

6.1 2018/19 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

File No: 3/2/2/18

Responsible Official: R Ontong

Directorate: Financial Services

Portfolio: Financial Planning

1. Purpose

The purpose of this submission is to present the 2018/19 MTREF Final Budget.

2. Legal Framework

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
 - (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
 - (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Contents of annual budgets and supporting documents

17. (1) An annual budget of a municipality must be a schedule in the prescribed format —
 - (a) setting out realistically anticipated revenue for the budget year from each revenue source;
 - (b) Appropriating expenditure for the budget year under the different votes of the municipality;
 - (c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
 - (d) Setting out —
 - (i) Estimated revenue and expenditure by vote for the current year; and
 - (ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and
 - (e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed”

3. Financial Implications

The financial implications of the 2018/19 MTREF budget is captured in the Budget Report.

4. Annexures

Municipal Budget and Reporting Regulations Schedule-A Budget tables (**Annexure A**)

Quality Certificate (**Annexure B**)

Revised Budget Related Policies (**Annexure C**)

- Credit Control and Debt Collection Policy
- Funding and Reserves Policy
- Insurance Management Policy
- Long Term Financial Plan Policy
- Property Rates Policy
- Tariff Policy
- Write-off Policy
- Asset Management Policy
- Borrowing Policy
- Budget Implementation and Management Policy
- Budget Virement Policy
- Costing Policy
- Supply Chain Management Policy
- Infrastructure Investment and Capital Projects Policy

Municipal Tariffs (**Annexure D**)

Municipal Finance Management Act Budget Circulars (**Annexure E**)

**MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK**

2018/2019 – 2020/2021

BREEDER VALLEY

Municipality

Munisipaliteit

U Masipala wase



WORCESTER ▾ RAWSONVILLE ▾ DE DOORNS ▾ TOUWS RIVER

29 MAY 2018

TABLE OF CONTENTS

PART 1 – Annual Budget

1. Mayors' Report
2. Resolutions
3. Executive Summary
4. Annual Budget Tables

PART 2 – Supporting Documentation

5. Overview of annual budget process
6. Overview of alignment of annual budget with IDP
7. Measurable performance objectives and indicators
8. Overview of budget related policies
9. Overview of budget assumptions
10. Overview of budget funding
11. Expenditure on allocations and grant programmes
12. Allocations on grants made by the municipality
13. Councillor allowances and employee benefits
14. Monthly targets for revenue, expenditure and cash flow
15. Contracts having future budgetary implications
16. Capital expenditure details
17. Legislation compliance status
18. Other supporting documents
19. Annual budgets of municipal entities attached to the annual budget

Abbreviations and Acronyms

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

SAPS South African Police Service
SDBIP Service Delivery Budget Implementation Plan
SMME Small Micro and Medium Enterprises

PART 1 – Annual Budget

1. Mayor’s Report

The Breede Valley Municipality remains committed to the cause of bringing respectable services to all households. We as a municipality acknowledge the fact that households are faced with numerous difficulties, ranging from social to economic challenges. We view our role as integral in addressing these challenges to improve quality of life, and will therefore continue to play our part by creating a conducive environment for job creation and social development in our community. It should be understood that not all plans will be completed within the timeframes due to various unforeseen challenges, but we as a municipality is committed in ensuring that all projects commenced are completed.

This budget serves the purpose of outlining future service delivery objectives by reflecting on the past financial years and anticipation in anticipation for future advances.

Breede Valley municipality has made significant progress in fighting service delivery backlogs, but also acknowledges that there is still a lot to be done. We will continue with the good work and improve wherever improvement is needed to ensure that this municipality better the quality of life for the people within Breede Valley municipal area.

2. Resolutions

It is recommended to council that in respect of the 2018/19 MTREF, and outer financial years that council approves the 2018/19 MTREF budget in terms of section 24 of the Municipal Finance Management Act.

3. Executive Summary

3.1 Legislative Background

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
- (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

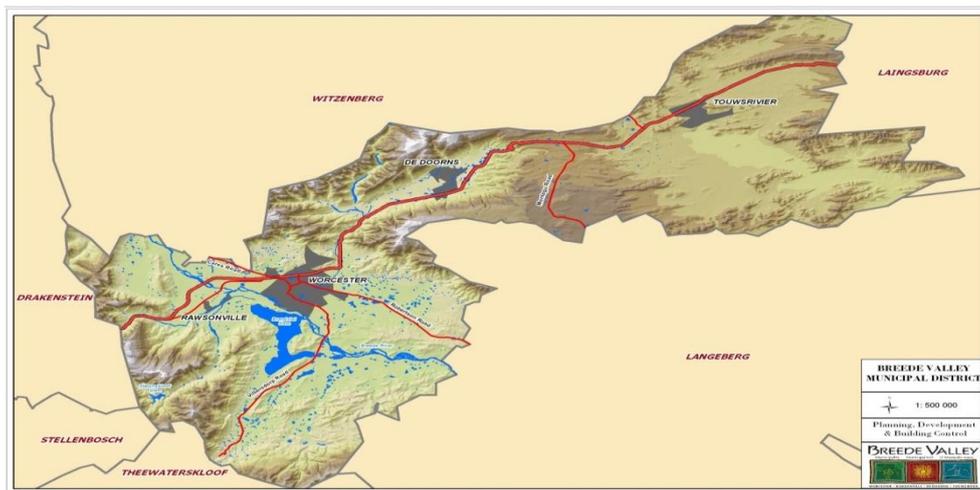
Contents of annual budgets and supporting documents

17. (1) An annual budget of a municipality must be a schedule in the prescribed format —
 - (a) setting out realistically anticipated revenue for the budget year from each revenue source;
 - (b) Appropriating expenditure for the budget year under the different votes of the municipality;

- (c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
- (d) Setting out —
 - (i) Estimated revenue and expenditure by vote for the current year; and
 - (ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and
- (e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed”

3.2 Municipal General Overview

The map below outlines the geographical area of Breede Valley Municipality. As per the map Breede Valley Municipality serves the towns of De Doorns, Rawsonville, Touwsrivier and Worcester. Surrounding municipalities include Drakenstein Municipality, Langeberg Municipality, Laingsburg Municipality, Stellenbosch Municipality, Theewaterskloof and Witzenberg Municipality. All the mentioned municipalities, including Breede Valley Municipality forms part of the Cape Winelands District Municipality.



