

**Mohokare Local Municipality**

**Budget 2017/18**

**to 2019/20**

**Medium Term Revenue and Expenditure Framework**

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**Glossary**

**Adjustment Budget –** Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations –** Money received from Provincial or National Government or other municipalities.

**AFS –** Annual Financial Statements

**Budget –** The financial plan of the Municipality

**Budget related Policy –** Policy of a municipality affecting or affected by the budget, examples include the tariff policy, rates policy and credit control and debt collection policy.

**Capital Expenditure –** Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality’s Statement of Financial Performance.

**Cash Flow Statement –** A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**CFO –** Chief Financial Officer

**DoRA –** Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable Share –** A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and wasteful expenditure –** Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GFS –** Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**GRAP –** Generally Recognised Accounting Practice. The new standard for municipal accounting and the basis on which the AFS are prepared.

**IDP –** Integrated Development Plan. The main strategic planning document of the Municipality

**KPI’s –** Key Performance Indicators. Measures of service output and/or outcome.

**MFMA –** The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal finance management.

**MFREF –** Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years’ financial position.

**NT –** National Treasury

**Net assets –** Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the “net wealth” of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of revenue or expenses, such as an increase in the values of Property, Plant and Equipment where there is no inflow or outflow of resources, are accounted for in net assets.

**Operating expenditure –** Spending on the day to day expense of the municipality such as salaries and wages.

**Rates –** Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed ratable value of the property is multiplied by the predetermined rate.

**R&M –** Repairs and maintenance on property, plant and equipment.

**SCM –** Supply Chain Management

**SDBIP –** Service Deliver and Budget Implementation Plan. A detailed plan comprising of quarterly performance targets and monthly budget estimates.

**Strategic objectives –** The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure –** Generally, spending without, or in excess of, an approved budget.

**Virement –** A transfer of budget.

**Virement Policy –** The policy that sets out the rules of budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an adjustment budget.

**Vote –** One of the main segments into which a budget is divided. In Mohokare Municipality this means at directorate level.

**PART 1 – ANNUAL BUDGET**

**1.1 Mayor’s report**

See report attached

* 1. **Resolutions**

See council resolution attached

**1.3 Executive Summary**

**Introduction**

In assisting in the compilation of this MTREF, National Treasury Circulars No. 85 and 86 were used where necessary.

**Background**

The 2017 Budget Review emphasised that, while the global economic growth outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardise South Africa’s prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy’s ability to adjust to global volatility and the stable investment platform.

GDP growth rate is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively. This forecast is supported by marginally higher global growth, stabilising commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The positive trajectory marks a shift from several years of declining growth however; this is still not high enough to markedly reduce unemployment, poverty and inequality.

The unemployment rate was 26.5 per cent in the fourth quarter of 2016. In aggregate mining and manufacturing employment declined by 80 306 jobs in 2016 while the services sector created 119 189 jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap.

These economic challenges will continue to pressurise municipal revenue generation and collection levels hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

**Budget Summary**

The budget for the 2017/18 financial year is at a surplus of R 648 000. A provision of R7,364 million was provided for the rendering of free basic services. Details on the calculation of this amount are available in the detailed discussion of the budget further on in this document.

**Financial position and MTREF strategy**

The financial position of Mohokare Local Municipality is such that the funding of the service delivery program depends on a steady flow of cash. The salary component should be curtailed and steps to be taken to ensure that there is not a waste of man-power anywhere.

The budget is based on an average payment level of 45%. This is based on the premise of an improvement in the management of debt. We are confident that we can reach this level as several debt management strategies (i.e. the handing over of debtors, installing of water meters with restrictors, etc.) has already commenced during the 2014/15 financial year. We believe that our credit control measures are not harsh, but measured and targeted and backed up by good data management.

