

# **EMADLANGENI MUNICIPALITY**

**KZ253**



## **MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK**

**FINAL BUDGET**

**2024/25 TO 2026/27**

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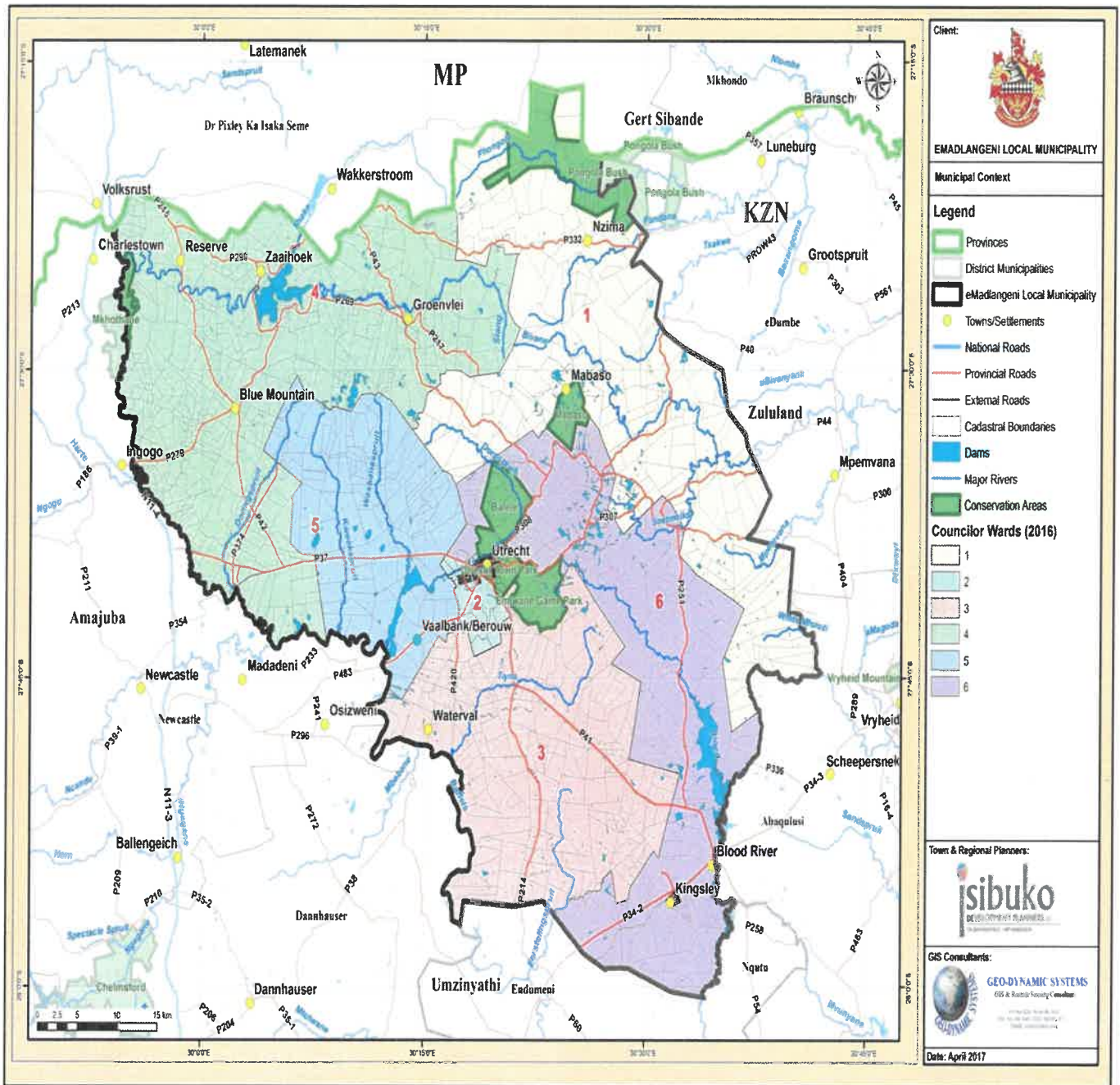
## SECTION DESCRIPTION

### I. ABBREVIATIONS AND ACRONYMS

BSC	Budget Steering Committee
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DOHS	Department of Human Settlements
EE	Employment Equity
EMA	EMadlangeni Municipal Area
M	Mayor
FBS	Free Basic Services
GRAP	Generally Recognized Accounting Practice
GDP	Gross Domestic Product
GFS	Government Financial Statistics
HR	Human Resources
ICT	Information Communication Technology
IDP	Integrated Development Plan
INEP	Integrated National Electrification Programme
KPA	Key Performance Area
KPI	Key Performance Indicator
K/Wh	Kilo Watt Hours
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MSCOA	Municipal Standard Chart of Accounts
MSFM	Municipal Services Financial Model
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NT	National Treasury
NGO	Non-Governmental Organizations
NKPIs	National Key Performance Indicators
OP	Operational Plan
PMS	Performance Management System
PT	Provincial Treasury
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprise

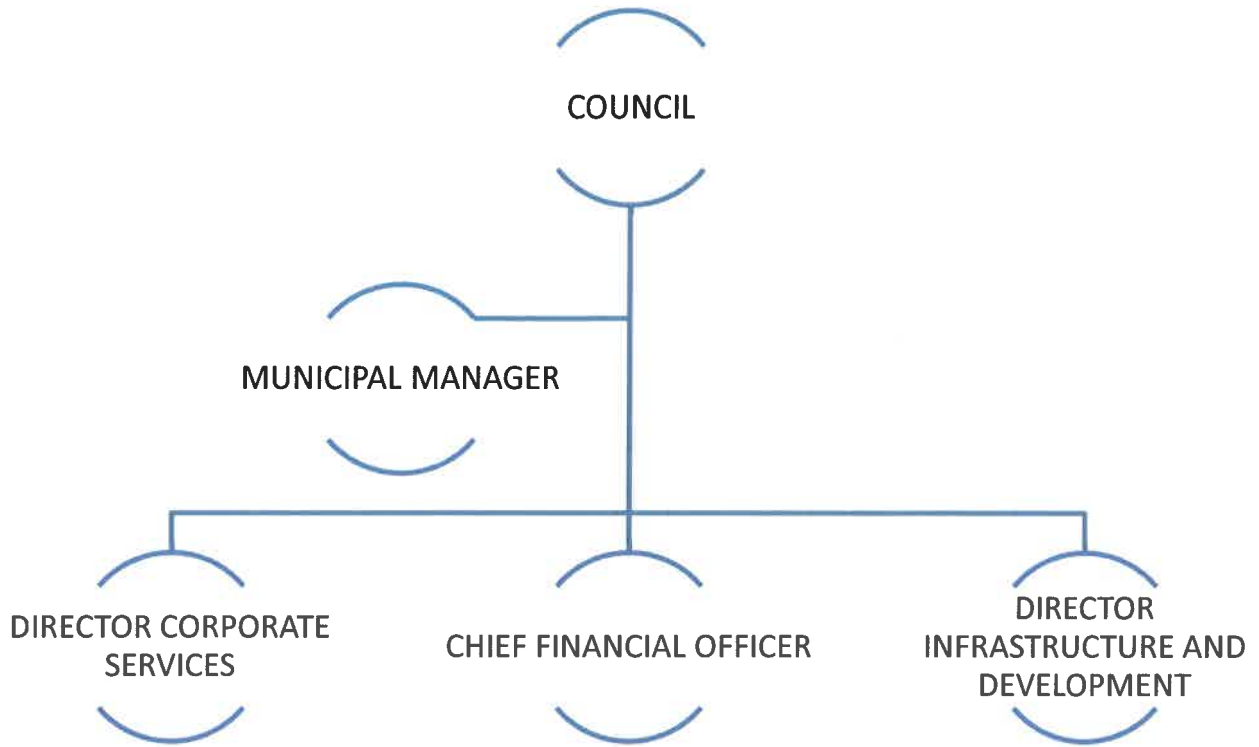


## II. MAP OF EMADLANGENI AREA



### III. ORGANIZATIONAL STRUCTURE

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## **IV. EMADLANGENI MUNICIPALITY PROFILE**

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### **OVERVIEW OF THE MUNICIPALITY**

EMadlangeni Municipality is the largest municipality in the Amajuba District in terms of area; it covers 3 714 km<sup>2</sup> of the land. It consists of a vast rural in which there are approximately 1400 commercial farms and a low percentage of economic activity. eMadlangeni has an exceptionally low population density, which is 36 948 according to Community survey 2022 figures and made up of 6 wards

The Municipality is located in Utrecht. It is predominantly rural and is characterised by vast commercial farmlands with rural settlements concentrated in selected areas. The municipality is rich in heritage and forms part of the Battlefields tourism route in terms of tourism development and promotion in KwaZulu-Natal. The municipal area includes Balele Game Park.

Economic development is the biggest need. Diversification of the local economy requires immediate attention. Limited mining occurs while sectors making a notable contribution to the economy of the area include trade, finance and government services. Agriculture is the most important economic sector with excellent potential.

### **VISION OF THE MUNICIPALITY**

By 2036 eMadlangeni Municipality will be a self-sustaining exemplary local municipality with a diverse thriving economy where people enjoy a high quality of life within a sustainable and resilient environment.

### **MISSION**

The municipality pledges to its communities and stakeholders to the embodiment of good governance; deliver services in an efficient and effective manner; promote and facilitate sustainable socio-economic development; To create mutual trust and understanding between the municipality and the community. Promote tourism, agriculture and mining, and facilitate the development of urban hubs in support of these economic sectors and delivery of services. To apply good and transparent corporate governance in order to promote community development

### **ECONOMIC / SOCIAL DEVELOPMENT**

Emadlangeni has a young population. This implies that most are in the economically active age group and hence planning is required for more employment opportunities. This is a challenge that needs a strategic approach in light of the general economic dynamics of the district as a whole.

The eMadlangeni is an agricultural area and is most wool producing area in KwaZulu Natal. It is also known for cattle and mixed-farming.



## **PART 1 – ANNUAL BUDGET**

### **1. MAYORS REPORT**

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The Mayor LM Buthelezi to deliver the budget speech in May 2024. A copy of the speech to be circulated under separate cover at the Council Meeting.

The second review of the current new generation 5-year IDP and Final SDBIP will also be tabled during the Council meeting.



## 2. COUNCIL RESOLUTIONS

### 2.1 BUDGET RELATED RESOLUTIONS

- That the 2024/25- 2026/27 MTREF (Medium-Term Revenue and Expenditure Framework) of the eMadlangeni Municipality be approved by Council and also considered adjustment where necessary.
- That the note be taken of the contents of the budget documentation circulated in accordance with the Municipal Finance Management Act, No.56 of 2003, MBRR and relevant MFMA circulars.

### 2.2 ESTIMATES OF INCOME AND EXPENDITURE

- i. That in terms of section 24 of the Municipal Finance Management Act, No.56 of 2003, the annual budget of the municipality for the financial year 2024/2025; and indicative allocations for the two outer years 2025/2026- 2026/2027; and the multi-year and single year capital appropriations are approved as set-out in the following tables of the budget document:
  - Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) **(Table A2)**
  - Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) **(Table A3)**
  - Budgeted Financial Performance (Revenue by Source and Expenditure by Type) **(Table A4)**
  - Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source **(Table A5)**
- ii. That the financial position, cash flow, cash-backed reserve/ accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:
  - Budgeted Financial Position **(Table A6)**
  - Budgeted Cash Flows **(Table A7)**
  - Asset Management **(Table A9)**
  - Basic Service Delivery Measurement **(Table A10)**

### 2.3 BUDGET RELATED POLICIES

- a. That the following budget related policies as per the **Annexure** (Annual Budget and Medium Term Revenue and Expenditure Framework 2024/25- 2026/27) be submitted in terms of S7 of Municipal Budget and Reporting Regulations: -
- b. That the following policies were adopted by Council when Final Budget was tabled in March 2024 and remain unchanged:

- Bad Debt Write Off and Impairment of Debts policy
- Cost Containment policy
- Fleet Management policy
- Leave policy
- Budget policy
- Cash and Investment policy
- Petty Cash policy
- Virement policy





- Funding and reserve policy
- Tariffs policy
- Borrowing policy
- Indigent policy
- Debt Collection and Credit Control policy

C. That the following policies were adopted by Council with changes:

- SCM Policy
- Assets
- Revenue Enhancement Strategy

## 2.4 TARIFFS

**That** the Council of eMadlangeni Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES AND ADOPTS** with effect from 1 July 2024 the Final tariffs as contained in **Annexure B**:

- The tariffs for electricity from NERSA based on Cost of Supply Study (COS);
- The tariffs for solid waste services;
- The tariffs, rebates and exemptions for property rates for different categories and
- The tariffs for rendering other services of the municipality for different categories.

## 2.5 RECAPITULATION: VALUATION OF RATEABLE PROPERTY

The municipality is now in the 4<sup>th</sup> generation of the General Valuation Roll that was implemented as from 1 July 2023.

That it be recorded that the recapitulation certificate summarizing the valuation of rateable property, As certified by the Municipal Valuer, is laid on the table.

The following resolutions, pertaining to property rates (items 2.1.4 to 2.1.9) and in conformity with the provisions of Section 14 of the Local Government: Municipality Property Rates Act 6 of 2004 and Sections 17(3) (a) (ii) and 24 (2) (c) (i) of the Local Government: Municipal Finance Management Act 56 of 2003, be adopted.

## 2.6 DETERMINATION OF RATES

In terms of Section 8 of the Local Government: Property Rates Act, 2004 read together with the Rates Policy, as amended, and to be adopted with the current budget, the Municipality may levy different Rates for different categories of Property.

That the rate randage for the said financial year for the eMadlangeni Municipality, be and is hereby assessed and levied for the following categories at:

Categories	2024/2025 Cents in the rand	2025/2026 Cents in the rand	2026/2027 Cents in the rand
Agriculture properties used for agricultural purposes	0.00180	0.00188	0.00196
Business/commercial/industrial purposes	0.04535	0.04744	0.04962

Industrial properties	0.04535	0.04744	0.04962
Mining properties	0.57669	0.60321	0.63096
Public service infrastructure	0	0	0
Residential properties	0.01684	0.01761	0.01842
Public Service Purpose	0.06529	0.06829	0.07143
Vacant land zoned residential	0.10397	0.10875	0.11345

Multiple-Use Property will be dealt with in accordance with the Rates Policy

## 2.7 EXEMPTIONS, REBATES AND REDUCTIONS

That the following reductions on the market values of the property and rebates on rates payable, be and are hereby granted in accordance with the Rates Policy.

- All beneficiaries of the RDP houses who have not developed their houses be granted full rebates.

### 2.7.1 RESIDENTIAL PROPERTY

That in addition to the statutory reduction of R 15 000, a further reduction of R 35 000 be and is hereby approved for all residential properties.

### 2.7.2 PUBLIC BENEFIT ORGANISATIONS

That on application and approval, only Public Benefits Organizations listed in paragraph 11.5. of the Municipality's Final Rates Policy 2024/2025 shall receive an exemption from rates. This is subject to them fully complying with being a NPO/PBO.

### 2.7.3 VACANT LAND

That the rebate of R15 000 on the market value of Vacant land, as defined in the Rates Policy be granted.

### 2.7.4 MUNICIPAL PROPERTIES

All municipal owned properties are exempted from property rates, except for Trading Services.

## 2.8 DATE OF OPERATION OF DETERMINATION OF RATES

That this determination comes into operation on 01 July 2024.

## 2.9 ADMINISTRATION CHARGE ON ARREARS

That the administration charge on arrear rates as referred to in Section 10.2 of the debt collection and credit control policy is determined at 1.5%. Collection of area rates is in accordance with the municipal policy.

### 2.9.1 Interest on Arrears

That the interest rate to be applied to arrear accounts, shall be interest rate as prescribed by regulation 9 of the Municipal Property Rates Regulations, 2006.

## 2.10 NEW FUNCTIONS/ SERVICES

That no new functions or service be introduced without specific approval thereto by the Council after full considerations of the effect thereof on the Council's Budget. New functions and services can only be approved in principle and thereafter would have to be prioritized in terms of the Integrated Development Plan together with all other submissions that have been received.

## 2.11 PARTICULARS OF INVESTMENTS

That in terms of Section 17(3) (k) of the Municipal Finance Management Act No. 26 of 2003, particulars of the Council's investments are reflected in **Table SA15 –SA16**.

## 2.12 RENUMERATION OF COUNCILLORS AND SENIOR OFFICIALS

That in terms of Section 17(3)(k) of the Municipal Finance Management Act No. 56 of 2003 that the proposed cost to Council of the salary, allowances and benefits of each political office bearer, councillor and senior officials of the municipality.

## 3. EXECUTIVE SUMMARY

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### INTRODUCTION

The 2024/2025 Medium Term budget is a total budget of **R 163.3 million** which has been developed with an overall planning framework and includes programs and projects to achieve the strategic objectives of the IDP. This budget was set against the backdrop of slow economic growth where tough choices had to be made to achieve the development outcomes for the municipality.

Economic challenges will continue to pressurize municipal revenue generation and collections in 2024/2025, hence a conservative approach has been adopted when projecting expected revenues and receipts. Despite increasingly challenging circumstances, service delivery will continue to be sustained through this budget by re-prioritizing expenditure to ensure key objectives are achieved.

Provisions in this medium term budget continue to support government's commitment to broadening service delivery and expanding investment in infrastructure. This budget has been developed to contribute to the municipality achieving the strategic objectives of the IDP. The 2024/2024 MTREF is informed by the municipality's long-term financial strategy with emphasis on affordability and long-term sustainability. National Treasury's MFMA Circulars No.126 & 128 was used to guide the compilation of the 2024/2025 MTREF. In addition, this budget format and content incorporates the requirements of the Municipal Budget and Reporting Regulations

The following budgeting PRINCIPLES were applied in formulating the medium term budget:

- Realistic and achievable collection rates.
- Sustainable, affordable, realistic and balanced budget.
- Major tariffs to be cost reflective, realistic and affordable.
- Need to ensure rates base growth to ensure sustainability of free basic services.
- Budget to contribute to achieving strategic objectives of the IDP.

The main CHALLENGES experienced during the compilation of the 2024/2025 MTREF can be summarized as follows:

- Huge backlogs on infrastructure projects;
- High unemployment which impacts on collection rates.
- National Treasury austerity measures with minimal growth or decline in grant allocations.
- Limited resources and minimal growth in the rates base & costs to unblock development.
- Aging and poorly maintained roads and electricity infrastructure;
- Increasing cost of bulk electricity;



- Revenue recovery from cost reflective core municipal services;
- Ensure a funded budget - The revenue collection from non-cash items such as depreciation, actuarial provisions, landfill sites etc. cannot fully be recovered from tariffs
- Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies.

The following are some of the AUSTERITY MEASURES that need to be considered in the 2024/2025 medium term budget. In order to address the above challenges, ensure reasonable levels of tariffs and to conform to National Treasury cost containment guidelines.

- Productivity assessment and benchmarking of costs undertaken.
- Strategic approach to vacancies, analysis of vacancies carried out.
- Productivity analysis to include value for money and staff redeployment.
- Utilization of vehicles being closely monitored via the vehicle tracking system.
- Fuel, overtime and standby, travelling and accommodation, legal fees, security, catering, and consultants are some of the costs that are closely monitored by the Head of Departments.

#### **4. OPERATING REVENUE FRAMEWORK**

In order for eMadlangeni Local Municipality to continue improving the quality of services that is provided to its citizens, it needs to generate the required revenue. In these tough economic times, strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines;
- Economic development growth with the municipal area;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases guidelines;
- Determining the tariff escalation rate of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) as amended;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policy of the municipality.

While the municipality is optimistic about growth prospects in the next few year, there is no provision of such growth in the municipality's revenue budget. Ordinarily, the municipality is expected to reflect such growth in the revenue budget; however, the municipality chose to be cautious and conservative in this case. Taking into account, the MFMA provision that the budget must be funded from realistically anticipated revenue for collection, the municipality opted to use the current revenue base for the purposes of the MTREF but adjustments will be done in future when such growth in the revenue base materializes.

**The following table is a summary of the 2024/2025 MTREF (classified by main revenue source):**

**Table Financial Performance: Revenue**

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charges revenue comprise of 35% (55.7 million) of the total revenue mix.

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	14 098	15 745	14 139	19 227	19 226	19 226	15 628	21 196	22 171	23 191
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	1 760	1 831	1 917	2 434	2 434	2 434	1 672	2 105	2 201	2 303
Sale of Goods and Rendering of Services		376	317	353	527	265	265	265	331	346	362
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	0	3 549	3 713	3 883
Interest earned from Current and Non Current Assets		182	576	557	493	905	905	974	1 169	1 223	1 279
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 105	1 099	1 407	1 082	1 244	1 244	1 446	1 726	1 806	1 889
Licence and permits		1 484	1 635	1 791	1 673	1 613	1 613	1 758	2 066	2 161	2 261
Operational Revenue		37	72	6	142	639	639	709	850	889	930
<b>Non-Exchange Revenue</b>											
Property rates	2	21 787	22 635	25 471	45 345	45 345	45 345	31 417	47 567	50 017	52 317
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1	227	689	6 275	604	604	837	1 004	1 050	1 099
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		44 734	42 504	43 866	47 469	47 469	47 469	62 305	46 303	44 822	43 599
Interest		3 944	4 009	1 788	-	5 671	5 671	5 893	3 549	3 713	3 883
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		(417)	1 409	1 109	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont</b>		<b>89 092</b>	<b>92 059</b>	<b>93 091</b>	<b>124 867</b>	<b>125 416</b>	<b>125 416</b>	<b>122 904</b>	<b>131 416</b>	<b>134 111</b>	<b>136 996</b>

In the 2024/2025 financial year, revenue from rates, refuse charges and electricity totaled to R70.9 million. This increased in rates, service charges and electricity revenue to R74.4 million and R77.8 million for 2025/2026, and 2026/2027 respectively.

The table above excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Property rates are the second largest revenue source totaling 36 per cent (R47.6 million). Other revenue consists of various items such as fines, licenses and permits, rental of equipment, reconnection fees etc.

Operating grants (including capital) transfers total to R 78.2 million in the 2024/2025 financial year and decreases to R 70.0 million by 2025/2026. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

#### **4.1 SERVICE CHARGES – ELECTRICITY ( 16% TOTAL REVENUE)**

The increase on electricity charged is based on cost of supply calculations of 13.20% as a guideline provided by NERSA for the 2024/25 budget year calculations. The final figure is based on the year to date actuals (month 10, 2023/24).

#### **4.2 SERVICE CHARGES – REFUSE ( 2% TOTAL REVENUE)**

The increase on refuse charged is based on the year to date actuals. We have increased the 2024/25 year by an inflation rate of 4.9%.

#### **4.3 SALE OF GOODS (0.3% TOTAL REVENUE)**

The increase on sale of goods is based on the year to date actuals. We have increased the 2024/25 year by an inflation rate of 4.9%.

#### **4.4 INTEREST EARNED (1% TOTAL REVENUE)**

Interest earned is based on the year to date actuals (month 10 of 2023/24 year) and projections thereof. When any funds are received we don't keep them in our current account but we invest on call deposits to attract interest.

#### **4.5 RENTAL INCOME (1% TOTAL REVENUE)**

Rental income is based on rental valuations done by valuers. The new valuation roll in in place and income projected is based on the year to date actuals for month 10. All have shown interest in renewing their contracts.

#### **4.6 LICENCES AND PERMITS (2% TOTAL REVENUE)**

The increase on licences and permits based on the year to date actuals. We have increased the 2024/25 year by an inflation rate of 4.9%.

#### **4.7 OPERATING REVENUE ( 1% TOTAL REVENUE)**

The Municipality is planning on selling vacant land in the **2024/25 year**. Council also took a resolution to re-sell land that was sold in 2018 but was never register by the buyers as it is still under Municipality's name. The buyers have been informed and will be refunded their deposits (as this is the only amount paid) once property is sold.

#### **4.8 PROPERTY RATES (36% TOTAL REVENUE)**

The Municipality has revived the Debt Collection War Room. We are robust in implanting the debt collection strategy adopted by council and have seen positive results. The year to date (Quarter 3) average debt collection rate is sitting at 124,5% based on the current total billing vs total receipts. We have increased the budget by 4.9% from the 2023/24 adjusted budget.

#### **4.9 FINES, PENALTIES, AND FORFEITS ( 1% TOTAL REVENUE)**

This based on the year to date actuals. We have increased the 2024/25 year by an inflation rate of 4.9%. The interest on debtors was incorrectly added on this line item during the TABB Budget but it is corrected now.

#### **4.10 TRANSFERS AND SUBSIDIES ( 35% TOTAL REVENUE)**

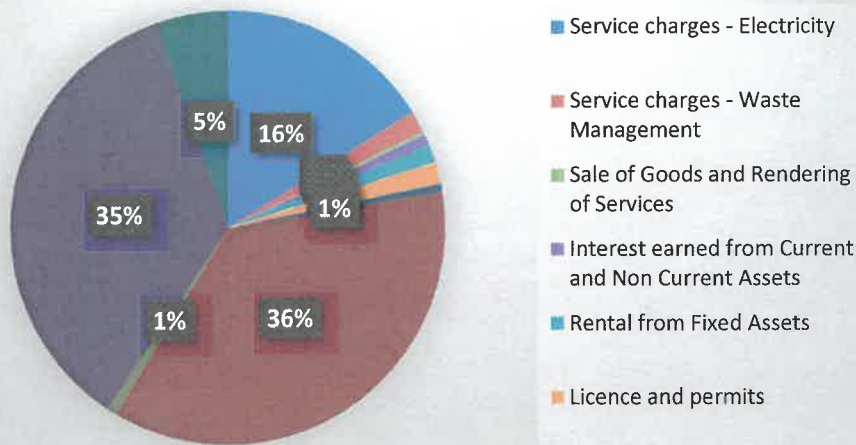
Grant allocations are based on DORA and the Municipality is currently grant dependant.

#### **4.11 INTEREST ( 5% TOTAL REVENUE)**

This based on the year to date actuals. We have increased the 2024/25 year by an inflation rate of 4.9%. The interest on debtors was incorrectly added on the line item for fines and pernalities during the TABB Budget but it is corrected now.



## REVENUE



## 5. OPERATING EXPENDITURE FRAMEWORK

The Council expenditure framework for the 2024/2025 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue);
- Funding of the budget over the medium term as informed by section 18 and 19 of the MFMA;
- Funded capital programs as planned in the IDP.
- Strict adherence to the principle of no project plan no budget.

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Expenditure</b>											
Employee related costs	2	38 210	39 576	46 463	47 879	51 995	51 995	42 952	52 090	53 281	55 372
Remuneration of councillors		3 715	3 925	4 597	4 658	4 473	4 473	3 873	4 740	4 903	5 129
Bulk purchases - electricity	2	14 679	16 734	15 896	20 301	20 249	20 249	15 831	22 883	23 936	25 037
Inventory consumed	8	2 172	2 924	4 121	6 029	3 291	3 291	2 690	5 572	5 829	6 097
Debt impairment	3	-	-	6 770	10 400	10 400	10 400	-	2 852	2 983	3 120
Depreciation and amortisation		9 658	9 567	11 563	9 864	9 864	9 864	5 103	9 332	9 790	10 240
Interest		161	1 726	1 957	300	164	164	165	-	-	-
Contracted services		13 598	23 686	26 679	18 485	16 849	16 849	15 463	14 230	14 759	15 793
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	1 467	-	-	-
Operational costs		17 573	18 882	21 786	12 019	11 761	11 761	8 323	12 322	12 378	12 918
Losses on disposal of Assets		-	-	1 612	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>99 767</b>	<b>117 020</b>	<b>141 455</b>	<b>130 136</b>	<b>129 046</b>	<b>129 046</b>	<b>95 867</b>	<b>124 022</b>	<b>127 858</b>	<b>133 706</b>

**5.1 Employee Related Costs: R52.1 million (42% Total Expenditure)**

Employee Related Costs was increased by an overall CPI rate of 4.9%. The municipality still waiting for the Collective Agreement on Wages and Salaries signed by the Local Government National Bargaining Council that set the salaries increases.

All positions that were vacated during the year were never filled but have been budget for in the 2024/25 year including the Director Corporate Services position.

Council took a resolution to apply for salary exemption with SALGA as well as no increase in council upper limits but we had to budget for increase in case it it not approved.

**5.2 Remuneration of Councillors: R4.7 million (4% Total Expenditure)**

The cost associated with the remuneration of Councillor's is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The huge differences are caused by incorrect data string that we are attending to. The budget is based on 4% increase.

**5.3 Depreciation and Asset Impairment: R9.3 million (8% of Total Expenditure)**

The 2024/2025 depreciation and asset impairment budget increased by 4.9% from the from adjustment budget 2023/2024 year. This line item is influenced by assessment reports produced professional at time of asset verification. The municipality have auction some of the assets that will lead the decrease of depreciation.

**5.4 Debt Impairment: R2.8 million (2% of Total Expenditure)**

Based on the audited financial statements, the contribution to impairment was to R 11 million from 2022 to 2023 financial year. The provision is a non-cash item. We are currently busy with data cleansing and the current workings show there's a lot of debtors to be written off by council as some accounts that are currently billed were actually either closed or consolidated in 2017 when MSCOA was implemented.

**5.5 Finance Charges: R0 thousand**

The municipality did not budget for any interest charge on late payments as we are planning to pay all our creditors on time. The municipality settled the loan in October 2022.

**5.6 Bulk Purchases: R22.9 million ( 18% of Total Expenditure)**

The budget for Electricity increase (12,7) is based on NERSA guidelines and as per MFMA circular 126. This is calculated from the 2023/24 adjusted budget.

**5.7 Inventory Consumed R6.0 million (5% of Total Expenditure)**

The data strings were not aligned in the current and previous years so when the 2024/25 Draft Budget was table to council this was correted and also in the final budget. The amount budgeted is correct.

**5.8 Contracted Services : R14.2 million (13% of Total Expenditure)**

Decrease on contracted services is informed by cost containmet that been implementant due to financial instability.





**5.9 Other Expenditure & Materials : R12.3 million (10% of Total Expenditure)**

The municipality has shifted the focus and decided to improve the maintenance of infrastructure; the high increase on material is due to anticipated high expenditure on roads and electricity maintenance.

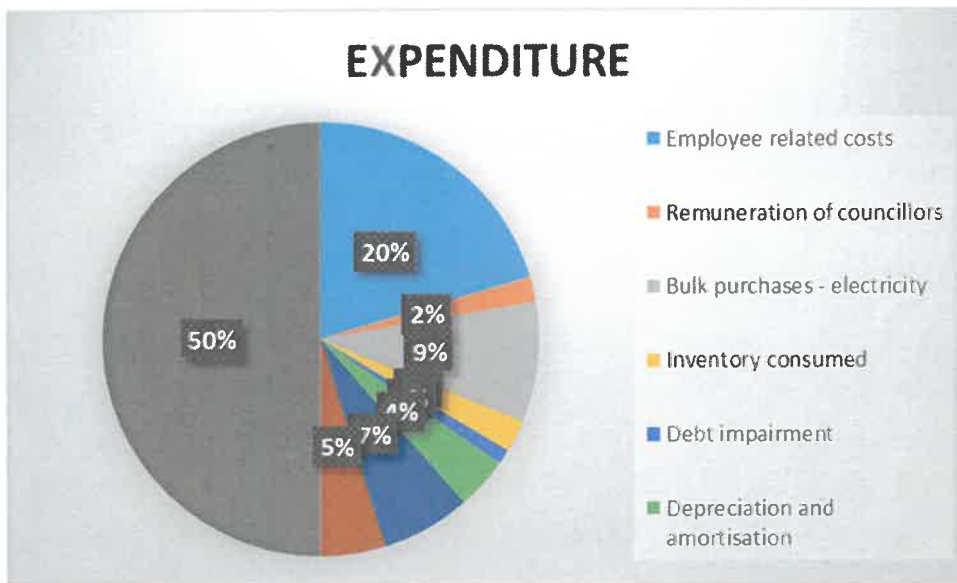
**5.10 Repairs and maintenance (3%)**

The municipality is still struggling to set aside the amount as per the guidelines due to the availability of finances to fully cover this, and will endeavour to do this over the years.

**5.11 Total Operating Expenditure R124.0 million**

Total operating expenditure for the 2024/2025 financial year has been appropriated at **R124.9 million** when compared to **R 129.0 million** for the 2023/2024 Budget, operational expenditure has decrease by 4% for the outer years' operating expenditure has increased by 4.6% an increased by 4.6% respectively

The following pie chart gives a breakdown of the main expenditure categories for the 2024/2025 financial year.



**6. CAPITAL EXPENDITURE**

The capital budget totalled to R 33.5 million in 2024/2025. This was funded by National and Provincial grants in the amount of R31.9 and R1.6 million being funded from Council’s internal sources.

