22(a) after an annual budget is tabled in the municipal Council ,the Accounting Officer must make public the annual budget and documents referred to in section 17(3) and invite the local Community to submit representation in connection with the budget	10 April 2019	GM: Mayor's office/ IDP Manager
BUDGET	Draft MTREF 2019/22 Engagement and Benchmarking	Section 21 of the MFMA 56 of 2003:Budget Preparation Process	18 April 2019	Municipal Manager/ CFO/ All Directors
IDP, PMS & BUDGET	IDP, PMS and Budget Steering Committee for the third quarter performance report	Section 55 (1)of Local Municipality: Municipal Systems Act, No. 32 of 2000 states that As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council ,responsible and	19 April 2019	GM: Compliance

		accountable for-(ii) equipped to carry out the task of implementing the municipality 's integrated development plan in accordance with chapter 5. (c) the implement of the municipality's integrated development plan, and monitoring of progress with implementation of the plan		
IDP	IDP/Budget road shows- present draft IDP, PMS Review 2018-19 and MTREF Budget to solicit comments from members of the community	Section 23(1)a when the annual budget has been tabled the Municipal council must consider views of local community	05 April – 23May 2019	Executive Mayor and All Councillors
IDP	Special Council Meeting to consider Section 52 D Report	Section 52D of MFMA	30 April 2019	Municipal Manager
MAY 2019 (Approval phase- Final IDP and Budget)				
IDP, PMS & BUDGET	IDP/ PMS and Budget Technical committee to discuss Public comments and the final draft IDP , PMS 2019/20 and Budget MTREF review	Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	02 May 2019	CFO/ Director: PSED
IDP, PMS & BUDGET	IDP/ PMS and Budget Steering committee to discuss Public comments and the final draft IDP , PMS 2019/20 and Budget MTREF Budget review	Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	10 May 2019	Municipal Manager
IDP	IDP Rep. Forum - discuss Public comments and the final draft IDP , PMS 2019-20 and MTREF Budget review	Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	17 May 2019	Portfolio Head Finance/ Executive Mayor

OR Tambo District Municipality 2019/2020 Budget and MTREF

IDP	Council consider adoption of Final Draft IDP, PMS 2019/20 and MTREF Budget	Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	29 May 2019	Executive Mayor
JUNE 2019 (Post approval phase)				
PMS	Preparation of draft Service Delivery and Budget Implementation Plan for the financial year ending June 2020	Section 41 of Local Government: Municipal systems Act No 32 of 2000 state that (1) a municipality must in terms of its performance management system and in accordance with any regulation and guidelines that may be prescribed- (a) set appropriate key performance indicators as a yardstick for meaning performance, including outcomes and impact with regard to the municipality's development priorities and objectives set out in its integrated development plan. In Terms of section 120 to provide for regulate (d) the regular review by a municipality of its key performance indicators; (e) the setting of a framework for performance targets by municipalities consistent with their development priorities, objectives and strategies set out in their IDP	05—06 June 2019	GM Compliance and All Directors
BUDGET	MTREF Budget, Budget related policies, annual report published on Council website and advertised in local newspapers	Section 75(1)(a, b)The Accounting Officer of a Municipality must place on the website referred to in section 21Aof the systems Act the following documents: Annual and Adjustment budget and all related policies	12 June 2019	GM: Accounting and Budget

OR Tambo District Municipality 2019/2020 Budget and MTREF

BUDGET	Annual Budget Reports to National & Provincial Treasury.	Regulation 20(1) The Municipal Manager must comply with section 24(3) of the Act within 10 working days after the council has approved the annual budget ,The Municipal Manager must submit to National Treasury and relevant provincial Treasury in both electronic and printed form	12 June 2019	GM: Accounting and Budget
	Preparations for strategic planning session to assess annual performance of the institution.	In terms of section 46 Local Government: Municipal Systems Act, No .32 of 2000 states that (1) a municipality must prepare for each financial year a performance report reflecting- (a) The performance of the municipality and of each external service provider during the financial year. (b) A comparison of the performance referred to in paragraph (a) with targets set for and performance in the previous year.	13-14 June 2019	GM: Compliance
PMS	Submission of the final draft SDBIP's to the other spheres of government	Section 53 (3)(b) Local Government :Municipal Finance Act 56 of 2003 state that the Mayor must ensure— that the performance agreements of the municipal manager ,senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province	21 June 2019	GM: Compliance
PMS	Ordinary Council Meeting to note SDBIP		28 June 2019	Executive Mayor

1.2 Mhlontlo Local Municipality Process Plan

PROCESS	ACTIVITY	LEGISLATION	DATE	RESPONSIBILITY
JULY 2018 (PREPARATION PHASE)				
IDP	<ul style="list-style-type: none"> Development of IDP, PMS and Budget Process Plan 	Section 21 of the MFMA 56 of 2003: Budget Preparation Process read with Section 28 (1) of the Municipal Systems Act, 32 of 2000	04 Jul – 31 Aug 2018	IDP Manager
BUDGET	<ul style="list-style-type: none"> Municipality commences with planning for the next three-year budget (engagement with FMS service provider on mSCOA implications on budgeting) 		02 July – 03 August 2018	CFO Senior Managers
PMS	<ul style="list-style-type: none"> Draft Annual Performance Agreements to the Mayor and submission to the MEC Submission of Draft 4th Quarter Performance Report 2017/18 to Executive Committee Finalise 2018/19 performance agreements 		04 July 2018 05 July 2018 27 July 2018	Municipal Managers Municipal Manager Municipal Manager
AUGUST 2018 (PREPARATION – ANALYSIS PHASE)				
IDP	<ul style="list-style-type: none"> Advertisement and Circulation of IDP & Budget Process Plan Launch of Process Plan in IDP Representative Forum (Stakeholder consultation on the draft IDP, PMS and Budget Process Plan 2019/2020) Adoption of the IDP Framework, PMS and Budget Process Plan 2019/2020 		06 August 2018 14 August 2018 30 August 2018	IDP Manager IDP Manager IDP Manager
BUDGET	<ul style="list-style-type: none"> Review of previous year’s budget processes and completion of the budget evaluation checklist also taking into consideration comments from external stakeholders (NT and PT) Finalise conversion of current TB to be mSCOA complaint 		23 August 2018 31 August 2018	CFO

PROCESS	ACTIVITY	LEGISLATION	DATE	RESPONSIBILITY
PMS	<ul style="list-style-type: none"> Submission of Draft Annual Performance Report 2017/18 to AG Submission of Draft Annual Report to the council for noting 		31 August 2018 30 August 2018	Municipal Manager Mayor
SEPTEMBER 2018 (SITUATIONAL ANALYSIS PHASE)				
IDP	<ul style="list-style-type: none"> Evaluate outstanding sector plan requirements and additional analysis where necessary Submit approved 2019/2020 IDP, PMS and Budget Process Plan to National and Provincial Treasury and Auditor General (within 10 days of approval) Data Collection (Community based analysis through War Rooms) 		03 – 13 September 2018 13 September 2018 03 -28 September 2018	All departments IDP Manager
BUDGET				
PMS	<ul style="list-style-type: none"> Circulation of first quarter report template to all departments 		24 September 2018	COO
OCTOBER 2018 (SITUATIONAL ANALYSIS PHASE)				
IDP	<ul style="list-style-type: none"> Data Collection Continues (Community based analysis through War Rooms) IDP Steering Committee sits to discuss issues identified during Analysis Phase 		03 September 2018 - 11 October 2018 24 October 2018	IDP Manager IDP Manager
BUDGET	<ul style="list-style-type: none"> Budget office determines revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives Engage with Provincial and National sector departments on sector specific programmes for alignment with municipalities plan (schools, libraries, clinics, water, roads, etc.) Prepare 'sample' budget for NT using the mSCOA tables using 2019/2020 MTREF final budget 		03-28 September 2018	CFO Senior Managers
PMS	<ul style="list-style-type: none"> Consolidation of 1st Quarter Report Discussion of 1st Quarter Report by management First Quarterly Report to the EXCO 		01 October 2018	COO All HOD's Municipal Manager

PROCESS	ACTIVITY	LEGISLATION	DATE	RESPONSIBILITY
	<ul style="list-style-type: none"> First Quarter Report to Council 		07 October 2018 08 October 2018 19 October 2018	Mayor
NOVEMBER 2018 (SITUATIONAL ANALYSIS PHASE)				
IDP	<ul style="list-style-type: none"> Finalisation of Situational Analysis Assessment of Situational Analysis by CoGTA IDP and Budget Steering Committee IDP Rep Forum (Draft Situational Analysis Report) 		30 November 2018 29-30 November 2018 12 November 2018 15 November 2018	IDP Manager IDP Manager Municipal Manager Mayor
BUDGET	<ul style="list-style-type: none"> Initial review of national policies and budget plans and potential price increase of bulk resources with function and department officials 		01-15 October 2018	CFO and Senior Managers
PMS	<ul style="list-style-type: none"> Place 1st Quarter Report on the municipal website 		02 November 2018	COO/ICT
DECEMBER 2018 (SITUATIONAL ANALYSIS PHASE)				
IDP	<ul style="list-style-type: none"> IDP and Budget Steering Committee IDP Rep Forum (Draft Situational Analysis Report) 		26 November 2018 05 December 2018	Municipal Manager Mayor
BUDGET	<ul style="list-style-type: none"> Accounting officer reviews and drafts initial changes to IDP 		29 November 2018	CFO/Municipal Manager
PMS	<ul style="list-style-type: none"> Collation of the draft 2018/19 annual report incorporating financial and non-financial on performance, audit reports and annual financial statements. 		10 December 2018	COO COO

PROCESS	ACTIVITY	LEGISLATION	DATE	RESPONSIBILITY
	<ul style="list-style-type: none"> Circulate template for 2nd Quarter and Midterm Performance Report 		12 December 2018	
JANUARY 2019 (STRATEGIC FORMULATION – INTEGRATION PHASE)				
IDP	<ul style="list-style-type: none"> Making additions on situational analysis report 		09-31 January 2019	IDP Manager
BUDGET	<ul style="list-style-type: none"> Accounting officer and senior officials consolidate and prepare proposed budget and plans for the next financial year taking into account previous years' performance as per audited financial statements. Commence with the review of tariff (rates and services charges) and budget related policies for next financial year. 		05-12 December 2018	CFO Senior Managers
PMS	<ul style="list-style-type: none"> Work session on Mid-term Assessment and Amended SDBIP for 2018/2019 Submission of mid-term report by all departments Present Draft Annual report & Mid-term report and Amended SDBIP for 2018/2019 to EXCO. Mayor tables Annual Report (2018/19), Amended SDBIP for 2018/2019 & Mid Term assessment report for 2018/19 to Council 		14 January 2019 14 January 2019 14 January 2019 17 January 2019	All HODs All departments Municipal Manager Mayor
FEBRUARY 2019 (STRATEGIC FORMULATION - INTEGRATION PHASE)				
IDP	<ul style="list-style-type: none"> Strategic Planning Session (Prioritisation of needs and draft strategic objectives) Finalisation of Strategic planning Report 		25 - 28 February 2019	Municipal Manager
BUDGET	<ul style="list-style-type: none"> Review proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) 		31 January 2019	CFO
PMS	<ul style="list-style-type: none"> Publicise the 2017/18 Annual report and invite comments from communities. Submit tabled report to AG, National & Provincial Treasury and DLGTA. Mid-year performance reviews (top management) Oversight roadshows on the 2017/18 Annual Report 		11-12 February 2019 14 February 2019	COO COO Municipal Manager Speaker's Office CFO

OR Tambo District Municipality 2019/2020 Budget and MTREF

PROCESS	ACTIVITY	LEGISLATION	DATE	RESPONSIBILITY
	<ul style="list-style-type: none"> Mid-Year engagement (in terms of MFMA) 		18 – 27 February 2019 22 – 28 February 2019 25 February 2019	
BUDGET	<ul style="list-style-type: none"> Finalise and submit to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report 		28 February 2019	CFO
MARCH 2019 (APPROVAL PHASE)				
IDP	<ul style="list-style-type: none"> Strategic Planning Document, Draft IDP& Budget presented to Steering Committee. IDP Rep Forum – presentation of Draft IDP & Budget. Draft IDP and Budget presented to the EXCO Draft IDP& Budget tabled to Council 		05 March 2019 14 March 2019 20 March 2019 29 March 2019	Municipal Manager Mayor Municipal Manager Mayor
BUDGET	<ul style="list-style-type: none"> Publish tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed 		29 March 2019	CFO
PMS	<ul style="list-style-type: none"> Compilation of Third Term Report by all departments Approval of 2018/19 Oversight report on the Annual Report Adopt the 2018/19 Annual report with the comments of the Oversight Committee. 		06 March 2019 29 March 2019 29 March 2019	COO Speaker Speaker
APRIL 2019 (APPROVAL PHASE)				
IDP	<ul style="list-style-type: none"> Draft IDP advertised for public comments and Publicise Roadshows Submission of Draft IDP to AG, NT, PT, Legislature and DLGTA IDP& Budget Roadshows 		05 April 2019 11 April 2019 23-25 April 2019	IDP Manager IDP Manager Mayor's/ Speaker's Office
BUDGET	<ul style="list-style-type: none"> Assist the Mayor in revising budget documentation in accordance with 		22 April 2019	CFO

OR Tambo District Municipality 2019/2020 Budget and MTREF

PROCESS	ACTIVITY	LEGISLATION	DATE	RESPONSIBILITY
	consultative processes and taking into account the results from the third quarterly review of the current year			
PMS	<ul style="list-style-type: none"> • Compilation of Third Quarterly Performance Report • MTREF engagement and benchmarking • Submission of Third Quarterly Performance Report to Council 		08 April 2019 25 April 2019 30 April 2019	All departments CFO Mayor
MAY 2019 (APPROVAL PHASE – FINAL IDP & BUDGET)				
IDP	<ul style="list-style-type: none"> • IDP Steering Committee meeting to present final IDP for 2019/2020 • EXCO to sit and consider public comments • Council to consider public comments • Incorporation of community inputs into the IDP • EXCO to sit and consider Final IDP and budget for 2019/2020 • Mayor tables 2019/2020 IDP and Budget to Council for final adoption. 		01 May 2019 09 May 2019 23 May 2019 13-15 May 2019 24 May 2019 31 May 2019	Municipal Manager Mayor Speaker IDP Manager Mayor Mayor
BUDGET	<ul style="list-style-type: none"> • Assist the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature 		31 May 2019	CFO
JUNE 2019 (POST APPROVAL PHASE)				
IDP	<ul style="list-style-type: none"> • Submission of Final IDP & Budget to AG, National & Provincial Treasury, Legislature and DLGTA • Publicise adoption of IDP, Budget and SDBIP 		03-10 June 2019 10 June 2019	IDP Manager/ Chief Accountant IDP Manager
BUDGET	<ul style="list-style-type: none"> • Publish adopted budget and plans 		07 June 2019	CFO
PMS	<ul style="list-style-type: none"> • Final SDBIP to submitted to the Mayor • Submit approved SDBIP to MEC for Local Government, National and Provincial Treasury. • Approved SDBIP placed on the website 		03 June 2019 03 June 2019 10 June 2019	Municipal Manager Chief Accountant COO's office

1.3 Nyandeni Local Municipality schedule of activities

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
JULY 2018 (Preparation Phase)				
IDP	Development and alignment of IDP, PMS and Budget Process Plan (2019/20)	Municipal Finance Management Act 56 (21)/ Municipal Systems Act 28 (1)	30-31 July 2019	IDP Manager
BUDGET	Municipality commences with planning for the next three year budget		July 2018	Chief Financial Officer
PMS	<ul style="list-style-type: none"> Print and distribute final approved 2018/19 SDBIP Advertise and publish final approved 2018/19 SDBIP in newspaper and municipal website Finalise 4th Quarter Performance Report 2017/18 	Municipal Finance Management 53 (3) (a)	July 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise 2018/19 Performance Agreements	Municipal Systems Act 57 (2)/ Municipal Finance Management Act (69) (3) (b)	July 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit signed Performance Agreements to CoGTA	Municipal Finance Management 53 (3) (b)	July 2018	Manager: Corporate Performance, Monitoring and Evaluation
AUGUST 2018 (Preparation- Analysis Phase)				
IDP	Advert inviting stakeholders to register for participation in the IDP Rep Forum	Municipal Systems Act (29) (a) (b)	August 2018	IDP Manager
	Advertise first IDP Rep Forum in the newspaper	Municipal Systems Act (29) (a) (b)	August 2018	IDP Manager
	First IDP Rep Forum to present the 2019/20 IDP, PMS and Budget Process Plan and Framework to stakeholders	Municipal Systems Act (29) (a) (b)	22 August 2018	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Council adoption of the 2019/20 IDP, PMS and Budget Process Plan and Framework	Municipal Systems Act (28) (1)	28 August 2018	Council
BUDGET	2017/18 Financial Statements submitted to Auditor General	Section 21 of the MFMA 56 of 2003: Budget Preparation Process, read with Section 28 (1) of the Municipal Systems Act	31 August 2018	Chief Financial Officer
	Review of previous year's budget processes and completion of the budget evaluation checklist, also taking into consideration comments from external stakeholders (NT and PT)		August 2018	Chief Financial Officer
PMS	Advertise and publish signed Performance Agreements in newspaper and municipal website	Municipal Finance Management Act 53 (3) (b)	August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise Draft Annual Report		August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submission of unaudited Draft Annual Report to MayCo		August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit signed Performance Agreements to Council	Municipal Finance Management Act 53 (3) (b)	August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit Draft Annual Report to AG, National Treasury and CoGTA	Municipal Finance Management Act Circular 63	August 2018	Manager: Corporate Performance, Monitoring and Evaluation
SEPTEMBER 2018 (Situational Analysis Phase)				
IDP	Submit Final approved 2019/20 IDP, PMS and Budget Process Plan and Framework to the MEC CoGTA, Auditor General and Provincial and National Treasury		13 September 2018	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Publish and advertise final approved 2019/20 IDP, PMS and Budget Process Plan and Framework in local newspaper and municipal website	Municipal Systems Act (29) (b)	13 September 2018	IDP Manager
	Assessment of Final 2018/19 IDP Review by CoGTA		14 September 2018	IDP Manager
	Consider MEC Comments and recommendations on the 2018/19 IDP Review		September-October 2018	IDP Manager
	Conduct evidence based research information. Review and document information submitted by Senior Management. Determine and assess the current level of development and the emerging challenges, opportunities and issues		September-October 2018	IDP Manager
OCTOBER 2018 (Situational Analysis Phase)				
IDP/IGR	Convene Cluster Forums to update Situational Analysis		October 2018	IDP/IGR Manager
IDP	Convene IDP Steering Committee to consider draft situational analysis		October 2018	IDP Manager
	First draft Situational Analysis ready		October 2018	IDP Manager
BUDGET	Budget and Treasury Office determines revenue projections and proposed rates and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives		October 2018	Chief Financial Officer
	Engage with Provincial and National sector departments on sector specific programmes for alignment with		October 2018	Chief Financial Officer

OR Tambo District Municipality 2019/2020 Budget and MTREF

	municipalities' plan (schools, libraries, roads, clinics etc)			
	Prepare 'sample' budget for NT using the mSCOA tables and using 2019/20 MTREF final budget		October 2018	Chief Financial Officer
PMS	Finalise 1 st Quarter 2018/19 Performance Report	Municipal Finance Management Act Circular 13	October 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct quarterly reviews with HODs		October 2018	Manager: Corporate Performance, Monitoring and Evaluation
NOVEMBER 2018 (Situational Analysis Phase)				
IDP	IDP Steering Committee to discuss Draft Situational Analysis		November 2018	IDP Manager
	Advertise 2 nd IDP Rep Forum in newspaper		November 2018	IDP Manager
	Second IDP Rep Forum to Present Draft Situational Analysis		06 November 2018	IDP Manager
	Assessment of Draft Situational Analysis by CoGTA (phased in approach)		29-30 November 2018	IDP Manager
	Convene IDP and Budget Steering Committee to request inputs for new municipal vision, mission, strategies and objectives. Develop objectives for priority issues and determine programmes to achieve		November 2018	IDP Manager
BUDGET	Initial review of national policies, budget plans and potential price increase of bulk resources with function and department officials		November 2018	Chief Financial Officer
PMS	Submit Performance Report to Performance Audit Committee			Manager: Corporate Performance, Monitoring and Evaluation

	Conduct annual 2017/18 reviews with HODs			Manager: Corporate Performance, Monitoring and Evaluation
DECEMBER 2018 (Situational Analysis Phase)				
IDP	Convene cluster forums to present Situational Analysis and project identification for 2019/20		December 2018	IDP Manager and IGR Manager
	Set and agree on IDP Priority programmes/projects		December 2018	Senior Management
	Finalise Draft Annual Report, incorporating financial and non-financial information on performance, audit reports and annual financial statements		30 December 2018	Manager: Corporate Performance, Monitoring and Evaluation
JANUARY 2019 (Strategic Formulation- Integration Phase)				
IDP	Additions to Draft Situational Analysis		January-February 2019	IDP Manager
BUDGET	Accounting Officer and Senior Management consolidate and prepare proposed budget and plans for 2019/20 financial year, taking into account previous years' performance as per audited financial statements			Chief Financial Officer
	Commence with the review of tariff (rates and services charges) and budget related policies for 2019/20 financial year.			Chief Financial Officer
PMS	Finalise 2 nd quarter 2018/19 Performance Report	Municipal Finance Management Act Circular 13	January 2019	Manager: Corporate Performance, Monitoring and Evaluation

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Finalise and submit mid-term Performance Report		January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 2 nd Quarter Performance Report to Internal Audit		January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct quarterly reviews with HODs		January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Table the audited Annual Report to Council	Municipal Finance Management Act 127 (2)	January 2019	Manager: Corporate Performance, Monitoring and Evaluation
FEBRUARY 2019 (Strategic Formulation- Integration Phase)				
IDP	Senior Management identifying programmes/projects with external stakeholders		February- March 2019	IDP Manager
	Receive proposed budget and projects from Directors of the municipal entity	Municipal Finance Management Act Section 87 (1)	February 2019	CEO: Ntinga Development Agency
BUDGET	Review proposed national and provincial allocations to the DM for incorporation into the Draft Budget for tabling (Proposed national and provincial allocations for three years must be available by 20 January)		February 2019	Chief Financial Officer
	Finalise and submit to Executive Mayor proposed budgets and plans for the next three year budgets, taking into account the recent mid-years review and any corrective measures proposed as part of oversight report for the previous years' audited financial statements and annual report		February 2019	Chief Financial Officer

OR Tambo District Municipality 2019/2020 Budget and MTREF

PMS	Submit mid-term report to National Treasury and CoGTA		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit the adjusted SDBIP in line with the approved adjustment budget		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit audited Annual Report to AG		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish Annual Report in newspaper and municipal website (and invite for public comment)		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
MARCH 2019 (Approval Phase)				
	Strategic Planning Session		04-06 March 2019	IDP Manager
IDP	Integration of sector plans and institutional programmes		March 2019	IDP Manager
	IDP and Budget Steering Committee to present Draft 2019/20 IDP Review and Draft Budget		March 2019	IDP Manager
	Advertise 3 rd IDP Rep Forum in the newspaper		March 2019	IDP Manager
	Third IDP Rep Forum to present Draft IDP 2019/20 Review and Draft Budget		March 2019	IDP Manager
	Table Draft IDP 2019/20 and Draft Budget to Council for approval		March 2019	IDP Manager
PMS	Adjust Performance Agreements in line with the approved adjusted SDBIP		March 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish adjusted SDBIP and Performance Agreements in newspaper and municipal website		March 2019	Manager: Corporate Performance, Monitoring and Evaluation