**Capital Budget**

The capital budget for the 2017/18 financial year totals to R68.6 million of which R67,3 million is funded from National and Provincial grants and R1.348 million from internally generated funds. The various projects are set out in “Annexure 2: Table A5 and A5A”. Find below an extract of the projects to be funded from the 2017/18 capital budget:

|  |  |
| --- | --- |
| **Description of project** | **Capital budget** |
| Rouxville: Construction of Rouxville Water Treatment Works | R 4 000 000.00 |
| Rouxville: Construction of the 27km pipeline to Orange River | R 16 000 000.00 |
| Rouxville: Mech & Electrical works on two pump stations |  R 14 700 000.00 |
| Zastron: Upgrading of Water Treatment Works | R 11 000 000.00 |
| Zastron: Mech & Electrical works on two pump stations | R 4 300 000.00 |
| Zastron waste water treatment works |  R 560 105.54 |
| Smithfield: Construction of 5km access paved road | R 832 436.04 |
| Zastron: Upgrading of a sports facility | R 527 600.00 |
| Roleleyathunya: Construction of a sports ground | R 293 020.00 |
| Zastron: Building of gatehouse, ablution facility and fencing of cemeteries | R 1 999 216.03 |
| Rouxville/Roleleathunya: Building of gatehouse, ablution facility and fencing of cemeteries | R 1 465 139.54 |
| Smithfield/Mofulatshepe: Erection of fence at the cemetery,construction of gatehouse and ablution facility  | R 2 854 691.00 |
| Rouxville / Roleleathunya: Upgrading of the sewerage water treatment works | R 5 570 952.00 |
| Rouxville/Roleleathunya :Installation of five high mast lights in Somerset | R 1 288 907.95 |
| Rouxville/Roleleathunya : phase1 Construction of 1.7 km access road and related storm water | R 1 746 006.90 |
| Zastron : Construction of 600m of paved access road and related stormwater of Zama road | R 186 125.00 |

**Operating Expenditure**

Building on cost containment guidelines approved by Cabinet in October 2013, government at all levels will need to identify opportunities to increase efficiency and reduce waste. At a national level, the 2017 budget will pay particular attention to reducing line items that are not critical to service delivery to reinforce cost containment. Municipalities are still urged to implement the cost containment measures on six focus areas namely:

* consultancy fees;
* no credit cards;
* travel and related costs;
* advertising;
* catering;
* events costs; and
* accommodation

Municipalities must prioritise the provision of basic services such as electricity, water, sanitation and refuse removal in their MTREF budgets. Municipality may only budget for non-core functions if:

* The function is listed in Schedule 4B and 5B of the Constitution;
* The function is assigned to municipality in terms of national and provincial legislation;
* The municipality has prioritised the provision of basic services; and
* It does not jeopardise the financial viability of the municipality.

The budget for the 2017/18 financial year eliminates all non-priority spending and will be monitored closely to ensure that overspending is limited to the minimum.

Table 1.1 below, is an extract from Table A4 of the budget. The schedule indicates the relation between the various expenditure items as budgeted for.

**Extract from Table A4 Budgeted Financial Performance (revenue and expenditure)**

*Table 1.1*



The expenditure on salaries is set at 38.15% of the operating expenditure.

In relation to budgeted operating income from own generated funds (refer to table 1.2) which amounts to R76,5 million (excluding electricity), the relation of salary expense to operating income amounts to 90%. This indicates that income from own generated funds should be monitored closely to ensure that Mohokare Local Municipality is not reliant on equitable share to fund the salary bill.

**Operating Revenue**

Local government is in essence funded from three sources. Assessment rates, revenues from trading services and transfers from national government.

The following schedule sets out the various revenue components of Mohokare Local Municipality’s operating budget.

**Extract from Table A4 Budgeted Financial Performance (revenue and expenditure)**

*Table 1.2*



**National, Provincial and District priorities**

The Municipality’s budget must always be seen within the context of the policies and financial priorities of National and Provincial government. All spheres of Government are partners in meeting the service delivery challenges we face in Mohokare and the municipality cannot meet these challenges alone. South Africa has achieved considerable success in reaching the current level of macro-economic stability, but our own local economy is still plagued with high levels of unemployment and poverty.