Strategic Framework, Pillars and Objectives of the Municipality



Strategic Pillars & Objectives

Strategic Pillars	Strategic Objectives
Opportunity	To create a unique and caring Valley of service excellence, opportunity and growth
Safety	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's People
Caring	To create an enabling environment for employment and poverty eradication through pro-active economic development and tourism
Inclusive	To provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government
Well-run municipality	To assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practises
	8

3.3 Budget Principles and Criteria

The 2018/19 MTREF was compiled based on the following principles and criteria:

Credibility

- Planned Activities must be consistent with the IDP and vice versa.
- Financial viability of municipality should not be jeopardised.
- Ensure Capacity to spend the budget.

Sustainability

- Financial sustainability/ overall financial health of Municipality.
- Revenue/ Expenditure budgeted must be realistic.

Responsiveness

- To the needs of the community / public.
- Alignment of IDP, LED Strategies with Budget to give effect to provincial and national priorities.
- Budget must be responsive to economic growth objectives and the socio- economic needs of the community.

Affordability

- Tariffs must not be increased unreasonably and consumers must be able to afford tariffs.

The 2018/2019 budget is compiled in line with chapter 4 of the Municipal Finance Management Act, MFMA Budget Circulars and other relevant circulars and / or guidelines from National

Treasury and Provincial Treasury. The budget strives to be consistent with the financial norms and ratios as per the MFMA Circular 71 to ensure sound and sustainable management of financial affairs of the municipality. The budget is also consistent with the Long Term Financial Plan to ensure synergy between long term planning and implementation of planning. Other important principles includes addressing the need of access to basic services and the efficient capacitation of the municipality, which is in many instances a challenge given limited financial resources.

The main challenges experienced with the compilation of the 2018/19 MTREF are as follow:

- Implementation of mSCOA;
- Effect of water crisis on the revenue generation;
- Consumers exploring alternative energy sources and using less municipal electricity
- Direct effect of the current state of the economy on larger municipalities relying on progressive economic activity;
- Ageing infrastructure and increasing service delivery backlogs; and
- Increasing cost of bulk purchases versus the electricity tariff increases, resulting in pressure to maintain a balance between sustainability, growth and affordability of services.

Service charges and other revenue sources are prepared in accordance with planned activities / initiatives / developments and past performance trends to ensure that the budgeted amounts are realistic and do not negatively affect the credibility of the final budget and the financial position of the municipality.

The operating expenditure budget compilation process was done in line with the MFMA budget circulars. In instances of inconsistencies, appropriate reasons for the corresponding deviations are provided.

MFMA circular 70 highlighted examples of non-priority spending that need to be addressed by municipalities. Breede Valley Municipality remains commitment to the elimination of these non-priority items from the 2015/16 MTREF and applying zero percent increases on related items where elimination or a decrease in the 2018/19 MTREF budget is not possible.

Further, MFMA circular 82 on cost containment measures was also taken into consideration with the aim of promoting section 62(1)(a) of the MFMA through the effective, efficient and economical use of municipal resources.

The latest allocations (except for the Equitable Share allocation) from National Government and Provincial Government to Breede Valley Municipality for the 2017/18 MTREF were not included as part of the tabled budget in March 2018. This was due to the timing of the publication of national and provincial allocations, which would have created severe challenges to comply with the legislated tabling date of latest 31 March if the municipality had to include the latest allocations. Budget engagements and prioritization of budget inputs are done well in advance due to the complexity of aligning needs with available resources. These allocations now form part of the final budget to be tabled to council after various engagements with the relevant user departments regarding priority, affordability and the impact of service delivery.

The capital budget for 2018/19 aims to address the capital needs within the municipal area, given the available resources internally and externally. The main source of funding remains conditional grant allocations from National and Provincial government departments, followed by either internal funding or external loans (when applicable).

3.4 Rebates

Rebates relating to Unemployed, Indigent and Pensioners (under and over 70 years of age) are displayed below:

3.4.1 Rebates: Unemployed and Indigent

Household Income	Rates	Sewer	Refuse	Rental
R0 - R4 500	50%	50%	50%	100%
Max. Valuation	R 150 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilotre			

3.4.2 Rebates: Pensioner

Household Income	Rates	Sewer	Refuse	Rental
Government Pension & Disability / Pensioners 60 years and older				
R0 - R4 500	100%	100%	100%	100%
Max Valuation	R 150 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilotre			

3.4.3 Rebates: Pensioner 70 years and older

Pensioners falling in this category are eligible for an additional R65 000.00 rebate on the calculation of their property rates bill. This overall rebate is capped at R150 000.00

3.4.4 Special Rating Area (SRA)

In terms of Section 22 of the Municipal Property Rates Act a municipality may by resolution of its Council determine an area within that Municipality as a Special Rating Area (SRA) and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area. The SRA must submit a budget to the Council annually in terms of the Special Rating Areas By-law.

3.5 Budget Overview

The budget overview provides insight pertaining to the operating and capital budgets over the MTREF

3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2018/19 MTREF.

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand			
Revenue By Source			
Property rates	145 753	153 915	162 534
Service charges - electricity revenue	395 845	418 573	442 605
Service charges - water revenue	77 097	81 427	85 999
Service charges - sanitation revenue	67 984	72 847	77 969
Service charges - refuse revenue	37 962	40 088	42 332
Service charges - other	–	–	–
Rental of facilities and equipment	8 842	9 189	9 036
Interest earned - external investments	13 074	13 806	14 579
Interest earned - outstanding debtors	3 181	3 359	3 547
Dividends received	–	–	–
Fines, penalties and forfeits	75 258	75 058	74 863
Licences and permits	3 424	3 616	3 818
Agency services	7 793	8 230	8 690
Transfers and subsidies	146 455	177 724	161 766
Other revenue	10 271	10 846	11 454
Gains on disposal of PPE	1 190	1 257	1 327
Total Revenue (excluding capital transfers and contributions)	994 129	1 069 933	1 100 520

The overall operating revenue (excluding capital transfers and contributions) is budgeted at R994.13 million for the 2018/19 financial year and R1.07 billion and R1.10 billion in 2019/20 and 2020/21, respectively.