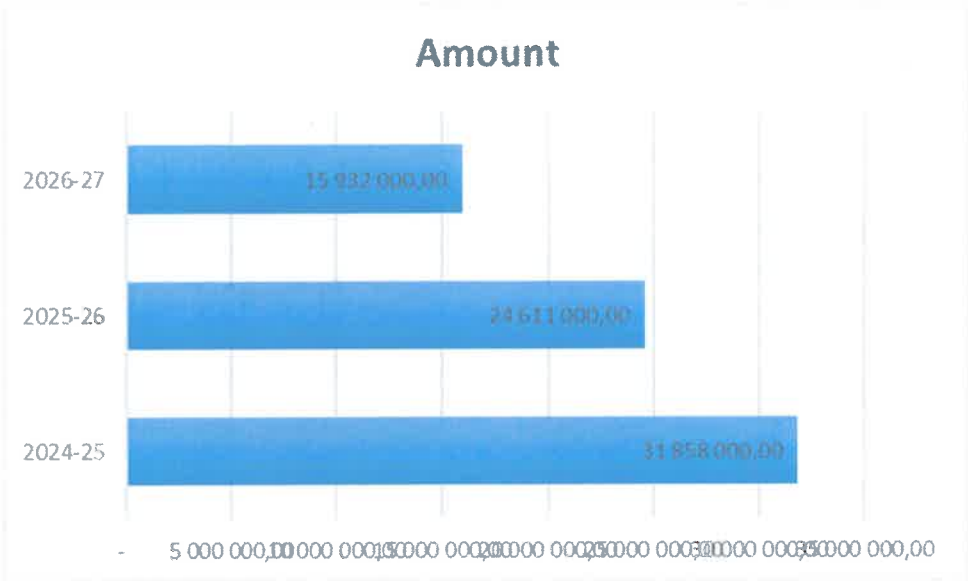
**Capital Budget Performance (Current Year)**

The capital performance for current year and three outer years.

Description	2024/2025 Budget R'000	2025/2026 Budget R'000	2026/2027 Budget R'000
Total Capital Expenditure	31 858	24 611	15 932

Total Capital Financing	31 858	24 611	15 932
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The following graph indicates the fluctuation of capital budget which might have negative impact on service delivery.



## 7. BUDGET TABLES

### Budget Summary

Choose name from list - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	21 787	22 635	25 471	45 345	45 345	45 345	31 417	47 567	50 017	52 317
Service charges	15 858	17 576	16 056	21 661	21 661	21 661	17 298	23 300	24 372	25 493
Investment revenue	182	576	557	493	905	905	974	1 169	1 223	1 279
Transfer and subsidies - Operational	44 734	42 504	43 866	47 469	47 469	47 469	62 305	46 303	44 822	43 599
Other own revenue	6 531	8 767	7 142	9 699	10 037	10 037	10 889	13 076	15 112	17 938
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>89 092</b>	<b>92 059</b>	<b>93 091</b>	<b>124 667</b>	<b>125 416</b>	<b>125 416</b>	<b>122 883</b>	<b>131 416</b>	<b>135 545</b>	<b>140 626</b>
Employee costs	38 210	39 576	46 463	47 879	51 995	51 995	42 952	52 090	53 281	55 372
Remuneration of councillors	3 715	3 925	4 597	4 858	4 473	4 473	3 873	4 740	4 903	5 129
Depreciation and amortisation	9 658	9 567	11 563	9 864	9 864	9 864	5 103	9 332	9 790	10 240
Interest	161	1 726	1 967	300	164	164	165	-	-	-
Inventory consumed and bulk purchases	16 852	19 658	20 018	26 330	23 540	23 540	18 521	28 456	29 765	31 134
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	31 171	42 568	56 847	40 905	39 009	39 009	25 253	29 404	30 120	31 831
<b>Total Expenditure</b>	<b>99 767</b>	<b>117 020</b>	<b>141 455</b>	<b>130 136</b>	<b>129 046</b>	<b>129 046</b>	<b>95 867</b>	<b>124 022</b>	<b>127 858</b>	<b>133 706</b>
<b>Surplus/(Deficit)</b>	<b>(10 675)</b>	<b>(24 961)</b>	<b>(48 364)</b>	<b>(5 469)</b>	<b>(3 631)</b>	<b>(3 631)</b>	<b>27 016</b>	<b>7 393</b>	<b>7 688</b>	<b>6 920</b>
Transfers and subsidies - capital (monetary allocations)	14 310	11 829	23 834	42 737	60 039	60 039	16 621	31 858	24 611	15 932
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>3 635</b>	<b>(13 132)</b>	<b>(24 530)</b>	<b>37 268</b>	<b>56 408</b>	<b>56 408</b>	<b>43 637</b>	<b>39 251</b>	<b>32 299</b>	<b>22 852</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>3 635</b>	<b>(13 132)</b>	<b>(24 530)</b>	<b>37 268</b>	<b>56 408</b>	<b>56 408</b>	<b>43 637</b>	<b>39 251</b>	<b>32 299</b>	<b>22 852</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>(725)</b>	<b>(57 708)</b>	<b>(1 843)</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	<b>114 619</b>	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>
Transfers recognised - capital	(3 996)	(39 724)	(1 632)	37 163	52 450	52 450	49 444	27 703	21 401	13 854
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3 271	(17 984)	(210)	1 888	2 791	2 791	65 176	1 525	288	301
<b>Total sources of capital funds</b>	<b>(725)</b>	<b>(57 708)</b>	<b>(1 843)</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	<b>114 619</b>	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>
<b>Financial position</b>										
Total current assets	35 933	23 951	22 577	41 878	95 215	95 215	72 180	94 611	149 380	228 535
Total non current assets	196 113	148 954	142 367	237 402	468 927	468 927	176 348	160 782	225 834	322 534
Total current liabilities	55 277	58 394	74 445	35 494	36 851	36 851	114 579	65 735	71 498	97 451
Total non current liabilities	1 126	867	414	21 842	25 052	25 052	42	28 716	41 925	60 792
Community wealth/Equity	174 598	112 522	88 894	258 089	539 989	539 989	132 531	160 942	261 792	392 826
<b>Cash flows</b>										
Net cash from (used) operating	3 135	1 873	1 449	5 394	3 581	3 581	43 671	30 181	27 165	21 778
Net cash from (used) investing	-	-	9	44 908	63 527	63 527	(9)	(33 612)	(24 942)	(16 278)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>3 135</b>	<b>1 873</b>	<b>1 458</b>	<b>50 303</b>	<b>67 108</b>	<b>67 108</b>	<b>43 662</b>	<b>18 359</b>	<b>20 582</b>	<b>26 082</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	4 971	3 464	2 712	8 802	6 506	6 506	41 980	18 359	33 819	51 631
Application of cash and investments	36 876	47 862	64 103	22 781	6 074	6 074	109 325	553	(30 921)	(66 457)
<b>Balance - surplus (shortfall)</b>	<b>(31 905)</b>	<b>(44 398)</b>	<b>(61 390)</b>	<b>(13 979)</b>	<b>432</b>	<b>432</b>	<b>(67 345)</b>	<b>17 806</b>	<b>64 741</b>	<b>118 088</b>
<b>Asset management</b>										
Asset register summary (WDV)	196 113	148 954	142 367	237 402	468 927	468 927	160 782	160 782	225 834	322 534
Depreciation	9 658	9 567	11 563	9 864	9 864	9 864	9 332	9 332	9 790	10 240
Renewal and Upgrading of Existing Assets	27 726	3 587	(903)	153	133	133	968	970	176	184
Repairs and Maintenance	842	869	955	1 546	1 557	1 557	1 686	1 686	2 234	2 338
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	(2 051)	(2 134)	(2 224)	(11 180)	(11 165)	(11 165)	(5 421)	(5 671)	(5 932)	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

### Budget summary

- It provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- The Cash backing/surplus reconciliation shows a slight decrease in cash over the MTREF.

- Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - Capital expenditure is balanced by capital funding sources, of which
    - Transfers recognized is reflected on the Financial Performance Budget;

Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Properly rates		-	-	-	34 009	38 543	38 543	4 481	38 373	42 869	47 479
Service charges		2 175	743	603	18 789	18 789	18 789	3 640	17 902	19 913	21 924
Other revenue		9	9	10	16 678	17 821	17 821	10	4 327	5 088	5 911
Transfers and Subsidies - Operational	1	2 701	2 794	2 441	47 469	47 469	47 469	34 673	48 412	47 027	45 906
Transfers and Subsidies - Capital	1	-	-	-	42 737	60 039	60 039	-	31 858	24 611	15 932
Interest		-	-	-	493	905	905	-	8 268	10 082	12 676
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(1 750)	(1 673)	(1 605)	(154 480)	(179 820)	(179 820)	867	(118 958)	(122 426)	(128 050)
Interest		-	-	-	(300)	(164)	(164)	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>3 135</b>	<b>1 873</b>	<b>1 449</b>	<b>5 394</b>	<b>3 581</b>	<b>3 581</b>	<b>43 671</b>	<b>30 181</b>	<b>27 165</b>	<b>21 778</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	9	44 908	63 527	63 527	(9)	(33 612)	(24 942)	(16 278)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>9</b>	<b>44 908</b>	<b>63 527</b>	<b>63 527</b>	<b>(9)</b>	<b>(33 612)</b>	<b>(24 942)</b>	<b>(16 278)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>3 135</b>	<b>1 873</b>	<b>1 458</b>	<b>50 303</b>	<b>67 108</b>	<b>67 108</b>	<b>43 662</b>	<b>(3 431)</b>	<b>2 223</b>	<b>5 500</b>
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	21 791	18 359	20 582
Cash/cash equivalents at the year end:	2	<b>3 135</b>	<b>1 873</b>	<b>1 458</b>	<b>50 303</b>	<b>67 108</b>	<b>67 108</b>	<b>43 662</b>	<b>18 359</b>	<b>20 582</b>	<b>26 082</b>

Table A7 is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus out-flow that is likely to result from the implementation of the budget. The 2024/2025 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. Cash and cash equivalents totals R5.6 million as at the end of the 2024/2025 financial year and is projected to increase to R6.1 million by 2025/2026 and 7.9 206/2027.

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	3 135	1 873	1 458	50 303	67 108	67 108	43 662	18 359	20 582	26 082
Other current investments > 90 days		1 836	1 591	1 254	(41 500)	(60 602)	(60 602)	(1 682)	-	13 237	25 549
Non-current investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>4 971</b>	<b>3 464</b>	<b>2 712</b>	<b>8 802</b>	<b>6 506</b>	<b>6 506</b>	<b>41 980</b>	<b>18 359</b>	<b>33 819</b>	<b>51 631</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		(207)	258	4 896	2 920	2 920	2 920	35 600	8 168	11 514	16 458
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(6 843)	(4 979)	(1 490)	(5 187)	(10 469)	(10 469)	5 068	(13 715)	(12 992)	(12 476)
Other working capital requirements	3	19 860	26 975	29 882	23 895	10 937	10 937	38 079	4 478	(31 813)	(73 876)
Other provisions		24 066	25 608	30 815	1 152	2 685	2 685	30 578	1 623	2 370	3 436
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>36 876</b>	<b>47 862</b>	<b>64 103</b>	<b>22 781</b>	<b>6 074</b>	<b>6 074</b>	<b>109 325</b>	<b>553</b>	<b>(30 921)</b>	<b>(66 457)</b>
<b>Surplus/(shortfall) - Excluding Non-Current Creditors Trf</b>		<b>(31 905)</b>	<b>(44 398)</b>	<b>(61 390)</b>	<b>(13 979)</b>	<b>432</b>	<b>432</b>	<b>(67 345)</b>	<b>17 806</b>	<b>64 741</b>	<b>118 088</b>
<b>Creditors transferred to Debt Relief - Non-Current portfolio</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(shortfall) - Including Non-Current Creditors Trf</b>		<b>(31 905)</b>	<b>(44 398)</b>	<b>(61 390)</b>	<b>(13 979)</b>	<b>432</b>	<b>432</b>	<b>(67 345)</b>	<b>17 806</b>	<b>64 741</b>	<b>118 088</b>

**Table A8** is aligned to the requirements of the MFMA circular 42. In essence, the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the commitments that exist.

The outcome of this exercise indicates a surplus. This shows that the cash and cash equivalents available exceed the applications of cash and investments, indicating compliance with the MFMA requirements that the municipality’s budget is funded. A part of the budgeting and planning guidelines that informed the compilation of the 2024/2025 MTREF, the end objective of the medium-term framework was to ensure the budget is funded and aligned to Section 18 of the MFMA. From the table it can be seen that the budget is funded.

ii.

## **8. OVERVIEW OF ANNUAL BUDGET PROCESS**

### **8.1 POLITICAL OVERSIGHT OF BUDGET PROCESS**

The concept of political oversight over the budget process is of paramount importance and it is crucial to ensuring that strategy informs budget.

The political oversight role of the Mayor is contained in Section 53 (1)(a) and (b) of the Municipal Finance Management Act (MFMA). It requires that the Mayor must provide political guidance over the budget process and the priorities that guide the preparation of the budget. It further requires that the Mayor co-ordinate the revision of the IDP and the preparation of the annual budget and to determine how the IDP is to be taken into account for the purpose of the budget.

The demands on the Municipality to address service delivery backlogs and to improve service delivery to all of its citizens, within current financial resources, are challenging. Political oversight of the budget process is therefore essential to ensure that the priorities of the municipality are addressed through budget allocations.

### **8.2 SCHEDULE OF KEY DEADLINES RELATING TO BUDGET PROCESS**

One of the objectives of the budget timetable is to ensure the development of IDP and the budget and also to ensure that a balanced budget is tabled for consideration and approval. The timetable schedule for the compilation of the 2024/2025 budget cycle was tabled to Council during 2023 in compliance with the MFMA.

The following is a detailed key deadlines relating to the budget process:

#### **IDP/BUDGET PROCESS PLAN: 2024/2025**

<b>Date</b>	<b>IDP</b>	<b>PMS</b>	<b>BTO</b>
<b>JULY 2023</b>	1. Lodge advert to register on IDP Forum Database 2. Publication and advertisement of the availability for comments of the Final 2024/25 Process Plan for at least 14days. 3. Ensuring alignment of the Section 54 & 56 Managers individual Scorecards with the IDP strategies	1. Signing of new performance contracts for Section 54&56 Managers and submission to EXCO (Section 69 of the MFMA and Section 54&56 of the MSA). 2. Prepare Departmental Business Plans SDBIP	1. IDP and Finance to discuss the 2024/2025 Budget planning issues 2. Prepare budget process plan and timetable for the 2024/2025. 3. Compile Section 71 Reports and present to the Mayor. 4. Compile section 52 Report.

		(Component 3) for the next financial year. 3. Previous year S54&56 Managers' Performance Assessments	
AUGUST 2023	<ol style="list-style-type: none"> <li>1. Adoption of the Final Process Plan by end of August 2023</li> <li>2. Publication/notification to the public of the adoption of the Final 2024/25 Process Plan</li> <li>2. Manager IDP/PMS to submit the Final IDP, PMS and Budget Process Plan to COGTA.</li> <li>3. Receive MEC comments on previous year's IDP COGTA submission.</li> <li>4. End of August 2021 IDP Project Steering Meeting (Extended MANCO)</li> </ol>	<ol style="list-style-type: none"> <li>1. Quarterly Project Implementation Report</li> <li>2. Quarterly Audit Committee meeting</li> <li>3. Performance evaluation panel</li> <li>4. Start the process of the Finaling Annual Report 2022/2023</li> </ol>	<ol style="list-style-type: none"> <li>1. Obtain Council's approval for 2024/2025 Multi-year budget process and timetable (IDP Process Plan)</li> <li>2. Review external mechanisms affecting the medium term budget forecasts.</li> <li>3. Compile Section 71 Reports and present to the Mayor</li> </ol>
SEPTEMBER 2023	<ol style="list-style-type: none"> <li>1. Formalise Council's Vision, Mission, Objectives and Strategies</li> <li>2. Consultation with and alignment with Sector Departments.</li> <li>3. Create template in relation to the scorecard (*Situational Analysis*)</li> <li>4. Feedback to Steering Committee regarding MEC's assessment</li> <li>5. Review and updating of Departmental Sector Plans</li> <li>6. Ward Councillors and Ward committees to submit community needs for budget consideration</li> </ol>		<ol style="list-style-type: none"> <li>1. Assess Council's 2022/2023 Financial Statements and current year's revised results and capacity, to determine the impact on future strategies and budgets</li> <li>2. Assess the funding policies including the tariff structures.</li> <li>3. Compile Section 71 Reports and present to the Mayor.</li> </ol>
OCTOBER 2023	<ol style="list-style-type: none"> <li>1. Integration of information from adopted Sector Plans into the IDP Review</li> <li>2. Review mission, vision and objectives</li> <li>3. Cross</li> </ol>		<ol style="list-style-type: none"> <li>1. Complete first Quarter Section 52 Financial Performance Evaluation Report.</li> </ol>

	border municipal alignment and Formulate Strategies 4. Feedback from Senior Managers on Priorities - Projects – as well as Budget inclusions 5. Regional alignment (District Municipality)		2. Discuss Findings and obtain input from management, BSC and Council. 3. Compile Section 71 Reports and present to the Mayor.
NOVEMBER 2023	1. 22 November 2023 - IDP Steering Committee - Reviewing of strategies/IDP RF 2. November 2023 - Sector Alignment Workshop – COGTA	1. Quarterly Project Implementation Report (for first quarter) 2. Quarterly Audit Committee meeting (for the first quarter)	1. Compile Section 71 Reports and present to the Mayor.
DECEMBER 2023	1. Review KPI's and targets 2. IDP Best Practise Conference with COGTA 3. Amajuba District Municipality Planner's Forum 4. Review of Strategies 5. Alignment of Capital estimates to the IDP	1. Compile annual report (MFMA Sect 121)	1. Compile Section 71 Reports and present to Mayor. 2. Commence processes for Section 72 and adjustment budge
JANUARY 2024	1. Steering Committee in the month of January 2024 2. Send reminders 22-24 January 2024 requesting projects (with proposed budgets) 3. IDP Review integration phase 4. Projects/Send template by the end of January 2024	1. Mayor tables annual report MFM Sect 127 (2) 2. Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 12a) 3. Sect 54&56 Managers' quarterly assessments (for second quarter) 4. Tabling of Midterm Report to Council by the 25th of January.	1. Submit the mid-year budget and performance assessment report to Council. Submit to National Treasury and Provincial Treasury both printed and electronic form the mid-year budget and performance assessment (Section 35). 2. Compile Section 71 Reports and present to Mayor.
FEBRUARY 2024	1. Consolidation of information and finalization of MEC Assessment issues 2. Meeting with COGTA IDP submission and assessment	1. Quarterly Project Implementation Report (for second quarter implementation)	1. Compile Section 71 Reports and present to Mayor. 2. Adjustment budget to be

	<p>3. Final IDP &amp; Budget – Prioritization and Budget Allocation</p> <p>4. Conclusion of Sector Plans initiated and integration into the IDP Review report</p> <p>5. Finalise outstanding MEC assessment issues</p>	<p>2 Quarterly performance audit committee meeting</p> <p>3. Oversight process for the annual report and public participation.</p> <p>4. Submit annual report to AG, Provincial &amp; DTLGA (MFMA Sect 127).</p> <p>5. Adjustment of the Organizational Scorecard targets tabled to Council with Adjustment budget.</p>	<p>considered if necessary</p> <p>3. Make public the adjustment budget and supporting documentation within 10 working days after being approved by Council (Section 126).</p> <p>4. Final IDP &amp; Budget – Prioritization and Budget Allocation</p> <p>5. Review of the Mid-year visit Report by National Treasury and implementation of any recommendations.</p> <p>6. Compile Section 71 Reports and present to Mayor.</p>
MARCH 2024	<p>1. 21 IDP Representative Forum on/by mid-March 2024</p> <p>2. 18-29 March 2024 Adoption of Final IDP 2024/25 financial year.</p> <p>3. Submit 2024/25 Final Multi-year budget, IDP and Service Delivery and Budget implementation plan in both printed and electronic format forwarded to Provincial COGTA, within 10 working days after being approved by Council.</p>	<p>1. Council to consider and adopt an oversight report [Due by 29 March 2024 MFMA Sec 129 (1)]</p> <p>2. Set performance objectives for revenue for each budget vote (MFMA Sect 17)</p> <p>3. Annual Customer Satisfaction survey (to be considered to annual report) MSA Sect 40.</p> <p>4. Submit 2024/2025 Service Delivery and Budget Implementation Plans submitted to Executive Committee and Council for approval</p>	<p>1. Submit 2024/2025 Final Multi-year budget and IDP submitted to BSC and Council for consideration.</p> <p>2. Submit 2024/2025 Final Multi-year budget in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council.</p> <p>3. All Income inputs by no later than 25th February. All Expenditure and</p>



		<p>5. Submit 2024/2025 Final Multi-year and Service Delivery and Budget implementation plan in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council.</p> <p>6. Final approval and adoption of the 2022/23 APR by Council by end of March.</p>	<p>Capital inputs by no later than 3rd March inputs to the Budget Office.</p> <p>4. Make public the tabled Final budget and supporting documentation within 10 working days after being approved by Council.</p> <p>5. Compile Section 71 Reports and present to Mayor.</p>
APRIL 2024	<p>1. Notice to publicize the Final IDP (21 days)</p> <p>2. Incorporate comments – adjust the IDP &amp; Budget where necessary</p> <p>3. IDP Budget Roadshows.</p> <p>4. Report back on the results of Assessment Feedback</p> <p>5. Ward committee meeting highlighting involvement of members in the IDP and Budget Public Participation process</p> <p>6. Possibly undertake a 2-week community consultation process of the budget.</p> <p>7. Adjustment of Final IDP from 15th of April 2024.</p>	<p>1. Strategies, objectives, KPA's, KPI's and targets and inclusion into IDP Review Report.</p> <p>2. Section 54&amp;56 Managers' Quarterly Performance Assessments</p> <p>3. Publicise Annual Report [Due by 7 April MFMA Sec 129 (3)]</p> <p>4. Submit Annual Report to Provincial Legislature/MEC Local Government (Due by 7 April MFMA Sec 132 (2))</p>	<p>1. Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury, if required</p> <p>2. Compile Section 71 Reports and present to Mayor.</p> <p>3. All consultation processes to be completed during April 2024.</p> <p>4. All departmental feedback by no later than the end of April 2024.</p>
MAY 2024	<p>1. Adjustment of Final IDP from the 1st – 15th May 2024</p> <p>2. On/By 31st of May 2024 Final 2024/25 IDP Adoption</p>	<p>1. Implementation Report (for third quarter)</p> <p>2. Quarterly Audit Committee meeting</p>	<p>1. Compile Section 71 Reports and present to Mayor.</p> <p>2. Final Alignment sessions between IDP, PMS and Budget.</p>

		3. Annual review of organizational KPIs 4. Review annual organizational performance targets (MPPR Reg	3. All final inputs and balancing of the budget and presentation to BSC by 6th May 2024. 4. Between the 6th and 20th May 2024 loading of budget and generating of mSCOA report and other Council required documentation. 5. Presentation of final Budget for adoption to Council.
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## 9. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

An Integrated Development Plan (IDP) is a strategic plan for how the eMadlangeni municipality will allocate its resources for the next five years to address the priority needs of its communities. It is a plan to help us set our budget priorities, and to guide sector departments in compiling its Medium Term Expenditure Framework.

The IDP will therefore form an agreement with the Municipality and the community on what, how and when projects and programmes will be implemented and how it will be monitored.

It is a Plan for the entire municipal area and summarises the interventions of all spheres of government aligning our local plans with National and Provincial priorities. Whilst the needs identified by communities far exceeds the available resources, the attempts to inform the medium terms budget allocations and priorities to be funded from Nationally raised revenue.

The IDP therefore outlines key areas where we must intervene and focus our resources in order to achieve the developmental mandate of local government.

This strategic plan must also inform municipal decision making as well as business processes of the Municipality.

The IDP adopted in 2023 remains the principle IDP document and it is of importance to note that the IDP, PMS and budget processes, (whilst these are distinct processes), are integrally linked processes which must be co-ordinated to ensure that the related policies and tabled budget are mutually consistent and credible.

### Management

The strategic objectives in the Integrated Development Plan (IDP) should inform the budget and the Performance Management System. This in turn unpacks into an SDBIP which give effect to the IDP and the budget. The SDBIP sets information on performance indicators, quarterly service delivery targets and monthly budget targets. Managers are required to report monthly and quarterly basis against the targets and Council can then monitor performance of the municipality against the quarterly targets on service delivery.

This is in line with the approved PMS Framework. Furthermore, the MSA and related regulations for Top management (section 56's) must have in place a performance agreement that is aligned to the IDP and PMS. The SDBIP usually is the basis for the development of a Performance plan for a section 56 employees and the monitoring and reporting and evaluation is carried out in terms of relevant regulations. A performance bonus may be paid on formal evaluation through a Panel constituted for this purpose – EVALUATION PANEL and only on adoption of the Annual Report for the year in question.

A PMS calendar has been developed to assist managers in measuring progress. It is also imperative that both the Council play an oversight role in this regard. Furthermore, it is necessary for public participation processes to be streamlined to allow for community input into the performance management process to ensure that the goals as set in the IDP are achieved.

## **10. MEASURABLE PERFORMANCE OBJECTIVES**

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### **10.1 KEY FINANCIAL RATIOS**

#### **10.1.1 Borrowing Management**

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, eMadlangeni Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The composition of the Municipality's debt is one annuity loan which was obtained to fund the Municipal Offices. The following financial performance indicators have formed part of the compilation of the 2023/2024 MTREF:

#### **10.1.2 Borrowing to asset ratio**

This ratio is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the years, as repayments are made and there are no intentions of increasing the borrowing levels in the short term.

#### **10.1.3 Capital charges to operating expenditure**

This is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has been rather flat at less than 1% since 2009/2010, this is attributed to prudence of the municipality by living within its means, therefore, and limiting borrowings as the revenue streams of the municipality are limited.

#### **10.1.4 Borrowing funding of own capital expenditure**

Measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. As alluded to above, due to size and geographical location of the municipality its revenue sources are limited hence the ability to fund capital expenditure out of own revenue is very minimal.

#### **10.1.5 Safety of Capital**

**10.1.5.1** The **debt-to-equity ratio** is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. The municipality has one annuity loan and the level of borrowing is relatively negligible.

**10.1.5.2** The **gearing ratio** is a measure of the total long term borrowings over funds and reserves. This ratio has been flat and immaterial as the municipality's debt level is very low.

#### **10.1.6 Liquidity**

**10.1.6.1** **Current ratio** is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2021/2022 MTREF the current ratio is 4.6 respectively for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.



**10.1.6.2 The liquidity ratio** is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the previous financial years, the ratio was above the norm and as part of the financial planning strategy, in line with cash-flow pressure, the ratio has declined over the years. This need to be monitored at all times, as meeting current obligations is critical for the municipality and service delivery.

## **10.2 Revenue Management**

As part of the financial sustainability efforts, an aggressive revenue management framework is being implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the efforts is to enhance the cash flow position of the Municipality.

## **10.3 Creditors Management**

The Municipality is doing its level best to ensure that creditors are settled within the legislated 30 days of invoice. The benefits which will accrued are a favourable impact on suppliers' perception of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders.

## **10.4 Other Indicators**

The electricity distribution losses continue to be a perennial problem for the Municipality. With the expected electricity tariff hikes we envisage the losses to increase as electricity tariffs increase by 8.61% in 2023/2024, which will hard hit the consumers' pockets. Nevertheless, efforts are being made to manage illegal connections and theft of electricity by exploring avenues of rolling out smart metering systems, including prepaid meters.

Employee costs as a percentage of operating revenue is below the threshold, it is currently 40% of the total operating budget. The ratio norm should be between 25% to 40%.

Repairs and maintenance as percentage of carrying amount of Property Plant and Equipment 2024/2025 is budgeted at 3 % and this indicates movement from the current year 2023/2024. This is below the recommended 8% as guided by MFMA circular 66.

The financial benchmarks reflected in the table below indicate that the municipality continue to strive in ensuring that the institution remain financial viable.

## **11. OVERVIEW OF BUDGET RELATED POLICIES**

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The Municipality's budget is guided and governed by relevant legislation and budget related policies. The main purpose of budget related policies is to guide the budget process and inform the projections of the medium-term budget.

The following budget related policies, which have been approved by Council or currently under review, are currently in force to ensure an informed smooth budgetary process and financial management of the Municipality in line with the Municipal Finance Management Act, other relevant legislation and Accounting Standards.

### **11.1 FINAL POLICIES FOR 2024/2025**

#### **11.1.1 Cost Containment policy**

This policy ensures the implementation of reduction on non-essential expenditure. There were no amendments to cost containment policy.

### **11.1.2 Bad Debt Write Off and Impairment of Debts policy**

This policy sets out procedures and processes on debt write off and on debt impairment. There were no amendments to this Policy.

### **11.1.3 Fleet Management policy**

Fleet Management policy ensures that there's no abuse in council vehicles. There were no amendments.

### **11.1.4 Leave policy**

The leave policy gives guidance on leave implementation. There were no amendments to the Leave Policy.

### **11.1.5 Asset Management policy**

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets). There's amendments made on this policy.

### **11.1.6 Petty Cash policy**

The primary objective is to regulate the use of Petty Cash Float within the municipality. Petty Cash Policy has been reviewed and amended; it is to be adopted with the current budget.

### **11.1.7 Virement policy**

The primary objective of this policy is to ensure compliance with Section 28 of the MFMA, and the Municipal Budget and Reporting Regulations. It aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework.

### **11.1.8 Cash and Investment policy**

The aim of the policy is to ensure that the Municipality's surplus cash and investments are prudently and adequately managed.

### **11.1.9 Debt Collection and Credit Control policy**

The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of services are collected efficiently and promptly. As required in terms of section 97 of the Municipal Systems Act, the debt collection and credit control policy.

### **11.1.10 Budget policy**

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be



utilized to ensure that underperforming functions are identified and funds redirected to performing functions.

#### 11.1.11 Indigent policy

This policy is intended to guide and provide framework to Free Basic Services. The policy has been reviewed and amended and is to be adopted with the current budget

#### 11.1.12 SCM policy

The policy reflects and represents the context of a specific government policy that finds expressions within the provisions of the Municipal Finance Management Act 56 of 2003. The principal objectives of the policy are to provide, promote, and implement theoretical guidelines, governing processes and procedures within supply chain management. The policy has been reviewed and amended and is to be adopted with the current budget.

#### 11.1.13 Rates policy

The policy is designed to ensure equitable treatment by Council in the levying of rates as well as other persons who may become liable for the payment of rates. The policy has been reviewed and amended and is to be adopted with the current budget.

## 12. OVERVIEW OF BUDGET ASSUMPTIONS

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### 12.1 EXTERNAL FACTORS

The effects of a technical recession are evident. After a protracted standstill in interest rates, this has since increased. Upwards pressure is also evident in the inflation rate and the Rand continues to weaken against leading currencies. International oil prices are rising after a significant decrease over the previous months.

### 12.2 GENERAL INFLATION OUTLOOK AND ITS IMPACT ON THE MUNICIPAL ACTIVITIES

There are five key factors that have been taken into consideration in the compilation of the 2024/2025 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk icity and fuel; and
- The increase in the cost of remuneration. Employee related costs comprise 38 per cent of total operating expenditure in the 2024/2025 MTREF and Councilor's Remuneration is on 4 % therefore increases above inflation places a disproportionate upward pressure on the expenditure budget

#### 12.2.1 Guidelines

The following are some of the budget percentage increases and assumptions used in preparing 2024/2025 medium-term budget:

Item Description	2024/2025	2025/26	2026//2027
Assessment Rates	4.9%	4.6 %	4.6%
Electricity tariffs	13.20%	4.6 %	4.6%
Refuse tariffs	4.9 %	4.6 %	4.6%
Salaries and allowances	4.9 %	4.6 %	4.6%
Councillors Remuneration	4.9 %	4.6 %	4.6%

Electricity Bulk Purchases	4.9 %	4.6 %	4.6%
General Expenses	4.9 %	4.6 %	4.6%

### 12.3 DEBTORS AND CASHFLOW ASSUMPTIONS

#### Assumptions- Collection rates

- Property rates – Collection rate:80%
- Electricity Collection rate:85%
- Refuse collection rate:85%
- Other revenue collection: 85%

#### Debt impairment Assumptions

- 2024/25:35% of Gross Debtors Impaired.
- 2025/26:30% of Gross Debtors impaired
- 2026/27:25% of Debtors Impaired

Debt impairment is expected to decrease downwards as collection rates improve with time as By-laws have now been finalised to enforce robust debt and credit control policy. The Municipality have implemented the Revenue Enhancement strategy.

### 12.4 LONG TERM LIABILITY

It was settled in October 2022.

### 12.5 TRADE AND OTHER PAYABLES AND CASHFLOW ASSUMPTIONS

- Payment rate –Creditors 100%
- Payment rate-Employee costs-100% (Except for third party deductions expected to pay in the following month.
- Finance Charges Payment rate- 100%
- Capital Expenditure Payment rate- 100%
- Grant expenditure payment rate-100%
- Bulk Purchases Payment rate-100%

### 12.6 GRANTS

It is assumed that the National and Provincial grants as per the Division of Revenue Bill (DORA Bill) which has been included in the budget will be received during the 2024/2025 financial year.

### 12.7 DEPRECIATION

Assets are depreciated on a straight light basis. The useful live varies between **7-50years**.Depreciation commences when the asset is ready for use.

## **12.8 PROPERTY RATES**

It is assumed that there will be elective exemption granted to consumers based on their property market values

## **12.9 INDIGENT**

It is assumed that the indigent subsidy will increase during the financial year, entitled consumers can apply for indigent subsidy and applications will be evaluated in terms of the approved indigent council policy.

## **12.10 BULK PURCHASES**

It is assumed that electricity tariffs of Eskom will increase base on NERSA guideline as from 1 April 2024.

## **12.11 ABILITY OF THE MUNICIPALITY TO SPEND AND DELIVER ON THE PROGRAMES**

It is estimated that a spending rate of 95 per cent could be achieved on operating expenditure and 100 per cent on the capital programs for the 2024/25 MTREF.