The following table sets out the allocations to Mohokare Local Municipality as per the National Division of Revenue Act for the MTREF period:

**Extract from table SA18 Transfers and grant receipts:**

*Table 1.3*



**Conclusion**

The 2017/18 budget for Mohokare Local Municipality is the first budget to be prepared by the current Council.

All efforts has been made, including a successful consultative period, to ensure that this budget mitigates as far as possible the rate and tariff burden on our domestic and business customers and also allows for the necessary funds to be available to attain a funded budget for the 2017/18 period.

* 1. **Annual Budget Tables**

*Below are the annual tables as per the requirements of Municipal Budget and Reporting Regulations:*

a) Table A1: Budgeted Summary

b) Table A2: Budget Financial Performance (revenue & expenditure by standard

1. classification)

c) Table A3: Budget Financial Performance (revenue & expenditure by municipal vote)

d) Table A4: Budget Financial Performance (revenue & expenditure)

e) Table A5: Budgeted Capital Expenditure by vote, standard classification and funding

f) Table A6: Budget Financial Position

g) Table A7: Budget Cash Flow

h) Table A8: Cash backed reserves / accumulated surplus reconciliation

i) Table A9: Asset Management

j) Table A10: Basic service delivery measurement







 



 















 

**PART 2 – SUPPORTING DOCUMENTATION**

**2.1 Overview of 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.

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 2016 a time schedule that sets out the process to revise the IDP and prepare the annual budget.

The Mayor tabled the required IDP process plan and budget time schedule in line with the applicable legislation. However, adherence to these plans was not achieved as the processes were not undertaken exactly at the dates that were indicated in the plans.

The community and other stakeholders were consulted during the review of Integrated Development Plan which informed this annual budget. Further consultation will take place immediately after the annual budget and revised Integrated Development Plan have been tabled to Council. These consultations are expected to take place in May 2017. Plans are in place for Council to consider approval of the IDP and annual budget at least 30 days before the start of a new financial year, as required by the Municipal Finance Management Act.

**2.2 Overview of alignment of annual budget with Integrated Development Plan**

The municipality has improved in terms of aligning its integrated development plan; annual budget and service delivery & budget implementation plan. The integration has improved due to the mSCOA that needs to be implemented on 1 July 2017.

**2.3 Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the predetermined strategic objectives and priorities in accordance with legislative requirements and good business practices as informed by the National Framework for Managing Program Performance Information. The measurable performance objectives will be included in the service delivery and budget implementation plan when it is submitted to the Council for approval.

**2.4 Overview of budget related policies**

The budget related policies, as attached, formed the basis of the proposed budget. The salient points of the proposed budget that are that the budget must be cash-funded, tariff adjustments must be fair, employee related costs must me all-inclusive and the conditions of all provisions must be met with cash where required.

**2.5 Overview of budget assumptions**

Budgets are prepared in an environment of uncertainty and assumptions need to be made about internal and external factors that could impact on the budget during the course of the financial year. In compiling the 2017-18 Annual Budget, the following key issues and assumptions were taken into consideration and modelled into the budget planning process:

(a) Economic climate and poverty levels within the municipality will remain the same / constant for major part of the financial year given the limited economic activities with the vicinity;

(b) Cash flow projections will be strictly maintained to ensure the municipality’s ability to meet its financial obligations;

(c) The budget is prepared in the assumption that no allocations as per 2017 Annual Division of Revenue Act will be withheld / offset / paid back to the National Revenue Fund.