Based on the current economic climate within the Breede Valley municipal area, tariffs (excluding electricity) were kept in line with the guidelines as per MFMA budget circular. This inflation linked increase in tariffs aim to promote sustainability of the revenue, other than the counterproductive method of increasing tariffs to such an extent that the collection rate deteriorates.

Property Rates: The increase in property rates is mainly attributed to the new Supplementary Valuation roll being implemented during March 2018.

In terms of Section 22 of the Municipal Property Rates Act a municipality may by resolution of its Council determine an area within that Municipality as a Special Rating Area (SRA) and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area. The SRA must submit a budget to the Council annually in terms of the Special Rating Areas By-law.

Electricity Revenue: The increase in electricity revenue based on the current trends of consumption and the alignment of the tariff structure to the NERSA benchmarks for the different types of consumers.

Water Revenue: The increase in water revenue is based on the current and anticipated consumption levels over the MTREF. Amendments to the tariff structure were also made to ensure cost recovery given the decrease in water consumption.

Service Charges: Refuse revenue and sanitation revenue are projected to increase by 6.40 percent and 6.10 percent, respectively.

Interest on External Investments: The increase in investment revenue is informed by the municipality's current investment portfolio, and the anticipated return on investments to be made during the 2018/19 financial year.

Interest Earned – Outstanding Debtors: The increase in outstanding debtors is due to the current and anticipated recovery of revenue from the municipality's client base and the anticipated collection rate for the MTREF. It should be noted that additional / new clients are mainly in the form of low income household, which have a high likelihood of non-payment. The municipality maintains its aggressive debt collection and credit control initiatives to educate and assists defaulters and potential defaulters to make payment arrangements on outstanding amounts. These arrangements are interest free which will result in a decrease in interest on outstanding debtors.

Fines: The decrease in revenue from fines in 2018/19 when compared to 2017/18 is based on the higher than initially anticipated increase during the current year adjustment budget. The current performance during the 2017/18 financial year resulted in a significant upwards adjustment. This increase in fines revenue is anticipated to return to the back to the normal given that the contract of our current service provider will lapse at the end of the 2017/18 financial year. Any new service provider in relation to fines will be subjected to a stricter contractual agreement, in preventing the excessive billing and write-offs.

Transfers Recognised – Operational: This revenue item is based on the operational transfers (conditional and unconditional) as per the 2018/19 budget year allocations.

3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2018/19 MTREF.

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand			
<u>Expenditure By Type</u>			
Employee related costs	310 637	333 551	353 849
Remuneration of councillors	18 129	19 489	20 900
Debt impairment	59 662	63 003	66 531
Depreciation & asset impairment	86 305	91 139	96 242
Finance charges	24 505	23 654	22 833
Bulk purchases	281 892	298 238	315 532
Other materials	11 612	12 263	12 949
Contracted services	117 526	117 086	122 448
Transfers and subsidies	21 598	50 516	23 340
Other expenditure	76 178	78 818	86 597
Loss on disposal of PPE	3 304	3 489	3 684
Total Expenditure	1 011 348	1 091 244	1 124 905

Total budgeted operating expenditure for the 2018/19 financial year amounts to R1.01 billion and the outer years R1.09 billion and R1.13 billion respectively

Employee related cost: Employee related cost is based collective agreement and on amendments to be made on the current structure.

The personnel budget is calculated for the 12 months of the financial year, regardless of when the post are to be filled. The savings that arise from filling vacancies later than the start of the financial year, are then used during the adjustment budget to finance other operational expenditure priorities and as contributions to the CRR for capital expenditure priorities.

Thus, the percentage increase from 2017/18 to 2018/19 appears excessive, but given the decreased adjusted budget figure in the current year, and the fact that the “12 month principle” is applied for the 2018/19 financial year also, it is accepted as realistic and credible. This increase is also influenced by the implementation of TASK process currently underway that is having significant financial implications in some cases where employees earning higher salaries.

The municipality is still in the process of conducting a work study to ensure an effective and efficient staff structure with an efficient and effective office space redesign.

Debt Impairment: The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2018/19 adjustments budget if needed.

Depreciation and asset impairment: Depreciation is calculated based on the useful lives of assets, which are currently being reviewed. The commission date of the majority of capital projects are more to the end of the financial year (based on past trends), resulting in new additions not having a full year’s depreciation, but only a part thereof.

Finance charges: No borrowings will be taken up in 2018/19. The finance charges are calculated based on the municipality's borrowing portfolio. It should also be noted that the interest portion of the repayment decreases over the term of the loan.

Bulk Purchases: This item comprises of electricity and water bulk purchases. The component relating to water is adjusted with 6.0 percent, whereas the electricity component is calculated based on the NERSA guideline. It should be noted that the electricity bulk purchases was decreased during the current year adjustment budget and is also applied in the 2018/19 financial year given consumption trends observed.

Other materials: This item previously consisted of repair and maintenance but since the current year adjustment budget is now mainly representative of store items (Municipal Stores). The reclassification due to mSCOA resulted in repair and maintenance items being spread across the different expenditure types.

Transfers and Subsidies: This items was also severely affected by mSCOA reclassification during the current year adjustment budget as this now includes HSDG spending (operational) that was previously reported under Other Expenditure. The increase is based on the planned grant expenditure given the allocation(s) from the transferring (National or Provincial) department(s)

Other expenditure: As mentioned above, HSDG spending (operational) previously resorted under Other Expenditure, but is now recorded under Transfers and Subsidies.