## **12.12 IMPACT OF NATIONAL, ROVINICIAL AND LOCAL POLICIES**

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

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

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

## **13. OVERVIEW BUDGET FUNDING**

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### **13.1 FISCAL OVERVIEW**

The Municipality continues to display a sound financial profile which is mainly attributable to:

- Balanced budgets being funded from current financial year's revenue.
- The municipality operates within its annual budget, as approved by council.
- The municipality maintains a positive cash and investments position.

In compliance with relevant statutory requirements, the Financial Plan (Medium Term Revenue and Expenditure Framework-MTREF) is reviewed and updated annually.

### **13.2 FUNDING OF CAPITAL BUDGET**

The Capital budget is funded by the allocations made to the municipality by National and Provincial Government in the form of grants and internally generated funds.





	2024-25	2024-26	2026-27
MIG	10 160 000,00	10 430 000,00	10 932 000,00
INEP	15 518 000,00	8 000 000,00	5 000 000,00
DISASTER	6 180 000,00	6 181 000,00	-
	31 858 000,00	24 611 000,00	15 932 000,00

### 13.4 SOURCES OF FUNDING

The municipality's revenue comprises Operating Revenue which includes property taxes, services charges and operating grants- and capital revenue which consists of capital grants and operating surplus. This high level of independent and relative stable income sources of revenue is one of the key factors that support the sound financial position of the municipality. In addition, to the obvious need to grow the city's revenue by increasing its tax base.

### 13.5 VALUATION ROLL FLACTUATION

Property values have increase with R 1 021 370 000 to R 4 868 864 000. (Over 5 years)

### 13.6 REVIEW OF COUNCIL OWNED PROPERTIES

The review of all Council owned residential property is being undertaken to assess if the rental is cost effective and market related so that revenue would increase. Tariff changes based on actual property use.

### 13.7 ELECTRICITY

The disconnection policy is being applied for non-payment and the long outstanding debts are being targeted.

### 13.8 CHALLENGES IN THE APPROPRIATION OF FUNDS FOR 2024/2025 BUDGET

#### 13.8.1 Sustainability of municipality

The increase in electricity tariffs, which the municipality has no control over, may on the long run impact negatively on the sustainability of the municipality. This is a huge concern for the municipality.

#### 13.8.2 Impact on rates and tariffs

The way that the budget is funded will ensure that tariff increases by 4.9% on certain services while electricity charge to customers will increase base on NERSA guidelines, this will pose a financial strain on already struggling consumers and increase in ESKOM bulk electricity tariffs is a concern, which the municipality has no control over, might have a negative impact on our revenue.

#### 13.8.3 Internal generated fund (Reserves)

The accumulated surplus will be used to finance the depreciation on assets as the impact of the full provision for depreciation will make the tariffs not affordable to residents. The financing of the depreciation will be phased in over a medium to long term period.

#### 13.8.4 Planned savings and efficiencies

The following areas were identified for possible savings after the efficiency of the usage of the assets / services has been evaluated: overtime, fuel usage and non-priority spending not linked to service delivery.

- Salaries and Overtime:

Tight controls need to be implemented within the Infrastructure and Planning Development and Corporate Services to limit overtime worked to 40 hours as required by the Basic Conditions of Employment Act, unless in the case of emergencies or natural disasters, where the Unit Head will pre-authorized and approved overtime exceeding 40 hours per week. A post implementation review will be conducted on overtime in both these Units.

- Fuel usage  
Tracking system need to be closely monitored by Manager and generation of report on the monthly basic be submitted to Budget and Treasury unit for reconciliation.

## 14. GRANT ALLOCATIONS

Municipalities play a critical role in furthering government's objective of providing services to all. In support of local government, the National Treasury has gazette grants through DORA, to assist the municipality in fulfilling the obligation. The grant allocations have been included in this medium term budget for 2024/2025.

GRANT	Government Sphere	2024/2025	2025/2026	2026/2027
Financial Management Grant	National	03 000 000	03 000 000	03 000 000
Equitable Share	National	39 936 000	39 692 000	38 469 000
Municipal Infrastructure Grant	National	10 160 000	10 430 000	10 932 000
Electrification Grant (INEP)	National	15 518 000	08 000 000	05 000 000
Library Grant	Provincial	02 036 000	02 270 000	02 253 000
Expanded Public Works Programme(EPWP)	Provincial	01 331 000	0	0
Disaster	Provincial	06 180 000	6 181 000	0

### GRANT ALLOCATIONS PROGRAMMES

In terms of the DORA 2024 the purpose of the grants which have been allocated to eMadlangeni municipality for the MTEF are:

#### 14.1 Financial management Grant

The purpose of the FMG is to promote and support reforms in the Budget and Treasury Office building the capacity in the municipalities to implement the MFMA, with the following measurable outputs

- Improved and sustained skills development including an internship programme in the BTO
- Upgrading of the IT system to deliver reports which enhance and improve reporting and the quality of data
- Preparation and implementation of supply chain reforms, accounting reforms, producing quality and timely financial statements
- Preparation of financial recovery plans
- Progressive improvements in audit outcomes
- Improvements to internal and external reporting on budgets, finances, SDBIP and annual Reports
- Implementation of the MFMA

#### 14.2 Municipal Infrastructure Grant

The purpose of the grant is intended for the provision of capital finance for basic municipal infrastructure for the poor households, micro enterprise and social institutions. It is also for provision for new rehabilitation and upgrading of municipal infrastructure, eradicate the bucket sanitation system

Measurable outputs

- Number of new households receiving basic services per annum

- Number of additional kilometres of roads constructed and developed
- Number of sporting facilities constructed and developed
- Number of jobs created using Expanded Public Works Programme (EPWP)
- Number of households where the bucket system has been replaced with an alternative System

### **14.3 Libraries**

#### **14.3.1 Provincial Libraries**

The purpose of this grant is to address the constitutional mandate whereby public libraries are an exclusive provincial mandate. The funding will be for staffing costs in public libraries, currently administered by local authorities.

#### **14.3.2 Community Libraries**

The purpose of this grant is to provide access to modern day technology and information resources as well as to provide relevant collections of material in libraries which meet the needs of the communities.

#### **14.4 EPWP Grant**

The purpose of this grant is for creation of job opportunities to the youth and unemployed communities and also to give them work experience.

### **13.5 ELECTRIFICATION Grant**

The DORA indicated that there will be a decrease in electrification grant will for financial year 2024/2025 as well as outer years.

## **15. LEGISLATION COMPLIANCE STATUS**

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### **15.1 DISCLOSURE ON IMPLEMENTATION OF MFMA AND OTHER LEGISLATION**

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

#### **15.2 BUDGET**

This annual budget has been developed taking the MFMA, Municipal Budget and Reporting Regulations, and National Treasury requirements into account. Budgets are being tabled and approved within the required Legislative timeframes.

#### **15.3 INTERGRATED DEVELOPMENT PLAN**

The 2024/2025 process plan was adopted on the 12<sup>th</sup> of September 2023.

#### **15.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

The detail SDBIP document is at a final stage and will be finalized after approval of the 2024/25 MTREF in June 2024 directly aligned and informed by the 2024/2025 MTREF.

#### **15.5 ANNUAL REPORT**

The 2023/2024 Annual Report has been developed taking into account the MFMA and National Treasury requirements.

## **15.6 IN-YEAR REPORTING**

100 % compliance with regards to monthly, quarterly and annual reports to Council, Provincial and National Treasury.

## **15.7 BUDGET AND TREASURY OFFICES**

A Budget and Treasury Office has been established in accordance with the MFMA and National Treasury Requirements.

## **15.8 AUDIT COMMITTEE**

The Audit Committee, an independent external committee, and provides an oversight function over the financial and risk management and performance of the municipality.

## **15.9 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

This committee ensures that the administration is held accountable for their management of municipal funds and assets, and to ensure the efficient and effective utilization of council resources.

## **16. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

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The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP. The SDBIP provides a credible information management plan to ensure service delivery targets and other performance management indicators be achieved. The mechanism ensures that the IDP and Budget are aligned. The focus of the SDBIP is the creation of both financial and non-financial measurable performance objectives in the form of service delivery targets.

The SDBIP of eMadlangeni Municipality is developed according to the eight-point plan as set out in the Municipal IDP. It contains the Strategic Focus Areas, which is then drilled down into Programs and Projects. It reflects the quarterly and annual targets and the actual achievements/ non achievement of these targets are monitored on a quarterly basis. The ultimate aim of this monitoring is to ensure that the Municipality achieves its objectives. Where targets are not achieved, reasons for non-achievement and corrective action to be implemented are required. The municipality's strategic planning documents i.e. the IDP, Budget, and the SDBIP are all linked.

The SDBIP is not part of this budget. The document will be submitted to Mayor as per section 69 (3) (a) of the MFMA and it will be approved by Council as per section 53(1) (c) (ii) of the MFMA.

## **17. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

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In terms of the Municipality's Supply Management Policy, no contracts are awarded beyond the medium – term revenue and expenditure framework (three years). It is envisaged at this stage that no contract will have budgetary implications beyond a period of three years.

## **18. MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

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I, Mrs GN Mavudla, Acting Municipal Manager of eMadlangeni Municipality, hereby certify that the final annual budget and supporting documentation of the 2024/2025 Operating and Capital Budget have been prepared in accordance with the Municipal Finance Management Act, 56 of 2003, and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : Mrs. GN Mavudla

Municipal Manager : EMADLANGENI MUNICIPALITY

Signature :  .....

Date : 23 May 2024 .....

**19. OTHER SUPPORTING TABLE: BUDGET (ANNEXURE A)**  
**PART OF THE AGENDA.**

---

# Municipal annual budgets and MTRF & supporting tables

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**national treasury**

Department  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Contact details:**

Kgomotso Baloyi  
National Treasury  
Tel: (012) 316-5866  
Electronic submissions:  
LG Upload Portal

### Preparation Instructions

Municipality Name:

CFO Name:

Tel:  Fax:

E-Mail:

Budget for MTREF starting:

Budget Year: 2024/25

Does this municipality have Entities?

If YES: Identify type of report:

**LGDB Export**

**Name Votes & Sub-Votes**

#### Printing Instructions

##### Showing / Hiding Columns

##### Showing / Clearing Highlights

#### Important documents which provide essential assistance

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[MBRR Budget Formats Guide](#) [Click to view](#)

[Dummy Budget Guide](#) [Click to view](#)

[Funding Compliance Guide](#) [Click to view](#)

[MFMA Return Forms](#) [Click to view](#)

SAT36



Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Executive and Council	<b>Vote 1 Executive and Council</b>	
Vote 2 - Finance and Administration	1.1 Mayor and Council	1.1 - Mayor and Council
Vote 3 - Internal Audit	1.2 Municipal Manager, Town Secretary and Chief Executive	1.2 - Municipal Manager, Town Secretary and Chief Executive
Vote 4 - Community and Social Services	1.3	1.3 -
Vote 5 - Sport and Recreation	1.4	1.4 -
Vote 6 - Public Safety	1.5	1.5 -
Vote 7 - Housing	1.6	1.6 -
Vote 8 - Other	1.7	1.7 -
Vote 9 - Planning and Development	1.8	1.8 -
Vote 10 - Road Transport	1.9	1.9 -
Vote 11 - Environmental Protection	1.10	1.10 -
Vote 12 - Energy Sources	<b>Vote 2 Finance and Administration</b>	
Vote 13 - Water Management	2.1 Administrative and Corporate Support	2.1 - Administrative and Corporate Support
Vote 14 - Waste Water Management	2.2 Asset Management	2.2 - Asset Management
Vote 15 - Waste Management	2.3 Finance	2.3 - Finance
	2.4 Fleet Management	2.4 - Fleet Management
	2.5 Human Resources	2.5 - Human Resources
	2.6 Information Technology	2.6 - Information Technology
	2.7 Legal Services	2.7 - Legal Services
	2.8 Supply Chain Management	2.8 - Supply Chain Management
	2.9 Property Services	2.9 - Property Services
	2.10 Valuation Service	2.10 - Valuation Service
	<b>Vote 3 Internal Audit</b>	
	3.1 Governance Function	3.1 - Governance Function
	3.2 Security Services	3.2 - Security Services
	3.3 Marketing, Customer Relations, Publicity and Media Co-ordination	3.3 - Marketing, Customer Relations, Publicity and Media Co-ordination
	3.4 Animal Care and Diseases	3.4 - Animal Care and Diseases
	3.5 Population Development	3.5 - Population Development
	3.6	3.6 -
	3.7	3.7 -
	3.8	3.8 -
	3.9	3.9 -
	3.10	3.10 -
	<b>Vote 4 Community and Social Services</b>	
	4.1 Aged Care	4.1 - Aged Care
	4.2 Agricultural	4.2 - Agricultural
	4.3 Libraries and Archives	4.3 - Libraries and Archives
	4.4 Cemeteries, Funeral Parlours and Crematoriums	4.4 - Cemeteries, Funeral Parlours and Crematoriums
	4.5 Child Care Facilities	4.5 - Child Care Facilities
	4.6 Community Halls and Facilities	4.6 - Community Halls and Facilities
	4.7 Literacy Programmes	4.7 - Literacy Programmes
	4.8 Cultural Matters	4.8 - Cultural Matters
	4.9 Disaster Management	4.9 - Disaster Management
	4.10 Education	4.10 - Education
	<b>Vote 5 Sport and Recreation</b>	
	5.1 Beaches and Jetties	5.1 - Beaches and Jetties
	5.2 Casinos, Racing, Gambling, Wagering	5.2 - Casinos, Racing, Gambling, Wagering
	5.3 Community Parks (Including Nurseries)	5.3 - Community Parks (Including Nurseries)
	5.4 Recreational Facilities	5.4 - Recreational Facilities
	5.5 Sports Grounds and Stadiums	5.5 - Sports Grounds and Stadiums
	5.6	5.6 -
	5.7	5.7 -
	5.8	5.8 -
	5.9	5.9 -
	5.10	5.10 -
	<b>Vote 6 Public Safety</b>	
	6.1 Civil Defence	6.1 - Civil Defence
	6.2 Cleansing	6.2 - Cleansing
	6.3 Control of Public Nuisances	6.3 - Control of Public Nuisances
	6.4 Fencing and Fences	6.4 - Fencing and Fences
	6.5 Fire Fighting and Protection	6.5 - Fire Fighting and Protection
	6.6 Licensing and Control of Animals	6.6 - Licensing and Control of Animals
	6.7 Police Forces, Traffic and Street Parking Control	6.7 - Police Forces, Traffic and Street Parking Control
	6.8 Pounds	6.8 - Pounds
	6.9 Museums and Art Galleries	6.9 - Museums and Art Galleries
	6.10 Licensing and Regulation	6.10 - Licensing and Regulation
	<b>Vote 7 Housing</b>	
	7.1 Housing	7.1 - Housing
	7.2 Informal Settlements	7.2 - Informal Settlements
	7.3 Markets	7.3 - Markets
	7.4	7.4 -
	7.5	7.5 -
	7.6	7.6 -
	7.7	7.7 -
	7.8	7.8 -
	7.9	7.9 -
	7.10	7.10 -
	<b>Vote 8 Other</b>	
	8.1 Ambulance	8.1 - Ambulance
	8.2 Health Services	8.2 - Health Services
	8.3 Laboratory Services	8.3 - Laboratory Services
	8.4 Food Control	8.4 - Food Control
	8.5 Health Surveillance and Prevention of Communicable Diseases including immunizations	8.5 - Health Surveillance and Prevention of Communicable Diseases including immunizations
	8.6 Vector Control	8.6 - Vector Control
	8.7 Chemical Safety	8.7 - Chemical Safety
	8.8	8.8 -
	8.9	8.9 -
	8.10	8.10 -
	<b>Vote 9 Planning and Development</b>	
	9.1 Billboards	9.1 - Billboards
	9.2 Corporate Wide Strategic Planning (IDPs, LEDs)	9.2 - Corporate Wide Strategic Planning (IDPs, LEDs)
	9.3 Central City Improvement District	9.3 - Central City Improvement District
	9.4 Development Facilitation	9.4 - Development Facilitation
	9.5 Economic Development/Planning	9.5 - Economic Development/Planning
	9.6 Regional Planning and Development	9.6 - Regional Planning and Development
	9.7 Town Planning, Building Regulations and Enforcement, and City Engineer	9.7 - Town Planning, Building Regulations and Enforcement, and City Engineer
	9.8 Project Management Unit	9.8 - Project Management Unit
	9.9 Provincial Planning	9.9 - Provincial Planning
	9.10 Support to Local Municipalities	9.10 - Support to Local Municipalities
	<b>Vote 10 Road Transport</b>	
	10.1 Public Transport	10.1 - Public Transport
	10.2 Road and Traffic Regulation	10.2 - Road and Traffic Regulation
	10.3 Roads	10.3 - Roads
	10.4 Taxi Ranks	10.4 - Taxi Ranks
	10.5	10.5 -
	10.6	10.6 -
	10.7	10.7 -
	10.8	10.8 -
	10.9	10.9 -
	10.10	10.10 -
	<b>Vote 11 Environmental Protection</b>	
	11.1 Biodiversity and Landscape	11.1 - Biodiversity and Landscape
	11.2 Coastal Protection	11.2 - Coastal Protection
	11.3 Indigenous Forests	11.3 - Indigenous Forests
	11.4 Nature Conservation	11.4 - Nature Conservation
	11.5 Pollution Control	11.5 - Pollution Control
	11.6 Soil Conservation	11.6 - Soil Conservation
	11.7 Air Transport	11.7 - Air Transport
	11.8 Forestry	11.8 - Forestry
	11.9 Tourism	11.9 - Tourism
	11.10	11.10 -
	<b>Vote 12 Energy Sources</b>	

12.1	Electricity
12.2	Street Lighting and Signal Systems
12.3	Nonelectric Energy
12.4	
12.5	
12.6	
12.7	
12.8	
12.9	
12.10	
<b>Vote 13 Water Management</b>	
13.1	Water Treatment
13.2	Water Distribution
13.3	Water Storage
13.4	
13.5	
13.6	
13.7	
13.8	
13.9	
13.10	
<b>Vote 14 Waste Water Management</b>	
14.1	Public Toilets
14.2	Sewerage
14.3	Storm Water Management
14.4	Waste Water Treatment
14.5	
14.6	
14.7	
14.8	
14.9	
14.10	
<b>Vote 15 Waste Management</b>	
15.1	Recycling
15.2	Solid Waste Disposal (Landfill Sites)
15.3	Solid Waste Removal
15.4	Street Cleaning
15.5	[Name of sub-vote]
15.6	[Name of sub-vote]
15.7	[Name of sub-vote]
15.8	[Name of sub-vote]
15.9	[Name of sub-vote]
15.10	[Name of sub-vote]

12.1	Electricity
12.2	Street Lighting and Signal Systems
12.3	Nonelectric Energy
12.4	
12.5	
12.6	
12.7	
12.8	
12.9	
12.10	
13.1	Water Treatment
13.2	Water Distribution
13.3	Water Storage
13.4	
13.5	
13.6	
13.7	
13.8	
13.9	
13.10	
14.1	Public Toilets
14.2	Sewerage
14.3	Storm Water Management
14.4	Waste Water Treatment
14.5	
14.6	
14.7	
14.8	
14.9	
14.10	
15.1	Recycling
15.2	Solid Waste Disposal (Landfill Sites)
15.3	Solid Waste Removal
15.4	Street Cleaning

**KZN253 Emadlangeni - Contact Information**

**A. GENERAL INFORMATION**

**Municipality** KZN253 Emadlangeni

**Grade**

*1 Grade in terms of the Remuneration of Public Office Bearers Act.*

**Province** KZN KWAZULU-NATAL

**Web Address**

**e-mail Address**

**B. CONTACT INFORMATION**

**Postal address:**

P.O. Box

City / Town

Postal Code

**Street address**

Building

Street No. & Name

City / Town

Postal Code

**General Contacts**

Telephone number

Fax number

**C. POLITICAL LEADERSHIP**

**Speaker:**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Secretary/PA to the Speaker:**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Mayor/Executive Mayor:**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Secretary/PA to the Mayor/Executive Mayor:**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Deputy Mayor/Executive Mayor:**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Secretary/PA to the Deputy Mayor/Executive Mayor:**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**D. MANAGEMENT LEADERSHIP**

**Municipal Manager:**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Secretary/PA to the Municipal Manager:**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Chief Financial Officer**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Secretary/PA to the Chief Financial Officer**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Official responsible for submitting financial information**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

**Official responsible for submitting financial information**

ID Number

Title

Name

Telephone number

Cell number

Fax number

E-mail address

<b>Official responsible for submitting financial information</b>	<b>Official responsible for submitting financial information</b>
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
<b>Official responsible for submitting financial information</b>	<b>Official responsible for submitting financial information</b>
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
<b>Official responsible for submitting financial information</b>	<b>Official responsible for submitting financial information</b>
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
<b>Official responsible for submitting financial information</b>	<b>Official responsible for submitting financial information</b>
ID Number	ID Number
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Cell number	Cell number
Fax number	Fax number
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Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
<b>Official responsible for submitting financial information</b>	<b>Official responsible for submitting financial information</b>
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address

**KZN253 Emadlangeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year 2026/27
<b>Revenue - Functional</b>	1									
<b>Governance and administration</b>		66 051	67 999	67 948	88 192	94 454	94 454	97 386	99 909	99 700
Executive and council		36 471	36 076	36 076	38 069	38 069	38 069	39 936	39 692	38 400
Finance and administration		29 580	31 923	31 872	50 123	56 385	56 385	57 450	60 217	61 200
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		3 749	4 758	4 758	9 851	4 123	4 123	4 983	5 212	5 300
Community and social services		2 315	2 463	2 463	2 027	2 000	2 000	2 086	2 182	2 100
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 434	2 294	2 294	7 824	2 122	2 122	2 897	3 031	3 100
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		17 509	11 145	11 145	43 787	37 128	37 128	17 811	16 757	11 000
Planning and development		1 253	1 020	1 020	968	1 495	1 495	1 393	65	600
Road transport		16 255	10 125	10 125	42 819	35 633	35 633	16 418	16 693	11 010
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		15 858	29 880	29 880	21 661	46 149	46 149	42 368	36 085	34 300
Energy sources		14 098	27 963	27 963	19 227	43 714	43 714	39 198	32 770	30 900
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 760	1 917	1 917	2 434	2 434	2 434	3 169	3 315	3 460
<b>Other</b>	4	5	3 143	3 143	3 901	3 601	3 601	726	759	790
<b>Total Revenue - Functional</b>	2	103 172	116 925	116 874	167 392	185 455	185 455	163 274	158 722	151 350
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		43 805	59 775	59 724	58 280	60 036	60 036	51 567	53 976	56 340
Executive and council		8 084	11 703	11 703	10 578	11 066	11 066	10 651	11 157	11 580
Finance and administration		34 842	46 794	46 743	46 387	47 740	47 740	39 010	40 826	42 680
Internal audit		880	1 279	1 279	1 316	1 229	1 229	1 905	1 993	2 080
<b>Community and public safety</b>		16 360	21 855	16 223	24 785	24 517	24 517	25 499	26 758	28 040
Community and social services		4 835	6 771	6 771	7 582	7 240	7 240	7 507	7 938	8 560
Sport and recreation		1 943	1 966	1 966	2 808	2 584	2 584	2 837	2 968	2 890
Public safety		9 582	13 118	7 486	14 395	14 693	14 693	15 155	15 852	16 580
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		16 415	16 017	16 017	11 958	10 020	10 020	13 043	11 933	12 480
Planning and development		3 517	4 083	4 083	4 798	4 284	4 284	5 693	3 775	3 940
Road transport		12 898	11 934	11 934	7 160	5 736	5 736	7 350	8 158	8 530
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		19 686	39 206	39 206	27 371	26 805	26 805	29 668	30 751	32 160
Energy sources		17 861	33 484	33 484	24 125	24 210	24 210	26 060	27 259	28 510
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	(1 745)	(1 745)	-	-	-	-	-	-
Waste management		1 826	7 467	7 467	3 246	2 595	2 595	3 608	3 491	3 650
<b>Other</b>	4	3 270	4 601	4 601	7 742	7 639	7 639	4 245	4 441	4 660
<b>Total Expenditure - Functional</b>	3	99 536	141 455	135 772	130 136	129 017	129 017	124 022	127 858	133 700
<b>Surplus/(Deficit) for the year</b>		3 635	(24 530)	(18 898)	37 256	56 437	56 437	39 251	30 865	17 650

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)

4. All amounts must be classified under a functional classification. The GFS function 'Other' is only for Abbatoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

**KZN253 Emadlangeni - Table A1 Budget Summary**

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	21 556	–	25 420	45 333	45 345	45 345	–	47 567	50 017	50 746
Service charges	15 858	16 056	16 056	21 661	21 661	21 661	–	23 300	24 372	25 493
Investment revenue	182	–	557	493	905	905	–	1 169	1 223	1 279
Transfer and subsidies - Operational	44 734	(6 770)	43 866	47 469	47 469	47 469	–	46 303	44 822	43 589
Other own revenue	6 531	(60 833)	7 142	9 699	10 037	10 037	–	13 076	13 678	14 307
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>88 862</b>	<b>(51 546)</b>	<b>93 040</b>	<b>124 655</b>	<b>125 416</b>	<b>125 416</b>	<b>–</b>	<b>131 416</b>	<b>134 111</b>	<b>135 424</b>
Employee costs	37 980	46 463	46 412	47 879	51 995	51 995	–	52 090	53 281	55 372
Remuneration of councillors	3 715	–	4 597	4 858	4 473	4 473	–	4 740	4 903	5 129
Depreciation and amortisation	9 658	11 563	11 563	9 864	9 864	9 864	–	9 332	9 790	10 240
Interest	161	–	1 967	300	164	164	–	–	–	–
Inventory consumed and bulk purchases	14 679	15 896	15 896	26 330	23 550	23 550	–	28 456	29 765	31 134
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other expenditure	31 171	50 078	51 215	40 905	38 971	38 971	–	29 404	30 120	31 831
<b>Total Expenditure</b>	<b>97 364</b>	<b>124 000</b>	<b>131 651</b>	<b>130 136</b>	<b>129 018</b>	<b>129 018</b>	<b>–</b>	<b>124 022</b>	<b>127 858</b>	<b>133 706</b>
<b>Surplus/(Deficit)</b>	<b>(8 502)</b>	<b>(175 547)</b>	<b>(38 611)</b>	<b>(5 481)</b>	<b>(3 602)</b>	<b>(3 602)</b>	<b>–</b>	<b>7 393</b>	<b>6 254</b>	<b>1 719</b>
Transfers and subsidies - capital (monetary allocations)	14 310	–	23 834	42 737	60 039	60 039	–	31 858	24 611	15 932
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>5 808</b>	<b>(175 547)</b>	<b>(14 777)</b>	<b>37 256</b>	<b>56 437</b>	<b>56 437</b>	<b>–</b>	<b>39 251</b>	<b>30 865</b>	<b>17 651</b>
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>5 808</b>	<b>(175 547)</b>	<b>(14 777)</b>	<b>37 256</b>	<b>56 437</b>	<b>56 437</b>	<b>–</b>	<b>39 251</b>	<b>30 865</b>	<b>17 651</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>154 391</b>	<b>115 758</b>	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	<b>–</b>	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>
Transfers recognised - capital	54 492	13 555	13 555	37 163	52 450	52 450	–	27 703	21 401	13 854
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	99 898	102 202	102 202	1 888	2 791	2 791	–	1 525	288	301
<b>Total sources of capital funds</b>	<b>154 391</b>	<b>115 758</b>	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	<b>–</b>	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>
<b>Financial position</b>										
Total current assets	35 933	7 094	22 577	41 878	95 215	95 215	–	94 611	98 912	124 741
Total non current assets	195 694	244 558	142 367	237 402	468 927	468 927	–	160 782	225 834	322 534
Total current liabilities	54 439	30 386	74 445	35 489	36 851	36 851	–	65 735	71 498	97 451
Total non current liabilities	3 921	6 692	3 210	22 965	24 570	27 848	–	28 716	41 925	60 792
Community wealth/Equity	171 383	–	107 794	220 840	502 683	502 683	–	160 942	211 323	290 685
<b>Cash flows</b>										
Net cash from (used) operating	5 102	(1 783)	(1 995)	50 915	70 196	70 196	–	30 181	25 731	18 147
Net cash from (used) investing	–	(205)	9	(44 908)	(63 527)	(63 527)	–	(33 612)	(24 942)	(16 278)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>5 102</b>	<b>(2 340)</b>	<b>(2 337)</b>	<b>9 414</b>	<b>9 594</b>	<b>6 668</b>	<b>–</b>	<b>18 359</b>	<b>19 148</b>	<b>21 017</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	4 971	2 534	2 712	8 802	6 506	6 506	–	18 359	32 385	48 000
Application of cash and investments	36 014	40 189	64 482	22 845	4 562	25 499	–	553	11 294	23 785
<b>Balance - surplus (shortfall)</b>	<b>(31 043)</b>	<b>(37 655)</b>	<b>(61 769)</b>	<b>(14 043)</b>	<b>1 944</b>	<b>(18 993)</b>	<b>–</b>	<b>17 806</b>	<b>21 092</b>	<b>24 215</b>
<b>Asset management</b>										
Asset register summary (WDV)	142 885	133 788	133 788	200 239	432 584	432 584	–	133 079	204 433	308 680
Depreciation	9 658	11 563	11 563	9 864	9 864	9 864	–	9 332	9 790	10 240
Renewal and Upgrading of Existing Assets	27 307	(903)	(903)	153	133	133	–	968	176	184
Repairs and Maintenance	842	955	955	2 044	1 518	1 518	–	1 686	2 234	2 338
<b>Free services</b>										
Cost of Free Basic Services provided	–	–	–	116	101	101	–	125	131	137
Revenue cost of free services provided	–	(2 224)	–	(116)	(101)	(101)	–	(125)	(131)	(137)
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

KZN253 Emdlangeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>	1									
<b>Municipal governance and administration</b>		85 051	67 999	67 948	83 192	94 454	94 454	97 386	99 909	99 746
Executive and council		36 471	36 076	36 076	38 069	38 069	38 069	39 936	39 692	38 469
Mayor and Council		36 702	36 076	36 076	38 069	38 069	38 069	39 936	39 692	38 469
Municipal Manager, Town	(231)	-	-	-	-	-	-	-	-	-
Finance and administration		29 580	31 923	31 872	50 123	56 385	56 385	57 450	60 217	61 277
Administrative and Corporate Asset Management		25 636	30 136	30 085	50 122	50 714	50 714	22 662	23 598	24 513
Finance		3 944	1 788	1 788	-	5 671	5 671	34 788	36 650	36 764
Fleet Management		-	-	-	-	-	-	-	-	-
Human Resources		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Legal Services		-	-	-	-	-	-	-	-	-
Marketing, Customer Relations, Property Services		-	-	-	-	-	-	-	-	-
Risk Management		-	-	-	-	-	-	-	-	-
Security Services		-	-	-	-	-	-	-	-	-
Supply Chain Management		-	-	-	-	-	-	-	-	-
Valuation Service		0	-	-	1	1	1	1	1	1
Internal audit		-	-	-	-	-	-	-	-	-
Governance Function		-	-	-	-	-	-	-	-	-
Community and public safety		3 749	4 758	4 758	9 851	4 123	4 123	4 883	5 212	5 354
Community and social services		2 315	2 463	2 463	2 027	2 000	2 000	2 086	2 182	2 184
Ageed Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Child Care Facilities		63	38	38	62	30	30	36	38	39
Community Halls and Facilities		1	3	3	15	3	3	3	3	3
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	-	-	-	-	-	-
Disaster Management		-	-	-	-	-	-	-	-	-
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Literacy Programmes		2 251	2 423	2 423	1 850	1 967	1 967	2 047	2 141	2 141
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		-	-	-	-	-	-	-	-	-
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Community Parks (including Recreational Facilities)		-	-	-	-	-	-	-	-	-
Sports Grounds and Stadiums		1 434	2 294	2 284	7 824	2 122	2 122	2 887	3 031	3 170
Public safety		-	-	-	-	-	-	-	-	-
Civil Defence		-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		-	-	-	-	-	-	-	-	-
Licensing and Control of Animals		1 434	2 294	2 284	7 824	2 122	2 122	2 887	3 031	3 170
Police Forces, Traffic and Street Pounds		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Housing Informal Settlements		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		-	-	-	-	-	-	-	-	-
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>									
<b>Economic and environmental services</b>		17 509	11 145	11 145	43 787	37 128	37 128	17 811	16 757	11 085
<b>Planning and development</b>		1 253	1 020	1 020	968	1 495	1 495	1 363	65	68
Billboards		-	-	-	-	-	-	-	-	-
Corporate Wide Strategic		-	-	-	-	-	-	-	-	-
Central City Improvement District		-	-	-	-	-	-	-	-	-
Development Facilitation		41	34	34	10	40	40	47	50	52
Economic Development/Planning		1 093	992	992	955	955	955	1 345	15	16
Regional Planning and		-	-	-	-	-	-	-	-	-
Town Planning, Building		119	(7)	(7)	3	-	-	-	-	-
Project Management Unit		-	-	-	-	-	-	-	-	-
Provincial Planning		-	-	-	-	500	500	-	-	-
Support to Local Municipalities		-	-	-	-	-	-	-	-	-
<b>Road transport</b>		16 255	10 125	10 125	42 819	35 633	35 633	16 418	16 683	11 018
Public Transport		-	-	-	-	-	-	-	-	-
Road and Traffic Regulation		-	-	-	-	-	-	-	-	-
Roads		16 255	10 125	10 125	42 819	35 633	35 633	16 418	16 683	11 018
Taxi Ranks		-	-	-	-	-	-	-	-	-
<b>Environmental protection</b>		-	-	-	-	-	-	-	-	-
Biodiversity and Landscape		-	-	-	-	-	-	-	-	-
Coastal Protection		-	-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-	-
Nature Conservation		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Soil Conservation		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		15 898	29 630	29 630	21 661	46 149	46 149	42 368	36 085	34 377
<b>Energy sources</b>		14 098	27 963	27 963	19 227	43 714	43 714	39 196	32 770	30 909
Electricity		14 098	27 963	27 963	19 227	43 714	43 714	39 196	32 770	30 909
Street Lighting and Signal		-	-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-	-
<b>Water management</b>		-	-	-	-	-	-	-	-	-
Water Treatment		-	-	-	-	-	-	-	-	-
Water Distribution		-	-	-	-	-	-	-	-	-
Water Storage		-	-	-	-	-	-	-	-	-
<b>Waste water management</b>		-	-	-	-	-	-	-	-	-
Public Toilets		-	-	-	-	-	-	-	-	-
Sewerage		-	-	-	-	-	-	-	-	-
Storm Water Management		-	-	-	-	-	-	-	-	-
Waste Water Treatment		-	-	-	-	-	-	-	-	-
<b>Waste management</b>		1 760	1 917	1 917	2 434	2 434	2 434	3 169	3 315	3 468
Recycling		-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill)		-	-	-	-	-	-	-	-	-
Solid Waste Removal		1 760	1 917	1 917	2 434	2 434	2 434	3 169	3 315	3 468
Street Cleaning		-	-	-	-	-	-	-	-	-
<b>Other</b>		5	3 143	3 143	3 901	3 601	3 601	726	759	784
Abattoirs		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Licensing and Regulation		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Tourism		5	3 143	3 143	3 901	3 601	3 601	726	759	784
<b>Total Revenue - Functional</b>	<b>2</b>	<b>103 172</b>	<b>116 925</b>	<b>116 874</b>	<b>167 362</b>	<b>185 455</b>	<b>185 455</b>	<b>163 274</b>	<b>158 722</b>	<b>151 356</b>