(d) Operational costs will be maintained at current levels or reduced as cost containment measures and where there is material decrease in revenue collection rate, expenditure will have to be reduced at the same proportion;

**2.6 Overview of budget funding**

**Past performance**

During the past three years, Mohokare Local Municipality improved their audit opinion from a qualified audit opinion in 2012/13 and 2013/14 to an unqualified audit opinion in 2014/15 and 2015/16.

Mohokare Local Municipality has experienced severe cash flow problems during the past years due to the withholding of a total of R19million (2013/14: R7million; 2014/15: R5 million; 2015/16: R7million) from equitable share by National Treasury as a result the roll-over of a conditional grant from 2006/07 (R12million) and roll-over request from 2014/15 of (R7million) which were no longer allowed. This impacted the cash flow of Mohokare Local Municipality negatively to such an extent that Mohokare Local Municipality had to make use of an overdraft facility from the bank to be able to meet the basic service delivery needs in previous financial years.

With the guidance of the previous Council and the imposing of strict controls over spending, Mohokare was able to turn around this matter during the 2014/15 and 2015/16 financial years and close the years with a positive bank balance.

This in turn requires Mohokare Local Municipality to cut all non-priority spending to the absolute minimum during the 2017/18 financial period as well as the two MTREF outer-years to be able to repay long outstanding creditors.

**Budget summary**

Due to the impact of the above mentioned factors Mohokare Local Municipality’s budget for the 2017/18 financial year has to be monitored closely to ensure that over expenditure does not occur.

Council is requested to assist the municipality by setting the example of limiting unnecessary spending.

Economically Mohokare Local Municipality remains weak. Fundamentally we are an agriculture and tourist region near the Lesotho border. Funds has been availed for the LED Unit to maximize the potential of the municipality.

**Cash flow**

For the past years, Mohokare was handicapped with a poor cash-flow. This has resulted in poor maintenance of especially the infrastructure. The pot-holes in various towns are a matter of concern.

The cash flow of Mohokare Local Municipality should be monitored closely in the 2017/18 financial year to ensure that the municipality is able to meet its obligations and is able to pay outstanding creditors (from the previous financial year as well as for the current financial year) as they fall due.

**Capital Budget**

The capital budget for the 2017/18 financial year totals to R68,672 million of which R67,324 million is funded from National and Provincial grants and R1,348 million from internally generated funds.

**Operating Expenditure**

*Employee related costs*

The budgeted salary increase of 6,8% is in line with the National Treasury prescriptions as well as the increase set by the bargaining council agreement which is 7.36%.

In relation to budgeted operating income from own generated funds (refer to table 1.2) which amounts to R76,623 million (excluding electricity), the relation of salary expense to operating income amounts to 90%. This indicates that income from own generated funds should be monitored closely to ensure that Mohokare Local Municipality is not reliant on equitable share to fund the salary bill.

The following items are under more included in the line item “other expenditure”:

* Insurance
* Uniforms and protective clothing
* Subsistence and travelling
* Legal costs
* License and internet fees
* Printing and stationery
* Telephone costs
* Advertising costs
* Water chemicals
* Training expenses
* Electricity expenses
* Fuel and Oil expenses

*Free Basic Services*

The budget for the 2017/18 financial year contains a provision of R7,6 million for free basic services. These services are off-set from the equitable share.

The calculation of the amount provided for free basic services was determined by taking the following into account:

* The proposed tariffs regarding sewerage, refuse and water;
* The current year tariff for electricity (as confirmed with Eskom’s Free Basic Electricity Department) increased by the NERSA proposed tariff increase;
* The amount of 6kl of free water per indigent household per month;
* The amount of 50kWh of free electricity per indigent household per month;
* The budgeted amount of 2,500 indigent households for the 2015/16 financial

**Operating Revenue**

Local government is in essence funded from three sources: assessment rates, revenues from trading services (the majority is water in the case of Mohokare Local Municipality) and transfers from National Government.