3.5.3 Capital budget

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

Vote Description R thousand	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional			
<i>Governance and administration</i>	14 933	1 913	800
Executive and council	10	–	–
Finance and administration	14 923	1 913	800
Internal audit	–	–	–
<i>Community and public safety</i>	19 799	10 740	6 285
Community and social services	11 856	10 585	1 483
Sport and recreation	4 740	155	210
Public safety	3 203	–	4 593
Housing	–	–	–
Health	–	–	–
<i>Economic and environmental services</i>	30 352	25 161	8 200
Planning and development	3 632	2 950	–
Road transport	26 720	22 211	8 200
Environmental protection	–	–	–
<i>Trading services</i>	161 433	103 389	118 955
Energy sources	39 781	16 787	30 060
Water management	55 771	38 433	34 974
Waste water management	59 932	35 438	53 587
Waste management	5 950	12 731	335
<i>Other</i>	–	–	–
Total Capital Expenditure - Functional	226 517	141 203	134 240
Funded by:			
National Government	38 810	38 932	55 282
Provincial Government	102 280	62 950	24 000
District Municipality	–	–	–
Other transfers and grants	–	–	–
Transfers recognised - capital	141 090	101 882	79 282
Public contributions & donations	–	–	–
Borrowing	–	–	–
Internally generated funds	85 427	39 321	54 958
Total Capital Funding	226 517	141 203	134 240

The total capital budget for the 2018/19 financial year amounts to R226.52 million. As per the table above, the majority of funding is allocated to trading services which will ultimately promote service delivery and revenue generation.

The municipality implemented quarterly budget engagements where performance of the capital budget & Grant funding are tracked. Grant funding is anticipated to be 100% implemented in the current financial year.

Kindly refer to SA36 for the detail capital budget.

4. Annual Budget Tables

The budget tables prepared in accordance with the Municipal Finance Management Act, and Municipal Budget and Reporting Regulations are listed in below:

- **Table A1** Budget Summary
- **Table A2** Budgeted Financial Performance (Revenue and Expenditure by standard classification)
- **Table A3** Budgeted Financial Performance (revenue and expenditure by municipal vote)
- **Table A4** Budgeted Financial Performance (revenue and expenditure)
- **Table A5** Budgeted Capital Expenditure by vote, standard classification and funding
- **Table A6** Budgeted Financial Position
- **Table A7** Budgeted Cash Flows
- **Table A8** Cash Backed Reserves / Accumulated Surplus Reconciliation
- **Table A9** Asset Management
- **Table A10** Basic Service Delivery Measurement

Kindly refer to Appendix A for the detailed Schedule A tables.

Breede Valley Municipality do not have any entities, therefore, no consolidation of budget information and tables are presented in the document and other supporting documentation.

PART 2 – Supporting Documentation

5. Overview of Annual Budget Process



STEP	PROCESS
1. Planning	Schedule key dates, establish consultation forums, review previous processes
2. Strategising	Review IDP, Determine priorities, set service delivery targets and objectives for the next three years, consult on tariffs, indigent, credit control, free basic services, etc and consult local, provincial, and national issues, previous years performance and current economic and demographic trends.
3. Preparing	Prepare budget, revenue, expenditure projections, draft budget policies, consult and consider local, provincial and national priorities.
4. Tabling	Table draft budget, IDP and budget related policies before the council, consult and consider formal local, provincial, and national inputs and responses.
5. Approving	Council approves budget and related policies.
6. Finalising/ Implementation	Publish and approve SDBIP and annual Performance agreements and indicators. Publish Budget in terms of sect.22 MFMA

DETAIL PROCESS FOLLOWED AND MSA AND IDP CREDIBILITY REQUIREMENTS (updated)	
ISSUE	TIMEFRAME
IDP/Budget Process Plan/Timetable approved by council	August 2017
IDP Meetings – inputs from Ward Councilors & Ward Committees	October - November 2017
First IDP/ Budget Steering Committee Meeting	November 2017
Departmental inputs on Draft allocations	November and December 2017
Second Budget Steering Committee – Consider Adjustment budget	January 2018
IDP Rep Forum Consultation	November 2017 March 2018
Draft Budget input captured and Budget balanced	March 2018
Draft IDP & Budget tabled in Council	March 2018
IDP & Budget workshop - Council	March - April 2018
Public Consultation	March - April 2018
LGMTEC Engagement	April 2018
Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2018
Consideration of Comments received	April 2018
Tabling of Final MTREF	End May 2018