KZN253 Emdlangeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year+1 2025/26	Budget Year+2 2026/27
<b>Expenditure - Functional</b>	<b>1</b>									
<b>Municipal government and administration</b>		43 805	59 775	59 724	58 280	60 036	60 036	51 567	53 978	56 345
Executives and council		8 084	11 703	11 703	10 578	11 066	11 066	10 851	11 157	11 580
Mayor and Council		4 875	8 180	8 180	6 988	6 643	6 643	6 722	7 047	7 281
Municipal Manager, Town		3 209	3 522	3 522	3 680	4 423	4 423	3 930	4 110	4 299
Finance and administration		34 842	46 794	46 743	46 387	47 740	47 740	39 010	40 826	42 680
Administrative and Corporate		21 891	34 550	34 498	32 981	33 961	33 961	24 607	25 760	26 919
Asset Management		1 162	1 333	1 333	1 109	923	923	1 421	1 486	1 555
Finance		3 113	3 828	3 828	3 463	4 516	4 516	3 320	3 473	3 633
Fleet Management		-	-	-	-	-	-	-	-	-
Human Resources		510	1 029	1 029	1 943	1 486	1 486	2 002	2 084	2 191
Information Technology		3 640	3 083	3 083	2 764	3 764	3 764	2 911	3 045	3 185
Legal Services		3 172	1 515	1 515	1 800	1 605	1 605	1 400	1 464	1 534
Marketing, Customer Relations, Property Services		684	680	680	834	-	-	1 653	1 729	1 808
Risk Management		-	-	-	-	-	-	-	-	-
Security Services		-	-	-	-	-	-	-	-	-
Supply Chain Management		652	776	776	1 484	1 484	1 484	1 688	1 774	1 858
Valuation Service		-	-	-	-	-	-	-	-	-
Interim audit		680	1 279	1 279	1 316	1 229	1 229	1 905	1 993	2 084
Governance Function		630	1 279	1 279	1 316	1 229	1 229	1 905	1 993	2 084
<b>Community and public safety</b>		16 380	21 855	16 223	24 785	24 517	24 517	25 498	26 758	28 048
Community and social services		4 635	6 771	6 771	7 962	7 240	7 240	7 907	7 938	8 968
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Child Care Facilities		28	12	12	320	110	110	200	209	220
Community Halls and Facilities		637	680	680	300	500	500	250	262	274
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	-	-	-	-	-	-
Disaster Management		999	1 274	1 274	1 433	1 774	1 774	1 581	1 665	1 741
Education		8	-	-	72	72	72	-	-	-
Indigenous and Customary Law		14	-	-	50	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		1 083	2 474	2 474	2 151	2 049	2 049	2 100	2 196	2 297
Literacy Programmes		86	159	159	104	79	79	150	157	164
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		-	-	-	-	-	-	-	-	-
Population Development		1 727	2 173	2 173	3 152	2 656	2 656	3 216	3 450	3 673
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sport and recreation		1 943	1 966	1 966	2 808	2 584	2 584	2 637	2 968	2 899
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Community Parks (including Recreational Facilities)		1 943	1 966	1 966	2 808	2 584	2 584	2 637	2 968	2 899
Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
<b>Public safety</b>		9 962	13 118	7 486	14 395	14 680	14 680	15 155	15 852	16 581
Civil Defence		-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisance		-	-	-	-	-	-	-	-	-
Fencing and Fences		4 295	5 632	-	6 000	6 000	6 000	6 000	6 278	6 565
Fire Fighting and Protection		2 242	4 115	4 115	3 905	4 083	4 086	4 128	4 318	4 516
Licensing and Control of Animals		3 045	3 371	3 371	4 489	4 607	4 607	5 027	5 258	5 500
Police Forces, Traffic and Street Pounds		-	-	-	-	-	-	-	-	-
<b>Housing</b>		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
<b>Health</b>		-	-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		-	-	-	-	-	-	-	-	-
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-

KZN253 Emsadlangeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Economic and environmental services</b>	1	16 415	16 917	16 917	11 958	10 020	10 020	13 043	11 933	12 482
Planning and development		3 517	4 083	4 083	4 793	4 284	4 284	5 693	3 775	3 949
Billboards		-	-	-	-	-	-	-	-	-
Corporate Wide Strategic		-	-	-	-	-	-	-	-	-
Central City Improvement District		-	-	-	-	-	-	-	-	-
Development Facilitation		1 784	2 038	2 038	2 211	1 934	1 934	2 610	2 469	2 582
Economic Development/Planning		1 557	2 045	2 045	2 587	2 350	2 350	3 083	1 906	1 366
Regional Planning and		-	-	-	-	-	-	-	-	-
Town Planning, Building		176	-	-	-	-	-	-	-	-
Project Management Unit		-	-	-	-	-	-	-	-	-
Provincial Planning		-	-	-	-	-	-	-	-	-
Support to Local Municipalities		-	-	-	-	-	-	-	-	-
Road transport		12 898	11 934	11 934	7 160	5 736	5 736	7 350	8 158	8 534
Public Transport		-	-	-	-	-	-	-	-	-
Road and Traffic Regulation		-	-	-	-	-	-	-	-	-
Roads		12 898	11 891	11 891	7 160	5 736	5 736	7 350	8 158	8 534
Taxi Ranks		-	43	43	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Biodiversity and Landscape		-	-	-	-	-	-	-	-	-
Coastal Protection		-	-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-	-
Nature Conservation		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Soil Conservation		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		19 696	39 206	39 206	27 371	26 805	26 805	29 668	30 751	32 165
Energy sources		17 861	33 484	33 484	24 125	24 210	24 210	26 060	27 259	28 513
Electricity		17 861	33 484	33 484	24 125	24 210	24 210	26 060	27 259	28 513
Street Lighting and Signal		-	-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Water Treatment		-	-	-	-	-	-	-	-	-
Water Distribution		-	-	-	-	-	-	-	-	-
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		-	(1 745)	(1 745)	-	-	-	-	-	-
Public Toilets		-	-	-	-	-	-	-	-	-
Sewerage		-	-	-	-	-	-	-	-	-
Storm Water Management		-	(1 745)	(1 745)	-	-	-	-	-	-
Waste Water Treatment		-	-	-	-	-	-	-	-	-
Waste management		1 826	7 467	7 467	3 246	2 595	2 595	3 608	3 491	3 652
Recycling		-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill)		-	5 015	5 015	-	-	-	-	-	-
Solid Waste Removal		1 826	2 452	2 452	3 246	2 595	2 595	3 608	3 491	3 652
Street Cleaning		-	-	-	-	-	-	-	-	-
<b>Other</b>		3 270	4 691	4 691	7 742	7 639	7 639	4 245	4 441	4 665
Abattoirs		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Licensing and Regulation		-	-	-	-	-	-	-	-	-
Markets		-	9	9	-	-	-	-	-	-
Tourism		3 270	4 592	4 592	7 742	7 639	7 639	4 245	4 441	4 665
<b>Total Expenditure - Functional</b>	3	89 536	141 455	135 772	139 136	129 017	129 017	124 022	127 898	133 706
<b>Surplus/Deficit for the year</b>		3 635	(24 530)	(18 859)	37 296	56 437	56 437	39 251	30 695	17 851

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

check oprev balance	14 310 000	168 471 354	23 833 856	42 737 000	60 039 000	60 039 000	163 273 607	27 306 801	17 245 063
check opepx balance	2 172 394	17 455 010	4 121 436	-	-279	-279	-	-	-

**KZN253 Emadlangeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		36 471	36 076	36 076	38 069	38 069	38 069	39 936	39 692	38 469
Vote 2 - Finance and Administration		29 580	31 923	31 872	50 123	56 385	56 385	57 450	60 217	61 277
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2 315	2 463	2 463	2 027	2 000	2 000	2 086	2 182	2 184
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1 434	2 294	2 294	7 824	2 122	2 122	2 897	3 031	3 170
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Other		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		1 253	1 020	1 020	968	1 495	1 495	1 393	65	68
Vote 10 - Road Transport		16 255	10 125	10 125	42 819	35 633	35 633	16 418	16 693	11 018
Vote 11 - Environmental Protection		5	3 143	3 143	3 901	3 601	3 601	726	759	794
Vote 12 - Energy Sources		14 098	27 963	27 963	19 227	43 714	43 714	39 198	32 770	30 909
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		1 760	1 917	1 917	2 434	2 434	2 434	3 169	3 315	3 468
<b>Total Revenue by Vote</b>	2	<b>103 172</b>	<b>116 925</b>	<b>116 874</b>	<b>167 392</b>	<b>185 455</b>	<b>185 455</b>	<b>163 274</b>	<b>158 722</b>	<b>151 356</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		8 084	11 703	11 703	10 578	11 066	11 066	10 651	11 157	11 580
Vote 2 - Finance and Administration		34 842	46 794	46 743	46 387	47 740	47 740	39 010	40 826	42 680
Vote 3 - Internal Audit		2 607	3 452	3 452	4 468	3 885	3 885	5 121	5 443	5 957
Vote 4 - Community and Social Services		3 094	4 598	4 598	4 380	4 584	4 584	4 291	4 489	4 696
Vote 5 - Sport and Recreation		1 943	1 966	1 966	2 808	2 584	2 584	2 837	2 968	2 899
Vote 6 - Public Safety		9 582	13 118	7 486	14 395	14 693	14 693	15 155	15 852	16 581
Vote 7 - Housing		-	9	9	-	-	-	-	-	-
Vote 8 - Other		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		3 517	4 083	4 083	4 798	4 284	4 284	5 693	3 775	3 949
Vote 10 - Road Transport		12 898	11 934	11 934	7 160	5 736	5 736	7 350	8 158	8 534
Vote 11 - Environmental Protection		3 270	4 592	4 592	7 742	7 639	7 639	4 245	4 441	4 665
Vote 12 - Energy Sources		17 861	33 484	33 484	24 125	24 210	24 210	26 060	27 259	28 513
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	(1 745)	(1 745)	-	-	-	-	-	-
Vote 15 - Waste Management		1 826	7 467	7 467	3 246	2 595	2 595	3 608	3 491	3 652
<b>Total Expenditure by Vote</b>	2	<b>99 522</b>	<b>141 455</b>	<b>135 772</b>	<b>130 086</b>	<b>129 017</b>	<b>129 017</b>	<b>124 022</b>	<b>127 858</b>	<b>133 706</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>3 649</b>	<b>(24 530)</b>	<b>(18 898)</b>	<b>37 306</b>	<b>56 437</b>	<b>56 437</b>	<b>39 251</b>	<b>30 865</b>	<b>17 651</b>

References

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

KZN253 Emadlangeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year: 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>	1									
<b>Vote 1 - Executive and Council</b>		36 471	36 076	36 076	38 069	38 069	38 069	39 936	39 892	38 468
1.1 - Mayor and Council		36 702	36 076	36 076	38 069	38 069	38 069	39 936	39 892	38 469
1.2 - Municipal Manager, Town Secretary and Chief Exec		(231)	-	-	-	-	-	-	-	-
1.3 -		-	-	-	-	-	-	-	-	-
1.4 -		-	-	-	-	-	-	-	-	-
1.5 -		-	-	-	-	-	-	-	-	-
1.6 -		-	-	-	-	-	-	-	-	-
1.7 -		-	-	-	-	-	-	-	-	-
1.8 -		-	-	-	-	-	-	-	-	-
1.9 -		-	-	-	-	-	-	-	-	-
1.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 2 - Finance and Administration</b>		29 580	31 923	31 872	50 123	56 385	56 385	57 450	60 217	61 277
2.1 - Administrative and Corporate Support		25 636	30 136	30 085	50 122	50 714	50 714	22 662	23 566	24 513
2.2 - Asset Management		-	-	-	-	-	-	-	-	-
2.3 - Finance		3 944	1 788	1 788	-	5 671	5 671	34 788	36 650	36 764
2.4 - Fleet Management		-	-	-	-	-	-	-	-	-
2.5 - Human Resources		-	-	-	-	-	-	-	-	-
2.6 - Information Technology		-	-	-	-	-	-	-	-	-
2.7 - Legal Services		-	-	-	-	-	-	-	-	-
2.8 - Supply Chain Management		-	-	-	-	-	-	-	-	-
2.9 - Property Services		-	-	-	-	-	-	-	-	-
2.10 - Valuation Service		0	-	-	1	1	1	1	1	1
<b>Vote 3 - Internal Audit</b>		-	-	-	-	-	-	-	-	-
3.1 - Governance Function		-	-	-	-	-	-	-	-	-
3.2 - Security Services		-	-	-	-	-	-	-	-	-
3.3 - Marketing, Customer Relations, Publicity and Media		-	-	-	-	-	-	-	-	-
3.4 - Animal Care and Diseases		-	-	-	-	-	-	-	-	-
3.5 - Population Development		-	-	-	-	-	-	-	-	-
3.6 -		-	-	-	-	-	-	-	-	-
3.7 -		-	-	-	-	-	-	-	-	-
3.8 -		-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 4 - Community and Social Services</b>		2 315	2 463	2 463	2 027	2 000	2 000	2 086	2 182	2 184
4.1 - Aged Care		-	-	-	-	-	-	-	-	-
4.2 - Agricultural		-	-	-	-	-	-	-	-	-
4.3 - Libraries and Archives		2 251	2 423	2 423	1 950	1 967	1 967	2 047	2 141	2 141
4.4 - Cemeteries, Funeral Parlours and Crematoriums		63	38	38	62	30	30	36	38	39
4.5 - Child Care Facilities		-	-	-	-	-	-	-	-	-
4.6 - Community Halls and Facilities		1	3	3	15	3	3	3	3	3
4.7 - Literacy Programmes		-	-	-	-	-	-	-	-	-
4.8 - Cultural Matters		-	-	-	-	-	-	-	-	-
4.9 - Disaster Management		-	-	-	-	-	-	-	-	-
4.10 - Education		-	-	-	-	-	-	-	-	-
<b>Vote 5 - Sport and Recreation</b>		-	-	-	-	-	-	-	-	-
5.1 - Beaches and Jetties		-	-	-	-	-	-	-	-	-
5.2 - Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
5.3 - Community Parks (including Nurseries)		-	-	-	-	-	-	-	-	-
5.4 - Recreational Facilities		-	-	-	-	-	-	-	-	-
5.5 - Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
5.6 -		-	-	-	-	-	-	-	-	-
5.7 -		-	-	-	-	-	-	-	-	-
5.8 -		-	-	-	-	-	-	-	-	-
5.9 -		-	-	-	-	-	-	-	-	-
5.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 6 - Public Safety</b>		1 434	2 294	2 294	7 824	2 122	2 122	2 897	3 031	3 170
6.1 - Civil Defence		-	-	-	-	-	-	-	-	-
6.2 - Cleansing		-	-	-	-	-	-	-	-	-
6.3 - Control of Public Nuisances		-	-	-	-	-	-	-	-	-
6.4 - Fencing and Fences		-	-	-	-	-	-	-	-	-
6.5 - Fire Fighting and Protection		-	-	-	-	-	-	-	-	-
6.6 - Licensing and Control of Animals		1 434	2 294	2 294	7 824	2 122	2 122	2 897	3 031	3 170
6.7 - Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-	-
6.8 - Pounds		-	-	-	-	-	-	-	-	-
6.9 - Museums and Art Galleries		-	-	-	-	-	-	-	-	-
6.10 - Licensing and Regulation		-	-	-	-	-	-	-	-	-
<b>Vote 7 - Housing</b>		-	-	-	-	-	-	-	-	-
7.1 - Housing		-	-	-	-	-	-	-	-	-
7.2 - Informal Settlements		-	-	-	-	-	-	-	-	-
7.3 - Markets		-	-	-	-	-	-	-	-	-
7.4 -		-	-	-	-	-	-	-	-	-
7.5 -		-	-	-	-	-	-	-	-	-
7.6 -		-	-	-	-	-	-	-	-	-
7.7 -		-	-	-	-	-	-	-	-	-
7.8 -		-	-	-	-	-	-	-	-	-
7.9 -		-	-	-	-	-	-	-	-	-
7.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 8 - Other</b>		-	-	-	-	-	-	-	-	-
8.1 - Ambulance		-	-	-	-	-	-	-	-	-
8.2 - Health Services		-	-	-	-	-	-	-	-	-
8.3 - Laboratory Services		-	-	-	-	-	-	-	-	-
8.4 - Food Control		-	-	-	-	-	-	-	-	-
8.5 - Health Surveillance and Prevention of Communicab		-	-	-	-	-	-	-	-	-
8.6 - Vector Control		-	-	-	-	-	-	-	-	-
8.7 - Chemical Safety		-	-	-	-	-	-	-	-	-
8.8 -		-	-	-	-	-	-	-	-	-
8.9 -		-	-	-	-	-	-	-	-	-
8.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 9 - Planning and Development</b>		1 253	1 020	1 020	988	1 495	1 495	1 393	85	68
9.1 - Billboards		-	-	-	-	-	-	-	-	-
9.2 - Corporate Wide Strategic Planning (DPs, LEDs)		-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
9.3 - Central City Improvement District		-	-	-	-	-	-	-	-	-
9.4 - Development Facilitation		41	34	34	10	40	40	47	50	52
9.5 - Economic Development/Planning		1 093	992	992	955	955	955	1 345	15	16
9.6 - Regional Planning and Development		-	-	-	-	-	-	-	-	-
9.7 - Town Planning, Building Regulations and Enforcement		119	(7)	(7)	3	-	-	-	-	-
9.8 - Project Management Unit		-	-	-	-	-	-	-	-	-
9.9 - Provincial Planning		-	-	-	-	500	500	-	-	-
9.10 - Support to Local Municipalities		-	-	-	-	-	-	-	-	-
<b>Vote 10 - Road Transport</b>		<b>16 255</b>	<b>10 125</b>	<b>10 125</b>	<b>42 819</b>	<b>35 633</b>	<b>35 633</b>	<b>16 418</b>	<b>16 693</b>	<b>11 018</b>
10.1 - Public Transport		-	-	-	-	-	-	-	-	-
10.2 - Road and Traffic Regulation		-	-	-	-	-	-	-	-	-
10.3 - Roads		16 255	10 125	10 125	42 819	35 633	35 633	16 418	16 693	11 018
10.4 - Taxi Ranks		-	-	-	-	-	-	-	-	-
10.5 -		-	-	-	-	-	-	-	-	-
10.6 -		-	-	-	-	-	-	-	-	-
10.7 -		-	-	-	-	-	-	-	-	-
10.8 -		-	-	-	-	-	-	-	-	-
10.9 -		-	-	-	-	-	-	-	-	-
10.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 11 - Environmental Protection</b>		<b>5</b>	<b>3 143</b>	<b>3 143</b>	<b>3 901</b>	<b>3 601</b>	<b>3 601</b>	<b>726</b>	<b>759</b>	<b>794</b>
11.1 - Biodiversity and Landscape		-	-	-	-	-	-	-	-	-
11.2 - Coastal Protection		-	-	-	-	-	-	-	-	-
11.3 - Indigenous Forests		-	-	-	-	-	-	-	-	-
11.4 - Nature Conservation		-	-	-	-	-	-	-	-	-
11.5 - Pollution Control		-	-	-	-	-	-	-	-	-
11.6 - Soil Conservation		-	-	-	-	-	-	-	-	-
11.7 - Air Transport		-	-	-	-	-	-	-	-	-
11.8 - Forestry		-	-	-	-	-	-	-	-	-
11.9 - Tourism		5	3 143	3 143	3 901	3 601	3 601	726	759	794
11.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 12 - Energy Sources</b>		<b>14 098</b>	<b>27 963</b>	<b>27 963</b>	<b>19 227</b>	<b>43 714</b>	<b>43 714</b>	<b>39 198</b>	<b>32 770</b>	<b>30 909</b>
12.1 - Electricity		14 098	27 963	27 963	19 227	43 714	43 714	39 198	32 770	30 909
12.2 - Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
12.3 - Nonelectric Energy		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 13 - Water Management</b>		-	-	-	-	-	-	-	-	-
13.1 - Water Treatment		-	-	-	-	-	-	-	-	-
13.2 - Water Distribution		-	-	-	-	-	-	-	-	-
13.3 - Water Storage		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 14 - Waste Water Management</b>		-	-	-	-	-	-	-	-	-
14.1 - Public Toilets		-	-	-	-	-	-	-	-	-
14.2 - Sewerage		-	-	-	-	-	-	-	-	-
14.3 - Storm Water Management		-	-	-	-	-	-	-	-	-
14.4 - Waste Water Treatment		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 15 - Waste Management</b>		<b>1 760</b>	<b>1 917</b>	<b>1 917</b>	<b>2 434</b>	<b>2 434</b>	<b>2 434</b>	<b>3 169</b>	<b>3 315</b>	<b>3 468</b>
15.1 - Recycling		-	-	-	-	-	-	-	-	-
15.2 - Solid Waste Disposal (Landfill Sites)		-	-	-	-	-	-	-	-	-
15.3 - Solid Waste Removal		1 760	1 917	1 917	2 434	2 434	2 434	3 169	3 315	3 468
15.4 - Street Cleaning		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>103 172</b>	<b>116 925</b>	<b>116 874</b>	<b>167 392</b>	<b>185 455</b>	<b>185 455</b>	<b>163 274</b>	<b>158 722</b>	<b>151 356</b>



KZN253 Emdlangeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
9.3 - Central City Improvement District		-	-	-	-	-	-	-	-	-
9.4 - Development Facilitation		1 784	2 038	2 038	2 211	1 934	1 934	2 610	2 469	2 582
9.5 - Economic Development/Planning		1 557	2 045	2 045	2 587	2 350	2 350	3 083	1 306	1 366
9.6 - Regional Planning and Development		-	-	-	-	-	-	-	-	-
9.7 - Town Planning, Building Regulations and Enforcement		176	-	-	-	-	-	-	-	-
9.8 - Project Management Unit		-	-	-	-	-	-	-	-	-
9.9 - Provincial Planning		-	-	-	-	-	-	-	-	-
9.10 - Support to Local Municipalities		-	-	-	-	-	-	-	-	-
<b>Vote 10 - Road Transport</b>		<b>12 898</b>	<b>11 934</b>	<b>11 934</b>	<b>7 160</b>	<b>5 736</b>	<b>5 736</b>	<b>7 350</b>	<b>8 158</b>	<b>8 534</b>
10.1 - Public Transport		-	-	-	-	-	-	-	-	-
10.2 - Road and Traffic Regulation		-	-	-	-	-	-	-	-	-
10.3 - Roads		12 898	11 891	11 891	7 160	5 736	5 736	7 350	8 158	8 534
10.4 - Taxi Ranks		-	43	43	-	-	-	-	-	-
10.5 -		-	-	-	-	-	-	-	-	-
10.6 -		-	-	-	-	-	-	-	-	-
10.7 -		-	-	-	-	-	-	-	-	-
10.8 -		-	-	-	-	-	-	-	-	-
10.9 -		-	-	-	-	-	-	-	-	-
10.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 11 - Environmental Protection</b>		<b>3 270</b>	<b>4 592</b>	<b>4 592</b>	<b>7 742</b>	<b>7 639</b>	<b>7 639</b>	<b>4 245</b>	<b>4 441</b>	<b>4 665</b>
11.1 - Biodiversity and Landscape		-	-	-	-	-	-	-	-	-
11.2 - Coastal Protection		-	-	-	-	-	-	-	-	-
11.3 - Indigenous Forests		-	-	-	-	-	-	-	-	-
11.4 - Nature Conservation		-	-	-	-	-	-	-	-	-
11.5 - Pollution Control		-	-	-	-	-	-	-	-	-
11.6 - Soil Conservation		-	-	-	-	-	-	-	-	-
11.7 - Air Transport		-	-	-	-	-	-	-	-	-
11.8 - Forestry		-	-	-	-	-	-	-	-	-
11.9 - Tourism		3 270	4 592	4 592	7 742	7 639	7 639	4 245	4 441	4 665
11.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 12 - Energy Sources</b>		<b>17 861</b>	<b>33 484</b>	<b>33 484</b>	<b>24 125</b>	<b>24 210</b>	<b>24 210</b>	<b>26 060</b>	<b>27 259</b>	<b>28 513</b>
12.1 - Electricity		17 861	33 484	33 484	24 125	24 210	24 210	26 060	27 259	28 513
12.2 - Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
12.3 - Nonelectric Energy		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 13 - Water Management</b>		-	-	-	-	-	-	-	-	-
13.1 - Water Treatment		-	-	-	-	-	-	-	-	-
13.2 - Water Distribution		-	-	-	-	-	-	-	-	-
13.3 - Water Storage		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 14 - Waste Water Management</b>		-	(1 745)	(1 745)	-	-	-	-	-	-
14.1 - Public Toilets		-	-	-	-	-	-	-	-	-
14.2 - Sewerage		-	-	-	-	-	-	-	-	-
14.3 - Storm Water Management		-	(1 745)	(1 745)	-	-	-	-	-	-
14.4 - Waste Water Treatment		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 15 - Waste Management</b>		<b>1 826</b>	<b>7 467</b>	<b>7 467</b>	<b>3 246</b>	<b>2 595</b>	<b>2 595</b>	<b>3 608</b>	<b>3 491</b>	<b>3 652</b>
15.1 - Recycling		-	-	-	-	-	-	-	-	-
15.2 - Solid Waste Disposal (Landfill Sites)		-	5 015	5 015	-	-	-	-	-	-
15.3 - Solid Waste Removal		1 826	2 452	2 452	3 246	2 595	2 595	3 608	3 491	3 652
15.4 - Street Cleaning		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>99 522</b>	<b>141 455</b>	<b>135 772</b>	<b>130 086</b>	<b>129 017</b>	<b>129 017</b>	<b>124 022</b>	<b>127 858</b>	<b>133 706</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>3 649</b>	<b>(24 530)</b>	<b>(18 898)</b>	<b>37 306</b>	<b>56 437</b>	<b>56 437</b>	<b>39 251</b>	<b>30 865</b>	<b>17 651</b>

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

**KZN253 Emadlangeni - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	14 098	14 139	14 139	19 227	19 226	19 226	-	21 196	22 171	23 191
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	1 760	1 917	1 917	2 434	2 434	2 434	-	2 105	2 201	2 303
Sale of Goods and Rendering of Services		376	-	353	527	265	265	-	331	346	362
Agency services		-	1 407	-	-	-	-	-	-	-	-
Interest		-	557	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	1 788	-	-	-	-	-	3 549	3 713	3 883
Interest earned from Current and Non Current Assets		182	-	557	493	905	905	-	1 169	1 223	1 279
Dividends		-	689	-	-	-	-	-	-	-	-
Rent on Land		-	1 791	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 105	-	1 407	1 082	1 244	1 244	-	1 726	1 806	1 889
Licence and permits		1 484	43 866	1 791	1 673	1 613	1 613	-	2 066	2 161	2 261
Operational Revenue		37	359	6	142	639	639	-	850	889	930
<b>Non-Exchange Revenue</b>											
Property rates	2	21 556	-	25 420	45 333	45 345	45 345	-	47 567	50 017	50 746
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1	-	(46 463)	689	6 275	604	604	-	1 004	1 050	1 099
Licences or permits		-	(4 597)	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		44 734	(6 770)	43 866	47 469	47 469	47 469	-	46 303	44 822	43 599
Interest		3 944	(11 563)	1 788	-	5 671	5 671	-	3 549	3 713	3 883
Fuel Levy		-	(1 967)	-	-	-	-	-	-	-	-
Operational Revenue		-	(15 896)	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	(4 121)	-	-	-	-	-	-	-	-
Other Gains		(417)	(26 679)	1 109	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>88 862</b>	<b>(51 546)</b>	<b>93 040</b>	<b>124 655</b>	<b>125 416</b>	<b>125 416</b>	<b>-</b>	<b>131 416</b>	<b>134 111</b>	<b>135 424</b>
<b>Expenditure</b>											
Employee related costs	2	37 980	46 463	46 412	47 879	51 995	51 995	-	52 090	53 281	55 372
Remuneration of councillors		3 715	-	4 597	4 858	4 473	4 473	-	4 740	4 903	5 129
Bulk purchases - electricity	2	14 679	15 896	15 896	20 301	20 259	20 259	-	22 883	23 936	25 037
Inventory consumed	8	-	-	-	6 029	3 291	3 291	-	5 572	5 829	6 097
Debt impairment	3	-	-	6 770	10 400	10 400	10 400	-	2 852	2 983	3 120
Depreciation and amortisation		9 658	11 563	11 563	9 884	9 864	9 864	-	9 332	9 790	10 240
Interest		161	-	1 987	300	164	164	-	-	-	-
Contracted services		13 598	26 679	21 047	18 485	16 810	16 810	-	14 230	14 759	15 793
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		17 573	23 398	21 786	12 019	11 761	11 761	-	12 322	12 378	12 918
Losses on disposal of Assets		-	-	1 612	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>97 364</b>	<b>124 000</b>	<b>131 651</b>	<b>130 136</b>	<b>129 018</b>	<b>129 018</b>	<b>-</b>	<b>124 022</b>	<b>127 858</b>	<b>133 706</b>
<b>Surplus/(Deficit)</b>		<b>(8 502)</b>	<b>(175 547)</b>	<b>(38 611)</b>	<b>(5 481)</b>	<b>(3 602)</b>	<b>(3 602)</b>	<b>-</b>	<b>7 393</b>	<b>6 254</b>	<b>1 719</b>
Transfers and subsidies - capital (monetary allocations)	6	14 310	-	23 834	42 737	60 039	60 039	-	31 858	24 611	15 932
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>5 808</b>	<b>(175 547)</b>	<b>(14 777)</b>	<b>37 256</b>	<b>56 437</b>	<b>56 437</b>	<b>-</b>	<b>39 251</b>	<b>30 865</b>	<b>17 651</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>5 808</b>	<b>(175 547)</b>	<b>(14 777)</b>	<b>37 256</b>	<b>56 437</b>	<b>56 437</b>	<b>-</b>	<b>39 251</b>	<b>30 865</b>	<b>17 651</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>5 808</b>	<b>(175 547)</b>	<b>(14 777)</b>	<b>37 256</b>	<b>56 437</b>	<b>56 437</b>	<b>-</b>	<b>39 251</b>	<b>30 865</b>	<b>17 651</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>5 808</b>	<b>(175 547)</b>	<b>(14 777)</b>	<b>37 256</b>	<b>56 437</b>	<b>56 437</b>	<b>-</b>	<b>39 251</b>	<b>30 865</b>	<b>17 651</b>



Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	2										
Vote 1 - Executive and Council		--	--	--	--	--	--	--	--	--	--
Vote 2 - Finance and Administration		--	--	--	--	--	--	--	--	--	--
Vote 3 - Internal Audit		--	--	--	--	--	--	--	--	--	--
Vote 4 - Community and Social Services		--	--	--	--	--	--	--	--	--	--
Vote 5 - Sport and Recreation		--	--	--	--	--	--	--	--	--	--
Vote 6 - Public Safety		--	--	--	--	--	--	--	--	--	--
Vote 7 - Housing		--	--	--	--	--	--	--	--	--	--
Vote 8 - Other		--	--	--	--	--	--	--	--	--	--
Vote 9 - Planning and Development		--	--	--	--	--	--	--	--	--	--
Vote 10 - Road Transport		--	--	--	--	--	--	--	--	--	--
Vote 11 - Environmental Protection		--	--	--	--	--	--	--	--	--	--
Vote 12 - Energy Sources		--	--	--	--	--	--	--	--	--	--
Vote 13 - Water Management		--	--	--	--	--	--	--	--	--	--
Vote 14 - Waste Water Management		--	--	--	--	--	--	--	--	--	--
Vote 15 - Waste Management		--	--	--	--	--	--	--	--	--	--
<b>Capital multi-year expenditure sub-total</b>	7	--	--	--	--	--	--	--	--	--	--
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and Council		1 274	--	662	43	11	11	--	--	--	--
Vote 2 - Finance and Administration		94 582	--	97 303	469	658	658	--	1 433	191	200
Vote 3 - Internal Audit		339	--	339	479	228	228	--	--	--	--
Vote 4 - Community and Social Services		568	--	1 749	47	45	45	--	92	97	101
Vote 5 - Sport and Recreation		--	--	--	--	6 957	6 957	--	--	--	--
Vote 6 - Public Safety		--	--	--	--	--	--	--	--	--	--
Vote 7 - Housing		--	--	--	--	--	--	--	--	--	--
Vote 8 - Other		--	--	--	--	--	--	--	--	--	--
Vote 9 - Planning and Development		187	--	909	--	--	--	--	--	--	--
Vote 10 - Road Transport		32 689	--	12 942	21 294	23 958	23 958	--	14 209	14 444	9 506
Vote 11 - Environmental Protection		252	--	812	--	--	--	--	--	--	--
Vote 12 - Energy Sources		24 499	--	1 041	16 719	23 385	23 385	--	13 494	6 957	4 348
Vote 13 - Water Management		--	--	--	--	--	--	--	--	--	--
Vote 14 - Waste Water Management		--	--	--	--	--	--	--	--	--	--
Vote 15 - Waste Management		--	--	--	--	--	--	--	--	--	--
<b>Capital single-year expenditure sub-total</b>		<b>154 391</b>	--	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	--	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>
<b>Total Capital Expenditure - Vote</b>		<b>154 391</b>	--	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	--	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>95 857</b>	<b>97 985</b>	<b>97 985</b>	<b>512</b>	<b>669</b>	<b>669</b>	--	<b>1 433</b>	<b>191</b>	<b>200</b>
Executive and council		1 274	662	662	43	11	11	--	--	--	--
Finance and administration		94 582	97 303	97 303	469	658	658	--	1 433	191	200
Internal audit		--	--	--	--	--	--	--	--	--	--
<b>Community and public safety</b>		<b>907</b>	<b>2 088</b>	<b>2 088</b>	<b>528</b>	<b>7 229</b>	<b>7 229</b>	--	<b>92</b>	<b>97</b>	<b>101</b>
Community and social services		907	2 088	2 088	528	273	273	--	92	97	101
Sport and recreation		--	--	--	--	6 957	6 957	--	--	--	--
Public safety		--	--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--
<b>Economic and environmental services</b>		<b>32 876</b>	<b>13 852</b>	<b>13 852</b>	<b>21 294</b>	<b>23 958</b>	<b>23 958</b>	--	<b>14 209</b>	<b>14 444</b>	<b>9 506</b>
Planning and development		187	909	909	--	--	--	--	--	--	--
Road transport		32 689	12 942	12 942	21 294	23 958	23 958	--	14 209	14 444	9 506
Environmental protection		--	--	--	--	--	--	--	--	--	--
<b>Trading services</b>		<b>24 499</b>	<b>1 041</b>	<b>1 041</b>	<b>16 719</b>	<b>23 385</b>	<b>23 385</b>	--	<b>13 494</b>	<b>6 957</b>	<b>4 348</b>
Energy sources		24 499	1 041	1 041	16 719	23 385	23 385	--	13 494	6 957	4 348
Water management		--	--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--	--
Waste management		--	--	--	--	--	--	--	--	--	--
<b>Other</b>		<b>252</b>	<b>812</b>	<b>812</b>	--	--	--	--	--	--	--
<b>Total Capital Expenditure - Functional</b>	3	<b>154 391</b>	<b>115 758</b>	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	--	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>
<b>Funded by:</b>											
National Government		54 492	13 077	13 077	37 163	52 450	52 450	--	27 703	21 401	13 854
Provincial Government		--	478	478	--	--	--	--	--	--	--
District Municipality		--	--	--	--	--	--	--	--	--	--
Transfers and subsidies - capital (monetary allocations) (NAB / PROV)		--	--	--	--	--	--	--	--	--	--
Departments, Agencies, Household, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		--	--	--	--	--	--	--	--	--	--
<b>Transfers recognised - capital</b>	4	<b>54 492</b>	<b>13 555</b>	<b>13 555</b>	<b>37 163</b>	<b>52 450</b>	<b>52 450</b>	--	<b>27 703</b>	<b>21 401</b>	<b>13 854</b>
<b>Borrowing</b>	6	--	--	--	--	--	--	--	--	--	--
<b>Internally generated funds</b>		<b>99 899</b>	<b>102 202</b>	<b>102 202</b>	<b>1 888</b>	<b>2 791</b>	<b>2 791</b>	--	<b>1 525</b>	<b>268</b>	<b>301</b>
<b>Total Capital Funding</b>	7	<b>154 391</b>	<b>115 758</b>	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	--	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>

**References**

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

KZN253 Emadlangeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>Capital expenditure - Municipal Vote</b>	1										
<b>Multi-year expenditure appropriation</b>	2										
<b>Vote 1 - Executive and Council</b>		-	-	-	-	-	-	-	-	-	-
1.1 - Mayor and Council		-	-	-	-	-	-	-	-	-	-
1.2 - Municipal Manager, Town Secretary and Chief Executive Officer		-	-	-	-	-	-	-	-	-	-
1.3 -		-	-	-	-	-	-	-	-	-	-
1.4 -		-	-	-	-	-	-	-	-	-	-
1.5 -		-	-	-	-	-	-	-	-	-	-
1.6 -		-	-	-	-	-	-	-	-	-	-
1.7 -		-	-	-	-	-	-	-	-	-	-
1.8 -		-	-	-	-	-	-	-	-	-	-
1.9 -		-	-	-	-	-	-	-	-	-	-
1.10 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 2 - Finance and Administration</b>		-	-	-	-	-	-	-	-	-	-
2.1 - Administrative and Corporate Support		-	-	-	-	-	-	-	-	-	-
2.2 - Asset Management		-	-	-	-	-	-	-	-	-	-
2.3 - Finance		-	-	-	-	-	-	-	-	-	-
2.4 - Fleet Management		-	-	-	-	-	-	-	-	-	-
2.5 - Human Resources		-	-	-	-	-	-	-	-	-	-
2.6 - Information Technology		-	-	-	-	-	-	-	-	-	-
2.7 - Legal Services		-	-	-	-	-	-	-	-	-	-
2.8 - Supply Chain Management		-	-	-	-	-	-	-	-	-	-
2.9 - Property Services		-	-	-	-	-	-	-	-	-	-
2.10 - Valuation Service		-	-	-	-	-	-	-	-	-	-
<b>Vote 3 - Internal Audit</b>		-	-	-	-	-	-	-	-	-	-
3.1 - Governance Function		-	-	-	-	-	-	-	-	-	-
3.2 - Security Services		-	-	-	-	-	-	-	-	-	-
3.3 - Marketing, Customer Relations, Publicity and Media		-	-	-	-	-	-	-	-	-	-
3.4 - Animal Care and Diseases		-	-	-	-	-	-	-	-	-	-
3.5 - Population Development		-	-	-	-	-	-	-	-	-	-
3.6 -		-	-	-	-	-	-	-	-	-	-
3.7 -		-	-	-	-	-	-	-	-	-	-
3.8 -		-	-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 4 - Community and Social Services</b>		-	-	-	-	-	-	-	-	-	-
4.1 - Aged Care		-	-	-	-	-	-	-	-	-	-
4.2 - Agricultural		-	-	-	-	-	-	-	-	-	-
4.3 - Libraries and Archives		-	-	-	-	-	-	-	-	-	-
4.4 - Cemeteries, Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-	-	-
4.5 - Child Care Facilities		-	-	-	-	-	-	-	-	-	-
4.6 - Community Halls and Facilities		-	-	-	-	-	-	-	-	-	-
4.7 - Literacy Programmes		-	-	-	-	-	-	-	-	-	-
4.8 - Cultural Matters		-	-	-	-	-	-	-	-	-	-
4.9 - Disaster Management		-	-	-	-	-	-	-	-	-	-
4.10 - Education		-	-	-	-	-	-	-	-	-	-
<b>Vote 5 - Sport and Recreation</b>		-	-	-	-	-	-	-	-	-	-
5.1 - Beaches and Jetties		-	-	-	-	-	-	-	-	-	-
5.2 - Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-	-
5.3 - Community Parks (including Nurseries)		-	-	-	-	-	-	-	-	-	-
5.4 - Recreational Facilities		-	-	-	-	-	-	-	-	-	-
5.5 - Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-	-
5.6 -		-	-	-	-	-	-	-	-	-	-
5.7 -		-	-	-	-	-	-	-	-	-	-
5.8 -		-	-	-	-	-	-	-	-	-	-
5.9 -		-	-	-	-	-	-	-	-	-	-
5.10 -		-	-	-	-	-	-	-	-	-	-
<b>Vote 6 - Public Safety</b>		-	-	-	-	-	-	-	-	-	-
6.1 - Civil Defence		-	-	-	-	-	-	-	-	-	-
6.2 - Cleansing		-	-	-	-	-	-	-	-	-	-
6.3 - Control of Public Nuisances		-	-	-	-	-	-	-	-	-	-
6.4 - Fencing and Fences		-	-	-	-	-	-	-	-	-	-
6.5 - Fire Fighting and Protection		-	-	-	-	-	-	-	-	-	-
6.6 - Licensing and Control of Animals		-	-	-	-	-	-	-	-	-	-
6.7 - Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-	-	-
6.8 - Pounds		-	-	-	-	-	-	-	-	-	-
6.9 - Museums and Art Galleries		-	-	-	-	-	-	-	-	-	-
6.10 - Licensing and Regulation		-	-	-	-	-	-	-	-	-	-
<b>Vote 7 - Housing</b>		-	-	-	-	-	-	-	-	-	-
7.1 - Housing		-	-	-	-	-	-	-	-	-	-
7.2 - Informal Settlements		-	-	-	-	-	-	-	-	-	-
7.3 - Markets		-	-	-	-	-	-	-	-	-	-
7.4 -		-	-	-	-	-	-	-	-	-	-
7.5 -		-	-	-	-	-	-	-	-	-	-
7.6 -		-	-	-	-	-	-	-	-	-	-
7.7 -		-	-	-	-	-	-	-	-	-	-
7.8 -		-	-	-	-	-	-	-	-	-	-
7.9 -		-	-	-	-	-	-	-	-	-	-
7.10 -		-	-	-	-	-	-	-	-	-	-



KZN253 Emadlangeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>Capital expenditure - Municipal Vote</b>											
<b>Single-year expenditure appropriation</b>	2										
Vote 1 - Executive and Council		1 274	-	662	43	11	11	-	-	-	-
1.1 - Mayor and Council		-	-	-	-	-	-	-	-	-	-
1.2 - Municipal Manager, Town Secretary and Chief Executive Officer		1 274	-	662	43	11	11	-	-	-	-
1.3 -		-	-	-	-	-	-	-	-	-	-
1.4 -		-	-	-	-	-	-	-	-	-	-
1.5 -		-	-	-	-	-	-	-	-	-	-
1.6 -		-	-	-	-	-	-	-	-	-	-
1.7 -		-	-	-	-	-	-	-	-	-	-
1.8 -		-	-	-	-	-	-	-	-	-	-
1.9 -		-	-	-	-	-	-	-	-	-	-
1.10 -		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		94 582	-	97 303	469	658	658	-	1 433	191	200
2.1 - Administrative and Corporate Support		69	-	119	316	76	76	-	15	16	16
2.2 - Asset Management		94 818	-	97 057	-	449	449	-	1 250	-	-
2.3 - Finance		-	-	-	-	-	-	-	-	-	-
2.4 - Fleet Management		-	-	-	-	-	-	-	-	-	-
2.5 - Human Resources		-	-	-	-	-	-	-	-	-	-
2.6 - Information Technology		(304)	-	126	153	133	133	-	168	176	184
2.7 - Legal Services		-	-	-	-	-	-	-	-	-	-
2.8 - Supply Chain Management		-	-	-	-	-	-	-	-	-	-
2.9 - Property Services		-	-	-	-	-	-	-	-	-	-
2.10 - Valuation Service		-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		339	-	339	479	228	228	-	-	-	-
3.1 - Governance Function		-	-	-	-	-	-	-	-	-	-
3.2 - Security Services		-	-	-	-	-	-	-	-	-	-
3.3 - Marketing, Customer Relations, Publicity and Media		-	-	-	-	-	-	-	-	-	-
3.4 - Animal Care and Diseases		-	-	-	-	-	-	-	-	-	-
3.5 - Population Development		339	-	339	479	228	228	-	-	-	-
3.6 -		-	-	-	-	-	-	-	-	-	-
3.7 -		-	-	-	-	-	-	-	-	-	-
3.8 -		-	-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		588	-	1 749	47	45	45	-	92	97	101
4.1 - Aged Care		-	-	-	-	-	-	-	-	-	-
4.2 - Agricultural		-	-	-	-	-	-	-	-	-	-
4.3 - Libraries and Archives		588	-	1 749	47	45	45	-	92	97	101
4.4 - Cemeteries, Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-	-	-
4.5 - Child Care Facilities		-	-	-	-	-	-	-	-	-	-
4.6 - Community Halls and Facilities		-	-	-	-	-	-	-	-	-	-
4.7 - Literacy Programmes		-	-	-	-	-	-	-	-	-	-
4.8 - Cultural Matters		-	-	-	-	-	-	-	-	-	-
4.9 - Disaster Management		-	-	-	-	-	-	-	-	-	-
4.10 - Education		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	6 957	6 957	-	-	-	-
5.1 - Beaches and Jetties		-	-	-	-	-	-	-	-	-	-
5.2 - Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-	-
5.3 - Community Parks (including Nurseries)		-	-	-	-	-	-	-	-	-	-
5.4 - Recreational Facilities		-	-	-	-	6 957	6 957	-	-	-	-
5.5 - Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-	-
5.6 -		-	-	-	-	-	-	-	-	-	-
5.7 -		-	-	-	-	-	-	-	-	-	-
5.8 -		-	-	-	-	-	-	-	-	-	-
5.9 -		-	-	-	-	-	-	-	-	-	-
5.10 -		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-
6.1 - Civil Defence		-	-	-	-	-	-	-	-	-	-
6.2 - Cleansing		-	-	-	-	-	-	-	-	-	-
6.3 - Control of Public Nuisances		-	-	-	-	-	-	-	-	-	-
6.4 - Fencing and Fences		-	-	-	-	-	-	-	-	-	-
6.5 - Fire Fighting and Protection		-	-	-	-	-	-	-	-	-	-
6.6 - Licensing and Control of Animals		-	-	-	-	-	-	-	-	-	-
6.7 - Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-	-	-
6.8 - Pounds		-	-	-	-	-	-	-	-	-	-
6.9 - Museums and Art Galleries		-	-	-	-	-	-	-	-	-	-
6.10 - Licensing and Regulation		-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-
7.1 - Housing		-	-	-	-	-	-	-	-	-	-
7.2 - Informal Settlements		-	-	-	-	-	-	-	-	-	-
7.3 - Markets		-	-	-	-	-	-	-	-	-	-
7.4 -		-	-	-	-	-	-	-	-	-	-
7.5 -		-	-	-	-	-	-	-	-	-	-
7.6 -		-	-	-	-	-	-	-	-	-	-
7.7 -		-	-	-	-	-	-	-	-	-	-
7.8 -		-	-	-	-	-	-	-	-	-	-
7.9 -		-	-	-	-	-	-	-	-	-	-
7.10 -		-	-	-	-	-	-	-	-	-	-
Vote 8 - Other		-	-	-	-	-	-	-	-	-	-
8.1 - Ambulance		-	-	-	-	-	-	-	-	-	-
8.2 - Health Services		-	-	-	-	-	-	-	-	-	-
8.3 - Laboratory Services		-	-	-	-	-	-	-	-	-	-
8.4 - Food Control		-	-	-	-	-	-	-	-	-	-
8.5 - Health Surveillance and Prevention of Communicable Diseases		-	-	-	-	-	-	-	-	-	-
8.6 - Vector Control		-	-	-	-	-	-	-	-	-	-
8.7 - Chemical Safety		-	-	-	-	-	-	-	-	-	-
8.8 -		-	-	-	-	-	-	-	-	-	-
8.9 -		-	-	-	-	-	-	-	-	-	-
8.10 -		-	-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Vote 9 - Planning and Development		187	-	909	-	-	-	-	-	-	-
9.1 - Billboards		-	-	-	-	-	-	-	-	-	-
9.2 - Corporate Wide Strategic Planning (DPs, LEDe)		-	-	-	-	-	-	-	-	-	-
9.3 - Central City Improvement District		-	-	-	-	-	-	-	-	-	-
9.4 - Development Facilitation		187	-	909	-	-	-	-	-	-	-
9.5 - Economic Development/Planning		-	-	-	-	-	-	-	-	-	-
9.6 - Regional Planning and Development		-	-	-	-	-	-	-	-	-	-
9.7 - Town Planning, Building Regulations and Enforcement		-	-	-	-	-	-	-	-	-	-
9.8 - Project Management Unit		-	-	-	-	-	-	-	-	-	-
9.9 - Provincial Planning		-	-	-	-	-	-	-	-	-	-
9.10 - Support to Local Municipalities		-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		32 689	-	12 942	21 294	23 958	23 958	-	14 209	14 444	9 506
10.1 - Public Transport		-	-	-	-	-	-	-	-	-	-
10.2 - Road and Traffic Regulation		-	-	-	-	-	-	-	-	-	-
10.3 - Roads		32 689	-	12 942	21 294	23 958	23 958	-	14 209	14 444	9 506
10.4 - Taxi Ranks		-	-	-	-	-	-	-	-	-	-
10.5 -		-	-	-	-	-	-	-	-	-	-
10.6 -		-	-	-	-	-	-	-	-	-	-
10.7 -		-	-	-	-	-	-	-	-	-	-
10.8 -		-	-	-	-	-	-	-	-	-	-
10.9 -		-	-	-	-	-	-	-	-	-	-
10.10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		252	-	812	-	-	-	-	-	-	-
11.1 - Biodiversity and Landscape		-	-	-	-	-	-	-	-	-	-
11.2 - Coastal Protection		-	-	-	-	-	-	-	-	-	-
11.3 - Indigenous Forests		-	-	-	-	-	-	-	-	-	-
11.4 - Nature Conservation		-	-	-	-	-	-	-	-	-	-
11.5 - Pollution Control		-	-	-	-	-	-	-	-	-	-
11.6 - Soil Conservation		-	-	-	-	-	-	-	-	-	-
11.7 - Air Transport		-	-	-	-	-	-	-	-	-	-
11.8 - Forestry		-	-	-	-	-	-	-	-	-	-
11.9 - Tourism		252	-	812	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		24 499	-	1041	16 719	23 385	23 385	-	13 494	6 957	4 348
12.1 - Electricity		24 499	-	1041	16 719	23 385	23 385	-	13 494	6 957	4 348
12.2 - Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-	-
12.3 - Nonelectric Energy		-	-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-
13.1 - Water Treatment		-	-	-	-	-	-	-	-	-	-
13.2 - Water Distribution		-	-	-	-	-	-	-	-	-	-
13.3 - Water Storage		-	-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
14.1 - Public Toilets		-	-	-	-	-	-	-	-	-	-
14.2 - Sewerage		-	-	-	-	-	-	-	-	-	-
14.3 - Storm Water Management		-	-	-	-	-	-	-	-	-	-
14.4 - Waste Water Treatment		-	-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-
15.1 - Recycling		-	-	-	-	-	-	-	-	-	-
15.2 - Solid Waste Disposal (Landfill Sites)		-	-	-	-	-	-	-	-	-	-
15.3 - Solid Waste Removal		-	-	-	-	-	-	-	-	-	-
15.4 - Street Cleaning		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Capital spend - Year expenditure sub-total		154 391	-	115 758	39 051	55 241	55 241	-	29 228	21 889	14 155
<b>Total Capital Expenditure</b>		154 391	-	115 758	39 051	55 241	55 241	-	29 228	21 889	14 155

**KZN253 Emadlangeni - Table A6 Budgeted Financial Position**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		4 971	2 709	2 712	8 802	6 506	6 506	-	18 359	32 385	48 000
Trade and other receivables from exchange transactions	1	3 001	-	2 036	6 316	4 931	4 931	-	14 786	(1 996)	3 697
Receivables from non-exchange transactions	1	9 996	-	7 834	20 231	70 936	70 936	-	48 858	56 692	61 890
Current portion of non-current receivables		-	4 385	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	(0)	(0)	-	-	(0)	(102)
VAT		18 074	-	10 225	6 530	12 843	12 843	-	12 608	11 830	11 256
Other current assets		(109)	-	(230)	-	-	-	-	-	-	-
<b>Total current assets</b>		<b>35 933</b>	<b>7 094</b>	<b>22 577</b>	<b>41 878</b>	<b>95 215</b>	<b>95 215</b>	<b>-</b>	<b>94 611</b>	<b>98 912</b>	<b>124 741</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		14 587	34 582	34 582	34 832	69 414	69 414	-	32 804	34 313	35 892
Property, plant and equipment	3	176 681	102 191	102 191	196 742	388 112	388 112	-	122 122	183 595	275 786
Biological assets		2 860	102 191	4 350	4 269	8 618	8 618	-	4 350	6 350	9 208
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		1 191	4 350	1 191	1 191	2 381	2 381	-	1 191	1 245	1 303
Intangible assets		375	54	54	368	402	402	-	315	330	345
Trade and other receivables from exchange transactions		-	1 191	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>195 694</b>	<b>244 558</b>	<b>142 367</b>	<b>237 402</b>	<b>468 927</b>	<b>468 927</b>	<b>-</b>	<b>160 782</b>	<b>225 834</b>	<b>322 534</b>
<b>TOTAL ASSETS</b>		<b>231 627</b>	<b>251 652</b>	<b>164 944</b>	<b>279 280</b>	<b>564 142</b>	<b>564 142</b>	<b>-</b>	<b>255 393</b>	<b>324 746</b>	<b>447 275</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	175	-	-	-	-	-	-	-	-
Financial liabilities		(57)	(79)	(79)	117	117	117	-	253	264	277
Consumer deposits		251	1 386	501	173	173	173	-	180	189	197
Trade and other payables from exchange transactions	4	19 182	-	29 913	29 340	27 750	27 750	-	55 822	57 490	77 431
Trade and other payables from non-exchange transactions	5	(207)	-	4 896	2 920	2 920	2 920	-	8 168	11 514	16 458
Provision		24 066	-	30 815	1 152	2 685	2 685	-	1 623	2 370	3 436
VAT		11 204	28 902	8 399	1 787	3 206	3 206	-	(311)	(330)	(349)
Other current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>54 439</b>	<b>30 366</b>	<b>74 445</b>	<b>35 489</b>	<b>36 851</b>	<b>36 851</b>	<b>-</b>	<b>65 735</b>	<b>71 498</b>	<b>97 451</b>
<b>Non current liabilities</b>											
Financial liabilities	6	421	-	-	200	200	200	-	-	-	-
Provision	7	1 750	6 692	1 605	21 092	21 092	24 370	-	25 920	37 844	54 873
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		1 750	-	1 605	1 673	3 278	3 278	-	2 796	4 082	5 918
<b>Total non current liabilities</b>		<b>3 921</b>	<b>6 692</b>	<b>3 210</b>	<b>22 965</b>	<b>24 570</b>	<b>27 848</b>	<b>-</b>	<b>28 716</b>	<b>41 925</b>	<b>60 792</b>
<b>TOTAL LIABILITIES</b>		<b>58 360</b>	<b>37 078</b>	<b>77 655</b>	<b>58 454</b>	<b>61 421</b>	<b>64 699</b>	<b>-</b>	<b>94 451</b>	<b>113 423</b>	<b>158 242</b>
<b>NET ASSETS</b>		<b>173 267</b>	<b>214 574</b>	<b>87 289</b>	<b>220 826</b>	<b>502 722</b>	<b>499 444</b>	<b>-</b>	<b>160 942</b>	<b>211 323</b>	<b>289 032</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	171 383	-	107 794	220 840	502 683	502 683	-	160 942	211 323	290 685
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>171 383</b>	<b>-</b>	<b>107 794</b>	<b>220 840</b>	<b>502 683</b>	<b>502 683</b>	<b>-</b>	<b>160 942</b>	<b>211 323</b>	<b>290 685</b>

**References**

1. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions
2. Include completed low cost housing to be transferred to beneficiaries within 12 months detail provided in Table SA3
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in SA3
4. Detail breakdown in Table SA3.
5. Detail breakdown in Table SA3.

**KZN253 Emadlangeni - Table A7 Budgeted Cash Flows**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	(4 711)	(5 138)	34 009	38 543	38 543	-	38 373	42 869	47 479
Service charges		2 175	(677)	(677)	18 789	18 789	18 789	-	17 902	19 913	21 924
Other revenue		9	(685)	(675)	16 678	17 821	17 821	-	4 327	5 088	5 911
Transfers and Subsidies - Operational	1	2 701	2 236	2 441	47 469	47 469	47 469	-	48 412	47 027	45 906
Transfers and Subsidies - Capital	1	-	-	-	42 737	60 039	60 039	-	31 858	24 611	15 932
Interest		-	2 053	2 053	493	905	905	-	8 268	8 648	9 046
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		217	-	-	(109 560)	(113 533)	(113 533)	-	(118 958)	(122 426)	(128 050)
Interest		-	-	-	300	164	164	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>5 102</b>	<b>(1 783)</b>	<b>(1 995)</b>	<b>50 915</b>	<b>70 196</b>	<b>70 196</b>	<b>-</b>	<b>30 181</b>	<b>25 731</b>	<b>18 147</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	(205)	9	(44 908)	(63 527)	(63 527)	-	(33 612)	(24 942)	(16 278)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(205)</b>	<b>9</b>	<b>(44 908)</b>	<b>(63 527)</b>	<b>(63 527)</b>	<b>-</b>	<b>(33 612)</b>	<b>(24 942)</b>	<b>(16 278)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>5 102</b>	<b>(1 989)</b>	<b>(1 986)</b>	<b>6 006</b>	<b>6 668</b>	<b>6 668</b>	<b>-</b>	<b>(3 431)</b>	<b>789</b>	<b>1 869</b>
Cash/cash equivalents at the year begin:	2	-	(351)	(351)	3 408	2 925	-	-	21 791	18 359	19 148
<b>Cash/cash equivalents at the year end:</b>	<b>2</b>	<b>5 102</b>	<b>(2 340)</b>	<b>(2 337)</b>	<b>9 414</b>	<b>9 594</b>	<b>6 668</b>	<b>-</b>	<b>18 359</b>	<b>19 148</b>	<b>21 017</b>

- References**  
1. Local/District municipalities to include transfers from/to District/Local Municipalities  
2. Cash equivalents includes investments with maturities of 3 months or less  
3. The MTREF is populated directly from SA30.

Total receipts		4 885	(1 783)	(1 995)	160 174	183 565	183 565	-	149 138	148 157	146 198
Total payments		217	(205)	9	(154 168)	(176 896)	(176 896)	-	(152 570)	(147 368)	(144 328)
		5 102	(1 989)	(1 986)	6 006	6 668	6 668	-	(3 431)	789	1 869
Borrowings & investments & c.deposits		-	-	-	-	-	-	-	-	-	-
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
		5 102	(1 989)	(1 986)	6 006	6 668	6 668	-	(3 431)	789	1 869
		-	-	-	-	-	-	-	-	-	-
<b>B6 Cash and Cash Equivalents</b>		<b>4 971</b>	<b>2 709</b>	<b>2 712</b>	<b>8 802</b>	<b>6 506</b>	<b>6 506</b>	<b>-</b>	<b>18 359</b>	<b>32 385</b>	<b>48 000</b>
check balance		131	(5 049)	(5 049)	612	3 088	163	-	-	(13 237)	(26 983)
SA30 to A7 Check		-	-	-	600	328	328	-	-	-	-

**CZN253 Emadlangeni - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	5 102	(2 340)	(2 337)	9 414	9 594	6 668	-	18 359	19 148	21 01
Other current investments > 90 days		(131)	4 874	5 049	(612)	(3 088)	(163)	-	-	13 237	26 98
Non current investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and Investments available:</b>		<b>4 971</b>	<b>2 534</b>	<b>2 712</b>	<b>8 802</b>	<b>6 506</b>	<b>6 506</b>	<b>-</b>	<b>18 359</b>	<b>32 385</b>	<b>48 00</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		(207)	5 103	4 896	2 920	2 920	2 920	-	8 168	11 514	16 45
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(6 843)	3 179	(1 490)	(5 186)	(10 469)	10 469	-	(13 715)	(12 992)	(12 47
Other working capital requirements	3	18 998	30 520	30 261	23 959	9 425	9 425	-	4 478	10 402	16 36
Other provisions		24 066	1 386	30 815	1 152	2 685	2 685	-	1 623	2 370	3 43
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>36 014</b>	<b>40 189</b>	<b>64 482</b>	<b>22 845</b>	<b>4 562</b>	<b>25 499</b>	<b>-</b>	<b>553</b>	<b>11 294</b>	<b>23 78</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(31 043)</b>	<b>(37 655)</b>	<b>(61 769)</b>	<b>(14 043)</b>	<b>1 944</b>	<b>(18 993)</b>	<b>-</b>	<b>17 806</b>	<b>21 092</b>	<b>24 21</b>
<b>Surplus transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(31 043)</b>	<b>(37 655)</b>	<b>(61 769)</b>	<b>(14 043)</b>	<b>1 944</b>	<b>(18 993)</b>	<b>-</b>	<b>17 806</b>	<b>21 092</b>	<b>24 21</b>

**References**

- Must reconcile with Budgeted Cash Flows
- For example: VAT, taxation
- Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
- For example: sinking fund requirements for borrowing
- Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve

**Other working capital requirements**

Debtors	184	285	(348)	5 381	18 325	18 325	-	51 344	47 088	61 06
Creditors due	19 182	30 805	29 913	29 340	27 750	27 750	-	55 822	57 490	77 43
<b>Total</b>	<b>(18 998)</b>	<b>(30 520)</b>	<b>(30 261)</b>	<b>(23 959)</b>	<b>(9 425)</b>	<b>(9 425)</b>	<b>-</b>	<b>(4 478)</b>	<b>(10 402)</b>	<b>(16 36)</b>

**Debtors collection assumptions**

Balance outstanding - debtors	12 997	5 576	9 870	26 546	75 867	75 867	-	63 644	54 696	65 58
Estimate of debtors collection rate	1.4%	5.1%	-3.5%	20.3%	24.2%	24.2%	0.0%	80.7%	86.1%	93.1%

**Long term investments committed**

Balance (Insert description; eg sinking fund)

**Reserves to be backed by cash/investments**

Lossing Development Fund	-	-	-	-	-	-	-	-	-	-
Capital replacement	-	-	-	-	-	-	-	-	-	-
Self-insurance	-	-	-	-	-	-	-	-	-	-
Compensation for Occupational Injuries and Diseases	-	-	-	-	-	-	-	-	-	-
Employee Benefit reserve	-	-	-	-	-	-	-	-	-	-
Non-current Provisions reserve	-	-	-	-	-	-	-	-	-	-
Valuation roll reserve	-	-	-	-	-	-	-	-	-	-
Investment in associate account	-	-	-	-	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:**

Above reserves do not include Revaluation reserve. Revaluation reserve not required to be cash backed



KZN253 Emadlangeni - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	127 083	116 661	116 661	38 898	55 108	55 108	28 260	21 513	13 971
Roads Infrastructure		4 472	53 159	53 159	21 294	30 914	30 914	14 209	14 444	9 506
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		24 499	135	135	15 869	21 536	21 536	13 494	6 957	4 348
Water Supply Infrastructure		-	478	478	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		140	140	140	-	-	-	-	-	-
<b>Infrastructure</b>		29 111	53 912	53 912	37 163	52 450	52 450	27 703	21 401	13 854
Community Facilities		23 019	26 921	26 921	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		23 019	26 921	26 921	-	-	-	-	-	-
<b>Heritage Assets</b>		1 490	1 490	1 490	-	-	-	-	-	-
Revenue Generating		19 724	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		19 724	-	-	-	-	-	-	-	-
Operational Buildings		15 255	15 219	15 219	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		15 255	15 219	15 219	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 560	1 560	1 560	-	-	-	-	-	-
<b>Intangible Assets</b>		1 560	1 560	1 560	-	-	-	-	-	-
Computer Equipment		1 836	1 960	1 960	-	-	-	-	-	-
Furniture and Office Equipment		3 235	3 581	3 581	363	91	91	87	91	96
Machinery and Equipment		3 033	3 740	3 740	1 155	2 118	2 118	20	21	22
Transport Assets		5 526	5 482	5 482	217	449	449	450	-	-
<b>Land</b>		23 295	2 796	2 796	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	(910)	(910)	(910)	153	133	133	928	134	140
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		(910)	(910)	(910)	153	133	133	128	134	140
<b>Intangible Assets</b>		(910)	(910)	(910)	153	133	133	128	134	140
Computer Equipment		-	-	-	-	-	-	800	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>Total Upgrading of Existing Assets</b>	6	28 217	6	6	-	-	-	40	42	44
Roads Infrastructure		28 217	6	6	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	40	42	44
<b>Infrastructure</b>		<b>28 217</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>42</b>	<b>44</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	<b>154 391</b>	<b>115 758</b>	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>
Roads Infrastructure		32 689	53 165	53 165	21 294	30 914	30 914	14 209	14 444	9 506
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		24 499	135	135	15 869	21 536	21 536	13 494	6 957	4 348
Water Supply Infrastructure		-	478	478	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		140	140	140	-	-	-	40	42	44
<b>Infrastructure</b>		<b>57 328</b>	<b>53 918</b>	<b>53 918</b>	<b>37 163</b>	<b>52 450</b>	<b>52 450</b>	<b>27 743</b>	<b>21 443</b>	<b>13 888</b>
Community Facilities		23 019	26 921	26 921	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>23 019</b>	<b>26 921</b>	<b>26 921</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>1 490</b>	<b>1 490</b>	<b>1 490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		19 724	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>19 724</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		15 255	15 219	15 219	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>15 255</b>	<b>15 219</b>	<b>15 219</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		650	650	650	153	133	133	128	134	140
<b>Intangible Assets</b>		<b>650</b>	<b>650</b>	<b>650</b>	<b>153</b>	<b>133</b>	<b>133</b>	<b>128</b>	<b>134</b>	<b>140</b>
Computer Equipment		1 836	1 960	1 960	-	-	-	800	-	-
Furniture and Office Equipment		3 235	3 581	3 581	363	91	91	87	91	96
Machinery and Equipment		3 033	3 740	3 740	1 155	2 118	2 118	20	21	22
Transport Assets		5 526	5 482	5 482	217	449	449	450	-	-
Land		23 295	2 796	2 796	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>154 391</b>	<b>115 758</b>	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>