APRIL 2019 (Approval Phase)				
IDP	Submit Draft IDP 2019/20 Review and Draft Budget to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Finance Management Act 52 (d)/ Municipal Systems Act (32)	11 April 2019	IDP Manager
	Advertise and publish Draft IDP and Budget in the newspaper and municipal website for public comment	Municipal Systems Act 25 (4) (a)	11 April 2019	IDP Manager
PMS	Finalise 3 rd Quarter 2018/19 Performance Report		April 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 3 rd Quarter 2018/19 Performance Report to Internal Audit			Manager: Corporate Performance, Monitoring and Evaluation
	Conduct Quarterly Reviews with HODs		April 2019	Manager: Corporate Performance, Monitoring and Evaluation
MAY 2019 (Approval Phase- Final IDP and Budget)				
	IDP and Budget Roadshows	Municipal Systems Act 29 (b)	07-10 May 2019	IDP Manager
IDP	IDP & Budget Steering Committee considers submissions, representations and recommendations from IDP Roadshows. Executive Mayor be provided with an opportunity to respond to submissions during consultation and table amendments for Council consideration.		May 2019	IDP Manager
	Advertise 4 th IDP Rep Forum in newspaper		May 2019	IDP Manager
	Fourth IDP Rep Forum to present Final 2019/20 IDP Review and Final budget, with submissions, representations and		May 2019	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	recommendations from the IDP Roadshows			
	Table Final IDP 2019/20 Review and Final budget to Council for approval		May 2019	IDP Manager
PMS	Compile monthly performance reports		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft Institutional SDBIP for 2019/20 financial year		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft TIDS and SOPS for 2019/20 financial year		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft Departmental SDBIP for 2019/20 financial year		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
JUNE 2019 (Post approval phase)				
IDP	Submit Final IDP 2019/20 Review and Final Budget to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Systems Act (32)	10 June 2019	IDP Manager
	Advertise and publish approved 2019/20 IDP Review and Budget in newspaper and municipal website	Municipal Systems Act 25 (4) (a)	10 June 2019	IDP Manager
	Printing and distribution of Final 2019/20 IDP Review to stakeholders		June 2019	IDP Manager
PMS	Submit Draft 2019/20 SDBIP to the Executive Mayor	Municipal Finance Management Act Circular 13	June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Executive Mayor approved the 2019/20 SDBIP	Municipal Finance Management Act 69 (3) (a)	28 June 2019	Manager: Corporate Performance, Monitoring and Evaluation

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Finalise 2019/20 Performance Agreements	Municipal Finance Management Act 69 (3) (b)/ Municipal Systems Act 57 (2)	June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Print and distribute final approved SDBIP to stakeholders		June 2019	Manager: Corporate Performance, Monitoring and Evaluation

1.4 Port St John’s Local Municipality Process Plan

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
JULY 2018 (Preparation Phase)				
IDP	Development and alignment of IDP, PMS and Budget Process Plan (2019/20)	Municipal Finance Management Act 56 (21)/ Municipal Systems Act 28 (1)	30-31 July 2019	IDP Manager
BUDGET	Municipality commences with planning for the next three year budget		July 2018	Chief Financial Officer
PMS	<ul style="list-style-type: none"> Print and distribute final approved 2018/19 SDBIP Advertise and publish final approved 2018/19 SDBIP in newspaper and municipal website Finalise 4th Quarter Performance Report 2017/18 	Municipal Finance Management 53 (3) (a)	July 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise 2018/19 Performance Agreements	Municipal Systems Act 57 (2)/ Municipal Finance Management Act (69) (3) (b)	July 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit signed Performance Agreements to CoGTA	Municipal Finance Management 53 (3) (b)	July 2018	Manager: Corporate Performance, Monitoring and Evaluation
AUGUST 2018 (Preparation- Analysis Phase)				

OR Tambo District Municipality 2019/2020 Budget and MTREF

IDP	Advert inviting stakeholders to register for participation in the IDP Rep Forum	Municipal Systems Act (29) (a) (b)	August 2018	IDP Manager
	Advertise first IDP Rep Forum in the newspaper	Municipal Systems Act (29) (a) (b)	August 2018	IDP Manager
	First IDP Rep Forum to present the 2019/20 IDP, PMS and Budget Process Plan and Framework to stakeholders	Municipal Systems Act (29) (a) (b)	16 August 2018	IDP Manager
	Council adoption of the 2019/20 IDP, PMS and Budget Process Plan and Framework	Municipal Systems Act (28) (1)	31 August 2018	Council
BUDGET	2017/18 Financial Statements submitted to Auditor General	Section 21 of the MFMA 56 of 2003: Budget Preparation Process, read with Section 28 (1) of the Municipal Systems Act	31 August 2018	Chief Financial Officer
	Review of previous year's budget processes and completion of the budget evaluation checklist, also taking into consideration comments from external stakeholders (NT and PT)		August 2018	Chief Financial Officer
PMS	Advertise and publish signed Performance Agreements in newspaper and municipal website	Municipal Finance Management Act 53 (3) (b)	August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise Draft Annual Report		August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submission of unaudited Draft Annual Report to MayCo		August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit signed Performance Agreements to Council	Municipal Finance Management Act 53 (3) (b)	August 2018	Manager: Corporate Performance, Monitoring and Evaluation

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Submit Draft Annual Report to AG, National Treasury and CoGTA	Municipal Finance Management Act Circular 63	August 2018	Manager: Corporate Performance, Monitoring and Evaluation
SEPTEMBER 2018 (Situational Analysis Phase)				
IDP	Submit Final approved 2019/20 IDP, PMS and Budget Process Plan and Framework to the MEC CoGTA, Auditor General and Provincial and National Treasury		13 September 2018	IDP Manager
	Publish and advertise final approved 2019/20 IDP, PMS and Budget Process Plan and Framework in local newspaper and municipal website	Municipal Systems Act (29) (b)	13 September 2018	IDP Manager
	Assessment of Final 2018/19 IDP Review by CoGTA		14 September 2018	IDP Manager
	Consider MEC Comments and recommendations on the 2018/19 IDP Review		September-October 2018	IDP Manager
	Conduct evidence based research information. Review and document information submitted by Senior Management. Determine and assess the current level of development and the emerging challenges, opportunities and issues		September-October 2018	IDP Manager
OCTOBER 2018 (Situational Analysis Phase)				
IDP/IGR	Convene Cluster Forums to update Situational Analysis		October 2018	IDP/IGR Manager
IDP	Convene IDP Steering Committee to consider draft situational analysis		October 2018	IDP Manager
			October 2018	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	First draft Situational Analysis ready			
BUDGET	Budget and Treasury Office determines revenue projections and proposed rates and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives		October 2018	Chief Financial Officer
	Engage with Provincial and National sector departments on sector specific programmes for alignment with municipalities' plan (schools, libraries, roads, clinics etc)		October 2018	Chief Financial Officer
	Prepare 'sample' budget for NT using the mSCOA tables and using 2019/20 MTREF final budget		October 2018	Chief Financial Officer
PMS	Finalise 1 st Quarter 2018/19 Performance Report	Municipal Finance Management Act Circular 13	October 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct quarterly reviews with HODs		October 2018	Manager: Corporate Performance, Monitoring and Evaluation
NOVEMBER 2018 (Situational Analysis Phase)				
IDP	IDP Steering Committee to discuss Draft Situational Analysis		November 2018	IDP Manager
	Advertise 2 nd IDP Rep Forum in newspaper		November 2018	IDP Manager
	Second IDP Rep Forum to Present Draft Situational Analysis		13 November 2018	IDP Manager
	Assessment of Draft Situational Analysis by CoGTA (phased in approach)		29-30 November 2018	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Convene IDP and Budget Steering Committee to request inputs for new municipal vision, mission, strategies and objectives. Develop objectives for priority issues and determine programmes to achieve		November 2018	IDP Manager
BUDGET	Initial review of national policies, budget plans and potential price increase of bulk resources with function and department officials		November 2018	Chief Financial Officer
PMS	Submit Performance Report to Performance Audit Committee		November 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct annual 2017/18 reviews with HODs		November 2018	Manager: Corporate Performance, Monitoring and Evaluation
DECEMBER 2018 (Situational Analysis Phase)				
IDP	Convene cluster forums to present Situational Analysis and project identification for 2019/20		December 2018	IDP Manager and IGR Manager
	Set and agree on IDP Priority programmes/projects		December 2018	Senior Management
	Finalise Draft Annual Report, incorporating financial and non-financial information on performance, audit reports and annual financial statements		30 December 2018	Manager: Corporate Performance, Monitoring and Evaluation
JANUARY 2019 (Strategic Formulation- Integration Phase)				
IDP	Additions to Draft Situational Analysis		January-February 2019	IDP Manager
BUDGET	Accounting Officer and Senior Management consolidate and prepare proposed budget and plans for 2019/20 financial year, taking into			Chief Financial Officer

OR Tambo District Municipality 2019/2020 Budget and MTREF

	account previous years' performance as per audited financial statements			
	Commence with the review of tariff (rates and services charges) and budget related policies for 2019/20 financial year.			Chief Financial Officer
PMS	Finalise 2 nd quarter 2018/19 Performance Report	Municipal Finance Management Act Circular 13	January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise and submit mid-term Performance Report		January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 2 nd Quarter Performance Report to Internal Audit		January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct quarterly reviews with HODs		January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Table the audited Annual Report to Council	Municipal Finance Management Act 127 (2)	January 2019	Manager: Corporate Performance, Monitoring and Evaluation
FEBRUARY 2019 (Strategic Formulation- Integration Phase)				
IDP	Strategic Planning Session		03-07 February 2019	IDP Manager
	Senior Management identifying programmes/projects with external stakeholders		February-March 2019	IDP Manager
BUDGET	Receive proposed budget and projects from Directors of the municipal entity	Municipal Finance Management Act Section 87 (1)	February 2019	CEO: Ntinga Development Agency
	Review proposed national and provincial allocations to the DM for incorporation into the Draft Budget for			Chief Financial Officer

OR Tambo District Municipality 2019/2020 Budget and MTREF

	tabling (Proposed national and provincial allocations for three years must be available by 20 January)		February 2019	
	Finalise and submit to Executive Mayor proposed budgets and plans for the next three year budgets, taking into account the recent mid-years review and any corrective measures proposed as part of oversight report for the previous years' audited financial statements and annual report		February 2019	Chief Financial Officer
PMS	Submit mid-term report to National Treasury and CoGTA		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit the adjusted SDBIP in line with the approved adjustment budget		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit audited Annual Report to AG		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish Annual Report in newspaper and municipal website (and invite for public comment)		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
MARCH 2019 (Approval Phase)				
IDP	Integration of sector plans and institutional programmes		March 2019	IDP Manager
	IDP and Budget Steering Committee to present Draft 2019/20 IDP Review and Draft Budget		March 2019	IDP Manager
	Advertise 3 rd IDP Rep Forum in the newspaper		March 2019	IDP Manager
	Third IDP Rep Forum to present Draft IDP 2019/20 Review and Draft Budget		March 2019	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Table Draft IDP 2019/20 and Draft Budget to Council for approval		March 2019	IDP Manager
PMS	Adjust Performance Agreements in line with the approved adjusted SDBIP		March 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish adjusted SDBIP and Performance Agreements in newspaper and municipal website		March 2019	Manager: Corporate Performance, Monitoring and Evaluation
APRIL 2019 (Approval Phase)				
IDP	Submit Draft IDP 2019/20 Review and Draft Budget to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Finance Management Act 52 (d)/ Municipal Systems Act (32)	11 April 2019	IDP Manager
	Advertise and publish Draft IDP and Budget in the newspaper and municipal website for public comment	Municipal Systems Act 25 (4) (a)	11 April 2019	IDP Manager
PMS	Finalise 3 rd Quarter 2018/19 Performance Report		April 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 3 rd Quarter 2018/19 Performance Report to Internal Audit			Manager: Corporate Performance, Monitoring and Evaluation
	Conduct Quarterly Reviews with HODs		April 2019	Manager: Corporate Performance, Monitoring and Evaluation
	IDP and Budget Roadshows	Municipal Systems Act 29 (b)	17-18 April 2019	IDP Manager
MAY 2019 (Approval Phase- Final IDP and Budget)				
IDP	IDP & Budget Steering Committee considers submissions, representations and recommendations from IDP Roadshows. Executive Mayor be provided with an opportunity to respond to submissions during		May 2019	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	consultation and table amendments for Council consideration.			
	Advertise 4 th IDP Rep Forum in newspaper		May 2019	IDP Manager
	Fourth IDP Rep Forum to present Final 2019/20 IDP Review and Final budget, with submissions, representations and recommendations from the IDP Roadshows		May 2019	IDP Manager
	Table Final IDP 2019/20 Review and Final budget to Council for approval		May 2019	IDP Manager
PMS	Compile monthly performance reports		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft Institutional SDBIP for 2019/20 financial year		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft TIDS and SOPS for 2019/20 financial year		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft Departmental SDBIP for 2019/20 financial year		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
JUNE 2019 (Post approval phase)				
IDP	Submit Final IDP 2019/20 Review and Final Budget to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Systems Act (32)	10 June 2019	IDP Manager
	Advertise and publish approved 2019/20 IDP Review and Budget in newspaper and municipal website	Municipal Systems Act 25 (4) (a)	10 June 2019	IDP Manager
	Printing and distribution of Final 2019/20 IDP Review to stakeholders		June 2019	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

PMS	Submit Draft 2019/20 SDBIP to the Executive Mayor	Municipal Finance Management Act Circular 13	June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Executive Mayor approved the 2019/20 SDBIP	Municipal Finance Management Act 69 (3) (a)	28 June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise 2019/20 Performance Agreements	Municipal Finance Management Act 69 (3) (b)/ Municipal Systems Act 57 (2)	June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Print and distribute final approved SDBIP to stakeholders		June 2019	Manager: Corporate Performance, Monitoring and Evaluation

3 4.5 Ingquza Hill Local Municipality schedule of activities

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
JULY 2018 (Preparation Phase)				
IDP	Development and alignment of IDP, PMS and Budget Process Plan (2019/20)	Municipal Finance Management Act 56 (21)/ Municipal Systems Act 28 (1)	30-31 July 2019	IDP Manager
BUDGET	Municipality commences with planning for the next three year budget		July 2018	Chief Financial Officer
PMS	<ul style="list-style-type: none"> Print and distribute final approved 2018/19 SDBIP Advertise and publish final approved 2018/19 SDBIP in newspaper and municipal website Finalise 4th Quarter Performance Report 2017/18 	Municipal Finance Management 53 (3) (a)	July 2018	Manager: Corporate Performance, Monitoring and Evaluation

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Finalise 2018/19 Performance Agreements	Municipal Systems Act 57 (2)/ Municipal Finance Management Act (69) (3) (b)	July 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit signed Performance Agreements to CoGTA	Municipal Finance Management Act 53 (3) (b)	July 2018	Manager: Corporate Performance, Monitoring and Evaluation
AUGUST 2018 (Preparation- Analysis Phase)				
IDP	Advert inviting stakeholders to register for participation in the IDP Rep Forum	Municipal Systems Act (29) (a) (b)	August 2018	IDP Manager
	Advertise first IDP Rep Forum in the newspaper	Municipal Systems Act (29) (a) (b)	August 2018	IDP Manager
	First IDP Rep Forum to present the 2019/20 IDP, PMS and Budget Process Plan and Framework to stakeholders	Municipal Systems Act (29) (a) (b)	16 August 2018	IDP Manager
	Council adoption of the 2019/20 IDP, PMS and Budget Process Plan and Framework	Municipal Systems Act (28) (1)	31 August 2018	Council
BUDGET	2017/18 Financial Statements submitted to Auditor General	Section 21 of the MFMA 56 of 2003: Budget Preparation Process, read with Section 28 (1) of the Municipal Systems Act	31 August 2018	Chief Financial Officer
	Review of previous year's budget processes and completion of the budget evaluation checklist, also taking into consideration comments from external stakeholders (NT and PT)		August 2018	Chief Financial Officer
PMS	Advertise and publish signed Performance Agreements in newspaper and municipal website	Municipal Finance Management Act 53 (3) (b)	August 2018	Manager: Corporate Performance, Monitoring and Evaluation

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Finalise Draft Annual Report		August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submission of unaudited Draft Annual Report to MayCo		August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit signed Performance Agreements to Council	Municipal Finance Management Act 53 (3) (b)	August 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Submit Draft Annual Report to AG, National Treasury and CoGTA	Municipal Finance Management Act Circular 63	August 2018	Manager: Corporate Performance, Monitoring and Evaluation
SEPTEMBER 2018 (Situational Analysis Phase)				
IDP	Submit Final approved 2019/20 IDP, PMS and Budget Process Plan and Framework to the MEC CoGTA, Auditor General and Provincial and National Treasury		13 September 2018	IDP Manager
	Publish and advertise final approved 2019/20 IDP, PMS and Budget Process Plan and Framework in local newspaper and municipal website	Municipal Systems Act (29) (b)	13 September 2018	IDP Manager
	Assessment of Final 2018/19 IDP Review by CoGTA		14 September 2018	IDP Manager
	Consider MEC Comments and recommendations on the 2018/19 IDP Review		September-October 2018	IDP Manager
	Conduct evidence based research information. Review and document information submitted by Senior Management. Determine and assess the current level of development and the emerging challenges, opportunities and issues		September-October 2018	IDP Manager

OCTOBER 2018 (Situational Analysis Phase)				
IDP/IGR	Convene Cluster Forums to update Situational Analysis		October 2018	IDP/IGR Manager
IDP	Convene IDP Steering Committee to consider draft situational analysis		October 2018	IDP Manager
	First draft Situational Analysis ready		October 2018	IDP Manager
BUDGET	Budget and Treasury Office determines revenue projections and proposed rates and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives		October 2018	Chief Financial Officer
	Engage with Provincial and National sector departments on sector specific programmes for alignment with municipalities' plan (schools, libraries, roads, clinics etc)		October 2018	Chief Financial Officer
	Prepare 'sample' budget for NT using the mSCOA tables and using 2019/20 MTREF final budget		October 2018	Chief Financial Officer
PMS	Finalise 1 st Quarter 2018/19 Performance Report	Municipal Finance Management Act Circular 13	October 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct quarterly reviews with HODs		October 2018	Manager: Corporate Performance, Monitoring and Evaluation
NOVEMBER 2018 (Situational Analysis Phase)				
IDP	IDP Steering Committee to discuss Draft Situational Analysis		November 2018	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	Advertise 2 nd IDP Rep Forum in newspaper		November 2018	IDP Manager
	Second IDP Rep Forum to Present Draft Situational Analysis		14 November 2018	IDP Manager
	Assessment of Draft Situational Analysis by CoGTA (phased in approach)		29-30 November 2018	IDP Manager
	Convene IDP and Budget Steering Committee to request inputs for new municipal vision, mission, strategies and objectives. Develop objectives for priority issues and determine programmes to achieve		November 2018	IDP Manager
BUDGET	Initial review of national policies, budget plans and potential price increase of bulk resources with function and department officials		November 2018	Chief Financial Officer
PMS	Submit Performance Report to Performance Audit Committee		November 2018	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct annual 2017/18 reviews with HODs		November 2018	Manager: Corporate Performance, Monitoring and Evaluation
DECEMBER 2018 (Situational Analysis Phase)				
IDP	Convene cluster forums to present Situational Analysis and project identification for 2019/20		December 2018	IDP Manager and IGR Manager
	Set and agree on IDP Priority programmes/projects		December 2018	Senior Management
	Finalise Draft Annual Report, incorporating financial and non-financial information on performance, audit reports and annual financial statements		30 December 2018	Manager: Corporate Performance, Monitoring and Evaluation

JANUARY 2019 (Strategic Formulation- Integration Phase)				
IDP	Additions to Draft Situational Analysis		January-February 2019	IDP Manager
BUDGET	Accounting Officer and Senior Management consolidate and prepare proposed budget and plans for 2019/20 financial year, taking into account previous years' performance as per audited financial statements		January 2019	Chief Financial Officer
	Commence with the review of tariff (rates and services charges) and budget related policies for 2019/20 financial year.		January 2019	Chief Financial Officer
PMS	Finalise 2 nd quarter 2018/19 Performance Report	Municipal Finance Management Act Circular 13	January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise and submit mid-term Performance Report		January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 2 nd Quarter Performance Report to Internal Audit		January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct quarterly reviews with HODs		January 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Table the audited Annual Report to Council	Municipal Finance Management Act 127 (2)	January 2019	Manager: Corporate Performance, Monitoring and Evaluation
FEBRUARY 2019 (Strategic Formulation- Integration Phase)				
IDP	Senior Management identifying programmes/projects with external stakeholders		February-March 2019	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

BUDGET	Receive proposed budget and projects from Directors of the municipal entity	Municipal Finance Management Act Section 87 (1)	February 2019	CEO: Ntinga Development Agency
	Review proposed national and provincial allocations to the DM for incorporation into the Draft Budget for tabling (Proposed national and provincial allocations for three years must be available by 20 January)		February 2019	Chief Financial Officer
	Finalise and submit to Executive Mayor proposed budgets and plans for the next three year budgets, taking into account the recent mid-years review and any corrective measures proposed as part of oversight report for the previous years' audited financial statements and annual report		February 2019	Chief Financial Officer
PMS	Submit mid-term report to National Treasury and CoGTA		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit the adjusted SDBIP in line with the approved adjustment budget		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit audited Annual Report to AG		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish Annual Report in newspaper and municipal website (and invite for public comment)		February 2019	Manager: Corporate Performance, Monitoring and Evaluation
MARCH 2019 (Approval Phase)				
IDP	Strategic Planning Session		05-09 March 2019	IDP Manager
	Integration of sector plans and institutional programmes		March 2019	IDP Manager

OR Tambo District Municipality 2019/2020 Budget and MTREF

	IDP and Budget Steering Committee to present Draft 2019/20 IDP Review and Draft Budget		March 2019	IDP Manager
	Advertise 3 rd IDP Rep Forum in the newspaper		March 2019	IDP Manager
	Third IDP Rep Forum to present Draft IDP 2019/20 Review and Draft Budget		March 2019	IDP Manager
	Table Draft IDP 2019/20 and Draft Budget to Council for approval		March 2019	IDP Manager
PMS	Adjust Performance Agreements in line with the approved adjusted SDBIP		March 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish adjusted SDBIP and Performance Agreements in newspaper and municipal website		March 2019	Manager: Corporate Performance, Monitoring and Evaluation
APRIL 2019 (Approval Phase)				
IDP	Submit Draft IDP 2019/20 Review and Draft Budget to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Finance Management Act 52 (d)/ Municipal Systems Act (32)	11 April 2019	IDP Manager
	Advertise and publish Draft IDP and Budget in the newspaper and municipal website for public comment	Municipal Systems Act 25 (4) (a)	11 April 2019	IDP Manager
PMS	Finalise 3 rd Quarter 2018/19 Performance Report		April 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 3 rd Quarter 2018/19 Performance Report to Internal Audit			Manager: Corporate Performance, Monitoring and Evaluation
	Conduct Quarterly Reviews with HODs		April 2019	Manager: Corporate Performance, Monitoring and Evaluation

OR Tambo District Municipality 2019/2020 Budget and MTREF

	IDP and Budget Roadshows	Municipal Systems Act 29 (b)	09-12 April 2019	IDP Manager
MAY 2019 (Approval Phase- Final IDP and Budget)				
IDP	IDP & Budget Steering Committee considers submissions, representations and recommendations from IDP Roadshows. Executive Mayor be provided with an opportunity to respond to submissions during consultation and table amendments for Council consideration.		May 2019	IDP Manager
	Advertise 4 th IDP Rep Forum in newspaper		May 2019	IDP Manager
	Fourth IDP Rep Forum to present Final 2019/20 IDP Review and Final budget, with submissions, representations and recommendations from the IDP Roadshows		May 2019	IDP Manager
	Table Final IDP 2019/20 Review and Final budget to Council for approval		May 2019	IDP Manager
PMS	Compile monthly performance reports		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft Institutional SDBIP for 2019/20 financial year		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft TIDS and SOPS for 2019/20 financial year		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Draft Departmental SDBIP for 2019/20 financial year		May 2019	Manager: Corporate Performance, Monitoring and Evaluation
JUNE 2019 (Post approval phase)				

OR Tambo District Municipality 2019/2020 Budget and MTREF

IDP	Submit Final IDP 2019/20 Review and Final Budget to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Systems Act (32)	10 June 2019	IDP Manager
	Advertise and publish approved 2019/20 IDP Review and Budget in newspaper and municipal website	Municipal Systems Act 25 (4) (a)	10 June 2019	IDP Manager
	Printing and distribution of Final 2019/20 IDP Review to stakeholders		June 2019	IDP Manager
PMS	Submit Draft 2019/20 SDBIP to the Executive Mayor	Municipal Finance Management Act Circular 13	June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Executive Mayor approved the 2019/20 SDBIP	Municipal Finance Management Act 69 (3) (a)	28 June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise 2019/20 Performance Agreements	Municipal Finance Management Act 69 (3) (b)/ Municipal Systems Act 57 (2)	June 2019	Manager: Corporate Performance, Monitoring and Evaluation
	Print and distribute final approved SDBIP to stakeholders		June 2019	Manager: Corporate Performance, Monitoring and Evaluation

The process was partially followed and not all the process was done at the stipulated timeframes being:

- No review of tariffs in October, the tariffs were first reviewed in February and no consultative processes for tariffs were undertaken in November. Tariffs were only consulted on when the budget has been tabled and community consultations are undertaken on budget and IDP.
- Budget inputs by departments were only submitted in March 2017

3.1 IDP and Service Delivery and Budget Implementation Plan

This is the draft IDP as draft by Council in March 2018.