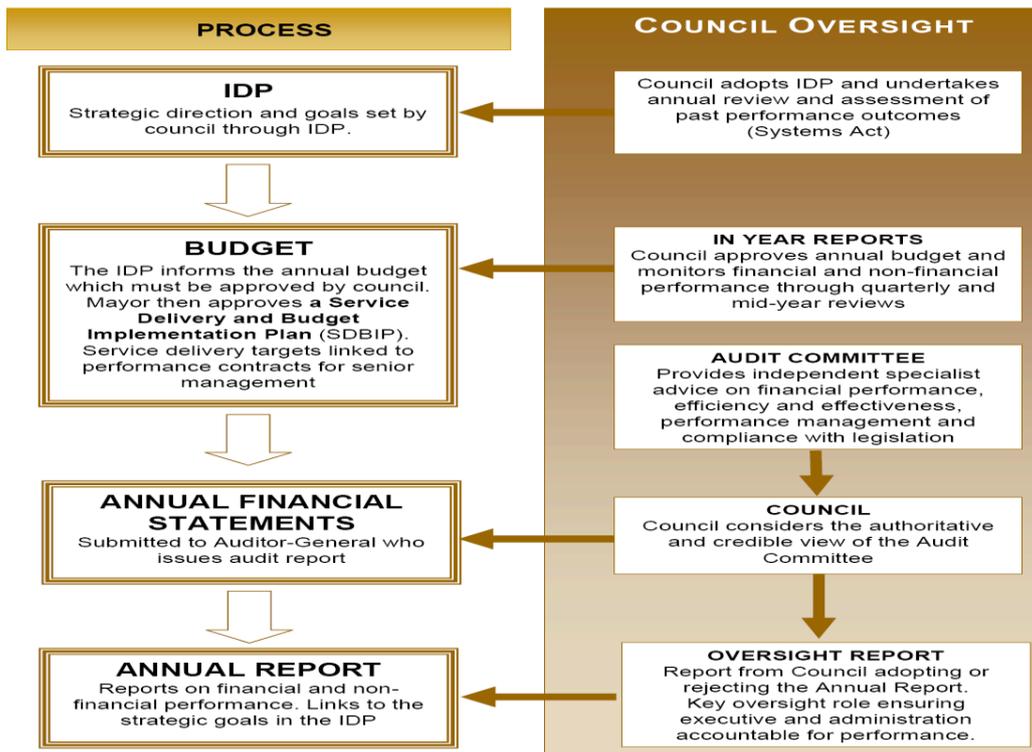
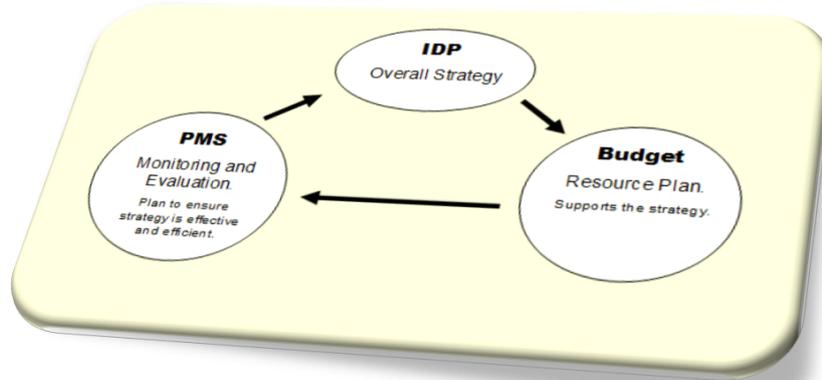
The IDP / Budget process plan was consulted with all relevant stakeholders, whom are:

- Council
- Executive Mayor and Mayoral Committee
- Accounting Officer
- Management
- Institutional Committees
- District Municipality (Cape Winelands District Municipality)

- Intergovernmental (National Treasury, Provincial Treasury and Department of Local Government)
- Ward councillors, ward committees and community in wards

6. Overview of alignment of annual budget with Integrated Development Plan

The below diagrams illustrates the link between the municipality's IDP and Budget



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

WC025 Breede Valley - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)					
Strategic Objective	Goal	Goal Code	2018/19 Medium Term Revenue & Expenditure Framework		
			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand					
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1	833 609	864 321	859 777
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2	2 389	-	-
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3	88 353	87 134	88 936
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4	13 941	13 241	11 802
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5	1 249	157	166
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6	195 679	206 962	219 121
Allocations to other priorities					
Total Revenue (excluding capital transfers and contributions)			1 135 219	1 171 815	1 179 802

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

WC025 Breede Valley - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	2018/19 Medium Term Revenue & Expenditure Framework		
			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand					
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1	685 243	749 189	758 770
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2	6 684	4 765	5 320
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3	125 926	132 566	139 844
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4	99 064	105 380	114 076
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5	9 826	9 460	12 972
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6	84 606	89 883	93 923
Allocations to other priorities					
Total Expenditure			1 011 348	1 091 244	1 124 905

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

WC025 Breede Valley - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2018/19 Medium Term Revenue & Expenditure Framework		
			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand					
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1	204 804	137 756	128 818
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2	-	-	-
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3	5 440	-	4 593
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4	13 523	2 648	30
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5	975	-	-
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6	1 775	800	800
Allocations to other priorities					
Total Capital Expenditure			226 517	141 203	134 240

7. Measurable performance objectives and indicators

SA7 provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Please refer to SA7 in Annexure A.

8. MBRR Table SA8 - Performance indicators and benchmarks

The following table sets out the municipalities main performance objectives and benchmarks for the 2018/19 MTREF.

Please refer to table SA8 of Annexure 1.

9. Overview of Budget Related Policies

The following budget related policies are in use:

- Asset Management Policy
- Borrowing Policy
- Budget Policy
- Budget Virement Policy
- Costing Policy
- Credit Control and Debt Collection Policy
- Funding and Reserves Policy
- Insurance Management Policy
- Long Term Financial Plan Policy
- Property Rates Policy

- Tariff Policy
- Write-off Policy
- Supply Chain Management Policy.
- Infrastructure Investment and Capital Projects Policy

Please refer to annexure D for the budget related policies.

10. Overview of Budget Assumptions

The following budget assumptions were used as basis for compilation of the 2018/19 MTREF:

- Tariff increases:

Service	Percentage Increase (%)
Electricity	As per NERSA guideline
Water	8.00%
Sewerage	6.10%
Refuse	6.40%

***Kindly refer to Annexure E for the complete list of tariffs**

- CPIX = 5.3 percent (MFMA budget circular 91)
- Employee related cost is based collective agreement.
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA guideline.
- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households is anticipated to remain in the region of 8000 households (formal)
- Budgeted collection rate equals to 95 percent
- Conditional grant will be fully spent
- No borrowings to be undertaken over the MTREF
- Credit rating: Baa1.za

11. Overview of Budget Funding

Funding sources of operating expenditure budget.

WC025 Breede Valley - Table A1 Budget Summary

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands			
Financial Performance			
Property rates	145 753	153 915	162 534
Service charges	578 888	612 934	648 906
Investment revenue	13 074	13 806	14 579
Transfers recognised - operational	146 455	177 724	161 766
Other own revenue	109 959	111 554	112 735
Total Revenue (excluding capital transfers and contributions)	994 129	1 069 933	1 100 520

The table above is a summarised version of the operating revenues over the budget year and two outer years. This overview provides the funding for operating expenditure to be incurred in future financial years.