**KZN253 Emadlangeni - Table A9 Asset Management**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>142 885</b>	<b>133 788</b>	<b>133 788</b>	<b>200 239</b>	<b>432 584</b>	<b>432 584</b>	<b>133 079</b>	<b>204 433</b>	<b>308 680</b>
Roads Infrastructure		88 355	88 059	88 059	(6 510)	158 861	158 861	68 836	136 742	235 309
Storm water Infrastructure		(455)	(889)	(889)	-	-	-	-	-	-
Electrical Infrastructure		(155)	(269)	(269)	-	-	-	-	-	-
Water Supply Infrastructure		-	478	478	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		(8 367)	(15 296)	(15 296)	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	45	45	-	-	-	-	-	-
<b>Infrastructure</b>		<b>79 378</b>	<b>72 128</b>	<b>72 128</b>	<b>(6 510)</b>	<b>158 861</b>	<b>158 861</b>	<b>68 836</b>	<b>136 742</b>	<b>235 309</b>
Community Assets		10 304	7 644	7 644	165 871	178 065	178 065	12 005	12 557	13 135
Heritage Assets		1 191	1 191	1 191	1 191	2 381	2 381	1 191	1 245	1 303
Investment properties		14 587	34 582	34 582	34 832	69 414	69 414	32 804	34 313	35 892
Other Assets		6 083	5 144	5 144	-	5 004	5 004	5 004	5 234	5 475
Biological or Cultivated Assets		2 860	4 350	4 350	4 269	8 618	8 618	4 350	6 350	9 208
Intangible Assets		375	54	54	368	402	402	315	330	345
Computer Equipment		(265)	399	399	-	800	800	1 640	879	919
Furniture and Office Equipment		2 190	1 774	1 774	(71)	1 038	1 038	1 034	1 081	1 131
Machinery and Equipment		1 139	1 962	1 962	736	3 856	3 856	1 757	1 837	1 922
Transport Assets		1 749	1 765	1 765	(446)	1 349	1 349	1 349	940	983
Land		23 295	2 796	2 796	-	2 796	2 796	2 796	2 925	3 060
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>142 885</b>	<b>133 788</b>	<b>133 788</b>	<b>200 239</b>	<b>432 584</b>	<b>432 584</b>	<b>133 079</b>	<b>204 433</b>	<b>308 680</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>10 500</b>	<b>12 518</b>	<b>12 518</b>	<b>11 908</b>	<b>11 382</b>	<b>11 382</b>	<b>11 018</b>	<b>12 024</b>	<b>12 578</b>
Depreciation	7	9 658	11 563	11 563	9 864	9 864	9 864	9 332	9 790	10 240
Repairs and Maintenance by Asset Class	3	842	955	955	2 044	1 518	1 518	1 686	2 234	2 338
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure	2	463	463	463	500	300	300	500	523	547
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>2</b>	<b>463</b>	<b>463</b>	<b>500</b>	<b>300</b>	<b>300</b>	<b>500</b>	<b>523</b>	<b>547</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		322	85	85	330	502	502	250	262	274
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>322</b>	<b>85</b>	<b>85</b>	<b>330</b>	<b>502</b>	<b>502</b>	<b>250</b>	<b>262</b>	<b>274</b>
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	146	146	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>146</b>	<b>146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	13	13	350	110	110	300	314	329
Transport Assets		518	248	248	864	606	606	636	1 136	1 188
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>10 500</b>	<b>12 518</b>	<b>12 518</b>	<b>11 908</b>	<b>11 382</b>	<b>11 382</b>	<b>11 018</b>	<b>12 024</b>	<b>12 578</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		17.7%	-0.8%	-0.8%	0.4%	0.2%	0.2%	3.3%	0.8%	1.3%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		282.7%	-7.8%	-7.8%	1.6%	1.3%	1.3%	10.4%	1.8%	1.8%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>		0.6%	0.6%	0.6%	1.1%	0.4%	0.4%	1.3%	1.1%	0.8%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>		20.3%	-0.1%	-0.1%	1.1%	0.4%	0.4%	2.1%	1.2%	0.8%

**References**

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

KZN253 Emadlangeni - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>					116	101	101	125	131	137
<b>Total cost of FBS provided</b>	8	-	-	-	116	101	101	125	131	137
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	(2 224)	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	(116)	(101)	(101)	(125)	(131)	(137)
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	-	(2 224)	-	(116)	(101)	(101)	(125)	(131)	(137)

**References**

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service

1. The Free Basic Service of Water, Sanitation and Electricity is provided to eligible households in the Free Basic Service area.

KZN253 Emadlangeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Exchange Revenue</b>											
Total Property Rates	6	21 556	(2 224)	25 420	45 333	45 345	45 345	--	47 567	50 017	50 746
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		--	(2 224)	--	--	--	--	--	--	--	--
Net Property Rates		21 556	--	25 420	45 333	45 345	45 345	--	47 567	50 017	50 746
<b>Exchange revenue service charges</b>											
<b>Service charges - Electricity</b>											
Total Service charges - Electricity	6	14 098	14 139	14 139	19 227	19 226	19 226	--	21 196	22 171	23 191
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		--	--	--	--	--	--	--	--	--	--
Less Cost of Free Basis Services (50 kwh per indigent household per month)		--	--	--	--	--	--	--	--	--	--
Net Service charges - Electricity		14 098	14 139	14 139	19 227	19 226	19 226	--	21 196	22 171	23 191
<b>Service charges - Water</b>											
Total Service charges - Water	6	--	--	--	--	--	--	--	--	--	--
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--	--
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--	--
Net Service charges - Water		--	--	--	--	--	--	--	--	--	--
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management	6	--	--	--	--	--	--	--	--	--	--
Less Revenue Foregone (in excess of free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--	--
Less Cost of Free Basis Services (free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--	--
Net Service charges - Waste Water Management		--	--	--	--	--	--	--	--	--	--
<b>Service charges - Waste Management</b>											
Total refuse removal revenue	6	1 780	1 917	1 917	2 316	2 333	2 333	--	1 980	2 071	2 166
Total landfill revenue		--	--	--	--	--	--	--	--	--	--
Less Revenue Foregone (in excess of one removal a week to indigent households)		--	--	--	(116)	(101)	(101)	--	(125)	(131)	(137)
Less Cost of Free Basis Services (removed once a week to indigent households)		--	--	--	--	--	--	--	--	--	--
Net Service charges - Waste Management		1 780	1 917	1 917	2 434	2 434	2 434	--	2 105	2 201	2 303
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	28 334	34 079	34 002	36 810	38 389	38 389	--	38 523	39 004	40 803
Pension and UIF Contributions		3 074	4 452	4 452	3 164	4 628	4 628	--	5 475	5 726	5 785
Medical Aid Contributions		656	865	865	1 568	1 519	1 519	--	1 366	1 461	1 528
Overtime		677	586	586	390	644	644	--	578	604	632
Performance Bonus		1 802	2 425	2 425	2 849	2 441	2 441	--	3 049	3 188	3 336
Motor Vehicle Allowance		288	432	432	444	832	832	--	796	833	871
Cellphone Allowance		228	226	175	195	243	243	--	192	267	210
Housing Allowances		242	221	221	279	338	338	--	153	160	167
Other benefits and allowances		1 816	2 697	2 697	1 707	2 638	2 638	--	1 603	1 677	1 684
Payments in lieu of leave		--	--	--	--	--	--	--	--	--	--
Long service awards		--	--	--	--	--	--	--	--	--	--
Post-retirement benefit obligations	4	738	481	481	324	324	324	--	325	338	355
Entertainment		--	--	--	--	--	--	--	--	--	--
Scarcey		--	--	--	--	--	--	--	--	--	--
Accrual and gratuity allowances		124	--	78	150	--	--	--	--	--	--
In kind benefits		--	--	--	--	--	--	--	--	--	--
sub-total	5	37 980	46 463	46 412	47 879	51 995	51 995	--	52 090	53 281	55 372
Less: Employees costs capitalised to PPE		--	--	--	--	--	--	--	--	--	--
Total Employee related costs	1	37 980	46 463	46 412	47 879	51 995	51 995	--	52 090	53 281	55 372

KZN253 Emadlangeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>Depreciation and amortisation</b>											
Depreciation of Property, Plant & Equipment		9 434	11 402	11 402	9 864	9 864	9 864	--	9 297	9 753	10 202
Lease amortisation		224	161	161	--	--	--	--	35	37	38
Capital asset impairment		--	--	--	--	--	--	--	--	--	--
<b>Total Depreciation and amortisation</b>	<b>1</b>	<b>9 658</b>	<b>11 563</b>	<b>11 563</b>	<b>9 864</b>	<b>9 864</b>	<b>9 864</b>	<b>--</b>	<b>9 332</b>	<b>9 790</b>	<b>10 240</b>
<b>Bulk purchases - electricity</b>											
Electricity bulk purchases		14 679	15 896	15 896	20 301	20 259	20 259	--	22 883	23 936	25 037
<b>Total bulk purchases</b>	<b>1</b>	<b>14 679</b>	<b>15 896</b>	<b>15 896</b>	<b>20 301</b>	<b>20 259</b>	<b>20 259</b>	<b>--</b>	<b>22 883</b>	<b>23 936</b>	<b>25 037</b>
<b>Transfers and grants</b>											
Cash transfers and grants		--	--	--	--	--	--	--	--	--	--
Non-cash transfers and grants		--	--	--	--	--	--	--	--	--	--
<b>Total transfers and grants</b>	<b>1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Contracted Services</b>											
Outsourced Services		5 241	5 930	298	7 304	6 881	6 881	--	7 250	7 301	7 637
Consultants and Professional Services		4 930	2 854	2 854	3 332	2 627	2 627	--	2 480	2 291	2 386
Contractors		3 427	17 895	17 895	7 449	7 303	7 303	--	4 400	5 167	5 760
<b>Total contracted services</b>		<b>13 598</b>	<b>26 679</b>	<b>21 047</b>	<b>18 485</b>	<b>16 810</b>	<b>16 810</b>	<b>--</b>	<b>14 230</b>	<b>14 759</b>	<b>15 793</b>
<b>Operational Costs</b>											
Collection costs		61	85	85	50	50	50	--	50	52	55
Contributions to 'other' provisions		11 403	13 437	13 437	395	395	395	--	415	434	454
Audit fees		1 698	3 264	3 264	2 000	3 657	3 657	--	3 000	3 138	3 282
Other Operational Costs		4 411	6 612	5 000	9 574	7 659	7 659	--	8 857	8 753	9 126
<b>Total Operational Costs</b>	<b>1</b>	<b>17 573</b>	<b>23 398</b>	<b>21 786</b>	<b>12 019</b>	<b>11 761</b>	<b>11 761</b>	<b>--</b>	<b>12 322</b>	<b>12 378</b>	<b>12 918</b>
<b>Repairs and Maintenance by Expenditure Item</b>											
Employee related costs	8	--	--	--	--	--	--	--	--	--	--
Inventory Consumed (Project Maintenance)		2	--	463	500	300	300	--	500	523	547
Contracted Services		840	--	492	1 544	1 218	1 218	--	1 186	1 711	1 791
Operational Costs		--	--	--	--	--	--	--	--	--	--
<b>Total Repairs and Maintenance Expenditure</b>	<b>9</b>	<b>842</b>	<b>--</b>	<b>955</b>	<b>2 044</b>	<b>1 518</b>	<b>1 518</b>	<b>--</b>	<b>1 686</b>	<b>2 234</b>	<b>2 338</b>
<b>Inventory Consumed</b>											
Inventory Consumed - Water		--	--	--	--	--	--	--	--	--	--
Inventory Consumed - Other		--	--	--	6 029	3 291	3 291	--	5 572	5 829	6 097
<b>Total Inventory Consumed &amp; Other Material</b>		<b>--</b>	<b>--</b>	<b>--</b>	<b>6 029</b>	<b>3 291</b>	<b>3 291</b>	<b>--</b>	<b>5 572</b>	<b>5 829</b>	<b>6 097</b>
check		--	(955)	--	--	--	--	--	--	--	--

**References:**

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)'
2. Must reconcile to supporting documentation on staff salaries

**4. Expenditure to meet any 'unfunded obligations'**

5 This sub-total must agree with the total on SA22, but excluding councilor and board member items

6. Include a note for each revenue item that is affected by 'revenue foregone'

8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP items that will be spent on Repairs and Maintenance.

9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table SA34c.

KZN253 Emadlangeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Finance and Administration	Vote 3 - Internal Audit	Vote 4 - Community and Social Services	Vote 5 - Sport and Recreation	Vote 6 - Public Safety	Vote 7 - Housing	Vote 8 - Other	Vote 9 - Planning and Development	Vote 10 - Road Transport	Vote 11 - Environmental Protection	Vote 12 - Energy Sources	Vote 13 - Water Management	Vote 14 - Waste Water Management	Vote 15 - Waste Management	Total
<b>R thousand</b>	<b>1</b>																
<b>Revenue</b>		1100	1200	1300	2100	2200	2300	2400	5000	3100	3200	3300	4100	4200	4300	4400	
<b>Exchange Revenue</b>																	
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	21 198	-	-	-	21 198
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 105
Sale of Goods and Rendering of Services		-	18	-	45	-	2	-	147	47	72	-	-	-	-	-	331
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-	2 485	-	-	1 065	3 548
Interest earned from Current and Non Current Assets		-	1 169	-	-	-	-	-	-	-	-	-	-	-	-	-	1 169
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	1 298	-	3	-	1	-	417	-	7	-	-	-	-	-	1 726
Licence and permits		-	-	-	-	-	1 891	-	161	14	-	-	-	-	-	-	2 066
Operational Revenue		-	849	-	1	-	-	-	-	-	-	-	-	-	-	-	850
<b>Non-Exchange Revenue</b>																	
Property rates		-	47 567	-	-	-	-	-	-	-	-	-	-	-	-	-	47 567
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	0	-	1 004	-	-	-	-	-	-	-	-	-	1 004
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		39 938	3 000	-	2 038	-	-	-	-	1 331	-	-	-	-	-	-	46 303
Interest		-	3 549	-	-	-	-	-	-	-	-	-	-	-	-	-	3 549
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Discontinued Operations</b>																	
Total Revenue (excluding capital transfers and contributions)		39 938	57 450	-	2 086	-	2 897	-	726	1 393	78	-	23 680	-	-	3 169	131 416
<b>Expenditure</b>																	
Employee related costs		3 691	14 207	1 511	3 999	2 441	7 829	-	3 757	4 235	5 772	-	2 286	-	-	2 364	52 090
Remuneration of councillors		4 740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 740
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	22 883	-	-	-	22 883
Inventory consumed		1 250	580	15	673	200	451	-	197	297	800	-	700	-	-	400	5 572
Debt impairment		-	2 852	-	-	-	-	-	-	-	-	-	-	-	-	-	2 852
Depreciation and amortisation		-	9 332	-	-	-	-	-	-	-	-	-	-	-	-	-	9 332
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		180	4 130	200	1 412	170	6 513	-	68	490	450	-	100	-	-	520	14 230
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		790	7 899	179	1 424	27	363	-	226	671	328	-	91	-	-	324	12 322
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		10 651	39 010	1 905	7 507	2 837	15 155	-	4 245	5 693	7 350	-	26 060	-	-	3 698	124 022
<b>Surplus/(Deficit)</b>		29 285	18 440	(1 905)	(5 421)	(2 837)	(12 258)	-	(3 520)	(4 300)	(7 272)	-	(2 380)	-	-	(438)	7 393
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	18 340	-	15 518	-	-	-	31 858
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		29 285	18 440	(1 905)	(5 421)	(2 837)	(12 258)	-	(3 520)	(4 300)	9 068	-	13 138	-	-	(438)	39 251

References  
1. Departmental columns to be based on municipal organisation structure

KZN253 Emadlangeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>ASSETS</b>											
Trade and other receivables from exchange transactions											
Electricity		6 903	-	11 036	2 283	6 865	6 865	-	16 609	18 721	(3 549)
Water		-	-	-	-	-	-	-	-	-	-
Waste		3 657	-	4 187	609	3 618	3 618	-	11 199	12 267	13 385
Other Trade receivables from exchange transactions		-	-	-	-	-	-	-	1 065	1 065	1 065
Gross: Trade and other receivables from exchange transactions		12 342	-	15 630	6 316	4 931	4 931	-	28 231	29 519	7 450
Less: Impairment for debt		(9 341)	-	(13 594)	-	-	-	-	(13 445)	(31 515)	(3 754)
Impairment for Electricity		(4 255)	-	(9 468)	-	-	-	-	(9 319)	(18 388)	9 819
Impairment for Water		-	-	-	-	-	-	-	-	-	-
Impairment for Waste		(3 584)	-	(3 641)	-	-	-	-	-	-	-
Impairment for Waste Water		-	-	-	-	-	-	-	-	-	-
Impairment by Other Trade Receivables from exchange transactions		(1 492)	-	(485)	-	-	-	-	(4 126)	(13 128)	(13 573)
Total net Trade and other receivables from Exchange Transactions		3 001	-	2 036	6 316	4 931	4 931	-	14 786	(1 996)	3 697
Receivables from non-exchange transactions											
Property rates		35 832	-	50 828	20 231	70 221	70 221	-	95 882	103 030	107 868
Less: Impairment of Property rates		-	-	-	-	-	-	-	(49 260)	(49 260)	(49 260)
Net Property rates		35 832	-	50 828	20 231	70 221	70 221	-	46 622	53 770	58 608
Other receivables from non-exchange transactions		5 579	-	6 071	-	715	715	-	2 236	2 922	3 281
Impairment for other receivables from non-exchange transactions		(31 415)	-	(49 065)	-	-	-	-	-	-	-
Net other receivables from non-exchange transactions		(25 836)	-	(42 994)	-	715	715	-	2 236	2 922	3 281
Total net Receivables from non-exchange transactions		9 996	-	7 834	20 231	70 936	70 936	-	48 858	56 692	61 890
<b>Inventory</b>											
<b>Water</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
System Input Volume		-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorised Consumption	6	-	-	-	-	-	-	-	-	-	-
Billed Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Billed Metered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
UnBilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses		-	-	-	-	-	-	-	-	-	-
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
Non-revenue Water		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		-	-	-	-	-	-	-	-	-	-
<b>Agricultural</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
<b>Consumables</b>											
<b>Standard Rated</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	231	231	-	436	456	477
Issues	7	-	-	-	-	(231)	(231)	-	(436)	(456)	(477)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		-	-	-	-	(0)	(0)	-	-	-	0



KZN253 Emadlangeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>Zero Rated</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	6 029	660	660	-	1 670	1 747	1 827
Issues	7	-	-	-	(6 029)	(660)	(660)	-	(1 670)	(1 747)	(1 827)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		-	-	-	-	-	-	-	-	-	-
<b>Finished Goods</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	-	-	-	-	-	-	-	-	-
<b>Materials and Supplies</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	(0)
Acquisitions		-	-	-	-	2 400	2 400	-	3 467	3 626	3 773
Issues	7	-	-	-	-	(2 400)	(2 400)	-	(3 467)	(3 626)	(3 793)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		-	-	-	-	(0)	(0)	-	-	(0)	(20)
<b>Work-in-progress</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
<b>Housing Stock</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Closing Balance - Housing Stock		-	-	-	-	-	-	-	-	-	-
<b>Land</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables		-	-	-	-	(0)	(0)	-	-	(0)	(20)
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		260 667	211 350	211 350	206 607	515 902	515 902	-	249 217	316 565	414 872
Less: recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		83 965	109 159	109 159	9 864	127 791	127 791	-	127 095	132 970	139 086
Total Property, plant and equipment (PPE)	2	176 681	102 191	102 191	196 742	388 112	388 112	-	122 122	183 595	275 786
<b>LIABILITIES</b>											
<b>Current liabilities - Financial liabilities</b>											
Short term loans (other than bank overdraft)		(57)	(79)	(79)	-	-	-	-	-	-	-
Current portion of long-term liabilities		-	-	-	117	117	117	-	253	264	277
Total Current liabilities - Financial liabilities		(57)	(79)	(79)	117	117	117	-	253	264	277
<b>Trade and other payables from exchange transactions</b>											
Trade and other payables from exchange transactions	5	19 182	29 892	29 913	29 340	27 750	27 750	-	55 822	57 490	77 431
Other trade payables from exchange transactions		-	814	-	-	-	-	-	-	-	-
Trade payables from Non-exchange transactions - Unspent conditional Grants		(207)	5 103	4 896	2 920	2 920	2 920	-	8 168	11 514	16 458
Trade payables from Non-exchange transactions - Other		-	4 669	-	-	-	-	-	-	-	-
VAT		11 204	-	8 399	1 787	3 206	3 206	-	(311)	(330)	(349)
Total Trade and other payables from exchange transactions	2	30 179	40 577	43 208	34 048	33 876	33 876	-	63 678	68 675	93 541
<b>Non-current liabilities - Financial liabilities</b>											
Borrowing	4	421	-	-	200	200	200	-	-	-	-
Other financial liabilities		-	-	-	-	-	-	-	-	-	-
Total Non-current liabilities - Financial liabilities		421	-	-	200	200	200	-	-	-	-
<b>Non-current liabilities - Long Term portion of trade payables</b>											
Electricity Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Payables and Accruals - General		-	-	-	-	-	-	-	-	-	-
Water Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Municipal Debt Relief		-	-	-	-	-	-	-	-	-	-
<b>Provisions</b>											
Provision for doubtful debts		1 750	28 902	1 605	1 673	3 278	3 278	-	2 796	4 082	5 918
Provision for doubtful trade receivables		-	-	-	21 092	21 092	21 092	-	25 920	37 844	54 873
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions		1 750	28 902	1 605	22 765	24 370	24 370	-	28 716	41 925	60 792

KZN253 Emadlangeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated surplus/(deficit)</b>											
Accumulated surplus/(deficit) - opening balance		--	--	--	173 820	436 579	436 579	--	118 839	177 475	268 343
GRAP adjustments		--	--	--	--	--	--	--	--	--	--
Restated balance		--	--	--	173 820	436 579	436 579	--	118 839	177 475	268 343
Surplus/(Deficit)		5 808	(175 547)	(14 777)	37 256	56 437	56 437	--	39 251	30 865	17 651
Transfers to/from Reserves		--	--	--	--	--	--	--	--	--	--
Depreciation offsets		--	--	--	--	--	--	--	--	--	--
Other adjustments		--	--	--	9 734	--	--	--	--	--	--
Accumulated Surplus/(Deficit)	1	5 808	(175 547)	(14 777)	220 809	493 016	493 016	--	158 090	208 340	285 994
<b>Reserves</b>											
Housing Development Fund		--	--	--	--	--	--	--	--	--	--
Capital replacement		--	--	--	--	--	--	--	--	--	--
Self-insurance		--	--	--	--	--	--	--	--	--	--
Other reserves		--	--	--	--	--	--	--	--	--	--
Revaluation		--	--	--	--	--	--	--	--	--	--
Total Reserves	2	--	--	--	--	--	--	--	--	--	--
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	5 808	(175 547)	(14 777)	220 809	493 016	493 016	--	158 090	208 340	285 994

**References**

1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Must reconcile with Table A6 Budgeted Financial Position
3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases
4. Borrowing must reconcile to Table A17
5. Trade Payable should only include Trade Payables from Exchange Transactions ("True Creditors")
6. Inventory Consumed - Water - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1
7. Inventory Consumed Other - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1
8. Inventory Transfers/Adjustments (Include under gains/losses on Table A4)
9. Inventory Write-offs (Include under losses on Table A4)

check	(165 575)	(175 547)	(122 571)	(31)	(9 667)	(9 667)	--	(2 852)	(2 983)	(4 681)
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KZN253 Emadlangeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
Not Assigned		A		-	-	-	-	-	-	-	-	-
Municipal Financial Viability		B		-	-	-	1 735	2 658	2 658	557	112	117
Improved access to all basic services		C		-	-	-	27 075	27 843	27 843	17 980	16 026	13 854
To ensure participative transparent at accountable governance.		D		-	-	-	-	-	-	-	-	-
ensure a financially viable and sustainable municipality		E		-	-	-	-	-	-	-	-	-
Improve performance		F		-	-	-	10 240	24 740	24 740	9 890	5 550	184
Take on Trial Balance		G		-	-	-	-	-	-	800	-	-
ensure a participative,transparent and accountable governance		H		-	-	-	-	-	-	-	-	-
		I		-	-	-	-	-	-	-	-	-
		J		-	-	-	-	-	-	-	-	-
		K		-	-	-	-	-	-	-	-	-
		L		-	-	-	-	-	-	-	-	-
		M		-	-	-	-	-	-	-	-	-
		N		-	-	-	-	-	-	-	-	-
		O		-	-	-	-	-	-	-	-	-
		P		-	-	-	-	-	-	-	-	-
Allocations to other priorities			3	154 391	115 758	115 758	-	-	-	-	-	-
<b>Total Capital Expenditure</b>			1	<b>154 391</b>	<b>115 758</b>	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>55 241</b>	<b>29 228</b>	<b>21 689</b>	<b>14 155</b>

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36
3. Balance of allocations not directly linked to an IDP strategic objective  
check capital balance

				-	115 758	-	-	-	-	-	-	-
--	--	--	--	---	---------	---	---	---	---	---	---	---

KZN253 Emadlangeni - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Vote 1 - vote name</b>										
<b>Function 1 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
Insert measure/s description										
<b>Sub-function 2 - (name)</b>										
Insert measure/s description										
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Function 2 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
Insert measure/s description										
<b>Sub-function 2 - (name)</b>										
Insert measure/s description										
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Vote 2 - vote name</b>										
<b>Function 1 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
Insert measure/s description										
<b>Sub-function 2 - (name)</b>										
Insert measure/s description										
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Function 2 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
Insert measure/s description										
<b>Sub-function 2 - (name)</b>										
Insert measure/s description										
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Vote 3 - vote name</b>										
<b>Function 1 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
Insert measure/s description										
<b>Sub-function 2 - (name)</b>										
Insert measure/s description										
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>Function 2 - (name)</b>										
<b>Sub-function 1 - (name)</b>										
Insert measure/s description										
<b>Sub-function 2 - (name)</b>										
Insert measure/s description										
<b>Sub-function 3 - (name)</b>										
Insert measure/s description										
<b>And so on for the rest of the Votes</b>										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

**KZN253 Emadlangeni - Supporting Table SA7 Measureable performance objectives**

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27

**KZN253 Emadlangeni - Entities measureable performance objectives**

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Entity 1 - (name of entity)</b>										
<i>Insert measure/s description</i>										
<b>Entity 2 - (name of entity)</b>										
<i>Insert measure/s description</i>										
<b>Entity 3 - (name of entity)</b>										
<i>Insert measure/s description</i>										
<b>And so on for the rest of the Entities</b>										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s67(5)(d))
2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

**KZN253 Emadlangeni - Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Borrowing Management</b>											
Credit Rating	Interest & Principal Paid /Operating Expenditure	0.2%	0.0%	1.5%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Operating Expenditure	Expenditure										
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.2%	0.0%	2.1%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	0.7	0.2	0.3	1.2	2.6	2.6	-	1.4	1.4	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.7	0.2	0.3	1.2	2.6	2.6	-	1.4	1.4	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.1	0.1	0.4	0.3	0.3	-	0.5	0.4	0.5
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	13.4%	-33.6%	-35.4%	238.0%	261.5%	261.5%	0.0%	238.1%	254.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		13.4%	-33.6%	-35.4%	238.0%	261.5%	261.5%	0.0%	238.1%	254.0%	268.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	48.0%	-67.1%	56.6%	49.4%	122.1%	122.1%	0.0%	71.7%	76.7%	80.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		376.0%	-1281.9%	-1280.1%	311.7%	289.3%	416.1%	0.0%	304.1%	300.2%	368.4%
<b>Other Indicators</b>											
	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	0	0	0	0	0	0	0	0	0	0
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Bulk Purchase	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Volumes :System input	Water treatment works	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Natural sources	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Total Volume Losses (kft)	-	-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	42.7%	-90.1%	49.9%	38.4%	41.5%	41.5%	0.0%	39.6%	39.7%	40.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	46.9%	-99.1%	54.8%	42.3%	45.0%	45.0%	0.0%	43.2%	43.4%	44.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.9%	-1.9%	1.0%	1.6%	1.2%	1.2%	0.0%	1.3%	1.7%	1.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.0%	-22.4%	14.5%	8.2%	8.0%	8.0%	0.0%	7.1%	7.3%	7.6%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	43.3	(23.1)	188.7	137.8	138.7	-	-	15.2	14.8	15.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	172.9%	0.0%	110.1%	120.6%	382.1%	382.1%	0.0%	260.1%	277.2%	282.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.8	(0.3)	(0.3)	1.0	1.0	0.7	-	2.1	2.1	2.3

**References**

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









KCN293 Emsaflangeni - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/23		2024/25 Medium Term Revenue & Expenditure Framework	
					Outcome	Original Budget	Outcome	Outcome
Let type of FBS service	1st	Personal call-centres - 115 base per independent household per month	-	-	-	-	-	-
	2nd	Number of FFI receiving the type of service	-	-	-	-	-	-
	3rd	Informal settlements (Rands)	-	-	-	-	-	-
	4th	Number of FFI receiving the type of service	-	-	-	-	-	-
	5th	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-
	6th	Number of FFI receiving the type of service	-	-	-	-	-	-
	7th	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-
	8th	Number of FFI receiving the type of service	-	-	-	-	-	-
	9th	Other (Rands)	-	-	-	-	-	-
	10th	Number of FFI receiving the type of service	-	-	-	-	-	-
Water	1st	Total cost of FBS - Water for informal settlements	-	-	-	-	-	-
	2nd	Type of FBS	-	-	-	-	-	-
	3rd	Independent household per month	-	-	-	-	-	-
	4th	Number of FFI receiving the type of service	-	-	-	-	-	-
	5th	Informal settlements (Rands)	-	-	-	-	-	-
	6th	Number of FFI receiving the type of service	-	-	-	-	-	-
	7th	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-
	8th	Number of FFI receiving the type of service	-	-	-	-	-	-
	9th	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-
	10th	Number of FFI receiving the type of service	-	-	-	-	-	-
Sanitation	1st	Total cost of FBS - Water for informal settlements	-	-	-	-	-	-
	2nd	Type of FBS	-	-	-	-	-	-
	3rd	Normal settlements - three times a week to budget household	-	-	-	-	-	-
	4th	Number of FFI receiving the type of service	-	-	-	-	-	-
	5th	Informal settlements (Rands)	-	-	-	-	-	-
	6th	Number of FFI receiving the type of service	-	-	-	-	-	-
	7th	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-
	8th	Number of FFI receiving the type of service	-	-	-	-	-	-
	9th	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-
	10th	Number of FFI receiving the type of service	-	-	-	-	-	-
Refuse Removal	1st	Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-
	2nd	Type of FBS	-	-	-	-	-	-
	3rd	Normal settlements - removed once a week to budget household	-	-	-	-	-	-
	4th	Number of FFI receiving the type of service	-	-	-	-	-	-
	5th	Informal settlements (Rands)	-	-	-	-	-	-
	6th	Number of FFI receiving the type of service	-	-	-	-	-	-
	7th	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-
	8th	Number of FFI receiving the type of service	-	-	-	-	-	-
	9th	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-
	10th	Number of FFI receiving the type of service	-	-	-	-	-	-
Totals					101 150	101 150	124 831	130 573
Total cost of FBS - Refuse Removal for informal settlements					101 150	101 150	124 831	130 573

1. Monthly household income threshold should include all sources of income.  
 2. Show the power/water fee municipality uses to determine its household size for the provision of services.  
 3. Number of individual households to be constructed by the municipality under agreement with province.  
 4. Number of individual households to be constructed by the municipality under agreement with province.  
 5. Number of individual households to be constructed by the municipality under agreement with province.  
 6. Number of individual households to be constructed by the municipality under agreement with province.  
 7. Interest rate of 10% collection rate assumed as a basis for budget calculations for each revenue group.  
 8. Spend estimate > 200m to be reviewed.  
 9. Expenditure, being, other than the fee.  
 10. Expenditure, being, other than the fee.  
 11. Expenditure, being, other than the fee.  
 12. Expenditure, being, other than the fee.  
 13. Based on National Treasury's fee of R215 per cubic per month (2008 levels), assuming an average household size of 4 persons.