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

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

The IDP has been taken into a business and financial planning process leading up to the 2019/2020 MTREF, based on the approved 2018/2019 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2019/2020 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2018/2019 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

The Local Government Municipal Systems Act No. 32 of 2000, section 28 stipulates that the Municipal Council must adopt a process to guide the planning, drafting and adoption of its IDP within a prescribed period (10 months before the start of the new financial year as per MFMA 21 (1)). The Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA), section 21 (1) (b) prescribes that the Executive Mayor must table in the Municipal Council a time schedule outlining the key deadlines for the preparation, tabling and approval of the annual budget, annual review of the Integrated Development Plan as well as the budget related policies and related consultative processes.

The main objective of an IDP process plan is to set out a procedure to guide planning, drafting and adoption of the IDP. It seeks to achieve the following: -

- i. To draw up a process that would encourage inclusiveness and transparency by ensuring the following:
 - a) Participation by all local municipalities, other stakeholders and communities is encouraged in every way possible
 - b) Comments and inputs made during the IDP Road Shows and Mayoral and IGR outreach programmes are fully considered in developing the IDP

- ii. To solicit and align development priorities of the O.R. Tambo District Municipality with those of the local municipalities as well as provincial and national sector departments, by looking at the following:
 - a) Aligning the IDP, PMS and Budgeting process to the budgeting cycles of the National and Provincial Government department
 - b) Developing a schedule for critical alignment deadlines to ensure that the district is able to timeously align its planning and budgeting processes to inform those of the national and provincial spheres, thereby increasing the scope for funding commitments.
- iii. To enhance service delivery and development through the following:
 - a) Preparation and review of relevant sector plans.
 - b) Implementation and review of PMS.
 - c) Preparation and adoption of annual municipal budget.
 - d) Alignment of IDP and Budgeting processes with national and provincial planning and budgeting processes.

3.1.1 Community Consultation

The draft 2019/2020 MTREF as tabled before Council on 31 March 2015 for community consultation. Notice of community road shows for different wards will be published in the local newspaper.

Ward Committees will be utilised to facilitate the community consultation process, and included public briefing sessions. The applicable dates and venues will be published in the local and provincial newspapers. Other stakeholders will be involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the finalisation of the 2019/2020 MTREF. Feedback and responses to the submissions received is available on request. The following are some of the main issues and concerns raised as well as comments received in consultation processes in previous years:

- Several complaints were received regarding poor service delivery, especially water distribution in rural communities, state of road infrastructure;
- Incomplete pit toilets and poor access to health facilities in rural communities.
- Poor performance of contractors relating to water infrastructure development and maintenance were raised;
- Constant water outages.

These issues will be addressed together with any new that will be raised when the public participation gatherings will be in progress.

The MSA, 2000: Section 17(4) states that participation must take place through the established structures. It must also take place through mechanisms, processes and procedures that exist in terms of the MSA itself or that have been established by the Council. The MSA mentions the ward

committees as a vehicle for participation. In addition to ward committees, the council may for instance, establish advisory committees consisting of persons who are not councillors. The mechanisms, processes and procedures mentioned in the MSA must include:

- Procedures to receive and deal with petitions and complaints of the public;
- Procedures to notify the community about important decisions (such as the IDP, service delivery choices etc) and allowing public comment when it is appropriate;
- Public hearings;
- Consultative meetings with recognized community organizations when appropriate, traditional authorities; and
- Report back to the community

These systems must as a minimum measure, be established in every municipality. The special needs of women, illiterate people, physically challenged people, and other disadvantaged groups must be taken into account. Four major functions can be aligned with the public participation process namely; Needs orientation, Appropriateness of solutions, Community ownership and Empowerment.

The following participation mechanisms are proposed:

IDP REPRESENTATIVE FORUM

The IDP Representative Forum is the main organizational mechanism in place for discussion, negotiation and decision-making between stakeholders with the municipal area. It is constituted of Councillors, Mayors and Municipal managers of all constituent municipalities, representative of organised role playing groups, NGO, Senior officials from Government departments and municipal heads of departments. Additional organizations should be encouraged to participate in the Forum throughout the process.

MEDIA

Amongst others the local press will be used to inform the community of the progress with respect to the IDP.

CIRCULATE NOTICE

Notices on the IDP Process (in English and isiXhosa) will be placed at strategic Notice boards: public buildings (e.g. Schools, Clinics, and Tribal/Magistrates Courts etc) and places of religion. Notices can also be attached on the municipal customer's monthly accounts.

WEBSITE AND ELECTRONIC BILLBOARD

Notices on the IDP processes will be published in the O.R. Tambo DM website.

ROADSHOWS

A number of road shows will be conducted in an effort to ensure that the public is actively involved throughout the process. Announcements of the road show programme will have to be made in local and community radio stations and also make use of local newspaper publications.

3.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the District Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the District Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between

national and provincial priorities, policies and strategies and the District Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2019/2020 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 5 IDP Strategic Objectives

2019/2020 Financial Year	2019/2020 MTREF
1. Institutional Transformation and Development	1. Improve workplace and community skills development to ensure capacity to achieve set objectives and sustainable job creation
2. Good governance and public participation	1 Building a coherent district that is responsible, accountable and promote clear governance
3. Financial viability and Management	1. Ensure sound financial management, sustainability, viability of the municipality
4. Improve coordination and intergration of LED programs and enhancing access to LED infrastructure and promoting sustainable community livelihood	1 Promote economic growth and creating sustainable economic activities through rationalised programmes within a limited natural resources
5. The provision of quality basic services and infrastructure	1. Provide adequate accessible infrastructure and enhancing the community

In order to ensure integrated and focused service delivery between all spheres of government it was important for the District Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure

development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Institutional Transformation and Development
 - Promote workplace and community skills development
 - Improve institutional systems and structures
 - Proper Labour relations planning
 - Review existing organisational structure
2. Good Governance and public participation
 - Promote transparency and accountability
 - Promote effective functioning of Inter Governmental Relations (IGR)
 - Promote Batho Pele principles
3. Financial Viability and Management
 - Ensure effective financial management planning and budgeting
 - Develop effective and efficient system of internal controls
 - Promote transparency in procurement
 - Achieve optimum revenue collection
4. Fighting poverty, building clean, safe, healthy and sustainable communities
 - Promote local economic development projects
 - Provide assistance to local emerging contractors and businesses
5. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide water;
 - Provide sanitation;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide District Municipality planning services; and
 - Maintaining the infrastructure of the District Municipality.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the District Municipality. The five-year programme responds to the development challenges and opportunities faced by the District Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the District Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of

public-led investment to restructure current patterns of settlement, activity and access to resources in the District Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the District Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the District Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the District Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2019/2020 MTREF has therefore been directly informed by the IDP process and the following tables provide reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Providing Access to potable water, and sanitation services and improve the community lively hood	Provide adequate and accessible infrastructure and enhancing the community			667 415	758 672	1 365 695	1 839 193	2 066 429	2 066 429	1 782 950	1 697 841	1 844 724	
Improve coordination and intergration of LED programs and enhancing access to LED infrastructure and promoting sustainable community lively hood	Promoting economic growth and creating sustainable economic activities through rationalised programmes within limited natural resources			17 630	3 175	25 947	129 306	106 119	106 119	188 046	202 770	211 883	
Promote workplace skills development	Improve the institutional systems and overall capacity			607	392	-	129 601	138 322	138 322	170 093	153 994	163 166	
Strengthening governance and control environment	Building a coherent district that is responsible, accountable and promote clean governance			5 610	-	-	219 647	246 518	246 518	225 819	232 972	247 194	
Financial viability and Management	Ensure sound financial management, sustainability, viability of the municipality			1 033 319	1 098 242	800 097	125 330	151 017	151 017	138 473	142 684	151 024	
Total Revenue (excluding capital transfers and contributions)				1	1 724 582	1 860 481	2 191 739	2 443 078	2 708 406	2 708 406	2 505 381	2 430 261	2 617 991

Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Providing Access to potable water, and sanitation services and improve the community	Provide adequate and accessible infrastructure and enhancing the community			792 963	774 450	843 185	813 363	850 180	850 180	797 588	898 970	900 112	
Improve coordination and intergration of LED programs and enhancing access to LED infrastructure and promoting sustainable community lively hood	Promoting economic growth and creating sustainable economic activities through rationalised programmes within limited natural resources			92 814	102 473	167 334	129 306	106 119	106 119	182 743	195 564	206 856	
Promote workplace skills development	Improve the institutional systems and overall capacity			83 494	87 441	121 392	129 601	138 322	138 322	170 093	153 994	163 166	
Strengthening governance and control environment	Building a coherent district that is responsible, accountable and promote clean			143 401	145 798	202 227	219 647	246 518	246 518	225 819	232 972	247 194	
Financial viability and Management	Ensure sound financial management, sustainability, viability of the municipality			210 704	294 573	196 294	125 330	151 017	151 017	138 473	142 684	151 024	
Allocations to other priorities													
Total Expenditure				1	1 323 375	1 404 736	1 530 431	1 417 248	1 492 157	1 492 157	1 514 716	1 624 185	1 668 352

Table 22 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Providing Access to potable water, and sanitation services and improve the community	Provide adequate and accessible infrastructure and enhancing the community	A		491 145	784 897	808 054	1 139 779	1 299 630	1 299 630	1 086 891	899 203	1 030 884
Improve coordination and intergration of LED programs and enhancing access to LED	Promoting economic growth and creating sustainable economic activities through	B		336	-	-	4 100	4 100	4 100	6 745	5 780	4 459
Promote workplace skills development	Improve the institutional systems and overall capacity	C		-	-	4 990	1 801	1 801	1 801	3 186	3 804	2 262
Strengthening governance and control environment	Building a coherent district that is responsible, accountable and promote clean	D		-	-	157	3 600	3 400	3 400	2 000	2 000	-
Financial viability and Management	Ensure sound financial management, sustainability, viability of the municipality	E		18 727	15 562	36 802	35 111	35 611	35 611	18 650	6 350	6 350
Allocations to other priorities			3									
Total Capital Expenditure			1	510 208	800 459	850 003	1 184 390	1 344 542	1 344 542	1 117 473	917 137	1 043 956

3.3 Measurable performance objectives and indicators

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

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year’s performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

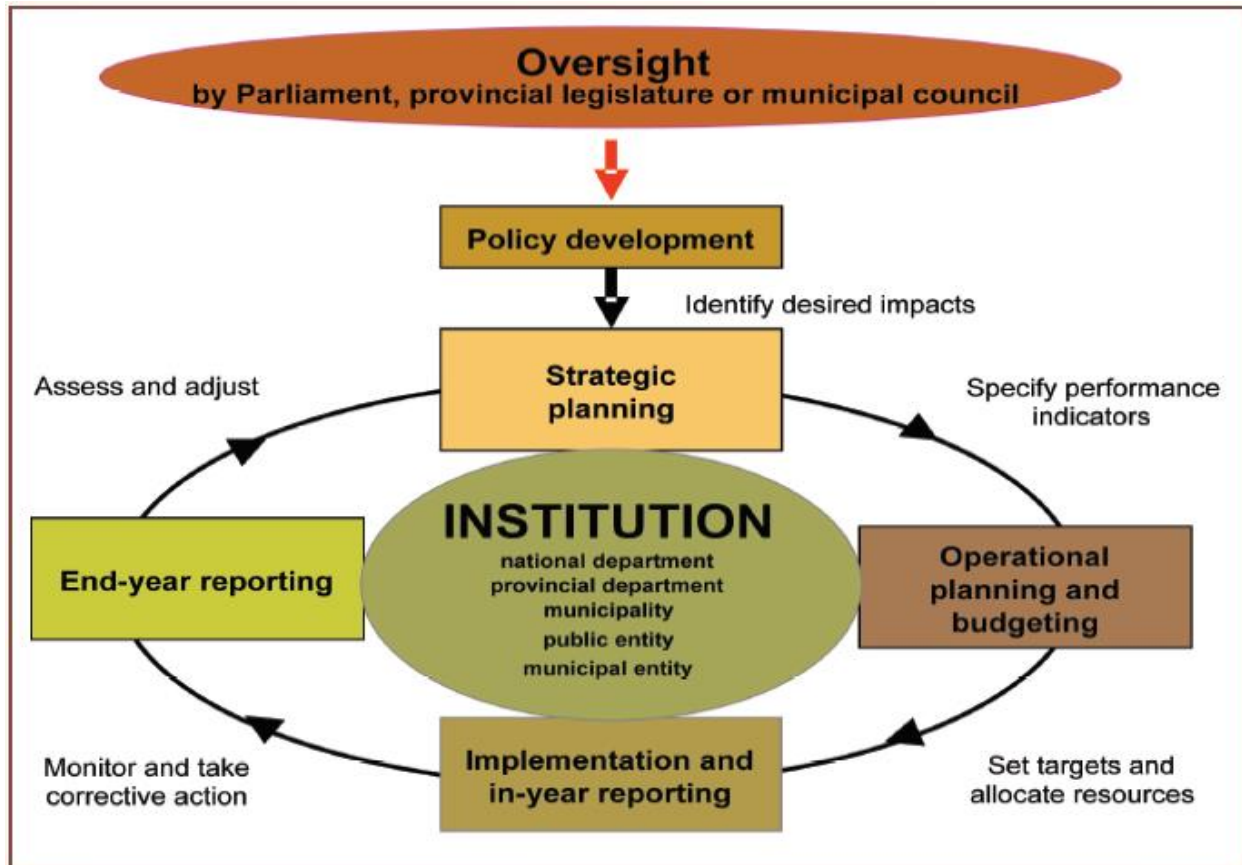


Figure 2 Planning, budgeting and reporting cycle

The performance of the District Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The District Municipality therefore has drafted an integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the District Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

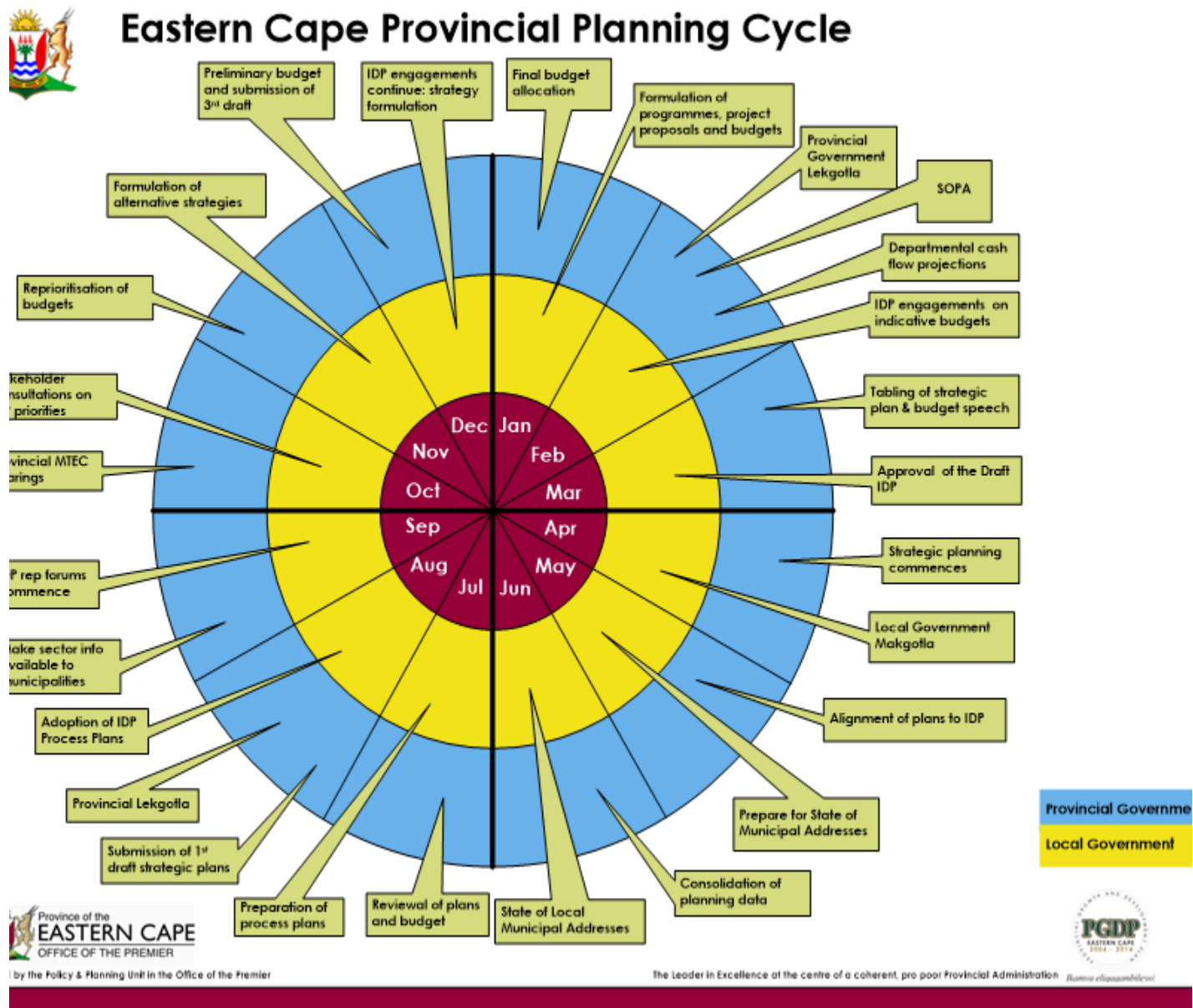


Figure 3 (1) Planning, budgeting and reporting cycle

The planning of the District includes the sector departments within the area which must be aligned with the planning of those sector departments

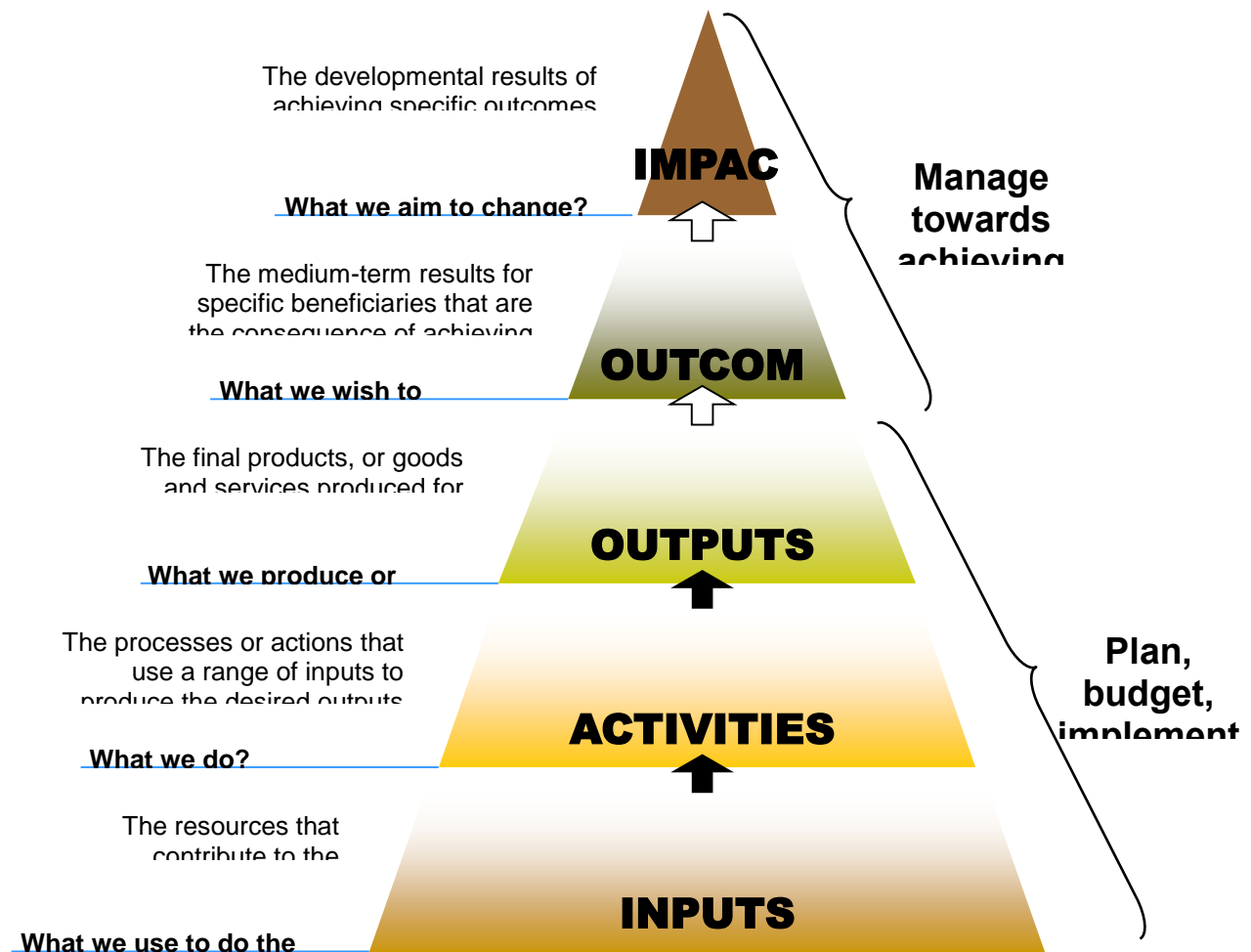


Figure 4 Definition of performance information concepts

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

Table 63 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 1 - vote name	Number of Meetings	14	14	14	14	14	14	14	14	14
Function 1 - (name)	Number of Meetings	4	4	4	4	4	4	4	4	4
Vote 1 - vote name										
Insert measure/s description										

OR Tambo District Municipality 2019/2020 Budget and MTREF
Table 24 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.1%	0.9%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.2%	3.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	237.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.4	1.2	1.1	2.6	2.7	2.7	2.7	6.7	5.1	4.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.2	1.1	2.6	2.7	2.7	2.7	6.7	5.1	4.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.7	0.5	2.1	2.2	2.2	2.2	5.0	4.4	4.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		70.4%	61.7%	57.1%	69.2%	67.7%	67.7%	67.7%	69.9%	70.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		70.7%	61.7%	57.1%	69.2%	67.7%	67.7%	67.7%	69.9%	70.9%	77.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.1%	7.8%	10.0%	12.0%	11.4%	11.4%	11.4%	11.3%	6.5%	4.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		104.6%	130.5%	189.3%	88.2%	74.8%	74.8%	74.8%	19.5%	22.5%	22.6%
Other Indicators											
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 (kt)	8 461	13 241	10 606	8 207	8 207	8 207	8 207	7 387	6 648	5 983
	Total Cost of Losses (Rand '000)	12 269	22 510	21 425	11 890	11 890	11 890	11 890	16 768	15 955	15 257
	% Volume (units purchased and generated less units sold)/units purchased and generated	42.0%	54.0%	47.0%	40.0%	40.0%	40.0%	40.0%	35.0%	32.0%	30.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	22.8%	23.5%	24.9%	35.2%	36.3%	36.3%	36.3%	41.1%	40.9%	42.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	22.3%	24.4%	27.0%	37.2%	37.7%	37.7%	37.7%	42.6%	42.4%	44.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.4%	4.7%	4.0%	5.4%	3.8%	3.8%	3.8%	4.3%	5.2%	4.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.1%	9.5%	7.9%	11.4%	10.8%	10.8%	10.8%	11.2%	11.0%	11.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	6.3	3.3	15.3	18.0	18.0	18.0	10.0	9.2	9.5	9.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	96.9%	69.1%	94.5%	59.9%	58.6%	58.6%	58.6%	55.8%	31.7%	18.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.7	3.7	2.5	5.1	5.0	5.0	5.0	6.4	7.9	9.7

3.3.1 Performance indicators and benchmarks

3.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, OR Tambo District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the District Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2019/2020 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. The District Municipality is not intending to borrow funds.

3.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. During the 2018/2019 financial year the ratio was only 0 per cent of equity and debt utilised to finance assets. Then in 2019/2020 MTREF the ratio is 0 per cent.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. Since the District is not intending to borrow, this ratio is nil since the municipality does not intend to borrow funds.

3.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities. This gives an indication of how much the cash will be able to cover the current liabilities and the best practice is about 3:1. In 2015/16 to 2017/18 the ratio is 1:4, 1:2, 1:1 which indicates that the municipality is in break even point to cover the current liabilities due to a number of reasons being one of them the poor collection rate on service charges. But in 2018/2019 budget, it is anticipated that the ratio is 2.6:1 due to the decrease in current liabilities and increase in current assets, this decrease was as a result of decrease in accruals but still this is not safe enough as it is in breakeven point. For the 2019/2020 MTREF the current ratio is 6.7:1 this will improve as the collections rate will improve and the cash on hand will increase (largely due to the reserve funds from depreciation) but there is still room for improvement in the area of collections for this ratio to rise and closer to the best practice.

3.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management strategy has been implemented to increase cash inflow, not only from current billings but

also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Currently the projected collection rate is at 70 per cent for 2018/2019 which is anticipated to be reached. For 2019/2020, anticipated collection rate is 70 per cent. There is a revenue strategy that is planned by 2019/2020 where the consumers will be encouraged to pay their old debts.