Funding sources of capital expenditure budget

WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and fundi

Vote Description	2017/18 Medium Term Revenue & Expenditure Framework		
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand			
Funded by:			
National Government	38 810	38 932	55 282
Provincial Government	102 280	62 950	24 000
District Municipality	-	-	-
Other transfers and grants	-	-	-
Transfers recognised - capital	141 090	101 882	79 282
Public contributions & donations	-	-	-
Borrowing	-	-	-
Internally generated funds	85 427	39 321	54 958
Total Capital Funding	226 517	141 203	134 240

Similar to the operating revenue, the capital funding indicates how the capital programme of the municipality will be financed in future years. Based on the above table, it is clear that the municipality is largely grant dependant when external funding (loans) are not being taken up. However, it should be noted that significant progress was made with regards to the contribution of own resources to the capital programme.

Internal funding in the form of the Capital Replacement Reserve (CRR) is cash backed and sufficient to cover the related capital expenditure projects for the budget year. The municipality remains committed in growing the CRR by making contributions to this reserve to enable better service delivery in the form of capital expenditure. Projects funded from the CRR will be closely

monitored to aid implementation and where adjustments are required due to implementation challenges, funds will be directed or reprioritised as per the prerogative of management, through the guidance of the IDP and / or the municipality's financial status.

External loans from previous financial years may at a later stage feature in the budget to address capital needs. As per the table above, no external loans are allocated to the 2018/19 budget year for implementation. Projects to be funded from this finance/ source (borrowings) in the 2018/19 financial year are funded from available loan balances not taken up in the 2017/18 financial year or which remains unspent at 30 June 2018. These balances mainly resulted from savings on projects completed by the municipality in prior financial years. This further implies that no savings on the 2017/18 projects is anticipated at this point in time.

12. Expenditure on allocations and grant programmes

MBRR SA19 - Expenditure on transfers and grant programmes

Kindly refer to table SA19 of Annexure A.

13. Allocations or grants made by the municipality

MBRR SA21- Transfers and grants made by the municipality

Kindly refer to table SA21 of Annexure A.

14. Councillors and board members allowances and employee benefits

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

Kindly refer to table SA23 of Annexure A.

15. Monthly targets for revenue, expenditure and cash flow

Kindly refer to table SA25 of Annexure A.

16. Contracts having future budgetary implications

MBRR SA33 – Contracts having future budgetary implications

Please refer to table SA33 of annexure A.

MBRR SA35 - Future financial implications of the capital budget

Please refer to table SA35 of annexure A.

17. Capital expenditure details

MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand				
	MTREF			
	Technical Services			
	Worcester WwTW			
Technical Services	Beltpresses (3 of plus 1 standby)_ Mig Counter funding	150	–	
Technical Services	Stettynskloof Water Supply (Worcester/Rawsonville)			
Technical Services	Upgrading of Stettynskloof Supply Pipe Line - Phase 3 (MIG 164422)	200	–	3 433
	Rawsonville WwTW			
Technical Services	Extension of WwTW (0,24 Ml/day)	200	–	6 447
	Klipviakte/ Transhex Residential Development (13 000 erven)			
Technical Services	External Stormwater pipeline (MIG)	–	–	6 948
Technical Services	Electrical Reticulation	5 000	4 480	19 052
Technical Services	Bulk Electrical: Worcester Transhex 7300	13 300	–	–
	New Sewer Pump Station & Rising Main (MIG number 236184)			
Technical Services	MIG	12	–	–
	Reservoirs			
Technical Services	Langerug	25 934	–	418
Technical Services	Reservoir, supply pipeline and augmentation of pumpstation (MIG Counter funding)	3 537	–	–
Technical Services	Pre-loads	303	12 105	11 163
	Transhex Sewer Pumpstation and rising main			
Technical Services	Sewer pumpstation and rising main (MIG Conter funding)	40	–	–
Technical Services	Sewer pumpstation and rising main (MIG Conter funding)	10 000	–	–
	Resealing of Roads			
Technical Services	Resealing of Municipal Roads - Rawsonville	–	1 511	–
	Resealing of Municipal Roads - Worcester			
Technical Services	CRR	4 500	–	–
	Resealing of Municipal Roads - De Doorns			
Technical Services	CRR	250	–	–
Technical Services	Resealing of Municipal Roads - Touws River	250	1 000	–
	Electricity (8112)			
Technical Services	Refurbishment of electrical system	–	9 000	11 000
Technical Services	Electrical Reticulation - Upgrade Gasnat Substation install new Switch gear.	1 300	–	–
Technical Services	Cherry Picker vehicles x 10	5 450	–	–
Technical Services	Replacement of old VT'S and CTS at Robertson Substation.	2 000	–	–
	Refurbishment of electrical system (NERSA)			
Technical Services	1) 1x 4x4 Truck with hydraulic crane - pole manipulator and aerial platform	3 500	–	–
Technical Services	2) Quality of supply data loggers and monitoring equipment.	750	–	–
Technical Services	complete.	2 000	2 000	–
Technical Services	1) 1x 4x6 Truck with hydraulic crane - pole manipulator and aerial platform	3 150	–	–
	Refuse Removal (6603)			
Technical Services	Worcester : Material Recovery Facility (MIG Form ID 237066)	–	7 188	–
	SOLID WASTE MANAGEMENT			
	WORCESTER			
Technical Services	Upgrading of Offices and Stores - Fairbain str.	400	–	–
Technical Services	Refuce Compactor Trucks (19m³)	2 500	2 500	–
Technical Services	Wheeliebins	250	250	–
	Ward 1			
Technical Services	Touws River: Water Reticulation System (61 existing erven)	–	1 100	–
Technical Services	Rehabilitation of Bok River Pipe Line - Phase 6	500	4 000	6 907
Technical Services	Stormwater system improvements (February 2018 floods)	500	–	–