The percentage of revenue from the various sources are as follows:

|  |  |  |
| --- | --- | --- |
| **Source of income** | **Amount** | **Percentage** |
| Self-generated income (incl. electricity) | R110,645 million | 46.52% |
| Operating Grants | R58,955 million | 24.79% |
| Capital Grants | R68,236 million | 28.69% |
| **Total** | **R237,836 million** | **100.00%** |

The municipality is still greatly reliant on grants as set out above.

**Tariff implications of the annual budget**

Council has taken into consideration the guidelines of the Municipal Budget Circular for the 2017/18 MTREF when preparing the budget. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interest of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason, a proposed increase in line with inflation (6%) are recommended.

The following calculations was performed to support the proposed tariff increases as per the attached draft tariff list.

*Property Rates*

The calculation for property rates was done with the following taken into account:

* A new valuation roll was implemented on 01 July 2015.
* We performed a zero based calculation in terms of the budgeted revenue to be received in respect of property rates
* We used the new valuation roll together with the proposed tariffs for each of the stakeholder groups and determined the amount of revenue to be budgeted for the 2017/18 as well as the MTREF outer-years.
* Property rate rebates (per the historic trend as identified by inspecting previous financial years) was adjusted to be in line with the property rates as budgeted.

*Water, sanitation and refuse removal rates*

The increase in the tariffs of water, sanitation and refuse removal are explained below:

The following approach was used in all calculations.

* The figures per the audited 2015/16 AFS has been used as a base for the cost per unit calculations
* We determined the total cost allocated to each of the three units (water, refuse and sanitation)
* We obtained the number of households in Mohokare Local Municipality

*Other operating revenue considerations*

* Electricity charges has been increased in accordance with the NERSA guidelines as set out in Circular 86
* Interest on arrears has been included in the 2017/18 budget as well as for the MTREF outer years.
* The budget for traffic fines was increased based on the actual fines issued during the 2015/16 financial year (Traffic fines to the value of R11million was issued in a period of five months)
* All figures relating to the outer years was reviewed to ensure that it is in line with the 2017/18 budgeted projections.

**2.7 Expenditure on allocations and grant programme**

It is the intention of the municipality to spend all of its grant allocations within the current year according to the conditions of such allocations / grants. Performance review will be done during the mid-year budget assessment and where under spending is foreseeable; the necessary procedure will be followed to ensure that spending is done 100%.

**DORA GRANTS ALLOCATIONS FOR MOHOKARE MUNICIPALITY FOR 17/18 MTREF**

|  |  |
| --- | --- |
| **DORA GRANT**  | **ALLOCATED AMOUNT**  |
| Equitable Share  | R 56 055 000  |
| Water Services Infrastructure Grant  | R 30 000 000  |
| Municipal Infrastructure Grant  | R 18 236 000  |
| Expanded Public Works Programme  | R 1 000 000  |
| Financial Management Grant  | R 1 900 000  |
| Regional Bulk Infrastructure Grant  | R 20 000 000  |

All the grants allocated are conditional i.e. have to meet an obligation except Equitable Share grant which is unconditional.

**2.8 Allocations and grants made by the municipality**

The 2017/18 MTREF doesn’t have any allocation and grants made by the municipality.

**2.9 Councillor and board member allowances and employee benefits**

The Municipal System Act, section 66(1) requires the Municipal Manager to approve a staff establishment for the municipality within a policy framework determined by the municipal council and subject to any applicable legislation. The act further requires the Municipal Manager to provide a job description for each post on the staff establishment and to attach to those posts the remuneration and other conditions of service as may be determined in accordance with any applicable labour legislation.

(a) Employee costs will increase from **R 62 315 000** (2016-17 adjustment budget) to **R 64 852 000** the CPI increase of 7, 36% as per the circular was taken into consideration.

(b) The Council Remuneration of **R 4 109 000** for 17/18 was budgeted taking into consideration **the government gazette on the MFMA as stipulated in circular 86.**

**2.10 Monthly targets for revenue, expenditure and cash flow**

The municipality has not over the years been in a position to bill all its budgeted revenue.