3.3.1.5 Creditors Management

- The District Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. Though there are some challenges in payments of contractors for MIG spending due to the process of verification of work done, there are mechanisms in place to address these. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.
- Other Indicators
- Employee costs being 41 per cent as a percentage of operating revenue is which is a bit higher than the norm of maximum of 40 per cent as per circular 71. This is due to the increment of 6.5 per cent and the filling of vacant posts.
- Repairs and Maintenance is significantly lower as the percentage of total property plant and equipment which is 4 per cent. This as a result of some items which were reclassified from repairs and maintenance to capital expenditure and other direct costs on operations and maintenance being classified under other expenditure. Even then this is not enough still to address the aging of the infrastructure more especially in towns. Funding the depreciation will assist in asset renewal and replacement.

3.3.2 Free Basic Services: basic social services package for indigent households

OR Tambo District Municipality 2019/2020 Budget and MTREF
Table 24 a MBRR Table SA9 – Social, Economic and demographic statistics assumptions

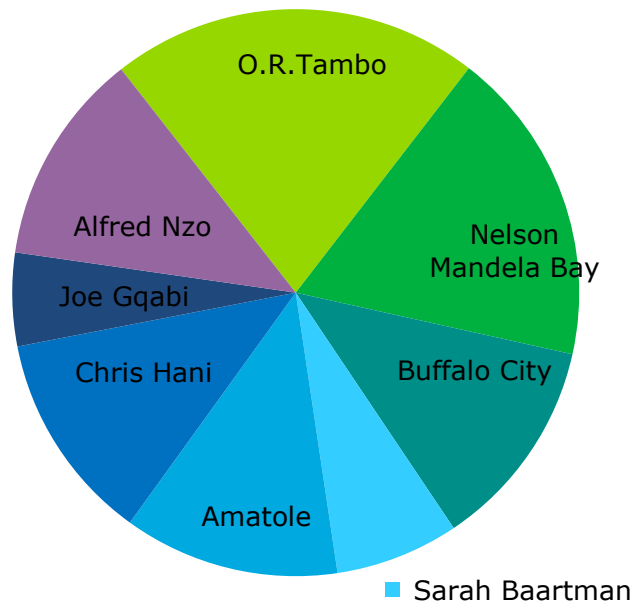
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population												
Females aged 5 - 14			1 677	1 350	1 390	1 470	1 470	1	2	2	2	2
Males aged 5 - 14			140	118	153	182	182	182	184	186	188	189
Females aged 15 - 34			144	122	159	187	187	189	190	192	195	197
Males aged 15 - 34			226	176	229	294	294	237	239	241	242	245
Unemployment			216	193	251	281	281	283	290	291	294	296
Monthly household income (no. of households)												
No income	1, 12		60	70	77	63	63	47	52	58	636	703
R1 - R1 600			1 000	1 160	1 287	1 055	1 055	783	866	957	1 058	1 170
R1 601 - R3 200			10 280	11 925	13 236	10 850	10 850	3 800	4 201	4 645	5 156	5 700
R3 201 - R6 400			19 921	23 109	25 651	21 025	21 025	8 050	8 900	9 840	10 879	120 278
R6 401 - R12 800			58 998	68 438	75 966	62 267	62 267	46 200	51 078	56 472	62 435	69 028
R12 801 - R25 600			60 658	70 364	78 104	64 019	64 019	47 500	52 156	57 664	63 753	70 485
R25 601 - R51 200			53 155	61 659	68 442	56 100	56 100	26 700	29 519	32 636	63 082	69 743
R52 201 - R102 400			21 982	25 499	28 304	23 200	23 200	21 000	23 217	25 668	28 379	31 376
R102 401 - R204 800			45 196	52 427	58 194	47 700	47 700	20 200	22 333	24 691	27 298	30 181
R204 801 - R409 600			19 139	22 202	24 644	20 200	20 200	10 300	11 388	12 591	13 921	15 391
R409 601 - R819 200			17 174	19 922	22 114	18 126	18 126	6 150	6 799	7 517	8 311	9 189
> R819 200			176	204	227	186	186	186	2 064	2 282	2 523	2 789
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2		10 659	12 102	12 995	11 369	11 369	47	52	58	636	703
Household/demographics (000)												
Number of people in municipal area			1 676 592	1 350 000	1 390 000	1 470 000	1 470 000	1 490 000	1 510	1 520	1 540	1 550
Number of poor people in municipal area			1 257 444	985 500	1 042 500	1 161 300	1 161 300	#####	876 000 000	866 000 000	857 000 000	846 000 000
Number of households in municipal area			364 477	293 478	298 531	314 080	314 080	314 080	320 220	326 080	332 921	340 530
Number of poor households in municipal area			273 357	214 239	226 630	252 457	252 457	234 495	-	-	-	-
Definition of poor household (R per month)			992	992	992	992	992	992	992	992	-	-
Housing statistics												
Formal	3		139 374	135 247	141 785	141 089	141 089	141 089	-	146 692	150 045	152 415
Informal			176 939	171 700	180 000	179 116	179 116	179 116	-	186 229	190 485	193 495
Total number of households			316 313	306 947	321 785	320 205	320 205	320 205	-	332 921	340 530	345 910
Dwellings provided by municipality	4					-	-	-	-	-	-	-
Dwellings provided by province/s						-	-	-	-	-	-	-
Dwellings provided by private sector	5					-	-	-	-	-	-	-
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6					4.7%	4.7%	4.7%	4.7%	5.2%	5.4%	5.4%
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases						7.1%	7.1%	7.1%	7.1%	6.9%	6.7%	6.7%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
Property tax/service charges	7											
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

POPULATION

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income. With 1.47 million people, the O.R.Tambo District Municipality

housed 2.6% of South Africa's total population in 2016. Between 2006 and 2016 the population growth averaged 0.94% per annum which is close to half than the growth rate of South Africa as a whole (1.54%). Compared to Eastern Cape's average annual growth rate (0.83%), the growth rate in O.R.Tambo's population at 0.94% was very similar than that of the province.

Total population Eastern Cape Province, 2016



Source: IHS Markit Regional eXplorer version 1181

When compared to other regions, the O.R.Tambo District Municipality accounts for a total population of 1.47 million, or 21.0% of the total population in the Eastern Cape Province, which is the most populous region in the Eastern Cape Province for 2016. The ranking in terms of the size of O.R.Tambo compared to the other regions remained the same between 2006 and 2016. In terms of its share the O.R.Tambo District Municipality was slightly larger in 2016 (21.0%) compared to what it was in 2006 (20.8%). When looking at the average annual growth rate, it is noted that O.R.Tambo ranked fourth (relative to its peers in terms of growth) with an average annual growth rate of 0.9% between 2006 and 2016.

The Ngquza Hill Local Municipality increased the most, in terms of population, with an average annual growth rate of 1.3%, the King Sabata Dalindyebo Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 1.2%. The Mhlontlo Local Municipality had the lowest average annual growth rate of -0.39% relative to the other within the O.R.Tambo District Municipality.

The population pyramid reflects a projected change in the structure of the population from 2016 and 2021. The differences can be explained as follows:

- In 2016, there is a significantly larger share of young working age people between 20 and 34 (27.5%), compared to what is estimated in 2021 (25.5%). This age category of young working age population will decrease over time.
- The fertility rate in 2021 is estimated to be significantly higher compared to that experienced in 2016.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (35.9%) in 2021 when compared to 2016 (37.3%).
- In 2016, the female population for the 20 to 34 years age group amounts to 14.3% of the total female population while the male population group for the same age amounts to 13.2% of the total male population. In 2021, the male working age population at 12.5% does not exceed that of the female population working age population at 13.0%, although both are at a lower level compared to 2016.

Population by population group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

O.R.Tambo District Municipality's male/female split in population was 87.7 males per 100 females in 2016. The O.R.Tambo District Municipality has significantly more females (53.28%) than males, when compared to a typical stable population. This is most probably an area with high male out migration to look for work elsewhere. In total there were 784 000 (53.28%) females and 688 000 (46.72%) males. This is different from the Eastern Cape Province as a whole where the female population counted 3.67 million which constitutes 52.31% of the total population of 7.01 million.

In 2016, the O.R.Tambo District Municipality's population consisted of 99.12% African (1.46 million), 0.18% White (2 720), 0.47% Coloured (6 940) and 0.22% Asian (3 230) people. The largest share of population is within the babies and kids (0-14 years) age category with a total number of 550 000 or 37.3% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 25.5%, followed by the teenagers and youth (15-24 years) age category with 323 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 78 200 people, as reflected in the population pyramids below.

ECONOMY

The economic state of O.R.Tambo District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Eastern Cape Province and South Africa. The section will also allude to the economic composition and contribution of the regions within O.R.Tambo District Municipality.

The O.R.Tambo District Municipality does not function in isolation from Eastern Cape, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

With a GDP of R 38 billion in 2016 (up from R 16.3 billion in 2006), the O.R.Tambo District Municipality contributed 11.23% to the Eastern Cape Province GDP of R 338 billion in 2016 increasing in the share of the Eastern Cape from 11.47% in 2006. The O.R.Tambo District Municipality contributes 0.87% to the GDP of South Africa which had a total GDP of R 4.35 trillion in 2016 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2006 when it contributed 0.89% to South Africa, but it is lower than the peak of 0.92% in 2007.

The O.R.Tambo District Municipality had a total GDP of R 38 billion and in terms of total contribution towards Eastern Cape Province the O.R.Tambo District Municipality ranked third relative to all the regional economies to total Eastern Cape Province GDP. This ranking in terms of size compared to other regions of O.R.Tambo remained the same since 2006. In terms of its share, it was in 2016 (11.2%) slightly smaller compared to what it was in 2006 (11.5%). For the period 2006 to 2016, the average annual growth rate of 1.0% of O.R.Tambo was the sixth relative to its peers in terms of growth in constant 2010 prices.

The table above indicates the statistical demographic information for the district municipality. Based on the census for 2001 and later on the census for 2011 with the projected growing index of 0.97 per cent per annum population growth from 2011 census.

As indicated in the table above total number of people in the municipal area amount to 1.36 million in the 2011 census and out of that number, number of poor people in the municipal area amounted to 828,500 which means 60 per cent of people in the municipal area are poor. This number grew in the subsequent years using the growth index to 1 million poor people out of 1.9 million total population but the percentage remains the same since the same index in both total population and poor people. But this indicated the challenge the municipality has in the expanding its revenue base due to the demographic dynamics.

The district is located in one of the deeply rural areas in the country with nonexistent infrastructure in some of the areas. The district as per 2011 census comprises of close to 308 577 households of which 93 per cent are rural. The rural communities comprising of 93 per cent households receive water and sanitation without paying for them and this forms part of free basic service.

For the 7per cent in towns social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the District Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2019/2020 financial year 1600 registered indigent households have been provided for in the budget with this figured expected to increase. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 19 MBRR A10 (Basic Service Delivery Measurement)

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

3.3.3 Providing clean water and managing waste water

The District Municipality is the Water Services Authority for the entire district in terms of the Water Services Act, 1997 and acts as water services provider. The District Municipality source water from dams (DWA) to water pump stations for purification then to consumers. There are other sources of water being boreholes

The following is briefly the main challenges facing the District Municipality in this regard:

- Decrease of water supply due to drought
- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

3.4 Overview of budget related-policies

The District Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

3.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in October 2008 is reviewed in 2019/2020 and the Council approved the revised Credit Control Policy as well Tariff policy on the 29 March 2019. The newly revised draft policy is now credible, sustainable, manageable and informed by affordability and value for money that has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions have been included to enhance the lowering of the credit periods for the down payment of debt. In addition emphasis has been placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

The collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the District Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

3.4.2 Supply Chain Management Policy

The Supply Chain Management Policy was draft by Council in December 2005. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on and will be in compliance with the newly revised SCM regulations.

3.4.3 Budget and adjustment budget, Reserves and funding and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the District Municipality's system of delegations incorporating the restrictions of mSCOA segments in the amendments of the budget . The Budget related Policies has been approved by the council when tabling 2019/2020 MTREF.

3.4.4 Cash Management and Investment Policy

The aim of the policy is to ensure that the District Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

3.4.5 Tariff Policies

The District Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

3.5 Overview of budget assumptions

3.5.1 External factors

Domestically, after years of strong growth, during which millions jobs were created, our economy had a CPIX of 4.7 per cent in 2019. Due to the active industrial action in different sectors taking place and mass protests, devaluation of rand to dollar exchange, worsening of country's credit rating (downgrade to junk status), uncertainty on Eskom electricity supply, gloomy political climate (which is slightly improving due to the new executive), drought resulting in potential import of produce, this will have negative impact on the economy in a long run and the loss of jobs will continue to increase as these circumstances prevail with an increase in budgeted deficit for the country not helping. It is expected that recovery from this deterioration will be slow and uneven, and this will be the same for 2019/2020 which is 5.2 per cent and in 2020/2021 and 2021/2022 at 5.4 respectively. The increase in the VAT from 14 per cent to 15 per cent has hit the consumers in many areas resulting in increase of many products which will inevitably reflect negatively in the earnings of the population which is already stretched. The anticipated rise in fuel prices as the crude oil is rising in price and tax levied on fuel will definitely increase the inflation.

Owing to the economic slowdown and increase in grant dependency of the population, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the District Municipality's finances.

3.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/2020 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on District Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 36 per cent of total operating expenditure in the 2019/2020 MTREF and a budgeted increment of 8 per cent, and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

3.5.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. This relates to water and sanitation revenue sources. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (69 per cent) of annual billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored and the services of debt collectors have been sourced to accelerate the arrear debt collection.

3.5.4 Growth or decline in tax base of the municipality

Due to the location of the District Municipality which is situated in one of the poorest provinces in the country, even then in one to the poorest regions the tax base will both grow and decline as in towns, there is a potential for growth due to increase in job creation projects whilst in rural areas, the tax base will decrease as the municipality have to subsidise services without revenue.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

3.5.5 Salary increases

The overall salary increases is projected at 6.9 per cent, as guided by MFMA Circular 94 provision for outcome of wage negotiations.

3.5.6 Impact of national, provincial and local policies

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

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and

- Fighting crime and corruption.

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

2.5.7 VAT Refunds

The municipality is registered on cash basis. Receipt of grants is zero rated and does not attract output vat. Main component of refund is the spending on the MIG, WSIG, RBIG grants. The municipality ensures that the service providers for the spending of these grants are VAT registered so as to be able to claim the VAT. VAT refund funds the capital expenditure of the district. Therefore it is assumed that the amount projected will be fully collected.

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

It is estimated that a spending rate of 100 per cent is achieved on operating expenditure and on the capital programme for the 2019/2020 MTREF of which performance has been factored into the cash flow budget

2.5.9 Departmental Budget narrative

Water and Sanitation Services

- The ORTDM received following grants for the 2018/19 financial year:
 - Municipal Infrastructure Grant = R633,395,000
 - Regional Bulk Infrastructure Grant = R246,398,000
 - Water Serves Infrastructure Grant = R100,000,000

1. Background

OR Tambo District Municipality (ORTDM) is both Water Services Authority and a Water Services Provider. Authority is therefore vested in it, in terms of the Municipal Structures Act 118 of 1998 or the ministerial authorizations made in terms of this Act, to ensure that water resources and infrastructure are well managed and maintained in order that the service may be provided in an equitable, sustainable and efficient manner.

2. The primary responsibility for Water Services Authority includes

- **Ensuring access:** To ensure the realization of the right of access to water services, particularly basic water services (subject to available resources) by seeing that appropriate investments in water services infrastructure are made.
- **Planning:** To prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.
- **Regulation:** To regulate water services provision and Water Services Providers within the jurisdiction of the municipality and within the policy and regulatory frameworks set by Department of Water Affairs through the enactment of by-laws and the regulation of contracts.
- **Provision:** To ensure the provision of effective, efficient and sustainable water services (including water conservation and demand management) either by providing water services themselves or by selecting, procuring and contracting with external Water Services Providers.

3. Locality

O.R. Tambo District Municipality is one of six District Municipalities in the Eastern Cape Province. It is located in the eastern half of the Province, with its eastern border the Indian Ocean coastline of South Africa as can be seen in. It is bordered by Alfred Nzo District Municipality, Joe Gqabi District Municipality, Chris Hani District Municipality and by Amathole District Municipality. OR Tambo DM is one of six District Municipalities in the Eastern Cape Province and is located in the eastern half of the Province.

OR Tambo District Municipality locality map



The District is classified as a Category C2 Municipality, which indicates an area with a largely rural character. At least 80% of the district was part of the former Transkei, and approximately 93% of the population resides in widely dispersed homesteads and small villages

The other major towns in the district are Mthatha, Mqanduli, Port St. Johns, Qumbu, Lusikisiki, Nggeleni, Libode, Tsolo and Flagstaff.

OR Tambo DM has five local Municipalities with 9 towns namely:

Local Municipality	Town
KSD	Mthatha
	Mqanduli
Nyandeni	Libode
	Nggeleni
Mhlontlo	Qumbu
	Tsolo
Port St Johns	Port St Johns
Ingquza Hill	Lusikisiki

4. Discussion

- **MIG:**
 - The MIG budget allocation for 2018/19 financial year is R633,395,000:
- **RBIG:**
 - The RBIG budget allocation for 2018/19 financial year is R246,398,000
- **WSIG:**
 - The WSIG budget allocation for 2018/19 financial year is R100,000,000

5. Conclusions

- The municipality has been constantly spending all grants allocation to it in the recent financial years
- According to the WSDP of the ORTDM, water backlogs are standing at 59.4% while sanitation backlogs are at 23%
- The district has allocated over 86% on average of the 2018/19 grant budget towards reducing water backlogs while 12% has been put aside for sanitation services
- The average annual growth rate of households is 1.55% while the average water backlog reduction per annum stands at 1.27%
- Despite the huge bias on water projects by the municipality if the current situation remains the same as depicted above, the efforts of the district will be unable to make inroads in fighting water backlogs.
- The district does make short to medium term intervention to supply water to isolated settlements by means of standalone schemes mainly using Wsig grant and equitable share, these efforts are facing challenges of theft, vandalism and drought which in some instances condemn communities to stay for days without water
- The district can positively report successes in dealing with sanitation, this is due with implementation of cost effective VIP sanitation projects in the rural areas where most population of the municipality is located.

- While the advantages of VIP sanitation are appreciated in the short term but long term is proving a challenge as the pits get filled up and top toilet structures shows huge distress around five years of existence. This amounts to phenomenon called reverse backlogs.

Human Settlement

CONFERENCE FEES

The funds are budgeted for attendance to Human Settlements development conferences that officials and Portfolio Head for Human Settlements must attend.

PROTECTIVE CLOTHING

The money will be used for protective clothing for officials such as building inspectors on sites as per Health and Safety regulations.

COMMUNITY TRAINING

The department is currently developing a business plan with a purpose of attaining projects to implement them through different housing subsidy instruments. Communities will be trained on different housing instruments and qualification criteria in order for them to understand Human Settlements policies when applying for a housing subsidy. In areas where there is a housing project being implemented these funds will be also used in training communities on building, carpentry, plastering etc. The training will be conducted by Accredited Service providers with the officials from the DM and the Regional Office of Human Settlements.

SUBSISTENCE TRAVELLING

This will be used for travelling expenses and booking for officials and the Portfolio Head. The travelling relates to Human Settlement development e.g. monitoring of projects, filling of beneficiary subsidy forms, attending conferences, workshops and meetings etc.

LAUNCHES – HOUSING PROJECTS

There are preparations for project launches events to take place in all 5 Local Municipalities for social relief houses that are being constructed and to be handed over to beneficiaries.

HOUSING FORUMS

The department convenes Human Settlements forums quarterly which are organised to deal with Human Settlement matter for the region in consultation with all the five local municipalities. Other departments also participate and government departments are also invited when there is a need. The meetings are chaired by the Portfolio Head for Human Settlement

GRANT ADHOC HOUSING

The funds will be used to enhance housing development in areas where houses are constructed for special cases as identified by the Local Municipalities in areas where destitute programme will be implemented.

OR Tambo District Municipality 2019/2020 Budget and MTREF
EQUIPMENT AND LABORATORY FEES

The budget will be used to buy things like cameras, tools for testing of building material where quality is suspected not to conform to the norms and standards.

DISTRICT HOUSING DEVELOPMENT STRATEGY

The budget will be used for payment of a service provider appointed for development of this policy document.

HOUSING SOCIAL RELIEF PROGRAMME

The program is meant to assist destitute families in the O R Tambo region by providing them with adequate housing with basic level of services. The funding will be used for building houses for people identified as special cases in all 5 local municipalities of the DM. It is important that in the program provincial norms and standards be adhered to as the DM is requested to finance the program where upon completion of the houses the provincial department is expected to refund .The fund is aimed at constructing more houses through this fund together with the funding from E.P.W.P to assist top up in the program, so as to have an incremental system of construction.

Corporate Services

The HR Services budget is used for

- Organisational Structure Review
- Job Evaluation
- Staff Provisioning
- Conditions of Service
- Skills Development and Training
- Employee Wellness
- Labour Relations

The ICT Management budget is used for

- Procurement, installation, support and maintenance of ICT Infrastructure
- Development, installation, support and maintenance of Information Systems

The Security Services budget is used for

- Procurement, installation, monitoring and maintenance of Security systems

The GIS Service budget is used for

- Procurement, installation, support and maintenance of Spatial and Geographic Information Systems

The Records and Auxiliary services budget is used for

- Procurement, installation, support and maintenance of records management and archiving systems

Office of Executive Mayor

<p>HIV/AIDS community awareness and support</p> <p>The District Implementation Plan (DIP) for HIV and TB as aligned to the Provincial Implementation Plan (PIP) and National Strategic Plan (NSP) 2017-2022 on HIV/AIDS and TB prioritised HIV Counselling and Testing (HCT), with specific National targets to be achieved by Provinces as cascaded to District Municipalities and Local Municipalities. This includes conducting HCT awareness campaigns to increase the number of people who are aware of their HIV and TB status in order to improve their accessibility to available treatment opportunities and services, thereby reduce the number of people dying because of TB and HIV/AIDS. This also includes mobilizing people living with HIV/AIDS to live productive lives through empowerment, skills development and capacity building interventions. Anti-stigma and discrimination against people living with HIV including the LGBTI sectors are prioritised also focusing on improving their access to available services. It also provides for the improvement of the functionality of local and District AIDS councils, also focusing on strengthening leadership and accountability at political civil society structures of AIDS councils. The District Municipality is central with its major role of coordinating IGR ensuring that all sectors of Government and society maximise their participation in reaching out to all vulnerable and key populations with customised and targeted interventions.</p>
<p>HIV/AIDS (OR TAMBO DM) & INKCIYO PROGRAMME</p> <p>The DIP prioritises focus on intensifying HIV and TB prevention programmes among young people in particular women and adolescent girls. This is informed by the reported higher HIV prevalence rate of 5,7% on youth in general and new infections of 8,5% among women on age group of 15-24 years. The Inkciyo Programme is the main programme focused on addressing this challenge through implementation of empowerment and capacity building programmes focused on young people on issues related to HIV/AIDS, including debates, lifestyle improvement, traditional values support preventative measures etc. The DM also holds an annual Inkciyo awareness event as part of World AIDS day commemoration, whereby not less than 5000 young people are mobilized district wide to participate,</p>
<p>MANDELA MONTH</p> <p>The OR Tambo DM resolved to commemorate the iconic individuals that originate from the district with a view to uphold their values and maintain their legacy among the communities. Nelson Mandela hails from the district and is a renowned world iconic figure. Various programmes are implemented to benefit the communities in recognition of his legacy. These include but not limited to the memorial lecture, capacity and empowerment programmes targeting the children, elderly, disabled, women and youth.</p>
<p>OR TAMBO MONTH</p>

<p>The OR Tambo DM resolved to commemorate the iconic individuals that originate from the district with a view to uphold their values and maintain their legacy among the communities. The District Municipality is named after this grate international iconic figure. Various programmes are implemented to benefit the communities in recognition of his legacy. These include but not limited to the memorial lecture, cultural carnival, boxing tournament, soccer match, visit to Ekurhuleni for the annual wreath laying, Young Women Development Pageant, choral festival etc.</p>
<p>SPU'S - PHYSICALLY CHALLENGED</p>
<p>This provides for empowerment and capacity building for people living with disabilities to provide the necessary support for the improvement of their livelihoods</p>
<p>SPU'S - WOMEN</p>
<p>This provides for empowerment and capacity building for women to provide the necessary support for the improvement of their livelihoods. It includes conducting awareness programmes, dialogues, etc focusing on addressing issues of gender, human rights, health and wellness for the women, also including the men's sector</p>
<p>SPU'S - YOUTH</p>
<p>The Special Programmes Unit focuses on mainstreaming and advocacy for the interests and constitutional rights the vulnerable groups, including the youth. With the existing high rate of unemployment, poverty, young people dropping out of school and having nothing much to do in their communities, increasing rate of crime, drugs and alcohol abuse. The DM is implementing programmes that are focused on improving the livelihoods and economic prospects for the youth through empowerment and capacity building. This includes the youth development policy, annual youth summit or engagement, support to youth development initiatives, etc</p>
<p>SPU'S - OLD AGE</p>
<p>The Special Programmes Unit focuses on mainstreaming and advocacy for the interests and constitutional rights the vulnerable groups, including the elderly people in our communities. Over the years, the OR Tambo district has been faced with brutal killings of elderly people by the youth on allegations of witchcraft. The DM implements programmes focusing empowerment and capacity for the elderly. This includes their wellness programme, golden games encouraging healthy lifestyle of sport and exercise, etc.</p>
<p>INITIATION SUPPORT</p>
<p>Over the years, there has been an increasingly high rate of death of the initiates, young boys undergoing customary rights to manhood are dying and some irreversibly harmed and lose their manhood due to botched circumcision. The DM is coordinating all sectors of society and government departments to join hands in the fight against this challenge.</p>
<p>SPU'S - CHILDREN</p>
<p>Special Programmes Unit focuses on mainstreaming and advocacy for the interests of the vulnerable groups including the children, the orphans, the HIV infected and affected, the abused and those affected with poverty and are in any form of vulnerability as a result of that. Programmes implemented include empowerment and capacity building for children, holding and supporting awareness campaigns on issues of interest to the children. In Partnership with the Department of Education and the private sector (Anglo GOld Ashante mining company), implement the Star schools programme, benefiting 22 best performing high schools in the district. The schools are supported to sustain their good record on achieving highest results for grade 12.</p>
<p>FINANCIAL ACADEMIC ASSISTANCE</p>

The DM contributes to the improvement of livelihood in vulnerable and poverty stricken households by providing financial assistance to children with potential from these households to access tertiary qualification so as to improve the economic prospects of those families.