Municipal Vote/Capital project	Program/Project description	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand				
Technical Services	4 Ton Truck with crew cab	600	-	-
Technical Services	LDV 1 Ton 4x4	450	-	-
Technical Services	LDV 1 Ton 4x2	300	-	-
Technical Services	LDV 1 Ton 4x2	300	-	-
	Purchasing of Vehicle & Machinery in lieu of Rental			
Technical Services	Digger Loader 4x4 (Cemetries)	950	-	-
Technical Services	Digger Loader 4x4 (Landfill Site)	-	950	-
Technical Services	Tipper landfillsite (5 cum)	700	700	-
Technical Services	Truck met skips lift (5 cum)	700	-	-
	Water & Sanitation New Requests			
Technical Services	Software/PC WWTW upgrade (x 4)	-	30	-
	Water & Sewer Networks			
Technical Services	Machinery and Equipment	-	50	675
Technical Services	Digger Loader - De Doorns	950	-	-
Technical Services	Road and Safety signs	-	-	60
Technical Services	Municipal Vehciles (LDV)	950	600	600
Technical Services	5 Ton trok	700	-	700
Technical Services	Jet Vac truck	2 500	-	-
Technical Services	Crane Truck	-	-	700
Technical Services	Upgrading of Builing and Facilities	-	350	350
Technical Services	Construction of Building for vehciles and equipment	-	350	400
	Waste Water Treatment Works			
	Worcester			
Technical Services	Lockers (10 x 2 tier)	-	5	5
Technical Services	Office furniture chairs and table	-	-	200
Technical Services	Digger Loader	-	1 300	-
Technical Services	Machinery and Equipment	-	550	50
Technical Services	Vacuum tanker	1 300	-	1 300
Technical Services	Crew Cab	-	600	-
Technical Services	Municipal Vehicles: Bakkie	-	350	-
	DE DOORNS			
Technical Services	Complete building at De Doorns	-	400	-
Technical Services	Lockers (10 x 2 tier)	-	-	10
Technical Services	Office furniture	-	30	10
	TOUWSRIVER			
Technical Services	Replace Fences at of all pump stations	150	-	-
Technical Services	Machinery and Equipment	-	80	-
Technical Services	Upgrading of the WWTW	-	50	10 000
	RAWSONVILLE			
Technical Services	Municipal Vehicles: Bakkie	-	350	-
Technical Services	Generator	-	-	500
	Laboratory			
Technical Services	Machinery and Equipment	-	195	195
	Water Treatment			
	DE KOPPEN			
Technical Services	New MCC Board and scada	300	-	-
Technical Services	New Drum Screen	300	-	-
Technical Services	Municipal Vehicles 4 x 4 bakkie	450	-	-
	DE DOORNS			
Technical Services	Fence at Water services	100	-	-
Technical Services	Replacements of roofs and beams 2x dams	500	-	-
	TOUWSRIVER /BOKRIVIER			
Technical Services	Fence at Water services	100	-	-
Technical Services	Replacements of roofs and beams 1 x dams	250	-	-

Municipal Vote/Capital project	Program/Project description	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand				
Technical Services	4 Ton Truck with crew cab	600	-	-
Technical Services	LDV 1 Ton 4x4	450	-	-
Technical Services	LDV 1 Ton 4x2	300	-	-
Technical Services	LDV 1 Ton 4x2	300	-	-
	Purchasing of Vehicle & Machinery in lieu of Rental			
Technical Services	Digger Loader 4x4 (Cemetries)	950	-	-
Technical Services	Digger Loader 4x4 (Landfill Site)	-	950	-
	Municipal Manager			
	Admin -0603			
Municipal Manager	Furniture and Equipment	5	-	-
	Project Management -0615			
Municipal Manager	Construction of tar-surfaced playing areas in Touwsrivier	650	495	-
Municipal Manager	Construction of pedestrian bridge over Donkies River in Touwsrivier	350	350	-
Municipal Manager	Traffic calming measures in Touwsrivier	-	100	-
Municipal Manager	Upgrading of playparks - Avian Park, Riverview, Roodewal ,Zwelethemba	-	200	-
Municipal Manager	Speed bumps - Avianpark	-	110	-
Municipal Manager	Grassed play area for children in Pigeon Street			
Municipal Manager	Speed bumps - Riverview/Victoriapark	-	110	-
Municipal Manager	Rugby/soccer pitch - Riverview			
Municipal Manager	Speed bumps - Roodewal/ Hexpark	-	110	-
Municipal Manager	Speed bumps - Zweletemba	-	100	-
Municipal Manager	Shared Economic Infrastructure Facility for informal traders in Zweletemba	2 200	1 125	-
Municipal Manager	ECD projects at Zwelethemba library	-	250	-
	COMMUNITY SERVICES			
	ADMIN - 0903			
Community Services	Furniture & Equipment	5	-	-
	HOUSING			
	Touws River (200) IRDP			
Community Services	Stormwater	525	-	-
Community Services	Roads	525	-	-
Community Services	Sewer Reticulation	525	-	-
Community Services	Water Reticulation	525	-	-
	Zwelethemba 2000 UISP			
Community Services	Stormwater	450	-	-
Community Services	Roads	450	-	-
Community Services	Sewer Reticulation	450	-	-
Community Services	Water Reticulation	450	-	-
	Unallocated DoRA projects - TRANSHEX			
Community Services	Water Reticulation	17 500	15 000	6 000
Community Services	Sewer Reticulation	17 500	15 000	6 000
Community Services	Roads	17 500	15 000	6 000
Community Services	Stormwater	17 500	15 000	6 000
	Worcester Fisher Street Portion of ERF 1-10253 (307) IRDP			
Community Services	Water Reticulation - Fisher Street	95	-	-
Community Services	Sewer Reticulation - Fisher Street	95	-	-
Community Services	Roads - Fisher Street	95	-	-
Community Services	Stormwater - Fisher Street	95	-	-
	Avian Park Albatros street Remainder of ERF 1 (500) IRDP			
Community Services	Water Reticulation - Avian Park Albatros street	250	-	-
Community Services	Sewer Reticulation - Avian Park Albatros street	250	-	-
Community Services	Roads - Avian Park Albatros street	250	-	-
Community Services	Stormwater - Avian Park Albatros street	250	-	-
	SWIMMING BATH: De La Bat - 5118			
Community Services	Upgrade of filters and pump	600	-	-
Community Services	Entrance gate and Ticket Booth	300	-	-
	SWIMMING BATH: Grey Street - 5121			