**KZN253 Emadlangeni - Supporting Table SA11 Property rates summary**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Valuation:</b>	1	-	-	-	-	-	-	-	-	-
Date of valuation:		-	-	-	-	-	-	-	-	-
Financial year valuation used		-	-	-	-	-	-	-	-	-
Municipal by-laws s6 in place? (Y/N)	2	-	-	-	-	-	-	-	-	-
Municipal/assistant valuer appointed? (Y/N)		-	-	-	-	-	-	-	-	-
Municipal partnership s38 used? (Y/N)		-	-	-	-	-	-	-	-	-
No. of assistant valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of data collectors (FTE)	3	-	-	-	-	-	-	-	-	-
No. of internal valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of additional valuers (FTE)	4	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		-	-	-	-	-	-	-	-	-
Implementation time of new valuation roll (mths)		-	-	-	-	-	-	-	-	-
No. of properties	5	-	-	-	-	-	-	-	-	-
No. of sectional title values	5	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-
No. of objections by rate payers		-	-	-	-	-	-	-	-	-
No. of appeals by rate payers		-	-	-	-	-	-	-	-	-
No. of successful objections	8	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	8	-	-	-	-	-	-	-	-	-
Supplementary valuation		-	-	-	-	-	-	-	-	-
Public service infrastructure value (Rm)	5	-	-	-	-	-	-	-	-	-
Municipality owned property value (Rm)		-	-	-	-	-	-	-	-	-
<b>Valuation reductions:</b>		-	-	-	-	-	-	-	-	-
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)		-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5	-	-	-	-	-	-	-	-	-
Total land value (Rm)	5	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	5	-	-	-	-	-	-	-	-	-
Total market value (Rm)	5	-	-	-	-	-	-	-	-	-
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
<b>Total rebates, exemptns, reductns, dscs (R'000)</b>		-	-	-	-	-	-	-	-	-

**References**

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

KZM253 Emaclangeni - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
<b>Current Year 2023/24</b>												
<b>Valuation:</b>												
No. of properties		-	-	-	-	-	-	-	-	-	-	-
No. of sectional title property values		-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		0	0	0	0	0	0	0	0	0	0	0
Years since last valuation (select)		0	0	0	0	0	0	0	0	0	0	0
Frequency of valuation (select)		0	0	0	0	0	0	0	0	0	0	0
Method of valuation used (select)		0	0	0	0	0	0	0	0	0	0	0
Base of valuation (select)		0	0	0	0	0	0	0	0	0	0	0
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		0	0	0	0	0	0	0	0	0	0	0
Flat rate used? (Y/N)		0	0	0	0	0	0	0	0	0	0	0
Is balance rated by uniform rate/variable rate?		0	0	0	0	0	0	0	0	0	0	0
<b>Valuation reductions:</b>												
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)		-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>	2	-	-	-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
<b>Rating:</b>												
Average rate	3	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptions, reductions, discounts (R'000)</b>		-	-	-	-	-	-	-	-	-	-	-
<b>References</b>												
1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations												
2. Include value of additional reductions is 'free value greater than MPPRA minimum.												
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum												
4. Include arrears collections												
5. In favour of the rate-payer												
6. Provide relevant information for historical comparisons.												

**KZN253 Ennidlengeni - Supporting Table SA12b Property rates by category (budget year)**

Ref	Description	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
<b>Budget Year 2024/25</b>												
<b>Valuation:</b>												
	No. of properties	-	-	-	-	-	-	-	-	-	-	-
	No. of sectional title property values	-	-	-	-	-	-	-	-	-	-	-
	No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-
	No. of supplementary valuations	-	-	-	-	-	-	-	-	-	-	-
	Supplementary valuation (Rm)	-	-	-	-	-	-	-	-	-	-	-
	No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	-	-
	No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-
	No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-
	No. of appeals by rate-payers finalised	-	-	-	-	-	-	-	-	-	-	-
5	No. of successful objections	-	-	-	-	-	-	-	-	-	-	-
5	No. of successful objections > 10%	-	-	-	-	-	-	-	-	-	-	-
	Estimated no. of properties not valued	-	-	-	-	-	-	-	-	-	-	-
	Years since last valuation (select)	0	0	0	0	0	0	0	0	0	0	0
	Frequency of valuation (select)	0	0	0	0	0	0	0	0	0	0	0
	Method of valuation used (select)	0	0	0	0	0	0	0	0	0	0	0
	Base of valuation (select)	0	0	0	0	0	0	0	0	0	0	0
	Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0
	Combination of rating types used? (Y/N)	0	0	0	0	0	0	0	0	0	0	0
	Flat rate used? (Y/N)	0	0	0	0	0	0	0	0	0	0	0
	Is balance rated by uniform rate/variable rate?	0	0	0	0	0	0	0	0	0	0	0
<b>Valuation reductions:</b>												
	Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	-	-	-	-	-
	Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-
	Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-
	Valuation reductions-R15,000 threshold (Rm)	-	-	-	-	-	-	-	-	-	-	-
	Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-
	Valuation reductions-other (Rm)	-	-	-	-	-	-	-	-	-	-	-
2	<b>Total valuation reductions:</b>	-	-	-	-	-	-	-	-	-	-	-
6	Total value used for rating (Rm)	-	-	-	-	-	-	-	-	-	-	-
6	Total land value (Rm)	-	-	-	-	-	-	-	-	-	-	-
6	Total value of improvements (Rm)	-	-	-	-	-	-	-	-	-	-	-
6	Total market value (Rm)	-	-	-	-	-	-	-	-	-	-	-
<b>Ratios:</b>												
3	Average rate	-	-	-	-	-	-	-	-	-	-	-
	Rate revenue budget (R'000)	-	-	-	-	-	-	-	-	-	-	-
	Rate revenue expected to collect (R'000)	-	-	-	-	-	-	-	-	-	-	-
4	Expected cash collection rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Special rating areas (R'000)	-	-	-	-	-	-	-	-	-	-	-
	Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-	-	-
	Rebates, exemptions - pensioners (R'000)	-	-	-	-	-	-	-	-	-	-	-
	Rebates, exemptions - bona fide farm. (R'000)	-	-	-	-	-	-	-	-	-	-	-
	Rebates, exemptions - other (R'000)	-	-	-	-	-	-	-	-	-	-	-
	Phase-in reductions/discounts (R'000)	-	-	-	-	-	-	-	-	-	-	-
	<b>Total rebates, exemptions, reductions, discounts (R'000)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>References:</b>												
1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations												
2. Include value of additional reductions is 'free' value greater than MPRA minimum.												
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum												
4. Include arrears collections												
5. In favour of the ratepayer												
6. Provide relevant information for historical comparisons.												



**KZN253 Emadlangeni - Supporting Table SA13a Service Tariffs by category**

Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Property rates (rate in the Rand)</b>	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
<b>National monuments properties</b>									
<b>Property rates by usage</b>									
Business and commercial properties									
Industrial properties									
Mining properties									
Residential properties									
Agricultural properties									
Public benefit organisations									
Public service purpose properties									
Public service infrastructure properties									
Vacant land									
Sport Clubs and Fields (Bitou only)									
Sectional Title Garages (Drakenstein only)									
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									

**KZN253 Emadlangeni - Supporting Table SA13a Service Tariffs by category**

Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Bona fide farmers rebate or exemption	2		-	-	-	-	-	-	-
<b>Other rebates or exemptions</b>									
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)			-	-	-	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
Water usage - flat rate tariff (c/k)			-	-	-	-	-	-	-
Water usage - life line tariff		(describe structure)	-	-	-	-	-	-	-
Water usage - Block 1 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 2 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 3 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 4 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 5 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 6 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
<b>Other</b>	2		-	-	-	-	-	-	-
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)			-	-	-	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
Waste water - flat rate tariff (c/k)			-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/k)		(fill in structure)	-	-	-	-	-	-	-
Volumetric charge - Block 2 (c/k)		(fill in structure)	-	-	-	-	-	-	-
Volumetric charge - Block 3 (c/k)		(fill in structure)	-	-	-	-	-	-	-
Volumetric charge - Block 4 (c/k)		(fill in structure)	-	-	-	-	-	-	-
<b>Other</b>	2		-	-	-	-	-	-	-
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)			-	-	-	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
FBE		(how is this targeted?)	-	-	-	-	-	-	-
Life-line tariff - meter		(describe structure)	-	-	-	-	-	-	-
Life-line tariff - prepaid		(describe structure)	-	-	-	-	-	-	-
Flat rate tariff - meter (c/kwh)			-	-	-	-	-	-	-
Flat rate tariff - prepaid (c/kwh)			-	-	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-

**KZN253 Emadlangeni - Supporting Table SA13a Service Tariffs by category**

Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
<b>Other</b>	2		-	-	-	-	-	-	-
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge			-	-	-	-	-	-	-
Basic charge/fixd fee			-	-	-	-	-	-	-
80l bin - once a week			-	-	-	-	-	-	-
250l bin - once a week			-	-	-	-	-	-	-

**References**

1. If properties are not rated or zero rated this must be indicated as such
2. Please provide detailed descriptions on Sheet SA13b

KZN253 EmaDlangeni - Supporting Table SA 13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Exemptions, reductions and rebates (Rands) <i>(insert lines as applicable)</i>									
<b>Water tariffs</b> <i>(insert blocks as applicable)</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							
<b>Waste water tariffs</b> <i>(insert blocks as applicable)</i>		(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)							
<b>Electricity tariffs</b> <i>(insert blocks as applicable)</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							

**KZN253 Emadlangeni - Supporting Table SA14 Household bills**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year + 2026/27
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>											
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
	<b>sub-total</b>	-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total large household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>		-	-	-	-	-	-	-	-	-	-
<b>Monthly Account for Household - 'Affordable Range'</b>											
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
	<b>sub-total</b>	-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>		-	-	-	-	-	-	-	-	-	-
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>											
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
	<b>sub-total</b>	-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>		-	-	-	-	-	-	-	-	-	-

**References**  
 1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water  
 2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water  
 3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

**KZN253 Emadlangeni - Supporting Table SA15 Investment particulars by type**

Investment type	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year + 2026/27
<b>₹ thousand</b>										
<b>Parent municipality</b>										
Securities - National Government		117	-	149	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		481	-	66	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	<b>1</b>	<b>598</b>	<b>-</b>	<b>215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Entities</b>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>598</b>	<b>-</b>	<b>215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**KZN253 Emdlangeni - Supporting Table SA17 Borrowing**

Borrowing - Categorized by type	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>Parent municipality</b>										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	-	-	-	-	-	-	-

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

**References**

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



KZN253 Emadlangeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		36 702	-	36 076	42 019	42 019	42 019	44 267	42 652	41 469
Local Government Equitable Share		36 702	-	36 076	38 069	38 069	38 069	39 936	39 692	38 469
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		-	-	-	950	950	950	1 331	-	-
Local Government Financial Management Grant		0	-	-	3 000	3 000	3 000	3 000	3 000	3 000
Public Transport Network Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	-	-	-	-	-
South Africa National Accreditation System		-	-	-	-	-	-	-	-	-
Electricity Demand Side Management		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	5 103	5 450	4 950	4 950	2 036	2 130	2 130
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	5 103	5 450	4 950	4 950	2 036	2 130	2 130
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Education, Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
SEDA eThekweni		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	36 702	-	41 179	47 469	46 969	46 969	46 303	44 822	43 599
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		0	-	-	42 737	60 039	60 039	31 858	24 611	15 932
Municipal Infrastructure Grant		-	-	-	18 249	17 028	17 028	10 160	10 430	10 932
Integrated National Electrification Programme Grant		0	-	-	24 488	24 488	24 488	15 518	8 000	5 000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	18 523	18 523	6 180	6 181	-
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
KwazuluNatal House of Traditional Leaders		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Education, Training an		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	0	-	-	42 737	60 039	60 039	31 858	24 611	15 932
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		36 702	-	41 179	90 206	107 008	107 008	78 161	69 433	59 531

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

KZN253 Emadlangeni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		36 702	-	36 076	42 019	42 019	42 019	44 287	42 692	41 469
Local Government Equitable Share		36 702	-	36 076	38 069	38 069	38 069	39 936	39 692	38 469
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		-	-	-	950	950	950	1 331	-	-
Local Government Financial Management Grant		-	-	-	3 000	3 000	3 000	3 000	3 000	3 000
Public Transport Network Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	-	-	-	-	-
South Africa National Accreditation System		-	-	-	-	-	-	-	-	-
Electricity Demand Side Management		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	5 450	4 950	4 950	2 036	2 130	2 130
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	5 450	4 950	4 950	2 036	2 130	2 130
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Education, Training and Development Practices SETA		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
SEDA eThekweni		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		36 702	-	36 076	47 469	46 969	46 969	46 303	44 822	43 569
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	-	-	42 737	60 039	60 039	31 858	24 611	15 932
Municipal Infrastructure Grant		-	-	-	18 249	17 028	17 028	10 160	10 430	10 932
Integrated National Electrification Programme Grant		-	-	-	24 488	24 488	24 488	15 518	8 000	5 000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	18 523	18 523	6 180	6 181	-
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
KwazuluNatal House of Traditional Leaders		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Education, Training an		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		-	-	-	42 737	60 039	60 039	31 858	24 611	15 932
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		36 702	-	36 076	90 206	107 008	107 008	78 161	69 433	59 531

References

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

**KZN253 Emadlangeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	3 950	3 950	3 950	4 331	3 000	3 000
Repayment of grants		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	3 950	3 950	3 950	4 331	3 000	3 000
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	5 450	4 950	4 950	2 036	2 130	2 130
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	5 450	4 950	4 950	2 036	2 130	2 130
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	9 400	8 900	8 900	6 367	5 130	5 130
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	42 737	60 039	60 039	31 858	24 611	15 932
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	42 737	60 039	60 039	31 858	24 611	15 932
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	42 737	60 039	60 039	31 858	24 611	15 932
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	52 137	68 939	68 939	38 225	29 741	21 062

**References**

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

**KZN253 Emadlangeni - Supporting Table SA21 Transfers and grants made by the municipality**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year + 2026/27	
<b>Cash Transfers to other municipalities</b>												
Municipal Entities	1	-	-	-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>												
Departmental Agencies and Accounts	2	-	-	-	-	-	-	-	-	-	-	-
Small Enterprise Development Agency		-	-	-	-	-	-	-	-	-	-	-
Education, Training and Development Practices SETA		-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>												
Provincial Government	3	-	-	-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>												
Free State Development Corporation		-	-	-	-	-	-	-	-	-	-	-
Non-profit Institutions		-	-	-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b>												
Disaster Management Fund		-	-	-	-	-	-	-	-	-	-	-
Bursaries (Non-Employee)		-	-	-	-	-	-	-	-	-	-	-
Skill Development and Training		-	-	-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-	-	-
Learning, Training Support Material		-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>6</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other municipalities</b>												
Municipal Entities	1	-	-	-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>												
Departmental Agencies and Accounts	2	-	-	-	-	-	-	-	-	-	-	-
Small Enterprise Development Agency		-	-	-	-	-	-	-	-	-	-	-
Education, Training and Development Practices SETA		-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>												
Provincial Government	3	-	-	-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>												
Specify (Add grant description)	4	-	-	-	-	-	-	-	-	-	-	-
Mamre Fencing 2		-	-	-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>												
Disaster Management Fund	5	-	-	-	-	-	-	-	-	-	-	-
Bursaries (Non-Employee)		-	-	-	-	-	-	-	-	-	-	-
Skill Development and Training		-	-	-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-	-	-
Learning, Training Support Material		-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>6</b>	-	-	-	-	-	-	-	-	-	-	-

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

KZN253 Emadlangeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages	1	3 266	4 148	4 148	4 391	4 391	4 391	4 292	4 434	4 638
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	18	(658)	(658)	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		449	449	449	449	741	741	449	469	491
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>3 715</b>	<b>4 597</b>	<b>4 597</b>	<b>4 858</b>	<b>4 473</b>	<b>4 473</b>	<b>4 740</b>	<b>4 903</b>	<b>5 129</b>
<b>% increase</b>	4		<b>23.7%</b>		<b>5.7%</b>	<b>(7.9%)</b>		<b>6.0%</b>	<b>3.4%</b>	<b>4.6%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	2	4 167	3 483	3 483	3 489	4 355	4 355	4 524	4 732	4 952
Pension and UIF Contributions		7	9	9	10	11	11	15	15	16
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	120	120	120	96	100	105
Cellphone Allowance	3	168	134	83	124	182	182	124	130	136
Housing Allowances	3	-	-	-	49	97	97	-	-	-
Other benefits and allowances	3	499	620	620	501	709	709	501	524	458
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		124	78	78	150	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 964</b>	<b>4 323</b>	<b>4 272</b>	<b>4 444</b>	<b>5 475</b>	<b>5 475</b>	<b>5 260</b>	<b>5 502</b>	<b>5 667</b>
<b>% increase</b>	4		<b>(12.9%)</b>	<b>(1.2%)</b>	<b>4.0%</b>	<b>23.2%</b>		<b>(3.9%)</b>	<b>4.6%</b>	<b>3.0%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		25 969	32 944	32 944	36 105	36 475	36 475	37 033	37 446	39 170
Pension and UIF Contributions		3 065	4 443	4 443	3 149	4 617	4 617	5 460	5 711	5 769
Medical Aid Contributions		656	865	865	1 568	1 519	1 519	1 396	1 461	1 528
Overtime		677	586	586	390	644	644	578	604	632
Performance Bonus		-	-	-	64	-	-	15	16	17
Motor Vehicle Allowance	3	288	432	432	324	712	712	700	732	766
Cellphone Allowance	3	61	92	92	70	61	61	68	157	75
Housing Allowances	3	242	221	221	230	240	240	153	160	167
Other benefits and allowances	3	1 318	2 077	2 077	1 206	1 929	1 929	1 102	1 153	1 226
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	739	481	481	329	324	324	325	339	355
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>33 015</b>	<b>42 140</b>	<b>42 140</b>	<b>43 435</b>	<b>46 520</b>	<b>46 520</b>	<b>46 830</b>	<b>47 779</b>	<b>49 705</b>
<b>% increase</b>	4		<b>27.6%</b>		<b>3.1%</b>	<b>7.1%</b>		<b>0.7%</b>	<b>2.0%</b>	<b>4.0%</b>
<b>Total Parent Municipality</b>		<b>41 694</b>	<b>51 060</b>	<b>51 009</b>	<b>52 737</b>	<b>56 468</b>	<b>56 468</b>	<b>56 830</b>	<b>58 184</b>	<b>60 501</b>
			<b>22.5%</b>	<b>(0.1%)</b>	<b>3.4%</b>	<b>7.1%</b>		<b>0.6%</b>	<b>2.4%</b>	<b>4.0%</b>
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4									

**KZN253 Emadlangeni - Supporting Table SA22 Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand		A	B	C	D	E	F	G	H	I
<b>Senior Managers of Entities</b>	1									
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4									
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		41 694	51 060	51 009	52 737	56 468	56 468	56 830	58 184	60 501
<b>% increase</b>	4		22.5%	(0.1%)	3.4%	7.1%	-	0.6%	2.4%	4.0%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	37 980	46 463	46 412	47 879	51 995	51 995	52 090	53 281	55 372

**References**

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

**Column Definitions:**

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



**KZN253 Emadlangeni - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers	Ref	2022/23			Current Year 2023/24			Budget Year 2024/25		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		-	-	-	-	-	-	-	-	-
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	-	-	-	-	-	-	-	-	-
Other Managers	7	-	-	-	-	-	-	-	-	-
Professionals		-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Technicians		-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		-	-	-	-	-	-	-	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		-	-	-	-	-	-	-	-	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	-	-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-	-
<b>Total municipal employees headcount</b>	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	-	-	-

References

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











KZN253 Emadlangeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

R thousand	Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
1	<b>Capital Expenditure - Functional</b>		119	119	119	119	119	119	119	119	119	119	119	119	119	1433	191	200
	<b>Governance and administration</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Executive and council		119	119	119	119	119	119	119	119	119	119	119	119	119	1433	191	200
	Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Community and public safety</b>		8	8	8	8	8	8	8	8	8	8	8	8	8	92	97	101
	Community and social services		8	8	8	8	8	8	8	8	8	8	8	8	8	92	97	101
	Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Economic and environmental services</b>		1184	1184	1184	1184	1184	1184	1184	1184	1184	1184	1184	1184	1184	14209	14444	9506
	Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Road transport		1184	1184	1184	1184	1184	1184	1184	1184	1184	1184	1184	1184	1184	14209	14444	9506
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Trading services</b>		1124	1124	1124	1124	1124	1124	1124	1124	1124	1124	1124	1124	1124	13494	6957	4348
	Energy services		1124	1124	1124	1124	1124	1124	1124	1124	1124	1124	1124	1124	1124	13494	6957	4348
	Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Capital Expenditure - Functional</b>	2	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	29 228	21 689	14 155
	<b>Funded by:</b>																	
	National Government		2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	27 703	21 401	13 854
	Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers from other municipalities and municipalities (Nat./Prov. Depatrm Agencies, allocations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Transfers recognised - capital</b>		2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	2 309	27 703	21 401	13 854
	<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Internally generated funds</b>		127	127	127	127	127	127	127	127	127	127	127	127	127	1 525	288	301
	<b>Total Capital Funding</b>		2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	2 436	29 228	21 689	14 155

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

**KZN263 Emdlangeni - Supporting Table SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS												
R thousand	Budget Year 2024/25											
	July	August	Sept.	October	November	December	January	February	March	April	May	June
<b>Cash Receipts By Source</b>												
Property rates	1 334	1 334	1 334	1 334	1 334	1 334	1 334	1 334	1 334	1 334	1 334	1 334
Service charges - electricity revenue												
Service charges - water revenue												
Service charges - sanitation revenue												
Rental of facilities - refuse revenue	158	158	158	158	158	158	158	158	158	158	158	158
Rental of facilities and equipment	124	124	124	124	124	124	124	124	124	124	124	124
Interest earned - external investments	97	97	97	97	97	97	97	97	97	97	97	97
Interest earned - outstanding debtors	592	592	592	592	592	592	592	592	592	592	592	592
Dividends received	2	2	2	2	2	2	2	2	2	2	2	2
Fines, penalties and forfeits	146	146	146	146	146	146	146	146	146	146	146	146
Licences and permits												
Agency services	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034	4 034
Transfers and Subsidies - Operational	89	89	89	89	89	89	89	89	89	89	89	89
Other revenues	6 976	9 773	9 773	9 773	9 773	9 773	9 773	9 773	9 773	9 773	9 773	9 773
<b>Cash Receipts by Source</b>												
<b>Other Cash Flows by Source</b>												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparment Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educ												
Proceeds on Disposal of Fixed and Intangible Assets												
Short term loans												
Borrowing long term financing												
Increase (decrease) in consumer deposits												
VAT Control refunds												
Decrease (increase) in non-current receivables												
Decrease (increase) in non-current investments												
<b>Total Cash Receipts by Sources</b>	<b>9 230</b>	<b>12 428</b>	<b>12 428</b>	<b>12 428</b>	<b>12 428</b>	<b>12 428</b>	<b>12 428</b>	<b>12 428</b>	<b>12 428</b>	<b>12 428</b>	<b>12 428</b>	<b>15 626</b>
<b>Cash Payments by Type</b>												
Employee related costs	4 348	4 348	4 348	4 348	4 348	4 348	4 348	4 348	4 348	4 348	4 348	4 348
Remuneration of councillors	395	395	395	395	395	395	395	395	395	395	395	395
Bulk purchases - electricity	2 193	2 193	2 193	2 193	2 193	2 193	2 193	2 193	2 193	2 193	2 193	2 193
Acquisitions - water & other inventory	595	595	595	595	595	595	595	595	595	595	595	595
Contracted services	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391
Transfers and subsidies - other municipalities												
Transfers and subsidies - other												
Other expenditure	1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082	1 082
<b>Cash Payments by Type</b>	<b>9 613</b>	<b>9 613</b>	<b>9 613</b>	<b>9 613</b>	<b>9 613</b>	<b>9 613</b>	<b>9 613</b>	<b>9 613</b>	<b>9 613</b>	<b>9 613</b>	<b>9 613</b>	<b>12 979</b>
<b>Other Cash Flows/Payments by Type</b>												
Capital assets	2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 801	2 801
Repayment of borrowing												
Other Cash Flows/Payments												
<b>Total Cash Payments by Type</b>	<b>12 714</b>	<b>12 714</b>	<b>12 714</b>	<b>12 714</b>	<b>12 714</b>	<b>12 714</b>	<b>12 714</b>	<b>12 714</b>	<b>12 714</b>	<b>12 714</b>	<b>12 714</b>	<b>15 270</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(3 484)</b>	<b>(286)</b>	<b>(286)</b>	<b>(286)</b>	<b>(286)</b>	<b>(286)</b>	<b>(286)</b>	<b>(286)</b>	<b>(286)</b>	<b>(286)</b>	<b>(286)</b>	<b>2 912</b>
Cash/cash equivalents at the month/year begin:	21 791	18 307	18 021	17 735	17 449	17 163	16 877	16 591	16 305	16 019	15 733	15 447
Cash/cash equivalents at the month/year end:	18 307	18 021	17 735	17 449	17 163	16 877	16 591	16 305	16 019	15 733	15 447	18 359
Reconciling												19 148
												21 017

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

**KZN253 Emadlangeni - NOT REQUIRED - municipality does not have entities**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year + 2026/27
<b>Financial Performance</b>										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-
Investment revenue		-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		-	-	-	-	-	-	-	-	-
Other own revenue		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	-	-
Employee costs		-	-	-	-	-	-	-	-	-
Remuneration of Board Members		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases		-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>		-	-	-	-	-	-	-	-	-
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
<b>Total sources</b>		-	-	-	-	-	-	-	-	-
<b>Financial position</b>										
Total current assets		-	-	-	-	-	-	-	-	-
Total non current assets		-	-	-	-	-	-	-	-	-
Total current liabilities		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-
Community wealth/Equity		-	-	-	-	-	-	-	-	-
<b>Cash flows</b>										
Net cash from (used) operating		-	-	-	-	-	-	-	-	-
Net cash from (used) investing		-	-	-	-	-	-	-	-	-
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>		-	-	-	-	-	-	-	-	-

**KZN253 Emadlangeni - Supporting Table SA32 List of external mechanisms**

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation	Number	R thousand			

References

1. Total agreement period from commencement until end
2. Annual value



KZN253 Emaclangeni - Supporting Table SA33 Contracts having future budgetary implications

R thousand	Ref	Description	Preceding Years	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Total Contract Value
					Budget Year 2024/25	Budget Year +1 2025/26								
			Total	Original Budget		Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	1,3	Parent Municipality: Revenue Obligation By Contract Contract 1 Contract 2 Contract 3 etc												
	2	Total Operating Revenue Implication												
	2	Expenditure Obligation By Contract Contract 1 Contract 2 Contract 3 etc												
		Total Operating Expenditure Implication												
	2	Capital Expenditure Obligation By Contract Contract 1 Contract 2 Contract 3 etc												
		Total Capital Expenditure Implication												
		Total Parent Expenditure Implication												
		Entities:												
	2	Revenue Obligation By Contract Contract 1 Contract 2 Contract 3 etc												
		Total Operating Revenue Implication												
	2	Expenditure Obligation By Contract Contract 1 Contract 2 Contract 3 etc												
		Total Operating Expenditure Implication												
	2	Capital Expenditure Obligation By Contract Contract 1 Contract 2 Contract 3 etc												
		Total Capital Expenditure Implication												
		Total Entity Expenditure Implication												

References:  
 1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column  
 2. List all contracts with future financial obligations beyond the three years covered by the MTRF (MFMA s33)  
 3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

KZN253 Emadlangeni - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		29 111	53 912	53 912	37 183	52 450	52 450	27 703	21 401	13 854
Roads Infrastructure		4 472	53 159	53 159	21 294	30 914	30 914	14 209	14 444	9 506
Roads		4 472	53 159	53 159	21 294	30 914	30 914	14 209	14 444	9 506
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		24 499	135	135	15 869	21 536	21 536	13 494	6 957	4 348
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	(0)	(0)	-	242	242	-	-	-
LV Networks		24 499	135	135	15 869	21 294	21 294	13 494	6 957	4 348
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	478	478	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	478	478	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Retreatment		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		140	140	140	-	-	-	-	-	-
Data Centres		140	140	140	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>	1									
<b>Community Assets</b>		23 019	26 921	26 921	-	-	-	-	-	-
Community Facilities		23 019	26 921	26 921	-	-	-	-	-	-
Halls		23 019	26 921	26 921	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Spot and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		1 490	1 490	1 490	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		1 490	1 490	1 490	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		19 724	-	-	-	-	-	-	-	-
Revenue Generating		19 724	-	-	-	-	-	-	-	-
Improved Property		19 724	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		15 255	15 219	15 219	-	-	-	-	-	-
Operational Buildings		15 255	15 219	15 219	-	-	-	-	-	-
Municipal Offices		15 255	15 219	15 219	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		1 560	1 560	1 560	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 560	1 560	1 560	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licences		-	-	-	-	-	-	-	-	-
Solid Waste Licences		-	-	-	-	-	-	-	-	-
Computer Software and Applications		1 560	1 560	1 560	-	-	-	-	-	-
Local Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		1 836	1 960	1 960	-	-	-	-	-	-
Computer Equipment		1 836	1 960	1 960	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		3 235	3 581	3 581	363	91	91	87	91	96
Furniture and Office Equipment		3 235	3 581	3 581	363	91	91	87	91	96
<b>Machinery and Equipment</b>		3 033	3 740	3 740	1 155	2 118	2 118	20	21	22
Machinery and Equipment		3 033	3 740	3 740	1 155	2 118	2 118	20	21	22
<b>Transport Assets</b>		5 526	5 482	5 482	217	449	449	450	-	-
Transport Assets		5 526	5 482	5 482	217	449	449	450	-	-
<b>Land</b>		23 295	2 796	2 796	-	-	-	-	-	-
Land		23 295	2 796	2 796	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Fishing and Frolics		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Fishing and Frolics		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	127 083	116 661	116 661	38 888	55 108	55 108	28 260	21 513	13 971

KZN253 Emdlangeni - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on upgrading of existing assets (SA34c) must reconcile to total capital expenditure (SA34d).

KZN253 Emadlangeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

R thousand	Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>											
	Stalls		-	-	-	-	-	-	-	-	-
	Abattoirs		-	-	-	-	-	-	-	-	-
	Airports		-	-	-	-	-	-	-	-	-
	Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-	-
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
	Indoor Facilities		-	-	-	-	-	-	-	-	-
	Outdoor Facilities		-	-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-	-
	<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
	Monuments		-	-	-	-	-	-	-	-	-
	Historic Buildings		-	-	-	-	-	-	-	-	-
	Works of Art		-	-	-	-	-	-	-	-	-
	Conservation Areas		-	-	-	-	-	-	-	-	-
	Other Heritage		-	-	-	-	-	-	-	-	-
	<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
	Revenue Generating		-	-	-	-	-	-	-	-	-
	Improved Property		-	-	-	-	-	-	-	-	-
	Unimproved Property		-	-	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	-	-	-	-	-	-	-
	Improved Property		-	-	-	-	-	-	-	-	-
	Unimproved Property		-	-	-	-	-	-	-	-	-
	<b>Other assets</b>		-	-	-	-	-	-	-	-	-
	Operational Buildings		-	-	-	-	-	-	-	-	-
	Municipal Offices		-	-	-	-	-	-	-	-	-
	Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
	Building Plan Offices		-	-	-	-	-	-	-	-	-
	Workshops		-	-	-	-	-	-	-	-	-
	Yards		-	-	-	-	-	-	-	-	-
	Stores		-	-	-	-	-	-	-	-	-
	Laboratories		-	-	-	-	-	-	-	-	-
	Training Centres		-	-	-	-	-	-	-	-	-
	Manufacturing Plant		-	-	-	-	-	-	-	-	-
	Depots		-	-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-
	Staff Housing		-	-	-	-	-	-	-	-	-
	Social Housing		-	-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-	-
	<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
	<b>Intangible Assets</b>		(910)	(910)	(910)	153	133	133	128	134	140
	Servitudes		-	-	-	-	-	-	-	-	-
	Licences and Rights		(910)	(910)	(910)	153	133	133	128	134	140
	Water Rights		-	-	-	-	-	-	-	-	-
	Effluent Licences		-	-	-	-	-	-	-	-	-
	Solid Waste Licences		-	-	-	-	-	-	-	-	-
	Computer Software and Applications		(910)	(910)	(910)	153	133	133	128	134	140
	Local Settlement Software Applications		-	-	-	-	-	-	-	-	-
	Unspecified		-	-	-	-	-	-	-	-	-
	<b>Computer Equipment</b>		-	-	-	-	-	-	800	-	-
	Computer Equipment		-	-	-	-	-	-	800	-	-
	<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
	Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
	<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
	Machinery and Equipment		-	-	-	-	-	-	-	-	-
	<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
	Transport Assets		-	-	-	-	-	-	-	-	-
	<b>Land</b>		-	-	-	-	-	-	-	-	-
	Land		-	-	-	-	-	-	-	-	-
	<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
	<b>Living resources</b>		-	-	-	-	-	-	-	-	-
	Marine		-	-	-	-	-	-	-	-	-
	Policy and Protection		-	-	-	-	-	-	-	-	-
	Zoological plants and animals		-	-	-	-	-	-	-	-	-
	Terrestrial		-	-	-	-	-	-	-	-	-
	Policy and Protection		-	-	-	-	-	-	-	-	-
	Zoological plants and animals		-	-	-	-	-	-	-	-	-
	<b>Total Capital Expenditure on renewal of existing assets</b>	1	(910)	(910)	(910)	153	133	133	928	134	140
	<b>Renewal of Existing Assets as % of total capex</b>		-0.8%	-0.8%	-0.8%	0.4%	0.2%	0.2%	3.2%	0.6%	1.0%
	<b>Renewal of Existing Assets as % of deprec</b>		-9.4%	-7.9%	-7.8%	1.6%	1.3%	1.3%	9.6%	1.4%	1.4%

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34e) plus Total Capital Expenditure on upgrading of existing assets (SA34d) must reconcile to total capital expenditure.