COMMUNITY MOBILIZATION FOR POOR PERFORMING MATRIC SCHOOLS

Most of the schools in the district perform extremely poor in terms of grade 12 results. With the recognition of the fact that, the children's education is a societal matter and not only the responsibility of the department of Education, the OR Tambo DM is championing a programme of mobilizing and empowering communities closest to the poorest performing high schools to implement a support programme for the improvement of grade 12 children in those schools.

Rural Economic and Developmental Planning

1.1 Background

The ORTDM Department REDP is responsible for rural and economic development in the district. The ORTDM has its state owned company the Ntinga Development Agency. The district had recently re-aligned Kei Fresh Produce market and the Ntinga Development Agency to the requirements of both the MFMA and Municipal Systems Act.

1.2 Mandate

The Rural Economic and Development Planning (REDP) department, derives its mandate from S152(1) (c) (d) (e) of the Constitution of the Republic of South Africa, has a responsibility to

- promote social and economic development;
- promote a safe and healthy environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

LED is also guided by National Framework for LED, NSDP, MSA, LED White Paper, IPAP, NDP, PGDP among other policies in its mandate to coordinate developmental initiatives of the district and monitor implementation of priority programmes.

The REDP department is also responsible for the proper functioning of its respective IGR structures to ensure aligned integrated development planning, coordinating capacity

building initiatives in all the LED sectors for the district, implementation of REDP programmes as per the approved budget, and support LMs on economic development initiatives.

2. PROGRAMS FOR IMPLEMENTATION ON THE 2018/19 FINANCIAL YEAR

The department operates with FIVE sub-units listed as follows:

- 2.1 Environmental & Waste Management.
- 2.2 Spatial Planning & Land Use Management
- 2.3 Tourism
- 2.4 Rural Development, Resource Mobilisation and Research
- 2.5 SMME Development

3. ENVIRONMENT & WASTE MANAGEMENT

3.1 Greenest Municipal Awards

In 2018/19 financial year the department has budgeted for the Greenest Municipality Competition an amount of R650 000.00, this budget will be utilized for the assessment that will be conducted in Local Municipalities as well as hosting the Greenest Municipality Competition Awards to be held in the third quarter. Municipalities will then be assisted towards waste management activities with the budget that will be allocated for prizes in the competition. This competition is a feeder to the Provincial & National Greenest Municipal Competition Awards.

3.2 Environmental Management Planning

In the 2019/2020 financial year, Environmental Management section will be developing the Biodiversity Management Plan and reviewing its Environmental Management Plan. These two plans are one of the sector plans that are supposed to be integrated in the IDP as compliance and planning tools.

3.3 Environmental Awareness

In order to improve the standards and manner in which the environment is managed and protected, the National Environmental Management Act mandates all spheres of Government to conduct and facilitate environmental management program to ensure environmental awareness in the communities around. Environmental Management Section has planned to implement educational programs in school and communities as well as establishing Environmental Clubs in all local municipalities

3.4 Integrated Waste Management Plan

The district municipality will be reviewing its IWMP and AQMP due to the fact that the air quality function has been devolved from being the Provincial function to the district as per amended National Environmental Management Air Quality Act (39 of 2004). This act mandates the Municipality to develop and implement projects in the Air quality management implementation Plan for complying with the Atmospheric Emission standards. Much has changed in the district with regards to waste management; this then therefore requires the review of the IWMP.

3.5 Recycling Facilities

Environmental section will be implementing the established Regional Recycling Program in 2019/20 financial year with the allocated budget of R3 000 000.00. Regional Recycling Program is mainly looking at enhancing quality of environment, creating jobs opportunities, SMME development, and also responding to rampant pollution and climate change. This is looking at linking the harvesting and transportation of recyclable materials from the five local municipalities of O.R Tambo region. Each local Municipality is envisaged to have primary cooperative, which collect, sort and sell/transport to the secondary cooperative, which is based, at a regional level. This regional recycling facility will look at encompassing all types of recyclable waste such as papers, cans, plastics and bottles etc. In a long term, the facility is considering the option of generating renewable energy from the landfill, as well as establishing a factory that will be producing recyclable

by-products. The section is also looking at expanding the program with resources so as to include the steel product that are sold along the national roads in assisting the waste pickers even from rural areas.

4. SPATIAL PLANNING AND LAND USE MANAGEMENT (SPLUM)

The main activities to be undertaken in that budget include:

- The consultation meetings with Traditional Leaders of the District, on SPLUMA implementation
- Development of Nyandeni LM Land Use Management Systems (LUMS) for urban and peri-urban areas
- Operational costs of the District Municipal Planning Tribunal (DMPT)

The major concerns we have identified regarding this budget is that is likely to be insufficient as the bulk of it is expected to be used towards the development of LUMS. It is expected that during the 2019/20 financial year the DMPT will have meetings, which will cost us to run them (frequency will be determined by the DMPT).

The SPLUM unit has also budgeted the development of Spatial Development Frameworks (SDFs) in the District. The unit will develop the Local Spatial Development Frameworks (LSDFs) for :

- Ntlangano Node
- Mpande Node
- Mngazana Node and
- Ntlaza Precinct Plan

5. BUDGET NARRATIVE FOR TOURISM SECTION FOR 2019/2020

Tourism play's crucial role in the district economy. It essentials that latent potential be tapped into through various actions, strategies and policies. Key levers such as routes, nodes, must be coupled with interventions such as concentrated marketing, and infrastructure provision to make sure that tourism reaches its full potential

The total budget for Tourism Section is **R3 439 401**, The Votes are as follows:

5.1 Research and Development

The program seeks to conduct an analysis audit and facilitate the provision of infrastructure to and at tourist's attraction sites: access roads, signage, Water and Sanitation, Electricity, Ablution Facilities, Viewing Sites and Amenities. This programme seeks to give overall support to tourism product owners/entrepreneurs by: assessment the state of tourism Products Identification of training needs, create linkages to funding opportunities, assist on development

Planned for 2019/20

- Infrastructure Audit.
- Development of Signage.
- Support to SMME'S and Co-operatives.

5.2 Regional and Local Tourism Organisations.

This program faces huge financial constraints as it purpose is to support and facilitation of the establishment of Regional Tourism Organisations, with the formation of the Associations and Local Tourism Organisations with all Local Municipality which will feed to Regional Tourism Organisation. The purpose of this Structure is drive and manage tourism development of the O.R Tambo Region.

Planned for financial year 2018/19

Ensure sitting of the Sector Forum Meetings

Support functionality and registration of the Local Tourism Organisations

Facilitate the establishment of the Regional Tourism Organisation.

5.3 Arts and Craft Development

This program is responsible for the assessment of skills, improving quality, capacity building, facilitate institutional arrangements, facilitate production centers and equipment , access to markets, quality control. Resource mobilization, liaising with sector department and stakeholders.

Planned for Financial year 2019/20

- Support to Visual arts and Crafters/ Product Development.
- Support Crafters to attend and exhibit in National and International Trade Shows such as the Grahamstown Arts Festival and the Mangaung African Cultural Festival(MACUFE)

5.4 District Tourism Marketing

This program focuses on tourism marketing and Research on tourism information and management systems, Visitor arrivals, trends, destination marketing (print Media, Website, Social Media, Exhibitions, Shows, and Identify platforms).

Planned for financial year 2019/20

- Website Population.
- Exhibit at the International Tourism Indaba and design & manufacture the new exhibition stand.
- Development of Tourism DVD, brochure reprint
- Graphic Design Training.
- Development of promotional material

5.5 Tourism Education and Awareness

The program seeks to encourage participation local stakeholders in tourism planning by creating platforms such regional and local tourism forums, wherein experiences, challenges and solutions will be shared.

The main focal point on this program is to conduct awareness campaigns to create awareness focusing on host communities (where there are tourist activities) through activities such as Tourism Month & Heritage Activities in September, O.R Tambo Month in October, Festive Season Tourism Safety Awareness and Support of Festival Activities conducted together with Private Sector. The program also involves use of Media (Print and electronic), to engage learners and public to debates to support the cause for tourism, Events, Safety and security related activities with SAPS.

Planned for financial year 2019/20

- Tourism Beach Sport
- Kayaking Competition
- Events promotion
- Tourism Awareness Campaigns in all Local Municipalities
- Tourism Awards

6. RURAL DEVELOPMENT & RESEARCH

6.1 RAFI (Rural Agro-Industries and Financial Initiative)

Given the vast amount of land and favourable climatic conditions in the Eastern side of the Eastern Cape, the O.R Tambo District has been identified as a potential food basket and agricultural primary production hub for the Eastern Cape Province. In tapping on this Economic and Comparative advantage, the O.R Tambo District Municipality intends to implement the Rural Agro-Industries and Financial Initiative (RAFI) as means to enhance primary production in the district.

he program seeks to implement a commercial pilot for large scale production of oil seeds / high cash crops (soya beans), and seed multiplication for the district. This program is implemented in partnership with the Government of Argentina. Currently 430ha pilot program is under implementation to consider the Argentinian technology of direct planting and no till. This program which will create more jobs once is implemented fully.

6.2 Development of LED Sector Plans

i) LED Strategy and Capacitation

The LED strategy has been reviewed to align it with key policy frameworks such as DDP, Sector Plans and other frameworks from national, provincial and district levels. Therefore, budget for 2019/20 will be used to facilitate and co-ordinate implementation of sector plans DDP, Agriculture Development Strategy, Forest Development Strategy, development of Aquaculture Development Strategy. These strategies have key programs which brings Co-operatives and SMMEs into the main stream economy and job creation and thus contributing to radical economic transformation. The budget for 2019/20 for capacitation would help in training the people of the region in terms of the needs of the economy through HDR Council in order to align skills with the economy.

ii) Sector Development Plans

As part of driving broad development within the region, its important to have plan on Rural Development hence we to development Rural Development Plan for the District which will be the key driver of development and helps to co-ordinate other sector plans. Therefore, the budget for 2019/20 will be used to develop Rural Development Plan and facilitate its implementation in relation with sector plans. This plan together with LED Strategy will be tools to co-ordinate other sector departments on sharing of resources and

expertise in fast tracking development within the region and help in creating sustainable jobs.

iii) Agriculture Development Strategy

The Agricultural Sector has significant contribution to the GDP recently and has become one of the key focus areas for economic growth of the country. Therefore, our District has identified Agriculture development as one of its pillars for its economic growth and development. The Agriculture Development Strategy was developed to enhance Agriculture in order to boost economy and create sustainable jobs. Therefore, the budget for 2019/20 will be used to facilitate implementation of the strategy as part radicalising development of agriculture through SMME/ Co-operative support as indicated above.

6.3 Agri-Parks Program.

The Agricultural sector is one of the drivers of the economy and key contributors to the GDP in the country. Therefore, the national government has developed Agri-Parks Programme in order to drive and re-engineer Agriculture development to boost economy of the country. Contrary to that, the O.R Tambo District Municipality is the net importer of all its food including vegetables, fruit and meat products. All Districts Municipalities have been earmarked as drivers of the programme in order to boost Agriculture. Given the fact that, O.R Tambo Region import fruit and vegetables at cost of R10 billion a year, the District Municipality wants to contribute to the implementation of Agri-Parks programme through development of FPSUs business plans as well as establishing Hydroponics Program in various Local Municipalities.

With a budget as part of promoting radical economic development and creating vibrant communities, the District has embarked on Number of Economic programs. Guided by the NDP, PDP, the IPAP, the District LED strategy document, the IDP and outcomes of the DDP Summit, the O.R Tambo District Municipality has explored number of areas with high potential for driving economic growth and job creation. Those include but not limited to:

- Focusing on Agriculture & Agro-processing as one of the pillars with a specific focus on intensifying primary production
- A need for investment on sustainable economic infrastructure, which includes industrial parks; alternative energy sources and modern communication technology as major drivers for creating a conducive environment for private investment.
- Sustaining and development of Tourism & Ocean economic opportunities as highlighted through the Operation Phakisa methodologies
- Tapping on the opportunities persuaded by Major National and Provincial driven Projects such as the Agri-Parks Program, Wild Coast SEZ, N2 Wild Coast road, Umzimvubu Dam, Mthatha airport Upgrade, Mthatha Presidential Infrastructure intervention Projects etc.

Programs for 2019/20

- Develop Business Plans for THREE Farmer Production Support Production Units in three LMs.
- Establish FIVE Agri-Tech Incubation Centres for increased vegetable production.

6.4 Regional Industrial Development Program

The department aims to enhance industrial development for establishing factory for rural communities for tissue manufacturing, chemicals and enhanced capacity for the Auto-Motive Sector Incubation. A feasibility study for the Regional Auto-Motive Hub is envisaged in this program and intensive training on panel beating and Auto-Body repairs is also primary in this program.

6.5 Trade and Investment Promotion

The successful implementation of the programs mentioned above require collaboration of both government and private sector. Therefore, Trade and Investment Strategy was

developed among other things to promote investment in the district. In this regard, a task team has been established to facilitate and co-ordinate investment activities within the region. Therefore budget for 2019/20 will be used to facilitate and co-ordinate investment for the region including preparations for land and economic investment conference. This programme aimed at facilitating and creating conducive environment for radical economic transformation which will ultimately create sustainable jobs.

7. SMME, COOPERATIVES AND INFORMAL TRADE SUPPORT

The district plans to enhance job creation and support SMMEs, Cooperatives and Informal Trade enterprises on material, inputs and supplies necessary to unlock the potential of business in the rural communities. In addition the budget aims to ensure a fully established and operational Cooperatives Development Centre for the District.

Co-operatives have been supported in previous financial years but their contribution to the economy of the region is minimal due the fact that, they are not able to sustain themselves due to a number of challenges such as lack of financial management, lack of entrepreneurial knowledge, lack of skills, lack of access to market and lack of sufficient financial support. These challenges will be addressed through the planned SMME/Co-operative Funding Policy for the district, HRD Council which focuses on skills development, Partnerships we have with other sectors such as ECDC, DTI and other departments. Therefore, the budget for 2019/20 will be used support co-operatives with inputs, training and facilitate access to market. The District Municipality will improve its monitoring and assistance to Co-operatives and SMMEs through the development and implementation of SMME/Co-operative Funding Policy which will be processed to council for approval. The development of this Policy also aims to strengthen our economic cluster through IGR in order to create sustainable jobs and bring SMMEs/Co-operatives to the main stream economy.

Community Services

OR Tambo District Municipality 2019/2020 Budget and MTREF

Subsistence & Travelling	To cover for the accommodation, flights and all travelling arrangements for the personnel and the office of the Portfolio Head in areas of programmes that require his intervention.
Disaster Risk Management	Budget will be used to ensure integrated approach to disaster risk management focusing on building resilience, improved institutional capacity to mitigate and respond to disasters through programmes like Disaster Management Information System; Scientific Disaster Management; Skills Development and Capacity Building; Stipend for emergency volunteers- who are used to do community awareness programmes on disaster management and Disaster preparedness and response- This programme serves as an immediate intervention whenever an strikes
Fire Emergency Services	Budget for Fire Fighting Services covers matters like uniform and protective clothing, Business and Public building inspections in terms of compliance to fire prevention; stipend for volunteers who assist in building community awareness on fire emergency services; Firefighting equipment that focuses on purchasing fire trucks.
Municipal Health Services	Municipal health services establishment focusing in establishing Satellite Offices in Local Municipalities; Primary Health Care- focussing in coordinating National Health Insurance programme; municipal health services which includes testing of water, taking food samples, inspecting funeral parlours and waste management landfill sites.
Sports, Recreation, Arts, Culture and Heritage	District Sports Council and establishment and building capacity of other structures of all sport codes ; Transfer of Sports Facilities that are developed in rural areas where communities especially youth is affected; Ingquza Hill Massacre (Pondoland Revolt) which is commemorated yearly in June; Sports and Recreation which includes building capacity and supporting arts and cultural groups with necessary equipment
Social Development and Community Safety	Budget will assist in coordinating Safety and security programmes; coastal safety- which supports four Local municipalities with coastal beaches by providing coastal patrollers and life guards (when funds permit); social relief programme which serves as an intervention whenever an incident strikes; library services- that promotes usage of libraries and building capacity of librarians that are in the rural libraries; early childhood development- which supports some of the centres that are not catered for by Department of Education and Social Development; child protection services- which is a programme that is used to create public awareness on

	violence committed against children and moral regeneration programs that are meant for youth.
--	---

Legislative Services

This report will concentrate more on cost drivers.

COUNCIL AND COMMITTEES

According to MFMA Calendar and the Structures Act, there are 12 council meetings to be held in a financial year. This includes compliance reports and ordinary council meetings.

In addition to the above, there are 2 Open Council meetings which include SODA and Taking Council to the People”.

In line with Municipal Oversight Model, oversight committees have a responsibility of analysing performance reports of the departments and conduct project visits (when it is necessary). In the process, MMCs and HODs are called for engagement sessions by each committee. This includes sitting of 14 committee meetings twice per quarter to look at the quarterly reports of the departments.

Since O.R Tambo District municipality is vast and rural in nature, councillors attending Council meetings need to be accommodated whenever they attend council and committee meetings since they are preceded by Caucus (and study groups) meetings which usually sit in the evenings of the previous day. Most committee meetings take for about 5 hours long since O.R. Tambo has 5 local municipalities under its jurisdiction. Circular 82 of MFMA has been taken into consideration in instances where meetings go beyond 3pm for part-time councillors.

In addition to that, there are councillors identified for capacity building in areas relating to Council business (excluding tertiary institutions), whose accommodation needs to be budgeted for.

The above amount excludes S&T travelling claims for councillors and other municipal programmes from other departments.

MPAC OVERSIGHT ROADSHOWS

The Council adopted Circular 63 of MFMA for the adoption of the Annual report. The process includes taking of the report to communities, inviting comments. After the report has been tabled, the MPAC

committee embarks on oversight roadshows and project verification. This process takes about 4 months to conclude.

In addition to the above, MPAC has an overall responsibility of interrogating all the departments quarterly and mid-term reports.

PUBLIC PARTICIPATION

The programmes under public participation include the following programmes:

- Moral Regeneration movement
- Public Participation Forum
- Community Education Programmes (Speaker's Outreaches)
- Support to functionality of ward committees
- District Speaker's Forums

WHIPPERY SERVICES

The unit is responsible for the following activities that need to be financed:

- Sitting of study groups (caucuses) for each committee meeting
- Sitting of caucus meetings for each council meeting
- Multi party meetings
- Whippery Forums
- District Chief Whips meetings
- Troika meetings
- Extended Troika meetings

- Constituency meetings

RESEARCH

For each and every committee to be in a position to analyse the departmental report, the reports need to be taken to researchers. For researchers to be fully effective, they have to develop Research Agenda.

Ntinga Development Agency

1. 2019/2020 BUDGET OVERVIEW

- 1.1 Ntinga O.R. Tambo Development Agency SOC LTD is operating as a wholly owned implementing agent of the parent municipality, O.R. Tambo District Municipality (ORTDM). The Entity's mandate is derived from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) and Section 84(1)(a)(b)(d)(k)(m)(n)&(p) of Municipal Structures Act, 1998 (Act 117 of 1998).

- 1.2 The mandate of the Agency is to perform any activity which falls within the functions and powers of O.R. Tambo District Municipality (parent municipality) as contemplated in Section 84(1) of the Municipal Systems Act, 2000 (Act 32 of 2000) in particular Section 84 (1) being:-
 - a) Integrated development planning;
 - b) Potable water supply systems;
 - c) Domestic water-water and sewage disposal systems;
 - d) Fresh Produce Markets and Abattoirs;
 - e) Local tourism;
 - f) Municipal public works and
 - g) Collection of taxes, levies and duties.
 - h) Any other activity agreed upon with the parent municipality, provincial and national governments and the private sector (any other related function, in partnership with either Public or Private Sector).

1.3 In implementing the above mandate the Entity has developed a strategy anchored on the following four goals:-

- Goal 1: Sustainable Water Services (water supply and sanitation) Systems
- Goal 2: Enhanced and Enabled Full Value Chains (upstream and downstream) for Agricultural Produce, Markets, Abattoirs and Aquaculture.
- Goal 3: Diversified Partnerships that Promote Inclusive Socio-economic Development and Growth.
- Goal 4: Dynamic, Capable and Sustainable State Owned Company.

This budget is aligned to the four goals.

1.4 O.R. Tambo District Municipality mandate Ntinga as the implementing Agent in some of its water projects. Ntinga is providing mechanical and electrical maintenance services to the O.R. Tambo District Municipality's Water Schemes. This will culminate to the billing of peri-urban and rural water consumers particularly those with yard connections.

1.5 Ntinga is to maximize return on the operations of its trading enterprises being the Farms, the Abattoir and the Fresh Produce Market. To this end the Entity is pursuing a strategic goal of enhancing and enabling full value chains using the available enterprises. Some of the functions will be carried out through strategic partnerships. The overarching strategy is to operate the trading enterprises as profitable and viable business centers.

1.6 Over the next three years to 2021/2022 Abattoir revenue is to increase from R34,5m to R41.3m. The number of units slaughtered at the abattoir is to increase significantly taking into account that the majority of the units will be coming from the Adam Kok Farms. The number of abattoir customers is set to increase by having amongst others retailers, supermarkets etc.

1.7 Over the next three years the Abattoir is projected to realize a trading surplus ranging from R5.1m to R6.3m.

1.8 Over the next three years to 2021/2022 Fresh Produce Market revenue is to increase from R8.4m to R9.9m. All operational requirements at the market have been attended to. The market will be in a position to compete with other markets and be in position to attract producers to sell their produce through it.

1.9 Adam Kok Farms are to be the main source of supply for the abattoir. This proposed budget indicates that the farms are unable to generate enough revenue to cover their operation expenses. They are to be subsidized by other centers. Management will minimize operational costs by all means possible.

2. RESOLUTIONS

In compliance with Local Government: Municipal Finance Management Act Section 87(1), the Board of Directors hereby proposes the 2019/2020 budget of the Entity.

3. EXECUTIVE SUMMARY

The 2019/2020 operational annual budget amounts to R114.2m and capital budget amounts to R7.2m. This gives a total 2019/2020 budget of R121.4m compared to the 2018/2019 financial year budget of R108.4m.

Grant funding from the parent municipality for 2018/2019 financial year was R31.1m including Vat. For the 2019/2020 financial year, grant funding is projected at R32.7m including Vat.

Year to year budget increase is estimated to be approximately 10%. Invested funds will reduce through spending mainly on capital expenditure.

There is a 6.5% estimated increase in salaries and wages budget in the 2019/2020 budget.

Funds that are not readily required for operational requirements are invested in call deposits in line with the investment policy.

The entity does not have long term borrowings.

Net assets position is expected to be sound into the foreseeable future with assets exceeding liabilities.

4. SUPPORTING DOCUMENTATION

4.1 Overview of annual budget process

Annually the Entity and the parent municipality enter into a Service Delivery Agreement. This agreement is based on the mandate given to the Entity. As part of the integrated development plan of the parent municipality activities to be carried out by the entity are outlined. In addition to this, the Board of Directors develops and adopts a strategy of implementing the mandate. All of these are then used to inform budget proposals. Heads of departments prepare departmental budgets for submission to Chief Financial Officer for checking alignment with the strategy as well as consolidation.