Municipal Vote/Capital project	Program/Project description	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand				
Community Services	Upgrade of basket rooms	400	-	-
	SWIMMING BATH: Zweletemba - 5125			
Community Services	New Swimming Bath	-	3 499	-
Community Services	New Swimming Bath	7 161	7 056	1 453
	NEKKIES - 6315 / 6318			
Community Services	Sit-on lawn mower	100	-	-
Community Services	Equipment & small items for resorts	100	-	-
	SPORT: Rawsonville - 5135			
Community Services	New Security Fences	200	-	-
	SPORT: Zweletemba - 5136			
Community Services	Entrance gate and Ticket Booth	600	-	-
Community Services	Upgrade Flood lights	80	-	-
	SPORT: De Wet -			
Community Services	Water Cannon	-	55	110
Community Services	Upgrade cricket pitch	180	-	-
	SPORT: Esselen Park			
Community Services	Replacement of fence perimeter	1 600	-	-
	SPORT: De Doorns West - 5145			
Community Services	Sit-on lawn mower	-	100	100
Community Services	Fencing	180	-	-
	SPORT: De Doorns East - 5142			
Community Services	New Fencing - Sunny Side Orchard	100	-	-
	WATERLOO LIBRARY - 4506			
Community Services	Upgrade library	400	-	-
Community Services	Upgrade library	500	-	-
Community Services	Replace equipment	45	30	30
	TRAFFIC			
	Buildings			
Community Services	Patrol Vehicles	600	-	-
Community Services	Speed calming	500	-	-
Community Services	Replace roller door as VTS	200	-	-
Community Services	Road marking machines	40	-	-
Community Services	Municipal Court Furniture and Equipment	113	-	-
Community Services	Municipal Court Airconditioners	100	-	-
Community Services	Upgrading of building - Municipal Court	1 650	-	-
	FIRE DEPARTMENT: ADMIN - 4203			
Community Services	Fire Station - De Doorns (Ward 3) (MIG Form ID 228572)	-	-	1 320
Community Services	Fire Station - De Doorns			2 773
Community Services	Vehicle - Incident Report	-	-	500
Community Services	Fire Engine Chassis	1 800	-	-
	FINANCIAL SERVICES			
	Admin			
Financial Services	Furniture and Equipment	5	-	-
	Financial Planning			
Financial Services	Safeguarding of Assets	400	400	400
Financial Services	Insurance claims	400	400	400
	Revenue			
Financial Services	Debt Collection System	220	-	-
	SCM			
Financial Services	Upgrade of new municipal offices	750	-	-

Municipal Vote/Capital project	Program/Project description	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand				
	COUNCIL & MAYCO			
	MAYORAL OFFICE - 0306			
Council & Mayco	Furniture and Equipment	5	–	–
	STRATEGIC SUPPORT SERVICES			
	STRATEGIC SUPPORT - ADMIN - 2103			
Strategig Support Service	Furniture and Equipment	5	–	–
	WORCESTER TOWN HALL			
Strategig Support Service	Airconditioner	1 000	–	–
Strategig Support Service	Town Hall Roof	1 000	–	–
Strategig Support Service	Furniture and Equipment	800	–	–
	HUMAN RESOURCES - 2112			
Strategig Support Service	ERP HR System	975	–	–
	INFORMATION TECHNOLOGY - 2114			
Strategig Support Service	Telephone System	150	–	–
Strategig Support Service	Biometric system upgrade	96	96	–
Strategig Support Service	Upgrade of radio network	3 000	–	–
Strategig Support Service	Infrastructure Replacement (Servers and Storage)	4 800	–	–
Strategig Support Service	Computer Equipment	2 167	717	–
Strategig Support Service	Wi-Fi Access Points	150	–	–
	LOCAL ECONMIC DEVELOPMENT - 1545			
Strategig Support Service	Security & CCTV safety cameras	432		
Parent Capital expenditure		226 517	141 203	134 240

Please refer to table SA36 of annexure A.

18. Legislation compliance status

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

- **In-year reporting:** Reporting to National Treasury and Provincial Treasuries are done in line with the legislated prescripts.
- **Internship programme:** This programme is fully functional within the municipality with 5 interns being employed under this programme. Four of the interns are currently rotating within the Finance Directorate, and one being developed in our Internal Audit section / unit.
- **Budget and Treasury Office:** The Budget and Treasury Office has been established in accordance with the MFMA.
- **Audit Committee:** An Audit Committee has been established and is fully functional.
- Service Delivery and Implementation Plan
- **Annual Report:** Annual report is compiled in terms of the MFMA and National Treasury requirements.
- MFMA Training
- Policies

19. Other supporting documents

Please refer to annexures E for MFMA budget circular

20. Annual budgets of municipal entities attached to the annual budget

No municipal entities.

COMMENTS BY OTHER DIRECTORATES

Municipal Manager – Recommendation supported

Director Strategic Services – Recommendation supported

Director Community Services – Recommendation supported

Director Technical Services – Recommendation supported

RECOMMENDATION

That in respect of the 2018/19 Final Budget discussed by Council at the Council Meeting of 29 May 2018:

1. Council approves the final annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves the Quality Certificate to the final budget signed by the Accounting Officer, as per Annexure B.
3. Council approves the revised budget related policies as per Annexure C.
4. Council approves the tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D.

PROPOSED: ALDERMAN A STEYN

SECONDED: CLLR W.R. MEIRING

VOTES IN FAVOUR OF ALDERMAN A. STEYN'S PROPOSAL: 23

RESOLVED

C45/2018

That in respect of the 2018/19 Final Budget discussed by Council at the Council Meeting of 29 May 2018:

1. Council approves the final annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves the Quality Certificate to the final budget signed by the Accounting Officer, as per Annexure B.

3. Council approves the revised budget related policies as per Annexure C.
4. Council approves the tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D.