This meant that the municipality had to prioritise its spending as the spending is informed by availability of cash. Therefore, the spending on operational expenditure has been marginally less than anticipated due to cash flow constraints. The municipality still has to take into consideration the payments agreements it has entered into with its outstanding creditors especially for third parties (SALA Pension Fund and SAMWU Provident Fund).

**2.11 Annual budgets and service delivery and budget implementation plans – internal departments**

The departmental service delivery implementation plans are at a draft stage and will be completed after adoption of the annual budget in order to form the high level of the municipal service delivery and budget implementation plan to be approved by the mayor, 28 days after the annual budget has been approved.

**2.12 Contracts having future budgetary implications**

The municipality does not intend to enter into contracts that have future budgetary implications. In terms of the municipality’s Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation or Adjudication committees must obtain formal financial comments from the Budget and Treasury Office.

**2.13 Capital expenditure details**

The total capital expenditure budget of the municipality is **R 68 671 700.**

Water Services Infrastructure Grant is allocated at **R 30 000 000** and the Regional Bulk Infrastructure Grant is allocated at **R 20 000 000**. Municipality is also allocated **R1 000 000** in relation to Expanded Public Works Programme.

The other balance on the Municipal Infrastructure Grant amounting to **R 18 236 000** will be funding the Project Management Unit related costs. Below are planned projects for the coming financial year:

 Project Management Unit **R 911 800**

|  |  |
| --- | --- |
| Zastron waste water treatment works | 560 105.54 |
| Smithfield: Construction of 5km access paved road | 832 436.04 |
| Zastron : Upgrading of a sports facility | 527 600.00 |
| Roleleyathunya: Construction of a sports ground | 293 020.00 |
| Zastron: Building of gatehouse, ablution facility and fencing of cemeteries | 1 999 216.03 |
| Rouxville/Roleleathunya: Building of gatehouse, ablution facility and fencing of cemeteries | 1 465 139.54 |
| Smithfield/Mofulatshepe: Erection of fence at the cemetery,construction of gatehouse and ablution facility  | 2 854 691.00 |
| Rouxville / Roleleathunya: Upgrading of the sewerage water treatment works | 5 570 952.00 |
| Rouxville/Roleleathunya :Installation of five high mast lights in Somerset | 1 288 907.95 |
| Rouxville/Roleleathunya : phase1 Construction of 1.7 km access road and related storm water | 1 746 006.90 |
| Zastron : Construction of 600m of paved access road and related stormwater of Zama road | 186 125.00 |

**2.14 Legislation compliance**

There has been substantial improvement in terms of compliance. Reporting to National Treasury in electronic format was fully complied with on a monthly basis where there have been challenges of compliance; such challenges were reported to both National and Provincial Treasury.

**2.15 Other supporting documents**

The documents mentioned below are attached as annexures to the annual budget:

**Budget related Policies**

The detailed policies themselves are included in this section of the budget documentation.

The following policies are included in the folder “Budget Policies”

Budget-related policies:

1. Indigent Policy
2. Rates Policy
3. Credit Control Policy
4. Tariff Policy
5. Debt Management Plan
6. Debt write-off Policy
7. Revenue Enhancement Strategy

Other Finance Policies:

1. Banking and Investment Policy
2. Budget Policy
3. Virement Policy

GRAP Related Policies:

1. Accounting Policy
2. Asset Management Policy
3. Supply Chain Management Policy

**Rates and Tariffs Schedule**

The 2017/18 draft tariff list is included.

**Other supporting documents**

MFMA Budget Circulars:

* MFMA Budget Circular No 85
* MFMA Budget Circular No 86

Division of Revenue Act Bill 2017

**2.16 Municipal Manager’s Quality Certificate**

The Municipal Manager’s quality certificate as required by the Municipal Budget and Reporting Regulations is attached.