The consolidated draft budget is then considered by committees of the board before it is discussed by the Board of Directors. Upon approval by the Board of Directors the budget is submitted to the parent municipality.

Where there are changes that are proposed by the parent municipality they are taken into account before the consolidated budget is tabled in Council before the end of March of each year. The consolidated budget is then taken for public consultation by the parent municipality. Views of the community and key stakeholders are then considered by the Board of Directors before the final budget is adopted by the Board of Directors.

4.2 Overview of alignment of annual budget with service delivery agreement

Ntinga is a wholly owned municipal entity of O.R. Tambo District Municipality. The parent municipality appoints the Board of Directors. As a means of oversight the parent municipality is represented in meetings of Board of Directors. Financial reports of the entity are submitted to the parent municipality monthly. Furthermore, quarterly performance reports and financial reports are subject of discussions by Council of the parent municipality. The entity is also subjected to Municipal Public Accounts Committee processes.

4.3 Overview of budget related policies

Listed below are Ntinga's key budgeted related policies. They are accessible from our records management office. They are also posted on our website www.ntinga.org.za under Acts and policies.

- Supply Chain Management Policy
- Asset management policy
- Credit control policy
- Fleet management policy
- Investment policy
- Leave policy
- Performance management policy
- Budget policy

These policies are subject of review annually.

4.4 Overview of budget assumptions

The budget proposals are based on the following assumptions:-

- a) Medium Term Expenditure Framework (MTEF) Guide was used to inform some of the budget proposals.
- b) The parent municipality will commit to the signed Service Delivery Agreement.
- c) There will be natural disasters that will negatively impact on operations of the Entity.
- d) There will neither be abnormal interruptions nor disturbances in operations.
- e) There will be stability in the work force.
- f) Year to year price increase is estimated to be approximately 10%. This is informed by the struggling economic outlook e.g. increase in VAT rate which is going to have adverse impact in food prices etc. Drought as well is expected to have adverse effect on future prices.
- g) The Entity has budgeted for depreciation in value of assets.

4.5 Overview of budget funding

Bulk of the budget is funded from own revenue. Grant funding from the Parent Municipality is also applied to fund operational needs.

5. LEGISLATION COMPLIANCE STATUS

Ntinga is fully implementing all legislation that is applicable to it. There are no delays in implementation and there is no application for such.

6. OTHER SUPPORTING DOCUMENTS

Additional information on expenditure

- a) Accommodation and travel budget will be utilized for all employees within the institution. This is mainly based on travelling to be done by staff when performing their duties as well as training requirements and workshops that will be attended to skill and capacitate employees. With now operations under the state owned company form, expenditure on training of staff is expected to increase.
- b) Board and committees fees budget is set aside for board and committee meetings. It is expected that the Board and its Committees will hold the minimum of four meetings each during the year. The number of board members is expected to increase. The budget includes all board related expenses.

7. SUPPORTING DOCUMENTATION

7.1 Overview of annual budget process

There is an agreement in place between the entity and the parent municipality. This agreement is based on the mandate given to the Entity. As part of the integrated development plan of the parent municipality activities to be carried out by the entity are outlined. In addition to this, the Board of Directors develops and adopts a strategy of implementing the mandate. All of these are then used to inform budget proposals. Heads of departments prepare departmental budgets for submission to Chief Financial Officer for checking alignment with the strategy as well as consolidation.

The consolidated draft budget is then considered by the sub-committee of the board before it is discussed by the board of directors. Upon approval by the Board of Directors the budget is submitted to the parent municipality.

Where there are changes that are proposed by the parent municipality they are taken into account before the consolidated budget is tabled in Council before the end of March of each year. The consolidated budget is then taken for public consultation by the parent municipality. Views of the

community and key stakeholders are then considered by the Board of Directors before the final budget is adopted by the Board of Directors.

7.2 Overview of alignment of annual budget with service delivery agreement

Ntinga is a wholly owned municipal entity of O.R. Tambo District Municipality. The parent municipality appoints the Board of Directors. As a means of oversight the parent municipality is represented in meetings of Board of Directors. Financial reports of the entity are submitted to the parent municipality monthly. Furthermore, quarterly performance reports and financial reports are subject of discussions by Council of the parent municipality. The entity is also subjected to Municipal Public Accounts Committee processes.

7.3 Overview of budget related policies

Listed below are Ntinga's budgeted related policies. They are accessible from our records management office. They are also posted on our website www.ntinga.org.za under Acts and policies.

- Asset management policy
- Credit control policy
- Fleet management policy
- Investment policy
- Leave policy
- Performance management policy
- Budget policy

These policies are subject of reviewal annually.

7.4 Overview of budget assumptions

The budget proposals are based on the following assumptions:-

- h) Medium Term Expenditure Framework (MTEF) Guide was used to inform some of the budget proposals. Primarily the budgeted grant amounts for 2019/2020 and 2020/2021 are based on its MTEF budget.
- i) Operations under a state owned company form commenced in full with effect from 01 July 2017;
- j) The Entity has taken the full responsibility for operations at Kei Fresh Produce Market with effect from 01 July 2017;
- k) Improved returns on investments made on projects such as the abattoir and the fresh produce market are expected in the 2019/2020 financial year. These projects are forecast to be self sustainable in the 2019/2020 financial year;
- l) Revenue from Adam Kok farms is recognised by the Entity.
- m) Year to year price increase is estimated to be approximately 10%. This is informed by the struggling economic outlook e.g. increase in VAT rate which is going to have adverse impact in food prices etc. Drought as well is expected to have adverse effect on future prices.
- n) The Entity is attending to operational challenges in service centers such as the farms, fresh produce market and the abattoir. There is a strategy that links operations of various service centers thereby maximizing return on investment.
- o) The Entity has budgeted for depreciation in value of assets.
- p) There will be new appointments of staff particularly in water services

7.5 Overview of budget funding

Bulk of the budget is funded from grant funding from the Parent Municipality.

Own revenue in the form of sales at the dairy, the fresh produce market and the abattoir is expected to improve.

8. Legislation compliance status

Ntinga is fully implementing all legislation that is applicable to it. There are no delays in implementation and there is no application for such.

9. Other supporting documents

Additional information on expenditure

- c) Estimates of year to year budgets are based on the costing of projects and programmes. In an event that budgets require annual increases, we used an average percentage of 10%.
- d) Accommodation and travel budget will be utilized for all employees within the institution. This is mainly based on travelling to be done by staff when performing their duties as well as training requirements and workshops that will be attended to skill and capacitate employees. With now operations under the state owned company form, expenditure on training of staff is expected to increase.
- e) Board and committees fees budget is set aside for board and committee meetings. It is expected that the Board and its Committees will hold the minimum of four meetings each during the year. The number of board members is expected to increase. The budget includes all board related expenses.

R2.4m has been budgeted for audit fees for Auditor General to perform their statutory work.

Table 27 MBRR Table A7 - Budget cash flow statement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges		138 063	127 560	131 458	197 027	197 027	197 027	197 027	215 069	237 751	282 655
Other revenue		80 281	124 791	177 279	468 287	371 536	371 536	371 536	288 373	312 890	249 794
Government - operating	1	1 296 585	1 414 280	735 539	798 523	798 523	798 523	798 523	863 952	920 935	991 442
Government - capital	1			978 071	1 022 330	1 207 465	1 207 465	1 207 465	982 905	795 113	940 657
Interest		52 452	59 708	93 945	31 300	34 600	34 600	34 600	69 382	71 916	75 208
Dividends									-	-	-
Payments											
Suppliers and employees		(950 750)	(1 034 580)	(1 233 957)	(1 075 998)	(947 821)	(947 821)	(947 821)	(1 203 154)	(1 296 413)	(1 343 505)
Finance charges		(459)	(7 753)	(1 370)	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	(65 831)	(91 579)	(88 235)	(88 235)	(88 235)	(48 646)	(50 912)	(53 290)
NET CASH FROM/(USED) OPERATING ACTIVITIES		616 172	684 008	815 135	1 349 890	1 573 094	1 573 094	1 573 094	1 167 880	991 280	1 142 961
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				608					-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(586 211)	(800 861)	(853 608)	(1 184 390)	(1 339 257)	(1 339 257)	(1 339 257)	(1 129 973)	(917 137)	(1 043 956)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(586 211)	(800 861)	(853 000)	(1 184 390)	(1 339 257)	(1 339 257)	(1 339 257)	(1 129 973)	(917 137)	(1 043 956)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing			38 795						-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(124)	(20)	(38 795)					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(124)	38 775	(38 795)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		29 837	(78 078)	(76 660)	165 500	233 836	233 836	233 836	37 908	74 144	99 005
Cash/cash equivalents at the year begin:	2	339 601	369 393	291 315	214 655	214 655	214 655	214 655	417 611	455 518	529 662
Cash/cash equivalents at the year end:	2	369 437	291 315	214 655	380 155	448 491	448 491	448 491	455 518	529 662	628 668

The above table shows that cash and cash equivalents of the District Municipality decreased from the 2015/16 from R369million to 2017/18 R214 million. The main reason for the decrease in 2016/17 cash held deficit of R76 million which is mainly due to increase in employee costs, delays in VAT refunds by SARS which was subsequently paid following year, lower collection rate. With the 2018/2019 budget various cost efficiencies and savings had to be realised to ensure the District Municipality could meet its operational expenditure commitments and an increase to R308 million was budgeted for and in the adjustment budget increased to R448 million. Additional funding for of R190 million was received by municipality in the adjustment budget for drought relief (R185 million) and housing relief (R5.8 million) which will result in the increase in VAT refunds and interest on investments. For the 2019/2020 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to be R455 million, R529 million, R628 billion for MTREF respectively. Furthermore, collections on arrear debt will improve as the municipality will source the services of debt collector to implement the debt collection policy.

3.5.7 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality’s budget must be ‘funded’. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 28 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	369 437	291 315	214 655	380 155	448 491	448 491	448 491	455 518	529 662	628 668
Other current investments > 90 days		(45)	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		369 393	291 315	214 655	380 155	448 491	448 491	448 491	455 518	529 662	628 668
Application of cash and investments											
Unspent conditional transfers		9 501	7 230	160	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(78 436)	(82 239)	(132 676)	(162 060)	(131 792)	(131 792)	(131 792)	(140 323)	(256 566)	(355 406)
Other working capital requirements	3	266 457	291 080	250 535	147 688	192 162	192 162	192 162	138 979	239 618	315 859
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		197 522	216 071	118 020	(14 372)	60 370	60 370	60 370	(1 343)	(16 948)	(39 547)
Surplus(shortfall)		171 870	75 244	96 634	394 527	388 121	388 121	388 121	456 862	546 610	668 214

From the above table it can be seen that the cash and investments available total R369 million in 2015/16 audit outcomes then decrease to R291 million in 2016/17 and to R214 million in 2017/18. The decrease is as explained above in explanation of table A7 being cash shortage of R76 million was experienced in the 2017/18 financial year which was as a results explained above in table A7. Cash available of R455 million in 2019/2020 then increase to R628 million at end of the MTREF, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to ‘roll-over’ and be spent in the ordinary course of business, but this practice has been discontinued. For 2019/2020 MTREF there was unspent conditional Grants.

- Statutory requirement is mainly the amount of VAT refunds projected to be received. The VAT on conditional grant spending is hereby recognised in table A8 and does not form part of table A7 for cash flow in compliance with the budget circulars. For 2019/20, the VAT projected to be received amounted to R140 million which will increase cumulatively to R355 million in 2021/22.
- In other working capital requirements, a key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, as was experienced by the District Municipality in 2018/2019 resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. For 2015/16 audited outcome, the working capital amounted to R266 million which then increased to R291 million in 2016/17 and decreased to R249 million in 2017/18 resulting in the surplus of cash in 2015/16 of R93 million. In 2016/17 shortfall of R7 million was realised and in 2017/18 shortfall was R10 million.

The main reasons of the shortfall is in 2016/2017 and 2017/18 audit outcome

- Delays by SARS in VAT refunds due to audits conducted. This has been subsequently paid in the following financial year.
- Increase in debt impairment (due to the internal leakages of households within the dwelling identified that resulted in increase in impairing debtors as per the recommendation of AG) which in turn decreased the debtors in the balance sheet. The formula used to determine the "other working capital requirements" takes the already impaired net debtors in the balanced sheet and compare with the creditors. If the formula was using the gross debtors which amounted to R643 million, the amount would be favourable. But since the already impaired debtors balance is used to calculate it will seem as if the debtors are smaller than the creditors.

It can be concluded that the District Municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

3.5.8 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding

compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 29 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	369 437	291 315	214 655	380 155	448 491	448 491	448 491	455 518	529 662	628 668
Cash + investments at the year end less applications - R'000	18(1)b	2	171 870	75 244	96 634	394 527	388 121	388 121	388 121	456 862	546 610	668 214
Cash year end/monthly employee/supplier payments	18(1)b	3	5.7	3.7	2.5	5.1	5.0	5.0	5.0	4.9	5.3	6.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	401 206	455 745	659 442	1 025 830	1 216 249	1 216 249	1 216 249	990 665	806 076	949 640
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(0.1%)	5.3%	17.6%	(3.8%)	(6.0%)	(6.0%)	(0.3%)	3.0%	3.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	64.2%	64.4%	72.9%	111.6%	85.1%	85.1%	85.1%	81.3%	81.7%	82.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	55.2%	71.1%	38.7%	30.8%	30.1%	30.1%	30.1%	30.1%	29.1%	22.6%
Capital payments % of capital expenditure	18(1)c;19	8	114.9%	99.8%	99.6%	100.0%	99.6%	99.6%	99.6%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	179.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(24.5%)	51.7%	(21.6%)	0.0%	0.0%	0.0%	0.6%	(38.0%)	(35.8%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.1%	0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	1.6%	1.5%	0.7%	0.5%	0.7%	0.8%	0.7%	0.8%	0.6%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	8.6%	5.9%	5.9%	0.0%	4.5%	6.9%	5.6%

3.5.8.1 Cash/cash equivalent position

The District Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2019/2020 MTREF shows R455 million then R529 million and R628 million at end of MTREF.

3.5.8.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 28,. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

3.5.8.3 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2019/2020 MTREF the indicative outcome is a surplus of R990 million respectively.

3.5.8.4 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc. For 2019/2020 resulted in (0.3per cent) then in 2021/2022 amounted to 3 per cent. Reason for increase in revenue has been mentioned in the revenue analysis above being the anticipated increase in billing due to the data cleansing resulting in higher collection rate.

3.5.8.5 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is average of 82 per cent for MTREF. Given that the assumed collection rate was based on a 69 per cent performance target and the free basic component in determining the collection rate is reduced hence the targeted collection is 69 per cent The cash flow statement has been conservatively determined. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

3.5.8.6 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at average of 30 per cent over the MTREF.

3.5.8.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent timing discount has been factored into the cash position forecasted over the entire financial year.

3.5.8.8 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. District Municipality will not undertake any borrowing.

3.5.8.9 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (Dora) have been budgeted for. The District Municipality has budgeted for all transfers.

3.5.8.10 Consumer debtors change (Current and Non-current)

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

3.5.8.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the District Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 42 MBRR SA34C.

3.5.8.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 41 MBRR SA34b.

3.6 Expenditure on grants and reconciliations of unspent funds

Table 30 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		631 409	674 226	735 126	798 523	798 523	798 523	863 952	920 935	991 442
Local Government Equitable Share		622 201	669 303	728 270	791 526	791 526	791 526	855 543	918 820	989 327
EPWP Incentive		6 693	3 213	4 811	4 882	4 882	4 882	6 294	0	0
Finance Management		1 575	1 710	2 045	2 115	2 115	2 115	2 115	2 115	2 115
Municipal Systems Improvement		940	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		631 409	674 226	735 126	798 523	798 523	798 523	863 952	920 935	991 442
Capital expenditure of Transfers and Grants										
National Government:		646 095	1 070 117	1 099 649	1 022 330	1 212 749	1 212 749	982 905	795 113	940 657
Municipal Infrastructure Grant (MIG)		519 099	617 195	645 218	619 684	619 684	619 684	633 395	671 322	725 882
Regional Bulk Infrastructure		-	343 183	327 500	309 707	309 707	309 707	246 398	15 000	60 000
Water Services Infrastructure Grant		124 303	109 739	124 000	90 000	275 135	275 135	100 000	105 500	151 303
Rural Roads Asset Management Grant		2 693	-	2 931	2 939	2 939	2 939	3 112	3 291	3 472
Emergency Housing Grant		-	-	-	-	5 284	5 284	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		646 095	1 070 117	1 099 649	1 022 330	1 212 749	1 212 749	982 905	795 113	940 657
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 277 504	1 744 343	1 834 775	1 820 853	2 011 272	2 011 272	1 846 857	1 716 048	1 932 099

3.7 Councillor and employee benefits

Table 31 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		R thousand	A	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)										
		11 963	17 750	20 305	21 948	13 948	13 948	14 910	15 902	16 960
		627	-	-	-	-	-	-	-	-
		4 291	-	-	5 564	4 649	4 649	4 970	5 301	5 653
		-	-	-	-	2 395	2 395	2 560	2 731	2 912
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	204	218	232	248
		-	-	-	-	-	-	-	-	-
Sub Total - Councillors	1	16 882	17 750	20 305	27 512	21 197	21 197	22 659	24 166	25 773
% increase	4	-	5.1%	14.4%	35.5%	(23.0%)	-	6.9%	6.7%	6.7%
Senior Managers of the Municipality										
		11 223	12 457	19 645	14 558	11 969	11 969	13 403	14 295	15 245
		319	571	1 119	-	-	-	-	-	-
		-	-	35	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		3 520	2 455	2 715	1 639	2 359	2 359	2 618	2 793	2 978
		12	282	164	330	351	351	366	390	416
		-	-	435	-	352	352	376	401	428
		103	306	11	-	-	-	-	-	-
		-	-	2 436	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	2	15 177	16 072	26 559	16 527	15 032	15 032	16 764	17 879	19 068
% increase	4	-	5.9%	65.3%	(37.8%)	(9.1%)	-	11.5%	6.7%	6.7%
Other Municipal Staff										
		233 285	272 377	370 768	309 277	322 687	322 687	376 659	367 845	392 307
		11 046	9 002	11 667	49 024	51 941	51 941	55 505	59 196	63 133
		10 316	11 402	14 081	50 648	51 161	51 161	29 029	58 316	62 194
		-	-	20 046	20 654	32 454	32 454	27 244	38 177	40 720
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		24 410	33 818	38 753	31 356	32 276	32 276	34 391	36 678	39 117
		1 214	1 198	4 977	1 348	3 160	3 160	3 297	2 770	2 954
		10 137	11 409	17 045	16 888	17 979	17 979	19 316	20 600	21 969
		-	47 486	45 560	4 878	9 271	9 271	9 770	10 297	10 851
		9 193	11 816	15 377	-	7 236	7 236	7 735	8 249	8 798
		7 840	-	806	-	-	-	-	-	-
		33 053	4 889	6 568	-	-	-	-	-	-
Sub Total - Other Municipal Staff	3	352 146	420 232	545 646	484 072	528 166	528 166	562 946	602 128	642 042
% increase	4	-	19.3%	29.8%	(11.3%)	9.1%	-	6.6%	7.0%	6.6%
Total Parent Municipality		384 205	454 053	592 510	528 111	564 394	564 394	602 369	644 172	686 882
			18.2%	30.5%	(10.9%)	6.9%	-	6.7%	6.9%	6.6%
Board Members of Entities										
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	1 375	1 513	1 664
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities	6	-	-	-	-	-	-	1 375	1 513	1 664
% increase	4	-	-	-	-	-	-	-	10.0%	10.0%
Senior Managers of Entities										
		-	-	-	-	-	-	7 005	7 461	7 946
		-	-	-	-	-	-	864	921	980
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	874	930	991
		-	-	-	-	-	-	194	207	220
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	75	79	85
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities	6	-	-	-	-	-	-	9 012	9 598	10 222
% increase	4	-	-	-	-	-	-	-	6.5%	6.5%
Other Staff of Entities										
		-	-	-	-	-	-	27 190	29 154	31 225
		-	-	-	-	-	-	3 287	3 501	3 728
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	3 636	3 872	4 124
		-	-	-	-	-	-	916	976	1 039
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	313	333	355
		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities	6	-	-	-	-	-	-	35 342	37 836	40 472
% increase	4	-	-	-	-	-	-	-	7.1%	7.0%
Total Municipal Entities		-	-	-	-	-	-	45 730	48 946	52 357
TOTAL SALARY, ALLOWANCES & BENEFITS		384 205	454 053	592 510	528 111	564 394	564 394	648 099	693 119	739 240
% increase	4	-	18.2%	30.5%	(10.9%)	6.9%	-	14.8%	6.9%	6.7%
TOTAL MANAGERS AND STAFF	5,7	367 323	436 303	572 206	500 599	543 197	543 197	624 065	667 440	711 803

Table 32 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		645 715		278 770			924 485
Chief Whip			605 357		264 780			870 137
Executive Mayor			807 144		334 733			1 141 877
Deputy Executive Mayor			645 715		278 770			924 485
Executive Committee			5 020 128		2 234 614			7 254 742
Total for all other councillors			7 186 416		4 356 957			11 543 373
Total Councillors	8	-	14 910 475	-	7 748 624			22 659 099
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 337 960	256 560	164 280			1 758 800
Chief Finance Officer			845 004		593 336			1 438 341
DIRECTOR LEGISLATIVE SER			1 215 921		222 420			1 438 341
DIRECTOR OFFICE OF THE MM			1 151 781		286 560			1 438 341
DIRECTOR OFFICE OF EXEC MAYO			1 280 060		158 280			1 438 340
DIRECTOR INTERNAL AUDIT			848 528		222 420			1 070 948
<i>List of each official with packages >= senior manager</i>								
DIRECTOR PLANNING & DEVELOPM			1 215 921	-	222 420			1 438 341
DIRECTOR: HUMAN SETTLEMEN			848 528	-	222 420			1 070 948
DIRECTOR CORPORATE SERVICES			1 151 781	-	286 560			1 438 341
DIRECTOR COMM. SERVICES			1 215 920	-	222 420			1 438 340
DIRECTOR WATER SERVICES			1 075 871	119 689	160 846			1 356 406
DIRECTOR TECHNICAL SERVICES			1 215 921	-	222 420			1 438 341
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	13 403 197	376 249	2 984 382	-		16 763 828
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	28 313 672	376 249	10 733 006	-		39 422 927

Table 33 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		71	-	71	71	-	71	71	-	71
Board Members of municipal entities	4	10	-	10	10	-	10	10	-	10
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	13	-	10	13	-	10	12	-	12
Other Managers	7	55	55	-	78	78	-	70	70	-
Professionals		103	93	-	103	93	-	115	115	-
<i>Finance</i>		51	41	-	51	41	-	53	53	-
<i>Spatial/town planning</i>		1	1	-	1	1	-	2	2	-
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		51	51	-	51	51	-	60	60	-
Technicians		97	94	-	97	94	-	99	99	-
<i>Finance</i>		-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		8	6	-	8	6	-	8	8	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Water</i>		85	84	-	85	84	-	87	87	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		4	4	-	4	4	-	4	4	-
Clerks (Clerical and administrative)		261	245	16	261	245	16	257	242	15
Service and sales workers		73	73	-	73	73	-	73	73	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		60	59	-	60	59	-	98	98	-
Elementary Occupations		909	895	-	909	895	-	909	899	-
TOTAL PERSONNEL NUMBERS	9	1 652	1 514	107	1 675	1 537	107	1 714	1 596	108
% increase					1.4%	1.5%	-	2.3%	3.8%	0.9%
Total municipal employees headcount	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	118	118	-	118	118	-	-	-	-
Human Resources personnel headcount	8, 10	22	21	1	22	21	1	-	-	-

Implementation of the Approved Organisational Structure

The revised Micro Organizational Structure which was approved by Council on 6 December 2014 is presumed to be vacant pending completion of the following sequence of processes:

1. Job Description writing
2. Job Evaluation
3. Costing of Organizational Structure
4. Placement of Employees

The processes in question are still work in progress. However, the personnel that is currently operational which is still to migrate to the newly approved organogram is the main cost driver within the municipality's payroll.

Currently nine senior management S56 posts have been filled with three outstanding.

Employment of Casual Employees

The District Municipality has employed casual workers who have been retained for a number of years. These casuals now fit the definition of employee in terms of our LRA amendment as they have been employed for more than three (03) months since the date of effect of the amendment namely 01 January 2015.

They were contracted on twelve (12) months fixed contract so as to regulate their open ended employment with the District Municipality. The basis of entering into the one year contract was a resolution taken by the LLF that casual employees must be contracted for a year (1st March 2014 to 28 February 2015), meanwhile a verification process to distinguish between those employed prior 2010 and those employed post 2010 is being conducted. The objective was that those employed post 2010 were unlawfully employed as it was resolved not to employ any additional casual employees after 31 January 2010.

