

Budget Overview of Musina Local Municipality

Annual Budget process

- During August 2015 the Approval of IDP & Budget time schedule was taken to council for approval.
- On the 30th of March the Tabled Budget, SDBIP and IDP was taken to council for cognizance and approval by, Mayor.

PURPOSE

- To table the 2016/17 draft budget for consideration by the Council as required by section 16 read together with section 21 of the Local Government: Municipal Finance Management Act, 2000 (Act No. 5 of 2000) ('*The MFMA*'); and
- To subject the tabled draft budget to the consultation process by the community and relevant stakeholders
- Section 21 (2) of the MFMA provides that when preparing the annual budget, the mayor of the municipality must take into account the municipality's IDP, and take into account realistic revenue and projects for future years.
- Subsection (2) further provides that when preparing the annual budget, the mayor must take into account the national budget, provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum.
- From 2nd of April after the Council approval of the tabled Budget, the Budget will be made available for public to make comments.
- The method employed to provide information on the budget to the community will be our Website, person to person in the CFO's Office and utilization of various forms of Media
- Ward committees to be utilized when dealing with public comments.

Alignment of Budget with the IDP

- See schedule SA4 to SA6

Measurable performance objectives and indicators

- See schedule SA7

Overview of budget – related policies

Musina Local Municipality have the following budget related policies in place:

1. Asset management policy;
2. Budget policy;
3. Cash management and investment policy;
4. Credit control policy;
5. Indigent policy;
6. Investment policy;
7. Overtime policy;
8. Supply Chain Management policy;
9. Risk management policy;

10. Tariff policy; and
11. Property Rates Policy

Overview of Budget assumptions

- May you kindly note that the Budget assumptions where made on Schedule SA8 of the Tabled Budget.

Expenditure on allocations and grant programmes And Capital expenditure details

➤ Funding from MIG for 2016/2017 is amounting to	= R 35 814 000.00
➤ Equitable Share	= R 87 434 000.00
➤ INEP(Electricity)	= R 3 000 000.00
➤ FMG	= R 1 825 000.00
➤ EPWP	= R 1 879 000.00
➤ Municipal Demarcation Transitional Grant	= R 6 714 000.00

Allocations and grants made by the Municipality

- No grants to made available or made by the Municipality

Councilors allowances and employees benefits

➤ Councilors(Political Office Bearers)	
Salaries and Wages	= R 2 690 000
Pension and UIF Contribution	= R 363 000
Medical Aid Contributions	= R 114 000
Motor Vehicle allowance	= R 792 000
Cellphone allowance	= R 167 000
	<u>= R 4 127 000</u>

➤ Employee benefits	
Salaries and wages	= R 75 317 000
Contribution to UIF, Medic, & Pension	= R 11 531 000
Travel, motorcar, accom & other Allowances	= R 3 042 000
Housing benefits	= R 434 000
Overtime	= R 7 813 000
	<u>R 98 137 000</u>

Annual Budgets and SDBIP

- To be attached to the Budget documents upon submission to Council

Contracts having future budgetary implications

- See completed schedule SA33 for contracts

Legislation compliance status

- MBRR Compliance with the compilation of this Budget Document
- A medium term expenditure framework for a period of 3 years was implemented on the operating budget. The capital budget was drafted over a 3 year period in line with the integrated development plan (projects).
- Cost analysis (Cost and management accounting) on employees, vehicles etc. was implemented to render a cost effective service to the community; which analyzed break even points, deficit and surpluses for the implementation of affordable tariffs.
- Effective cash flow management is being maintained on a daily basis.
- Incorporate IDP with operating and capital budget.
- Limiting expenditure to maximum income realized.
- Control over all assets (asset register).
- Insurance of all assets (asset register) at replacement value; yearly update.
- Monitor monthly loss in line – electricity.
- Monitor and evaluate monthly loss in revenue.
- Analyze monthly financial information (Financial Committee).
- Implementation of a uniform tariff system in both Musina and Nancefield.

Municipal Manager's quality certificate and Resolution

- The quality certificate and Quality certificate are attached and signed by the Municipal Manager for the Draft Tabled Budget.