Upon expiry of the fixed term contract in February 2015, it became realistic that the verification process was not finalized and that no alternative plans were in place for the service delivery department, specifically DWASS, in ensuring uninterrupted water provisioning to communities, however, the departments affected reported that despite the expiry of contracts, the contracted workers refused to accept termination as their contractual arrangements were to allow time to finalise verification. The verification is currently at its final stages.

3.8 Monthly targets for revenue, expenditure and cash flow

Table 34 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousand																	
Revenue By Source																	
Property rates																	
Service charges - electricity revenue																	
Service charges - water revenue		20 936	16 215	17 984	20 235	16 010	8 886	9 018	20 478	29 267	15 981	19 972	19 263	214 245	233 527	254 545	
Service charges - sanitation revenue		9 110	7 056	7 826	8 805	6 967	3 867	3 924	8 911	12 735	6 954	8 691	8 382	93 229	101 620	110 765	
Service charges - refuse revenue																	
Rental of facilities and equipment		5	5	5	5	5	5	5	5	5	5	5	5	61	64	68	
Interest earned - external investments		3 324	3 159	4 227	1 769	4 667	2 206	3 431	3 274	3 506	3 274	3 274	3 274	39 382	40 116	41 500	
Interest earned - outstanding debtors		2 500	2 387	3 255	1 276	3 633	1 631	2 628	2 500	2 689	2 500	2 500	2 500	30 000	31 800	33 708	
Dividends received																	
Fines, penalties and forfeits																	
Licences and permits																	
Agency services																	
Transfers and subsidies		344 225	-	-	-	286 754	-	-	1 574	231 399	-	-	0	863 952	920 935	991 442	
Other revenue		90 394	21 820	19 660	17 864	18 860	22 272	11 329	17 296	18 171	13 360	14 414	16 128	281 567	307 046	245 267	
Gains on disposal of PPE													40	40	40	40	
Total Revenue (excluding capital transfers and cont		470 495	50 642	52 957	49 955	336 896	38 867	30 335	54 037	297 771	42 073	48 856	49 592	1 522 476	1 635 148	1 677 334	
Expenditure By Type																	
Employee related costs		52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	625 440	668 953	713 467	
Remuneration of councillors		1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	22 659	24 166	25 773	
Debt impairment		7 700	7 700	7 700	7 700	7 700	7 700	7 700	7 700	7 700	7 700	7 700	7 700	92 405	97 395	82 655	
Depreciation & asset impairment		14 206	14 206	14 206	14 206	14 206	14 206	14 206	14 206	14 206	14 206	14 206	14 206	170 472	179 422	188 856	
Finance charges		3	3	3	3	3	3	3	3	3	3	3	3	39	42	47	
Bulk purchases		3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	41 145	43 367	45 709	
Other materials		2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	24 759	26 096	27 505	
Contracted services		17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	206 417	239 520	220 834	
Transfers and subsidies		4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	48 646	50 912	53 290	
Other expenditure		33 112	19 673	36 773	21 632	32 451	27 039	13 710	17 485	35 869	19 228	15 851	9 911	282 735	294 312	310 218	
Loss on disposal of PPE																	
Total Expenditure		135 777	122 339	139 438	124 297	135 116	129 704	116 375	120 150	138 534	121 893	118 516	112 576	1 514 716	1 624 185	1 668 352	
Surplus/(Deficit)		334 718	(71 696)	(86 481)	(74 342)	201 780	(90 837)	(86 040)	(66 114)	159 238	(79 820)	(69 661)	(62 985)	7 760	10 963	8 983	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		199 070	-	-	-	293 937	-	-	-	489 897	-	-	-	982 905	795 113	940 657	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	
Transfers and subsidies - capital (in-kind - all)																	
Surplus/(Deficit) after capital transfers & contributions		533 788	(71 696)	(86 481)	(74 342)	495 717	(90 837)	(86 040)	(66 114)	649 135	(79 820)	(69 661)	(62 985)	990 665	806 076	949 640	
Taxation																	
Attributable to minorities																	
Share of surplus/ (deficit) of associate																	
Surplus/(Deficit)	1	533 788	(71 696)	(86 481)	(74 342)	495 717	(90 837)	(86 040)	(66 114)	649 135	(79 820)	(69 661)	(62 985)	990 665	806 076	949 640	

Table 35 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue by Vote																
Vote 1 - COUNCIL AND COMMITTEES		88 567	-	-	-	73 440	-	-	1 574	58 313	-	-	(0)	221 893	228 834	242 833
Vote 2 - FINANCIAL AND ADMINISTRATION		110 793	3 041	4 109	1 676	93 332	2 112	3 338	3 180	75 432	3 180	3 180	3 180	306 554	294 558	311 956
Vote 3 - PLANNING AND DEVELOPMENT		35 678	10 280	8 462	4 639	33 627	9 305	6 651	5 721	29 625	7 304	8 176	6 491	165 960	180 188	187 983
Vote 4 - HEALTH		8 650	-	-	-	7 277	-	-	-	5 905	-	-	0	21 832	23 256	24 773
Vote 5 - COMMUNITY AND SOCIAL SERVICES		6 086	-	-	-	5 120	-	-	-	4 155	-	-	0	15 361	16 317	17 332
Vote 6 - HOUSING		6 386	-	-	-	5 373	-	-	-	4 359	-	-	0	16 118	16 965	18 026
Vote 7 - PUBLIC SAFETY		23 659	-	-	-	19 905	-	-	-	16 151	-	-	0	59 716	67 746	72 034
Vote 8 - SPORTS AND RECREATION		4 442	-	-	-	3 738	-	-	-	3 033	-	-	0	11 213	11 874	12 575
Vote 9 - ENVIRONMENTAL		5 875	-	-	-	4 943	-	-	-	4 010	-	-	0	14 828	14 678	15 524
Vote 10 - ROADS		11 716	-	-	-	7 239	-	-	-	5 873	-	-	0	24 828	26 221	28 578
Vote 11 - WATER		365 012	37 321	40 385	43 640	374 567	27 450	20 346	43 561	578 967	31 590	37 500	39 921	1 640 260	1 542 182	1 678 490
Vote 12 - TOURISM		2 702	-	-	-	2 273	-	-	-	1 844	-	-	0	6 819	7 441	7 888
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		669 565	50 642	52 957	49 955	630 833	38 867	30 335	54 037	787 669	42 073	48 856	49 592	2 505 381	2 430 261	2 617 991
Expenditure by Vote to be appropriated																
Vote 1 - COUNCIL AND COMMITTEES		17 565	16 957	21 970	17 012	18 211	17 192	14 855	18 850	24 600	18 686	17 175	18 819	221 893	228 834	242 833
Vote 2 - FINANCIAL AND ADMINISTRATION		31 174	23 748	29 438	24 241	24 481	27 023	25 002	22 621	25 018	29 140	23 107	21 560	306 554	294 558	311 956
Vote 3 - PLANNING AND DEVELOPMENT		19 972	11 565	17 000	13 079	22 809	10 419	10 338	8 553	21 092	8 446	8 682	8 702	160 657	172 983	182 956
Vote 4 - HEALTH		1 808	1 822	1 808	1 861	1 835	1 808	1 822	1 835	1 808	1 808	1 808	1 808	21 832	23 256	24 773
Vote 5 - COMMUNITY AND SOCIAL SERVICES		869	915	956	977	2 957	1 262	1 551	1 987	1 697	915	916	360	15 361	16 317	17 332
Vote 6 - HOUSING		1 343	967	2 263	967	1 362	1 092	2 500	1 098	1 047	1 701	956	822	16 118	16 965	18 026
Vote 7 - PUBLIC SAFETY		4 955	4 894	5 599	5 144	5 185	5 784	4 294	4 644	4 645	4 767	4 475	5 330	59 716	67 746	72 034
Vote 8 - SPORTS AND RECREATION		777	373	1 951	1 110	1 238	1 226	402	834	1 017	806	1 017	461	11 213	11 874	12 575
Vote 9 - ENVIRONMENTAL		1 958	608	1 808	758	971	2 728	793	578	2 291	734	1 146	458	14 828	14 678	15 524
Vote 10 - ROADS		2 139	1 852	1 839	1 839	1 829	2 610	1 729	1 754	1 739	1 739	1 228	1 415	21 716	22 930	25 106
Vote 11 - WATER		52 542	58 372	53 539	57 044	53 739	57 341	52 682	57 132	53 314	52 574	57 158	52 574	658 009	746 603	737 350
Vote 12 - TOURISM		674	266	1 266	266	499	1 220	406	266	266	575	848	266	6 819	7 441	7 888
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		135 777	122 339	139 438	124 297	135 116	129 704	116 375	120 150	138 534	121 893	118 516	112 576	1 514 716	1 624 185	1 668 352
Surplus/(Deficit) before assoc.		533 788	(71 696)	(86 481)	(74 342)	495 717	(90 837)	(86 040)	(66 114)	649 135	(79 820)	(69 661)	(62 985)	990 665	806 076	949 640
Tax ation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	533 788	(71 696)	(86 481)	(74 342)	495 717	(90 837)	(86 040)	(66 114)	649 135	(79 820)	(69 661)	(62 985)	990 665	806 076	949 640

Table 36 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Revenue - Functional																	
Governance and administration		199 360	3 041	4 109	1 676	166 772	2 112	3 338	4 754	133 746	3 180	3 180	1 267	526 534	521 357	552 624	
Executive and council		81 456	-	-	-	67 457	-	-	1 574	53 459	-	-	(0)	203 946	209 796	222 638	
Finance and administration		114 513	3 041	4 109	1 676	96 461	2 112	3 338	3 180	77 972	3 180	3 180	1 267	314 029	302 457	320 303	
Internal audit		3 391	-	-	-	2 853	-	-	-	2 315	-	-	0	8 559	9 103	9 682	
Community and public safety		49 223	-	-	-	41 413	-	-	-	33 603	-	-	0	124 239	136 158	144 740	
Community and social services		6 086	-	-	-	5 120	-	-	-	4 155	-	-	28 956	44 317	49 210	52 286	
Sport and recreation		4 442	-	-	-	3 738	-	-	-	3 033	-	-	0	11 213	11 874	12 575	
Public safety		23 659	-	-	-	19 905	-	-	-	16 151	-	-	(28 956)	30 760	34 853	37 080	
Housing		6 386	-	-	-	5 373	-	-	-	4 359	-	-	0	16 118	16 965	18 026	
Health		8 650	-	-	-	7 277	-	-	-	5 905	-	-	0	21 832	23 256	24 773	
Economic and environmental services		53 268	10 280	8 462	4 639	45 808	9 305	6 651	5 721	39 509	7 304	8 176	8 404	207 528	223 122	234 250	
Planning and development		35 678	10 280	8 462	4 639	33 627	9 305	6 651	5 721	29 625	7 304	8 176	8 404	167 873	182 223	190 148	
Road transport		11 716	-	-	-	7 239	-	-	-	5 873	-	-	0	24 828	26 221	28 578	
Environmental protection		5 875	-	-	-	4 943	-	-	-	4 010	-	-	0	14 828	14 678	15 524	
Trading services		365 012	37 321	40 385	43 640	374 567	27 450	20 346	43 561	578 967	31 590	37 500	39 921	1 640 260	1 542 182	1 678 490	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water management		365 012	37 321	40 385	43 640	374 567	27 450	20 346	43 561	578 967	31 590	37 500	39 921	1 640 260	1 542 182	1 678 490	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other		2 702	-	-	-	2 273	-	-	-	1 844	-	-	0	6 819	7 441	7 888	
Total Revenue - Functional		669 565	50 642	52 957	49 955	630 833	38 867	30 335	54 037	787 669	42 073	48 856	49 592	2 505 381	2 430 261	2 617 991	
Expenditure - Functional																	
Governance and administration		48 739	40 705	51 409	41 253	42 692	44 216	39 858	41 471	49 618	47 826	40 282	38 466	526 534	521 357	552 624	
Executive and council		17 565	16 957	21 970	17 012	18 211	17 192	14 855	18 850	24 600	18 686	17 175	872	203 946	209 796	222 638	
Finance and administration		31 174	23 748	29 438	24 241	24 481	27 023	25 002	22 621	25 018	29 140	23 107	29 036	314 029	302 457	320 303	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	8 559	8 559	9 103	9 682	
Community and public safety		9 752	8 971	12 578	10 059	12 577	11 171	10 569	10 397	10 214	9 998	9 173	8 781	124 239	136 158	144 740	
Community and social services		869	915	956	977	2 957	1 262	1 551	1 987	1 697	915	916	29 316	44 317	49 210	52 286	
Sport and recreation		777	373	1 951	1 110	1 238	1 226	402	834	1 017	806	1 017	461	11 213	11 874	12 575	
Public safety		4 955	4 894	5 599	5 144	5 185	5 784	4 294	4 644	4 645	4 767	4 475	(23 627)	30 760	34 853	37 080	
Housing		1 343	967	2 263	967	1 362	1 092	2 500	1 098	1 047	1 701	956	822	16 118	16 965	18 026	
Health		1 808	1 822	1 808	1 861	1 835	1 808	1 822	1 835	1 808	1 808	1 808	1 808	21 832	23 256	24 773	
Economic and environmental services		24 069	14 025	20 647	15 676	25 609	15 756	12 861	10 884	25 122	10 919	11 057	12 488	199 113	212 626	225 751	
Planning and development		19 972	11 565	17 000	13 079	22 809	10 419	10 338	8 553	21 092	8 446	8 682	10 615	162 570	175 018	185 121	
Road transport		2 139	1 852	1 839	1 839	1 829	2 610	1 729	1 754	1 739	1 739	1 228	1 415	21 716	22 930	25 106	
Environmental protection		1 958	608	1 808	758	971	2 728	793	578	2 291	734	1 146	458	14 828	14 678	15 524	
Trading services		52 542	58 372	53 539	57 044	53 739	57 341	52 682	57 132	53 314	52 574	57 158	52 574	658 009	746 603	737 350	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water management		52 542	58 372	53 539	57 044	53 739	57 341	52 682	57 132	53 314	52 574	57 158	52 574	658 009	746 603	737 350	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other		674	266	1 266	266	499	1 220	406	266	266	575	848	266	6 819	7 441	7 888	
Total Expenditure - Functional		135 777	122 339	139 438	124 297	135 116	129 704	116 375	120 150	138 534	121 893	118 516	112 576	1 514 716	1 624 185	1 668 352	
Surplus/(Deficit) before assoc.		533 788	(71 696)	(86 481)	(74 342)	495 717	(90 837)	(86 040)	(66 114)	649 135	(79 820)	(69 661)	(62 985)	990 665	806 076	949 640	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	533 788	(71 696)	(86 481)	(74 342)	495 717	(90 837)	(86 040)	(66 114)	649 135	(79 820)	(69 661)	(62 985)	990 665	806 076	949 640	

Table 37 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 1 - COUNCIL AND COMMITTEES		-	-	-	-	-	2 000	-	-	-	-	-	-	2 000	2 000	-
Vote 2 - FINANCIAL AND ADMINISTRATION		1 137	4 905	2 853	1 081	2 128	1 137	626	2 338	2 692	1 333	1 357	250	21 836	10 154	8 612
Vote 3 - PLANNING AND DEVELOPMENT		-	-	-	-	6 745	-	-	-	-	-	-	-	6 745	5 780	4 459
Vote 4 - HEALTH		-	-	-	120	-	-	-	-	-	-	-	-	120	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - HOUSING		-	400	300	1 020	-	240	1 585	-	-	-	-	-	3 545	45	45
Vote 7 - PUBLIC SAFETY		-	600	400	3 400	400	400	500	400	800	500	500	100	8 000	5 500	5 500
Vote 8 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - ENVIRONMENTAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - ROADS		-	300	2 700	3 200	2 708	4 950	9 773	7 858	2 750	8 273	2 800	2 800	48 112	13 291	3 472
Vote 11 - WATER		74 804	79 757	79 712	94 018	111 519	76 243	73 960	92 512	93 488	89 105	80 256	94 240	1 039 614	880 367	1 021 867
Vote 12 - TOURISM		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	75 942	85 962	85 965	102 839	123 500	84 970	86 443	103 108	99 730	99 211	84 912	97 390	1 129 973	917 137	1 043 956
Total Capital Expenditure	2	75 942	85 962	85 965	102 839	123 500	84 970	86 443	103 108	99 730	99 211	84 912	97 390	1 129 973	917 137	1 043 956

Table 38 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		1 137	4 905	2 853	1 081	2 128	3 137	626	2 338	2 692	1 333	1 357	250	23 836	12 154	8 612
Executive and council		–	–	–	–	–	2 000	–	–	–	–	–	–	2 000	2 000	–
Finance and administration		1 137	4 905	2 853	1 081	2 128	1 137	626	2 338	2 692	1 333	1 357	250	21 836	10 154	8 612
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		–	1 000	700	4 540	400	640	2 085	400	800	500	500	100	11 665	5 545	5 545
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	600	400	3 400	400	400	500	400	800	500	500	100	8 000	5 500	5 500
Housing		–	400	300	1 020	–	240	1 585	–	–	–	–	–	3 545	45	45
Health		–	–	–	120	–	–	–	–	–	–	–	–	120	–	–
<i>Economic and environmental services</i>		–	300	2 700	3 200	9 453	4 950	9 773	7 858	2 750	8 273	2 800	2 800	54 857	19 071	7 931
Planning and development		–	–	–	–	6 745	–	–	–	–	–	–	–	6 745	5 780	4 459
Road transport		–	300	2 700	3 200	2 708	4 950	9 773	7 858	2 750	8 273	2 800	2 800	48 112	13 291	3 472
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		74 804	79 757	79 712	94 018	111 519	76 243	73 960	92 512	93 488	89 105	80 256	94 240	1 039 614	880 367	1 021 867
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		74 804	79 757	79 712	94 018	111 519	76 243	73 960	92 512	93 488	89 105	80 256	94 240	1 039 614	880 367	1 021 867
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	75 942	85 962	85 965	102 839	123 500	84 970	86 443	103 108	99 730	99 211	84 912	97 390	1 129 973	917 137	1 043 956
Funded by:																
National Government		199 070	–	–	–	293 937	–	–	–	489 897	–	–	–	982 905	795 113	940 657
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		199 070	–	–	–	293 937	–	–	–	489 897	–	–	–	982 905	795 113	940 657
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		10 785	12 423	12 059	14 192	12 490	13 917	5 087	12 434	10 717	6 556	6 750	29 658	147 068	122 024	103 299
Total Capital Funding		209 856	12 423	12 059	14 192	306 428	13 917	5 087	12 434	500 614	6 556	6 750	29 658	1 129 973	917 137	1 043 956

OR Tambo District Municipality 2019/2020 Budget and MTREF
Table 39 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21
Cash Receipts By Source													1		
Service charges - electricity revenue															
Service charges - water revenue	15 161	10 440	12 208	14 460	10 235	3 111	3 242	14 702	23 491	10 206	14 197	13 488	144 941	160 481	192 554
Service charges - sanitation revenue	7 185	5 131	5 900	6 880	5 042	1 942	1 999	6 986	10 810	5 029	6 766	6 457	70 128	77 271	90 102
Service charges - refuse revenue															
Rental of facilities and equipment	5	5	5	5	5	5	5	5	5	5	5	5	61	64	68
Interest earned - external investments	3 324	3 159	4 227	1 769	4 667	2 206	3 431	3 274	3 506	3 274	3 274	3 274	39 382	40 116	41 500
Interest earned - outstanding debtors	2 500	2 387	3 255	1 276	3 633	1 631	2 628	2 500	2 689	2 500	2 500	2 500	30 000	31 800	33 708
Transfer receipts - operational	344 225				286 754			1 574	231 399			0	863 952	920 935	991 442
Other revenue	101 179	34 243	31 718	32 057	31 350	36 189	16 416	29 730	28 888	19 915	21 163	(94 537)	288 312	312 826	249 726
Cash Receipts by Source	473 580	55 365	57 315	56 447	341 685	45 083	27 722	58 770	300 788	40 929	47 905	(68 814)	1 436 776	1 543 492	1 599 099
Other Cash Flows by Source															
Transfer receipts - capital	199 070				293 937				489 897				982 905	795 113	940 657
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Total Cash Receipts by Source	672 650	55 365	57 315	56 447	635 623	45 083	27 722	58 770	790 685	40 929	47 905	(68 814)	2 419 681	2 338 605	2 539 756
Cash Payments by Type															
Employee related costs	52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	52 120	625 440	668 953	713 467
Remuneration of councillors	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	22 659	24 166	25 773
Finance charges															
Bulk purchases - Electricity															
Bulk purchases - Water & Sewer	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	41 145	43 367	45 709
Other materials	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	24 759	26 096	27 505
Contracted services	17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	17 201	206 417	239 520	220 834
Transfers and grants - other municipalities															
Transfers and grants - other	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	4 054	48 646	50 912	53 290
Other expenditure	33 112	19 673	36 773	21 632	32 451	27 039	13 710	17 485	35 869	19 228	15 851	9 911	282 735	294 312	310 218
Cash Payments by Type	113 867	100 429	117 528	102 388	113 206	107 795	94 465	98 241	116 624	99 984	96 607	90 667	1 251 800	1 347 325	1 396 795
Other Cash Flows/Payments by Type															
Capital assets	75 942	85 962	85 965	102 839	123 500	84 970	86 443	103 108	99 730	99 211	84 912	97 390	1 129 973	917 137	1 043 956
Repayment of borrowing															
Other Cash Flows/Payments															
Total Cash Payments by Type	189 809	186 391	203 493	205 226	236 706	192 765	180 909	201 349	216 354	199 195	181 519	188 056	2 381 773	2 264 462	2 440 750
NET INCREASE/(DECREASE) IN CASH HELD	482 841	(131 026)	(146 179)	(148 779)	398 916	(147 681)	(153 187)	(142 579)	574 331	(158 266)	(133 614)	(256 870)	37 908	74 144	99 005
Cash/cash equivalents at the month/year begin:	417 611	900 452	769 426	623 247	474 468	873 384	725 703	572 516	429 937	1 004 269	846 002	712 389	417 611	455 518	529 662
Cash/cash equivalents at the month/year end:	900 452	769 426	623 247	474 468	873 384	725 703	572 516	429 937	1 004 269	846 002	712 389	455 518	455 518	529 662	628 668

3.9 Contracts having future budgetary implications

In terms of the District Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

3.10 Capital expenditure details

The following three tables present details of the District Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 40 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		491 145	784 897	819 422	1 026 926	1 213 561	1 213 561	987 749	800 219	946 038
Roads Infrastructure		10 759	-	-	2 939	4 439	4 439	3 112	3 291	3 472
Roads		10 759	-	-	2 939	4 439	4 439	3 112	3 291	3 472
Water Supply Infrastructure		470 595	784 897	819 422	1 019 391	1 204 526	1 204 526	979 793	791 822	937 185
Distribution		470 595	784 897	819 422	1 019 391	1 204 526	1 204 526	979 793	791 822	937 185
Sanitation Infrastructure		9 791	-	-	4 596	4 596	4 596	4 844	5 106	5 381
Pump Station										
Reticulation										
Waste Water Treatment Works		9 791	-	-						
Outfall Sewers										
Toilet Facilities					4 596	4 596	4 596	4 844	5 106	5 381
Capital Spares										
Community Assets		-	-	-	-	-	-	30 000	-	-
Community Facilities		-	-	-	-	-	-	30 000	-	-
Halls										
Centres								30 000		
Other assets		1 661	1 974	29 849	9 129	15 373	15 373	19 901	11 476	1 556
Operational Buildings		1 661	1 974	29 849	5 629	7 389	7 389	16 401	11 476	1 556
Municipal Offices		1 661	1 974	29 849	700	1 460	1 460	15 000	10 000	-
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards					4 929	5 929	5 929	1 401	1 476	1 556
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		-	-	-	3 500	7 984	7 984	3 500	-	-
Staff Housing					3 500	2 700	2 700	3 000	-	-
Social Housing						5 284	5 284	500	-	-
Capital Spares										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	2 651	2 151	2 151	2 554	2 584	2 616
Servitudes										
Licences and Rights		-	-	-	2 651	2 151	2 151	2 554	2 584	2 616
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications					2 651	2 151	2 151	2 554	2 584	2 616
Load Settlement Software Applications										
Unspecified										
Computer Equipment		-	801	183	2 050	1 350	1 350	5 102	2 739	2 646
Computer Equipment			801	183	2 050	1 350	1 350	5 102	2 739	2 646
Furniture and Office Equipment		17 402	2 502	2 549	3 000	3 700	3 700	2 895	2 526	945
Furniture and Office Equipment		17 402	2 502	2 549	3 000	3 700	3 700	2 895	2 526	945
Machinery and Equipment		-	1 623	972	30 345	22 395	22 395	16 633	16 374	17 124
Machinery and Equipment			1 623	972	30 345	22 395	22 395	16 633	16 374	17 124
Transport Assets		-	10 437	3 781	8 078	6 500	6 500	14 100	18 270	14 881
Transport Assets			10 437	3 781	8 078	6 500	6 500	14 100	18 270	14 881
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	510 208	802 234	856 756	1 082 179	1 265 030	1 265 030	1 078 934	854 188	985 807

Table 41 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on renewal of existing assets by Asset Class/Sub-class	1									
Infrastructure		-	-	-	101 112	78 612	78 612	49 939	62 859	58 149
Roads Infrastructure		-	-	-	1 500	-	-	-	-	-
Roads		-	-	-	1 500	-	-	-	-	-
Water Supply Infrastructure		-	-	-	95 246	74 246	74 246	45 337	45 501	35 986
Dams and Weirs										
Boreholes					54 755	39 755	39 755	22 500	25 301	15 301
Reservoirs										
Pump Stations					8 100	6 100	6 100	5 265	5 549	5 849
Water Treatment Works										
Bulk Mains										
Distribution								4 410	11 151	11 336
Distribution Points										
PRV Stations										
Capital Spares					32 391	28 391	28 391	13 162	3 500	3 500
Sanitation Infrastructure		-	-	-	4 366	4 366	4 366	4 602	17 357	22 163
Pump Station					1 052	1 052	1 052	1 109	5 669	10 475
Reticulation					3 314	3 314	3 314	3 493	11 688	11 688
Community Assets		-	-	-	-	-	-	1 100	-	-
Community Facilities		-	-	-	-	-	-	1 100	-	-
Markets								750		
Stalls										
Abattoirs								350		
Heritage assets		-	-	-	1 100	900	900	-	-	-
Monuments					1 100	900	900	-	-	-
Intangible Assets		-	-	-	-	-	-	-	90	-
Servitudes										
Licences and Rights									90	-
Computer Software and Applications									90	-
Total Capital Expenditure on renewal of existing	1	-	-	-	102 212	79 512	79 512	51 039	62 949	58 149
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	8.6%	5.9%	5.9%	4.5%	6.9%	5.6%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	63.1%	49.1%	49.1%	29.9%	35.1%	30.8%

Table 42 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	86 311	26 818	62 894	42 268	42 268	56 015	74 073	63 074
Roads Infrastructure		–	–	–	2 626	6 626	6 626	5 112	5 399	6 594
<i>Roads</i>					2 626	6 626	6 626	5 112	5 399	6 594
Water Supply Infrastructure		–	86 311	1	42 448	13 895	13 895	31 144	37 826	34 868
<i>Dams and Weirs</i>										
<i>Boreholes</i>					875	921	921	970	1 023	1 078
<i>Reservoirs</i>					1 025	1 880	1 880	5 671	5 977	6 300
<i>Pump Stations</i>			86 311	1	25 285	2 882	2 882	10 415	15 978	11 841
<i>Capital Spares</i>					15 263	8 212	8 212	14 088	14 848	15 650
Sanitation Infrastructure		–	–	26 818	17 820	21 747	21 747	19 759	30 848	21 612
<i>Pump Station</i>					1 500	578	578	1 663	1 753	1 848
<i>Reticulation</i>				18 329	14 320	20 065	20 065	15 878	26 758	17 300
<i>Waste Water Treatment Works</i>				8 488	2 000	1 104	1 104	2 218	2 337	2 464
Community Assets		–	–	1 437	–	–	–	–	–	–
Community Facilities		–	–	1 437	–	–	–	–	–	–
<i>Capital Spares</i>				1 437						
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Other assets		–	–	59 512	3 694	5 037	5 037	11 208	11 808	12 440
Operational Buildings		–	–	59 512	3 694	5 037	5 037	11 208	11 808	12 440
<i>Municipal Offices</i>				59 512	3 465	4 795	4 795	10 954	11 540	12 158
<i>Yards</i>					229	241	241	254	268	282
Computer Equipment		–	–	–	1 025	1 078	1 078	1 144	1 212	1 284
Computer Equipment					1 025	1 078	1 078	1 144	1 212	1 284
Furniture and Office Equipment		–	–	–	1 785	1 000	1 000	1 274	1 349	1 414
Furniture and Office Equipment					1 785	1 000	1 000	1 274	1 349	1 414
Transport Assets		–	–	–	6 825	7 200	7 200	3 689	3 888	4 098
Transport Assets					6 825	7 200	7 200	3 689	3 888	4 098
Total Repairs and Maintenance Expenditure	1	–	86 311	87 767	76 223	56 583	56 583	73 331	92 331	82 311
R&M as a % of PPE		0.0%	1.6%	1.5%	0.7%	0.5%	0.7%	0.9%	1.0%	0.8%
R&M as % Operating Expenditure		0.0%	6.1%	5.7%	5.4%	3.8%	3.8%	4.9%	6.1%	5.1%

Legislation compliance status

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

1. In year reporting
Reporting to National Treasury in electronic format was not fully complied with on a monthly basis since there are returns that the district municipality was unable to prepare due to the capacity challenges (staff shortages) in the unit.
2. Internship programme
The District Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office (BTO)
The Budget and Treasury Office has been established in accordance with the MFMA, but council has approved the proposed structure that will be in compliance with the requirements of MFMA for establishment of BTO office.
4. Audit Committee
The Audit Committee is yet to be appointed as the previous committee term has recently expired.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2019/2020 MTREF in June 2015 directly aligned and informed by the 2019/2020 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
Senior management of the district municipality and the all the staff the Budget and Treasury office have registered for the minimum competency level program required by National Treasury.
8. MSCOA compliance

3.11 Other supporting documents

Table 43 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates											
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>											
Net Property Rates		-	-	-	-	-	-	-	-	-	-
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue											
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>											
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		156 597	164 031	182 034	682 639	688 939	688 939	205 589	791 737	853 731	922 340
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>											
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		-	-	-	483 350	483 350	483 350		577 492	620 204	667 796
Net Service charges - water revenue		156 597	164 031	182 034	199 289	205 589	205 589	205 589	214 245	233 527	254 545

OR Tambo District Municipality 2019/2020 Budget and MTREF

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		40 697	42 791	48 235	292 559	292 559	292 559	85 409	285 726	308 354	333 364
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>		1 948									
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		-	-	-	207 150	207 150	207 150		192 497	206 735	222 599
Net Service charges - sanitation revenue		38 749	42 791	48 235	85 409	85 409	85 409	85 409	93 229	101 620	110 765
Service charges - refuse revenue											
Total refuse removal revenue	6										
Total landfill revenue											
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>											
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>			-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue			-	-	-	-	-	-	-	-	-
Other Revenue by source											
<i>Fuel Levy</i>											
<i>Other Revenue</i>		100 940	134 177	153 695					84 235	93 587	96 652
<i>Sundry Revenue</i>		236	2 548	4 286							
Tender Fees					1 157	1 157	1 157	1 157	1 220	1 286	1 355
VAT Refund											
Commission Received											
Farms Operations											
Increase in fair value of assets											
Old debt					120 000	120 000	120 000	120 000	120 000	130 000	130 000
Other Revenue- Ntinga Agency											
Accumulative reserves	3				185 012	250 320	250 320	250 320	76 112	82 174	17 260

OR Tambo District Municipality 2019/2020 Budget and MTREF

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
Total 'Other' Revenue	1	101 176	136 725	157 980	306 169	371 478	371 478	371 478	281 567	307 046	245 267
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	270 190	436 331	545 646	323 671	334 656	334 656	334 656	424 257	418 754	446 723
Pension and UIF Contributions		11 360			49 024	51 941	51 941	51 941	59 657	63 617	67 841
Medical Aid Contributions		10 316			50 648	51 161	51 161	51 161	29 029	58 316	62 194
Overtime		11 651			20 654	32 454	32 454	32 454	27 244	38 177	40 720
Performance Bonus					-	-	-	-	-	-	-
Motor Vehicle Allowance					32 995	34 636	34 636	34 636	41 519	44 273	47 210
Cellphone Allowance		1 226			1 678	3 511	3 511	3 511	4 774	4 343	4 630
Housing Allowances		10 137			16 888	18 331	18 331	18 331	19 692	21 001	22 396
Other benefits and allowances		28 098			4 878	9 271	9 271	9 271	11 533	12 222	12 955
Payments in lieu of leave		9 193			-	7 236	7 236	7 236	7 735	8 249	8 798
Long service awards		7 948			-	-	-	-	-	-	-
Post-retirement benefit obligations	4	33 053									
sub-total	5	393 172	436 331	545 646	500 435	543 197	543 197	543 197	625 440	668 953	713 467
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	393 172	436 331	545 646	500 435	543 197	543 197	543 197	625 440	668 953	713 467
<u>Contributions recognised - capital</u>											
<i>List contributions by contract</i>											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment		156 134	164 456	163 241	162 000	162 000	162 000	162 000	170 472	179 422	188 856

OR Tambo District Municipality 2019/2020 Budget and MTREF

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
Total Depreciation & asset impairment	10 1	156 134	164 456	163 241	162 000	162 000	162 000	162 000	170 472	179 422	188 856
Bulk purchases											
Electricity Bulk Purchases											
Water Bulk Purchases		43 845	42 407	44 257	70 500	67 500	67 500	67 500	41 145	43 367	45 709
Total bulk purchases	1	43 845	42 407	44 257	70 500	67 500	67 500	67 500	41 145	43 367	45 709
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	551	580	612
Non-cash transfers and grants		122 981	112 120	65 831	91 579	88 235	88 235	88 235	48 096	50 331	52 678
Total transfers and grants	1	122 981	112 120	65 831	91 579	88 235	88 235	88 235	48 646	50 912	53 290
Contracted services											
<i>Repairs and Maintenance</i>									53 745	71 686	60 565
<i>Professional services</i>		13 130			20 835	-	-	-	30 461	30 782	32 444
<i>Security services</i>		13 178			21 829	-	-	-	24 114	25 416	26 788
<i>Stage and Sound</i>		2 010							4 428	4 667	4 919
<i>Catering</i>		21							22 172	23 370	24 632
<i>Legal Fees</i>		697							26 015	36 339	21 682
<i>Transportation</i>									31 902	33 625	35 441
<i>Artists and Performers</i>									2 829	2 982	3 143
<i>Other Contracted Services</i>			174 491	229 344					10 530	10 414	10 976
<i>Consultants and Professional Services</i>						66 903	66 903	66 903			
<i>Outsourced Services</i>						51 409	51 409	51 409			
<i>Contractors</i>						130 780	130 780	130 780			
<i>Ntinga repairs and maintenance</i>									220	238	243

OR Tambo District Municipality 2019/2020 Budget and MTREF

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
sub-total	1	29 036	174 491	229 344	42 664	249 092	249 092	249 092	206 417	239 520	220 834
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		29 036	174 491	229 344	42 664	249 092	249 092	249 092	206 417	239 520	220 834
Other Expenditure By Type	-										
Collection costs											
Contributions to 'other' provisions											
Consultant fees											
Audit fees		7 123							10 013	10 554	11 124
General expenses	3	370 014	254 034	299 825							
Assessment Rates											
Advertising and Marketing									12 053	12 704	13 390
Electricity Purchases									35 699	37 627	39 659
Entertainment									191	201	212
Fuel and Oil									7 760	8 179	8 620
Hire Charges									24 152	25 457	26 831
Printing and Stationary									8 160	8 601	9 065
Skills Development Levy									4 850	5 173	5 517

OR Tambo District Municipality 2019/2020 Budget and MTREF

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
<i>Other Stipends</i>									12 645	13 328	14 048
<i>EPWP Stipends</i>									6 294	–	–
<i>Subsistence and Travel</i>									45 273	47 696	50 250
<i>Subscriptions</i>									5 569	5 869	6 186
<i>Telephone Expense</i>									18 469	19 467	20 518
<i>Other Operational Costs</i>					371 911	252 030	252 030	252 030	37 968	39 912	41 737
<i>Ntinga Operations</i>									53 639	59 546	63 061
Total 'Other' Expenditure	1	377 137	254 034	299 825	371 911	252 030	252 030	252 030	282 735	294 312	310 218
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services		75 027	86 989	87 767	76 223	56 583	56 583		65 775	84 373	73 929
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	75 027	86 989	87 767	76 223	56 583	56 583	–	65 775	84 373	73 929

Detailed list of other expenditure reflected at R38 million

DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
ASSESSMENT RATES	1 746 372.60	LED STRATEGY	790 500.00
BANK CHARGES	1 097 846.40	SECTOR DEVELOPMENT	632 400.00
BOOKS & PUBLICATIONS	372 470.02	CO-OPERATIVE SUPPORT	8 540 000.00
RAIN HARVESTING	1 164 248.40	LED CAPACITY	432 400.00
CLEANING MATERIALS AND SERVICES	1 512 287.63	WATER PLANT HIRE	5 544 040.00
COUNCIL RECEPTIONS	23 284.97	HOUSING DEVELOPMENT STRATEGY	277 202.00
COMMUNICATION	5 213 182.97	AGRICULTURAL DEVELOPMENT STRATEGY	421 600.00
WOMEN'S CAUCUS	958 808.00	AGRI-PACKS	7 750 800.00
SAFETY AND SECURITY PROGRAMMES	244 492.16	TRADE AND INVESTMENT PROMOTION	210 800.00
MUNICIPAL HEALTH SERVICES	1 544 110.00	MORAL REGENERATION PROGRAMS	669 817.00
CORPORATE EXPENSES	202 523.15	RISK ASSESSMENT AND REDUCTION PROGRAM	284 580.00
GREENEST MUNICIPAL AWARDS	685 100.00	ENVIROMENTAL AWARENESS	1 275 600.00
ENVIRONMENTAL MANAGEMENT PLANNING	843 200.00	RISK MANAGEMENT	851 009.14
MEDICAL EXAMINATION	116 424.84	EMPLOYEE ASSISTANCE PROGRAM	1 091 968.60
PROTECTIVE CLOTHING	3 758 859.12	LEVELLING OF SPORTS FACILITIES	500 000.00
WATER QUALITY MONITORING	722 203.52	SKILLS DEVELOPMENT AND CAPACITY BUILDING	6 735 618.62
FIRE FIGHTING SERVICE	2 554 139.23	AFFLUENT MANAGEMENT PROGRAM	582 124.20
JOB EVALUATION PROGRAM	1 219 688.80	VERIFICATION OF INDIGENT HOUSEHOLDS	300 000.00
OCCUPATIONAL HEALTH & SAFETY	351 150.62	BLUE DROP PROGRAM	1 136 124.20
OFFICE RENTAL	927 994.30	LOCAL LABOUR FORUM PROGRAMME DEVELOPMENT	174 637.26
INTERNSHIP PROGRAMME	756 761.46	DISTRICT PLANNING STRATEGY	316 200.00
WHIPPERY SUPPORT	2 926 424.00	INTEGRATED SPATIAL MANAGEMENT SYSTEM	80 262.10
HUMAN RESOURCE WORKSHOP	6 874.61	GET THE RECORDS STRAIGHT PROJECT (GTRS)	584 487.27
OR TAMBO MONTH	2 485 000.00	RESEARCH AND POLICY DEVELOPMENT	1 052 438.53

OR Tambo District Municipality 2019/2020 Budget and MTREF

POSTAGE	304 922.20	HERITAGE DEVELOPMENT	1 181 000.00
VIP PROTECTION UNIT	1 106 035.98	CUSTOMER RELATIONS SERVICES	536 696.80
WASTE WATER MANAGEMENT	398 549.04	RENTAL OF IT EQUIPMENT	1 746 372.60
DISTRICT SPORTS COUNCIL	81 497.39	OVERSIGHT COMMITTEE & ROADSHOWS	1 009 015.28
WEBSITE MAINTENANCE	232 849.68	PUBLIC PARTICIPATION	2 213 400.00
COASTAL SAFETY	2 372 849.12	DISTRICT SPEAKER'S FORUM	465 699.36
RESEARCH AND DEVELOPMENT	698 549.04	COUNCIL MEETINGS	593 766.68
INTEGRATED DEVELOPMENT PLAN	4 287 294.24	STANDING ORDERS & RESOLUTIONS REGISTER	668 056.82
LAUNCHES - HOUSING PROJECTS	232 849.68	SECTION 79 COMMITTEES	958 808.00
HOUSING FORUMS	131 393.75	LANDSCAPING	554 404.00
SOCIAL RELIEF PROGRAMME	527 000.00	TECHNICAL FORUM WSJTT	556 761.46
HOUSING SOCIAL RELIEF PROGRAMME	3 008 196.10	PUBLIC TRANSPORT ASSISTANCE PROGRAM	1 298 899.14
LIBRARY SERVICES	640 336.62	DISTRICTWIDE ELECTRIFICATION PLAN	590 408.70
EARLY CHILDHOOD DEVELOPMENT	1 111 970.00	DISASTER MANAGEMENT SUMMIT	727 260.00
CHILD PROTECTION SERVICES	558 620.00	STIPEND FOR EMERGENCY VOLUNTEERS	4 848 400.00
COUNCIL AND COMMITTEE	4 002 382.32	EPWP OPERATION	8 521 496.82
AUDIT COMMITTEE ALLOWANCES	351 378.30	PERFORMANCE MANAGEMENT SYSTEM	1 397 098.08
VILLAGE WATER COMMITTEES	3 326 424.00	DISASTER PREPAREDNESS AND RESPONSE	1 783 960.00
FUNCTIONS & STAFF WELFARE	986 839.12	SPORTS AND RECREATION	1 807 357.04
DISASTER MANAGEMENT INFORMATION SYSTEM	2 108 000.00	REGIONAL INDUSTRIAL DEVELOPMENT PROGRAM	4 970 000.00
SPLUMA	827 390.00	SITTING ALLOWANCE - TRADITIONAL LEADERS	232 849.68
DISASTER MANAGEMENT PLAN	1 581 000.00	GRANT - ADHOC HOUSING	58 212.42
REGIONAL & LOCAL TOURISM ORGANISATIONS	58 212.42	RELOCATION COSTS	393 626.84
ARTS AND CRAFT DEVELOPMENT	232 849.68	INITIATION SUPPORT	736 991.94
DISTRICT TOURISM MARKETING	1 581 517.08		
TOURISM EDUCATION AND AWARENESS	1 054 000.00		

Table 44 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Ref	Vote 1 - COUNCIL AND COMMITTEE	Vote 2 - FINANCIAL AND ADMINISTRATION	Vote 3 - PLANNING AND DEVELOPMENT	Vote 4 - HEALTH	Vote 5 - COMMUNITY AND SOCIAL SERVICES	Vote 6 - HOUSING	Vote 7 - PUBLIC SAFETY	Vote 8 - SPORTS AND RECREATION	Vote 9 - ENVIRONMENTAL	Vote 10 - ROADS	Vote 11 - WATER	Vote 12 - TOURISM	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	214 245	-	-	-	-	214 245
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	93 229	-	-	-	-	93 229
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	61	-	-	-	-	-	-	-	-	-	-	-	-	-	61
Interest earned - external investments		-	36 882	2 500	-	-	-	-	-	-	-	-	-	-	-	-	39 382
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	30 000	-	-	-	-	30 000
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	1 220	-	-	-	-	-	-	-	-	196 112	-	-	-	-	197 332
Transfers and subsidies		225 819	270 403	163 420	21 832	15 917	16 118	59 716	11 213	15 266	14 160	127 504	6 819	-	-	-	948 187
Gains on disposal of PPE		-	-	40	-	-	-	-	-	-	-	-	-	-	-	-	40
Total Revenue (excluding capital transfers and contributions)		225 819	308 566	165 960	21 832	15 917	16 118	59 716	11 213	15 266	14 160	661 090	6 819	-	-	-	1 522 476
Expenditure By Type																	
Employee related costs		99 197	172 407	60 057	19 415	9 563	10 884	44 343	4 444	4 320	2 922	194 727	3 162	-	-	-	625 440
Remuneration of councillors		22 659	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22 659
Debt impairment		-	-	-	-	-	-	-	-	-	-	92 405	-	-	-	-	92 405
Depreciation & asset impairment		-	-	4 724	-	-	-	-	-	-	-	165 748	-	-	-	-	170 472
Finance charges		-	-	39	-	-	-	-	-	-	-	-	-	-	-	-	39
Bulk purchases		-	-	-	-	-	-	-	-	-	-	41 145	-	-	-	-	41 145
Other materials		-	1 573	-	-	-	-	-	-	-	-	22 953	233	-	-	-	24 759
Contracted services		42 512	43 230	6 562	912	1 543	1 426	3 066	2 416	5 388	9 663	86 904	1 795	-	-	-	205 417
Transfers and subsidies		10 601	-	33 556	-	158	3 066	1 265	-	3 000	-	-	-	-	-	-	51 646
Other expenditure		50 850	91 356	55 720	1 505	4 653	741	11 043	4 353	2 559	1 575	54 750	1 629	-	-	-	280 735
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		225 819	308 566	160 657	21 832	15 917	16 118	59 716	11 213	15 266	14 160	658 633	6 819	-	-	-	1 514 716
Surplus/(Deficit)		-	(0)	5 303	-	-	-	-	-	-	-	2 457	-	-	-	-	7 760
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	-	3 112	979 793	-	-	-	-	982 905
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	(0)	5 303	-	-	-	-	-	-	3 112	982 250	-	-	-	-	990 665

Table 45 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Call investment deposits											
Call deposits		309 668	–	–	160 458	228 794	228 794	228 794	230 095	302 853	309 194
Other current investments											
Total Call investment deposits	2	309 668	–	–	160 458	228 794	228 794	228 794	230 095	302 853	309 194
Consumer debtors											
Consumer debtors		544 505	590 623	689 394	569 604	569 604	569 604	569 604	592 389	603 781	640 008
Less: Provision for debt impairment		(442 321)	(535 560)	(622 988)	(406 361)	(406 361)	(406 361)	(406 361)	(423 843)	(503 757)	(581 509)
Total Consumer debtors	2	102 184	55 062	66 405	163 243	163 243	163 243	163 243	168 546	100 024	58 499
Debt impairment provision											
Balance at the beginning of the year		334 628	442 040	535 560	318 690	318 690	318 690	318 690	331 438	406 361	498 854
Contributions to the provision		107 693	93 520	87 428	87 671	87 671	87 671	87 671	92 405	97 395	82 655
Bad debts written off											
Balance at end of year		442 321	535 560	622 988	406 361	406 361	406 361	406 361	423 843	503 757	581 509
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		7 050 684	7 851 918	8 472 882	13 523 327	13 683 884	11 683 884	11 683 884	13 103 493	14 123 651	15 265 683
Leases recognised as PPE	3								–	–	–
Less: Accumulated depreciation		2 304 543	2 502 018	2 448 838	3 215 429	3 215 429	3 215 429	3 215 429	3 385 900	3 565 322	3 754 178
Total Property, plant and equipment (PPE)	2	4 746 141	5 349 901	6 024 044	10 307 899	10 468 456	8 468 456	8 468 456	9 717 593	10 558 328	11 511 506
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		20	–	–	286	286	286	286	298	303	322
Total Current liabilities - Borrowing		20	–	–	286	286	286	286	298	303	322
Trade and other payables											
Trade Payables	5	386 468	380 241	406 368	335 297	335 297	335 297	335 297	278 568	326 559	372 358
Other creditors		2 781	4 034	2 372							
Unspent conditional transfers		9 501	7 230	160							
VAT											
Total Trade and other payables	2	398 750	391 505	408 900	335 297	335 297	335 297	335 297	278 568	326 559	372 358
Non current liabilities - Borrowing											
Borrowing	4		38 795								
Finance leases (including PPP asset element)					100	100	100	100	104	100	100
Total Non current liabilities - Borrowing		–	38 795	–	100	100	100	100	104	100	100
Provisions - non-current											
Retirement benefits		54 837	64 042	87 087					40 571	35 099	34 854
List other major provision items											
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		54 837	64 042	87 087	–	–	–	–	40 571	35 099	34 854
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		4 461 872	4 878 007	5 333 752	9 856 584	9 851 299	9 851 299	9 851 299	9 067 549	10 058 214	10 864 290
GRAP adjustments		11 631		–							
Restated balance		4 473 503	4 878 007	5 333 752	9 856 584	9 851 299	9 851 299	9 851 299	9 067 549	10 058 214	10 864 290
Surplus/(Deficit)		401 206	455 745	661 308	1 025 830	1 216 249	1 216 249	1 216 249	990 665	806 076	949 640
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments		11 631			(325 317)	(281 559)	(2 281 559)	(2 281 559)			
Accumulated Surplus/(Deficit)	1	4 886 340	5 333 752	5 995 060	10 557 096	10 785 990	8 785 990	8 785 990	10 058 214	10 864 290	11 813 930
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	4 886 340	5 333 752	5 995 060	10 557 096	10 785 990	8 785 990	8 785 990	10 058 214	10 864 290	11 813 930

3.12 Municipal manager's quality certificate

I, municipal manager of OR Tambo District Municipality , hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of OR Tambo District Municipality (DC15)

Signature _____

Date _____