KZN253 Emadlangeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>	<b>1</b>									
<b>Infrastructure</b>		2	463	463	500	300	300	500	523	547
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2	463	463	500	300	300	500	523	547
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		2	463	463	500	300	300	500	523	547
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		1								
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		<b>322</b>	<b>85</b>	<b>85</b>	<b>330</b>	<b>502</b>	<b>502</b>	<b>250</b>	<b>262</b>	<b>274</b>
Operational Buildings		322	85	85	330	502	502	250	262	274
Municipal Offices		322	85	85	330	502	502	250	262	274
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-



KZN253 Emadlangeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>	1									
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	146	146	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	146	146	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	146	146	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	13	13	350	110	110	300	314	329
Machinery and Equipment		-	13	13	350	110	110	300	314	329
<b>Transport Assets</b>		518	248	248	864	606	606	636	1 136	1 188
Transport Assets		518	248	248	864	606	606	636	1 136	1 188
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	842	955	955	2 044	1 518	1 518	1 686	2 234	2 338
R&M as a % of PFE & Investment Property		0.6%	0.6%	0.6%	1.1%	0.4%	0.4%	1.3%	1.1%	0.8%
R&M as % Operating Expenditure		0.9%	0.8%	0.7%	1.6%	1.2%	1.2%	0.0%	1.8%	1.8%

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

check balance

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KZN253 Emadlangeni - Supporting Table SA34d Depreciation by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		1								
<b>Depreciation by Asset Class/Sub-class</b>		<b>7 334</b>	<b>8 797</b>	<b>8 797</b>	<b>6 510</b>	<b>6 510</b>	<b>6 510</b>	<b>5 937</b>	<b>6 238</b>	<b>6 525</b>
<b>Infrastructure</b>		<b>7 333</b>	<b>5 432</b>	<b>5 432</b>	<b>6 510</b>	<b>6 510</b>	<b>6 510</b>	<b>5 937</b>	<b>6 238</b>	<b>6 525</b>
Roads Infrastructure		7 333	5 432	5 432	6 510	6 510	6 510	5 937	6 238	6 525
Roads		7 333	(3 326)	(3 326)	6 510	6 510	6 510	5 937	6 238	6 525
Road Structures		-	14	14	-	-	-	-	-	-
Road Furniture		-	8 744	8 744	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	(1 745)	(1 745)	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	(1 745)	(1 745)	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		0	94	94	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		0	44	44	-	-	-	-	-	-
LV Networks		-	50	50	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	5 015	5 015	-	-	-	-	-	-
Landfill Sites		-	5 015	5 015	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Supporting Table SA34d Depreciation by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Depreciation by Asset Class/Sub-class</b>	<b>1</b>									
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>630</b>	<b>858</b>	<b>858</b>	<b>188</b>	<b>1 838</b>	<b>1 838</b>	<b>189</b>	<b>197</b>	<b>206</b>
Community Facilities		630	858	858	188	1 838	1 838	189	197	206
Halls		630	183	183	-	-	-	-	-	-
Centres		-	16	16	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	188	1 838	1 838	189	197	206
Libraries		-	167	167	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	439	439	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	9	9	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	43	43	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>253</b>	<b>250</b>	<b>250</b>	<b>815</b>	-	-	<b>1 653</b>	<b>1 729</b>	<b>1 808</b>
Revenue Generating		-	-	-	815	-	-	-	-	-
Improved Property		-	-	-	815	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		253	250	250	-	-	-	1 653	1 729	1 808
Improved Property		253	250	250	-	-	-	1 653	1 729	1 808
Unimproved Property		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		<b>441</b>	<b>429</b>	<b>429</b>	<b>834</b>	-	-	-	-	-
Operational Buildings		441	429	429	834	-	-	-	-	-
Municipal Offices		441	429	429	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	834	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Supporting Table SA34d Depreciation by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		224	161	161	-	-	-	35	37	38
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		224	161	161	-	-	-	35	37	38
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		224	161	161	-	-	-	35	37	38
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		168	287	287	-	-	-	-	-	-
Computer Equipment		168	287	287	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		157	222	222	434	434	434	435	455	476
Furniture and Office Equipment		157	222	222	434	434	434	435	455	476
<b>Machinery and Equipment</b>		182	172	172	418	418	418	419	439	459
Machinery and Equipment		182	172	172	418	418	418	419	439	459
<b>Transport Assets</b>		269	387	387	664	664	664	665	695	727
Transport Assets		269	387	387	664	664	664	665	695	727
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	9 658	11 563	11 563	9 864	9 864	9 864	9 332	9 790	10 240

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.

check balance

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KZN253 Emadlangeni - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		28 217	6	6	-	-	-	40	42	44
Roads Infrastructure		28 217	6	6	-	-	-	-	-	-
Roads		28 217	6	6	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	40	42	44
Data Centres		-	-	-	-	-	-	40	42	44
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>										
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Shops		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

KZN253 Emadlangeni - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>	1									
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
<b>Other assets</b>										
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets										
<b>Intangible Assets</b>										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Land Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>										
Computer Equipment										
<b>Furniture and Office Equipment</b>										
Furniture and Office Equipment										
<b>Machinery and Equipment</b>										
Machinery and Equipment										
<b>Transport Assets</b>										
Transport Assets										
<b>Land</b>										
Land										
<b>Zoo's, Marine and Non-Biological Animals</b>										
Zoo's, Marine and Non-Biological Animals										
<b>Living resources</b>										
Mature										
Policing and Protection										
Zoological plants and animals										
Immature										
Policing and Protection										
Zoological plants and animals										
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	28 217	6	6				40	42	44
<b>Upgrading of Existing Assets as % of total capex</b>		18.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%
<b>Upgrading of Existing Assets as % of Depreciation</b>		292.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.4%	0.4%	0.4%

1. Total Capital Expenditure on upgrading of existing assets (SA34e) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure

**KZN253 Emadlangeni - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description	Ref	2024/25 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	<b>1</b>							
Vote 1 - Executive and Council		-	-	-				
Vote 2 - Finance and Administration		1 433	191	200				
Vote 3 - Internal Audit		-	-	-				
Vote 4 - Community and Social Services		92	97	101				
Vote 5 - Sport and Recreation		-	-	-				
Vote 6 - Public Safety		-	-	-				
Vote 7 - Housing		-	-	-				
Vote 8 - Other		-	-	-				
Vote 9 - Planning and Development		-	-	-				
Vote 10 - Road Transport		14 209	14 444	9 506				
Vote 11 - Environmental Protection		-	-	-				
Vote 12 - Energy Sources		13 494	6 957	4 348				
Vote 13 - Water Management		-	-	-				
Vote 14 - Waste Water Management		-	-	-				
Vote 15 - Waste Management		-	-	-				
List entity summary if applicable		-	-	-				
<b>Total Capital Expenditure</b>		<b>29 228</b>	<b>21 689</b>	<b>14 155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Future operational costs by vote</b>	<b>2</b>							
Vote 1 - Executive and Council		10 651	11 157	11 580				
Vote 2 - Finance and Administration		39 010	40 826	42 680				
Vote 3 - Internal Audit		1 905	1 993	2 084				
Vote 4 - Community and Social Services		7 507	7 938	8 569				
Vote 5 - Sport and Recreation		2 837	2 968	2 899				
Vote 6 - Public Safety		15 155	15 852	16 581				
Vote 7 - Housing		-	-	-				
Vote 8 - Other		4 245	4 441	4 665				
Vote 9 - Planning and Development		5 693	3 775	3 949				
Vote 10 - Road Transport		7 350	8 158	8 534				
Vote 11 - Environmental Protection		-	-	-				
Vote 12 - Energy Sources		26 060	27 259	28 513				
Vote 13 - Water Management		-	-	-				
Vote 14 - Waste Water Management		-	-	-				
Vote 15 - Waste Management		3 608	3 491	3 652				
List entity summary if applicable		-	-	-				
<b>Total future operational costs</b>		<b>124 022</b>	<b>127 858</b>	<b>133 706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Future revenue by source</b>	<b>3</b>							
Exchange Revenue		-	-	-				
Service charges - Electricity		21 196	22 171	23 191				
Service charges - Water		-	-	-				
Service charges - Waste Water Management		-	-	-				
Service charges - Waste Management		2 105	2 201	2 303				
Agency services		-	-	-				
List other revenues sources if applicable		-	-	-				
List entity summary if applicable		-	-	-				
<b>Total future revenue</b>		<b>23 300</b>	<b>24 372</b>	<b>25 493</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Financial Implications</b>		<b>129 950</b>	<b>125 174</b>	<b>122 367</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**References**

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





KZN253 Emeddingent - Supporting Table SA37 Projects delayed from previous financial years

R thousand	Function	Project name	Project number	Type	MTSF Service Category	IDP	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Forecast	
														Original Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25
	Parent municipality: <i>List all capital projects grouped by function</i>																
	Entities: <i>List all capital projects grouped by Entity</i> Entity Name																

**Footnotes:**  
 List all projects with advanced completion dates in current year that have been re-budgeted in the MTRF.  
 Asset class as per table A3 and asset sub-class as per table SA34.  
 GPS coordinates correct to seconds. Provide a logical listing point on networked infrastructure.



**20. TARIFFS (ANNEXURE B)**  
**PART OF THE AGENDA**

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# Emadlangeni Municipality Tariffs

## 2024/2025 FINAL TARIFFS



### ASSESSMENT RATES

	Approved Tariffs 2023/2024 VAT Exclusive	Increase %	Increase Rate	Approved Tariffs 2024/2025 VAT Exclusive	Approved Tariffs 2024/2025 VAT Inclusive
1. Assessment rates be determined as follows: In terms of the Municipal Property Rates Act, No. 6 of 2004, the general rate for the financial year is levied as follows:					
Agriculture properties used for agricultural purposes (Rebates 50%)	0,00171	4,9%	0,00008	0,00180	0,00180
Agriculture properties used for other business and commercial purposes (Rebates 50%)					
Smallholdings used for business/commercial/industrial purposes (Rebates 50%)					
Business and commercial properties (Rebates 10%)	0,04307	4,9%	0,00211	0,04535	0,04535
Business and commercial properties with residential usage (Rebates 10%)	0,04307	4,9%	0,00211	0,04535	0,04535
Industrial properties (Rebates 10%)					
Land reform properties (Rebates 100%)	0,54767	4,9%	0,02684	0,57669	0,57669
Mining properties					
Municipal properties					
Public benefit organisation					
Public service infrastructure (Phased Out)					
Residential properties (Rebates 20%)	0,01600	4,9%	0,00078	0,01684	0,01684
Public Service Purpose	0,06200	4,9%	0,00304	0,06529	0,06529
Vacant land (other than residential)	0,12585	4,9%	0,00617	0,13252	0,13252
Vacant land zoned residential (Rebates 10%)	0,09874	4,9%	0,00484	0,10397	0,10397
Public worship (Rebates 100%)					
(b) Rebates granted in terms of the Rates Policy:					
Pensioners	50%			50%	50%
Disabled Persons	50%			50%	50%
Indigent Persons	100%			100%	100%
Child Headed Households	100%			100%	100%

**EMADLANGENI MUNICIPALITY  
2024/2025 TARIFF OF CHARGES**

<b>ELECTRICITY</b>		Approved Tariffs 2023/2024 VAT Exclusive	Increase %	Increase Rate	Approved Tariffs 2024/2025 VAT Exclusive	Approved Tariffs 2024/2025 VAT Inclusive
<b>1.</b>	<b>Residential Tariffs</b>					
<b>(a)</b>	<b>Conventional Meters</b>					
	Vacant land: For each point of supply whether electricity is consumed or not, per month or part thereof (Replace tariff with vacant land tariff)					
	<b>Energy Charge Block tariff.</b>					
	* Consumption 0 - 50Kwh (Only Indigents) [Free Basic Electricity]	1,6097	13,20%	0,2125	1,8527	2,1306
	Rate Per Kwh .....			0,2614	2,2793	2,2417
	* Consumption 51 - 350Kwh	1,9803	13,20%	0,3368	2,9366	2,8881
	Rate Per Kwh .....	2,5513	13,20%	0,4018	3,5032	3,4453
	* Consumption 351 - 600Kwh	3,0436	13,20%			
	Rate Per Kwh .....					
<b>(b)</b>	<b>Prepaid Meters Block tariff.</b>					
	<b>Energy Charge</b>					
	* Consumption 0 - 50Kwh (Only Indigents) [Free Basic Electricity]	1,6097	13,20%	0,2125	1,8527	2,1306
	Rate Per Kwh .....			0,2614	2,2793	2,6212
	* Consumption 51 - 350Kwh	1,9803	13,20%	0,3368	2,9366	3,3770
	Rate Per Kwh .....	2,5513	13,20%	0,4018	3,5032	4,0286
	* Consumption 351 - 600Kwh	3,0436	13,20%			
	Rate Per Kwh .....					
<b>(c)</b>	<b>Basic Charge</b>					
	<b>Residential Households</b>					
	Residential properties, with improvements which are connected or not connected to the Council's electricity network or if such property can reasonably be connected, per month or part thereof.....	-		-	130,23	149,76
	<b>Total volume increase applied for all domestic and prepaid consumers is 13,20%</b>					
<b>(c)</b>	<b>Commercial Tariffs</b>					
	State and business premises and miscellaneous consumers ( Lighting anc power combined) - State property, shops, chemists, bottle stores, motor garages, offices, workshops, warehouses, restaurants, coffee bars, cinemas and theatres, butcheries, dairies, boarding houses, consulting rooms, licensed hotels and living rooms on premises provided such living rooms are not served by separate meters, temporary and miscellaneous consumers not included in any other tariff.					
	Fixed Charge vacant land: For each point of supply whether electricity is consumed or not, per month or part thereof.....	999,02	13,20%	131,87	1,149,87	1,322,36
	<b>Installed Capacity</b>					
	( in KVA)					
	<50					
	Conventional Meters Energy Charge.....R2,1544/Kwh + VAT	2,6649	13,20%	0,3518	3,0673	3,5274
	Prepaid Meters Energy Charge.....2,4465c/Kwh + VAT	3,0263	13,20%	0,3995	3,4833	4,0058
	Conventional Meters Basic Charge	1,187,97	13,20%	156,81	1,367,35	1,572,4566

<b>(aa)</b>	State property, miscellaneous, industries and business premises where such businesses are conducted together (Lighting and power combined), Connection applications exceeding existing network capacity will be supplied by way of special agreement. The required alterations and transformer switch gear and accommodation therefore must be supplied by the consumer at his own cost, subject to the approval of the Council's Electrical Engineer. Any alterations to the aforementioned installations will be carried on account of the consumer.
<b>(bb)</b>	In payment of the charge referred to in the preceding clauses has not been made on or before the last working day of the month following the month during which the service has been rendered, the Council will disconnect the electricity supply.
<b>(cc)</b>	In the case of Government or Provincial Departments, charge will be made by agreement in terms of the NERSA requirements.
<b>(dd)</b>	All applicants for current to be supplied under (aa) shall undertake to give three months written notice if they require that the supply be discontinued and to pay the minimum charge of 25% of the average consumption of the last twelve months or less for a period of 12 months. This will not apply if the supply is transferred.

**EMADLANGENI MUNICIPALITY  
2024/2025 TARIFF OF CHARGES**

<u>Details</u>	Approved Tariffs 2023/2024 VAT Exclusive	Increase %	Increase Rate	Approved Tariffs 2024/2025 VAT Exclusive	Approved Tariffs 2024/2025 VAT Inclusive
<b>(d)</b> Fixed Charge for each stand whether electricity is consumed or not, per month or part thereof.....	3 553,29	13,20%	469,03	4 089,83	4 703,31
Installed Capacity (in KVA) >50					
<b>(e)</b> Industrial Tarrif					
Basic Charge	4 201,45	13,20%	554,59	4 835,87	5 561,25
Energy Charge.....1,0589c/kwh + VAT	1,3098	13,20%	0,1729	1,5076	1,73
Maximum Demand Charge.....R277,60/KVA + VAT	343,39	13,20%	45,33	395,24	454,53
.....with a minimum /maximum demand charge of 75% of the installed load					
<b>(f)</b> Consumer Deposit					
Each applicant for a supply of electricity shall complete a application of service with the municipality that will form the service level agreement.					
Each applicant for a supply of conventional electricity shall pay to the municipality a deposit which is sufficient to cover the estimated cost of supply to the property concerned for two months with a minimum of:					
Domestic.....	2 953,02	13,20%	389,80	3 388,92	3 908,76
Business.....	4 434,70	13,20%	585,38	5 104,34	5 869,99
<b>(g)</b> Connection fees ( new point of supply)					
See conditions aa, bb, cc, dd for large connections exceeding network capacity.					
Residential -60A Single Phase[Conventional & Prepaid]... cable only up to borderline of property.	3 919,70	13,20%	517,40	4 511,57	5 188,31
Commercial					
(i) Single Phase..... cable is supplied only up to borderline of property.	3 919,70	13,20%	517,40	4 511,57	5 188,31
(ii) Three Phase [Conventional Meter]...Actual cost plus 15% + VAT					
(iii) Three Phase[Prepayment Meter][Owner Supply meter					
Three phase installation cost Actual cost +15%+Vat					
Industrial-Three Phase[Conventional Meter] Actual cost plus 15% + VAT for all consumers					
- Second connection to a stand Actual cost +VAT					
- Cable per Meter	163,81	13,20%	21,62	188,55	216,83
Three phase cable	99,14	13,20%	13,09	114,11	131,22
Single phase household cable	71,34	13,20%	9,42	82,11	94,43
Airdec cable					
<b>(h)</b> Conversion Fees for Existing Points of Supply					
Residential -60A Single Phase[Conventional & Prepaid]... cable only up to borderline of property.	3 919,70	13,20%	517,40	4 511,57	5 188,31
Actual cost plus 15% + VAT					
All other connections					

(i) 8. Remedial Action Charges										
Reconnection in the event of a cut-off due to non-payment of a conventionally/prepaid meter supply Note: First Disconnection R300, Second R500, Third R700. will impose no reconnection for 6 months VAT INCL		300.00							260.87	300.00
Where supply is reconnected illegally, meter by-passed or sabotaged and or prosecution... R 5 000.00 first charge; R 6000.00 second charge & R 8 000 third charge Note: Fourth Charge will impose no replacement of meter for 12 months.		5 000.00							4347.83	5 000.00
<b>(i) Service Charges</b>										
Transfer Fees: Payable by a new consumer when ownership of a conventionally meters supply charges hands- connection fee (All consumers).....		240.39	13.20%	31.73					276.68	318.19
Special Meter Reading Fee: Payable when a special meter reading is done at the customers request.....		240.39	13.20%	31.73					276.68	318.19
Call Out Fee: Payable when an Electrician is called out due to a supply interruption and the fault is found to be on the customer's installation (All customers).....R400.66 + VAT		389.20	13.20%	51.37					447.97	515.16
Meter Test Fee: Payable when a meter test is requested by the customer.....R638.87+ VAT		620.60	13.20%	81.92					714.31	821.45

**EMADLANGENI MUNICIPALITY  
2024/2025 TARIFF OF CHARGES**

		Approved Tariffs 2023/2024 VAT Exclusive	Increase %	Increase Rate	Approved Tariffs 2024/2025 VAT Exclusive	Approved Tariffs 2024/2025 VAT Inclusive
<b>Details</b>						
Provided that the amount will be refunded if the test proves the consumer's meter is reading more than 3% in excess of the correct measure. Every meter shall be deemed and accepted as correct unless it has an average error greater than 3%						
The Municipal Council reserves to itself and by this clause is empowered to average the consumption of electric energy for any period during which a meter shall be found to be out of order or has been removed for testing. In such case the consumption of electric energy for any period during which a rate as that recorded by the meter before being defective or after it has been re-fixed or as that recorded by any other meter by which the defective meter may have been replaced.						
Replacement of Ready Board/only in special circumstances. Cost + 15% Preferred that ready board be supplied by client.						
<b>(k) Availability Charge</b>						
<b>Plots with no consumption.</b>						
Residential Plots						
Per plot zoned as residential, with improvements which are connected or not connected to the Council's electricity network or if such property can reasonably be connected, per month or part thereof.....		113.14	13.20%	14.93	130.23	149.76
Other than Residential Properties						







**EMADLANGENI MUNICIPALITY  
2024/2025 TARIFF OF CHARGES**

Details		Approved Tariffs 2023/2024 VAT Exclusive	Increase %	Increase Rate	Approved Tariffs 2024/2025 VAT Exclusive	Approved Tariffs 2024/2025 VAT Inclusive
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**RENTAL OF MUNICIPAL PROPERTY**

1	<b>Municipal Flats</b>					
	Maniothii Flat 1-8	2 000,00	0,0%	695,00	2 000,00	2 000,00
	Maniothii Flat 9-12	2 300,00	0,0%	560,00	2 300,00	2 300,00
	Maniothii Flat 13-16	2 500,00	0,0%	325,00	2 500,00	2 500,00
	<b>Municipal Houses</b>					
	46 Scheepers Street	4 000,00	0,0%	-	4 000,00	4 000,00
	56 Hoog Street	3 000,00	0,0%	-	3 000,00	3 000,00
	64 Plein Street	3 000,00	0,0%	-	3 000,00	3 000,00
	131A Plein Street	3 000,00	0,0%	-	3 000,00	3 000,00
	122A Plein Street	3 000,00	0,0%	-	3 000,00	3 000,00
	25 Tambotte Street	2 500,00	0,0%	-	2 500,00	2 500,00
	Khayalethu rentals House 1-56 (Rental Phased Out - Now Property Owners)	1 500,00	0,0%	-	-	-
	Khayalethu rentals House 57-60 (Rental Phased Out - Now Property Owners)	2 000,00	0,0%	-	-	-
	Khayalethu rentals House 61 (Waiting for Umhlabi to submit rental determination)	400,00	0,0%	-	2 700,00	2 700,00
	IEC Office	2 623,11	4,9%	128,53	2 751,64	2 751,64
	Uncle Dell Spar Parking	8 397,40	4,9%	411,47	8 808,87	8 808,87
	Maniothii Flats Storage	110,41	4,9%	5,41	115,82	115,82
	MTN Tower	3 718,11	4,9%	182,19	3 900,30	3 900,30
	Vodacom Tower	1 315,06	4,9%	64,44	1 379,50	1 379,50
	Utrect Country Club per annum (NB: Lease agreement review)	524,80	4,9%	25,72	550,52	550,52
	Old Bakery	534,65	4,9%	26,20	560,85	560,85
	SASSA Pay Out Point Plot 1	3 650,00	4,9%	178,85	3 828,85	3 828,85
	SASSA Pay Out Point Plot 2	9 200,00	4,9%	450,80	9 650,80	9 650,80
	Balgras Shop	-	4,9%	-	5 060,80	5 060,80
	Utrect Town Hall Offices (Waiting for Umhlabi to submit rental determination)	2 700,00	4,9%	132,30	2 832,30	2 832,30
					2 700,00	2 700,00

**STREET TRAFFIC AND TAXIRANK FEES**

1.	Taxi Permit, per annum	423,80	4,9%	20,77	446,26	513,20
2.	Bus Permit, per Annum	1 012,39	4,9%	49,61	1 066,04	1 225,95
3.	Application for duplicate permit to use bus/taxi rank					
(a)	Charge for removal, per vehicle is Actual cost+15% +VAT					
(b)	Keeping of vehicle in custody, per day or part	85,70	4,9%	4,20	90,25	103,78
(b)	Tracing fees	160,26	4,9%	7,85	168,75	194,06

**HIRING OF FACILITIES**

1.	<b>HIRE OF TOWN HALL, SUPPER ROOM &amp; COMMUNITY HALL</b>					
(a)	Deposits for Hiring of Halls/Supper Room					
(b)	Town Hall	1 348,98	4,9%	66,10	1 420,47	1 633,54

(c)	Supper room	680.60	4.9%	33.35	716.67	824.17
	Community Hall	1 348.98	4.9%	66.10	1 420.47	1 633.54
2.	Hire of Town Hall, Supper Room and Community Hall					
	Town Hall and Community Hall					
	<i>Monday to Thursday</i>					

2.1	Hire for commercial purposes, dances, banquets, performances, concerts, film shows, bazaars, boxing and wrestling matches and beer festivals, per hour.	244,82	4,9%	12,00	257,80	296,47
2.2	Hire for weddings, anniversaries and children's parties, per hour	141,98	4,9%	6,96	149,50	171,93
2.3	Hire for political meetings, per hour	193,40	4,9%	9,48	203,65	234,20
2.4	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day only, or part thereof, per hour.	217,88	4,9%	10,68	229,42	263,84
2.5	Hire for exhibitions of arts and crafts, art exhibitions, industrial and commercial exhibitions where the hall is required for longer than one day, per day	680,60	4,9%	33,35	716,67	824,17
2.6	Hire for non-profit organisations referred to in section 11(1)(a) of Ordinance No 25 of 1974 per hour.	102,83	4,9%	5,04	108,28	124,52
2.7	Preparation of functions contemplated in 1 to 6 above	217,88	4,9%	10,68	229,42	263,84
2.8	Rehearsals, per day of part thereof	90,60	4,9%	4,44	95,40	109,71
2.10	Hire of hall and facilities by non-residents					
	<b>[Friday to Saturday]</b>					
2.11	The tariff to hire the Town Hall and Community Hall on Fridays and Saturdays the normal tariff for hire mentioned 1-9 above plus 25% <b>[Sunday and Public Holidays]</b>					
2.12	The tariff to hire the Town Hall and Community Hall on Fridays and Saturdays the normal tariff for hire mentioned 1-9 above plus 25%					

**EMADLANGENI MUNICIPALITY**  
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<b>NOTE:</b>					
Deposits will be forfeited in the event of any breakages, damage and or loss of Council property.					
Deposits will be forfeited in the event of the tenant not switching off the lights and or any other electrical appliance resulting in the unnecessary loss of electricity.					
No reservations will be made and no date for any hall will be reserved unless the amount for the hired accommodation together with the refundable deposit has been paid in full.					
That the full rental amount, except the deposit, will be forfeited to Council when the hirer cancels or postpones a reservation, unless Council is notified in writing at least fourteen (14) days prior to the reserved date and that Council receives the cancellation on the fourteenth (14) day prior to the date of the occurrence.					
The hirer shall clean and re-arrange the abovementioned halls within the time permitted by the caretaker, failing which he/she shall forfeit the deposit paid.					
The functions of hiring out of halls is the responsibility of the Manager. Corporate Services who is authorised to increase the minimum deposit if he/she so requires.					
That the halls be made available free of charge for the purpose of examinations by a lawful institution of the					



**EMADLANGEN MUNICIPALITY  
2024/2025 TARIFF OF CHARGES**

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<b><u>HIRE OF EQUIPMENT PER HOUR</u></b>					
1 Truck with mounted crane 5 ton and driver	579.56	4.9%	28.40	610.28	701.82
2 Truck with Cherry Picker and driver	579.56	4.9%	28.40	610.28	701.82
3 Bell Grader 670G	599.37	4.9%	29.37	631.13	725.80
4 Bell Wheel Loader	599.37	4.9%	29.37	631.13	725.80
5 Bell Tractor Loader Backhoe (TLB)	599.37	4.9%	29.37	631.13	725.80
6 Tractor/Trench Plough and driver	579.56	4.9%	28.40	610.28	701.82
7 Trailer/ Rotivator and driver	579.56	4.9%	28.40	610.28	701.82
8 Big Roller	579.56	4.9%	28.40	610.28	701.82
9 Small Roller (its broken)	-	-	-	-	-
10 Compressor (its broken)	-	-	-	-	-
11 Concrete Mixer	258.86	4.9%	12.68	272.58	313.47
12 Plate Compactor	258.86	4.9%	12.68	272.58	313.47
13 Generator	57.96	4.9%	2.84	61.03	70.18
14 Sludge Pump	258.86	4.9%	12.68	272.58	313.47
15 Portable Water Pump	57.96	4.9%	2.84	61.03	70.18
Tariff to hire equipment is at per hour					

**PUBLIC LIBRARIES**

<b>1 Admission Fees</b>					
Payable by persons other than residents and ratepayers of the municipality payable in advance on					
1 January, per annum					
(a) Adults	144.45	4.9%	7.08	152.11	152.11
(b) Children under the age of 18 years	72.24	4.9%	3.54	76.06	76.06
(c) Temporary admission per period of 30 continuous days or part thereof	199.19	4.9%	9.76	209.74	209.74
<b>2 Library Fines</b>					
The following charges shall be payable by borrower on overdue library material					
(a) Video, CD,DVD or Talking Books (per week)	1.00			1	1.00
(b) Books (per week)	1.00			1	1.00
(c) Other Library Material (per day or part thereof)	1.00			1	1.00
(d) Damage to books					
(e) Lost books					
(f) Damage or loss of records, videos, CD's or any library material					
Lost Membership Card	10.00			10	10.00
no such fine shall –					
(aa) in the case of videos/talking books, exceed seven rand per video/talking books;					
(bb) in the case of books contemplated by paragraph (b) –					
(aaa) exceed five rand per book, and					

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<b>PROTECTION SERVICES</b>						
<b>1</b>	<b>Fire Fighting services</b>					
<b>1.1</b>	<b>Within the Council's Area of Jurisdiction</b>					
(a)	For the first hour or part thereof	405.58	4.9%	19.87	427.08	491.14
(b)	For each subsequent hour or part thereof	145.76	4.9%	7.14	153.48	176.50
	Plus expenses in respect of material or chemicals used in connection with fighting of fire					
(c)	For each additional machine or pump per hour or part thereof	145.76	4.9%	7.14	153.48	176.50
<b>1.2</b>	<b>Outside the Council's Area of Jurisdiction</b>					
(a)	For the first machine or pump, per hour or part thereof	986.39	4.9%	48.33	1 038.67	1 194.47
(b)	For each additional machine or pump, per hour or part thereof	494.80	4.9%	24.25	521.03	599.18
(c)	For the forward and return journey, for each machine, per km or part thereof	9.65	4.9%	0.47	10.16	11.68
(d)	For the purposes of the charges payable in terms of 1.2.1 and 1.2.2 time shall be calculated from the time the machines leave the fire station until their return.					
<b>2.</b>	<b>REMOVAL OF WATER</b>					
(a)	For the use of a pump, other than for the fire-fighting purposes					
(b)	For the use of fire hoses, per length	27.39	4.9%	1.34	28.84	33.17
<b>3.</b>	<b>PROTECTION DUTIES</b>					
	Per fireman per performance	145.76	4.9%	7.14	153.48	176.50
	Provided that between 24:00 and 06:00 double the tariff shall be charged					
<b>4.</b>	<b>Checking, testing, reloading and cleaning of fire extinguishers and testing and repair of fire hoses and hose reels.</b>					
	Fire extinguishers: For each fire extinguisher:					
(a)	Actual cost of contents and material plus 10% for handling and labour	82.59	4.9%	4.05	86.96	100.01
(b)	Fire hoses : Test, per length : R25,60 plus R25,60 per patch	82.59	4.9%	4.05	86.96	100.01
(c)	Hose reels : Test, per reel :	82.59	4.9%	4.05	86.96	100.01
<b>5.</b>	<b>For special services rendered by the fire department on approval of the fire chief, and which no tariffs have been determined, the following is payable:</b>					
<b>5.1</b>	Services rendered by an officer, per hour or part thereof					
<b>5.2</b>	Services rendered by a fireman, excluding an officer, per hour, part thereof					
<b>6.</b>	<b>Traffic Department Staff</b>					
	Costs for the application to close a section of road, to have special supervisory duties done during marathons, rallies, escorts and any other matter with regards to the use of public roads and/or which necessitates the use of Traffic personnel					
	Per Traffic Officer	416.32	4.9%	20.40	438.39	504.15
<b>CEMETERIES</b>						
	The following fees are payable upon request to bury a deceased within the cemeteries, the control of which is vested in Council					
<b>1.</b>	<b>Where the deceased immediately before his death was resident in council's area of jurisdiction or alternately reserved a site.</b>					
(a)	New Cemetery (Adult)	1 504.37	4.9%	73.71	1 584.10	1 821.71
	Old Cemetery & Khayalethu Cemetery (Adult)	930.68	4.9%	45.60	980.01	1 127.01



	New Cemetery (Children)/4 FT	992.87	4.9%	48.65	1 045.50	1 202.32
	Old Cemetery & Khavalethu Cemetery( Children)	614.25	4.9%	30.10	646.80	743.82
(b)	Exhumation fee	2 863.78	4.9%	140.33	3 015.56	3 467.90
(c)	Burial of Ashes (for each burial)	573.68	4.9%	28.11	604.09	694.70
(d)	where the grave is dug deeper than 2m with a maximum of 2.5m an additional payment of the tariff in accordance with scales (a)					
	900mm	902.38	4.9%	44.22	950.20	1 092.74
(e)	Burial Permit	71.38	4.9%	3.50	75.17	86.44
2.	Where the deceased immediately before his death was resident outside council's area of jurisdiction or alternately reserved a site.					
(a)	New Cemetery	3 178.14	4.9%	155.73	3 346.59	3 848.57
(b)	Old Cemetery & Khavalethu Cemetery	1 966.16	4.9%	96.34	2 070.37	2 380.92
(c)	Exhumation fee	6 050.12	4.9%	296.46	6 370.77	7 326.39
(d)	Burial of Ashes (for each burial)	756.81	4.9%	37.08	796.92	916.46
	where the grave is dug deeper than 2m with a maximum of 2.5m an additional payment of the tariff in accordance with scales (a) and (b)					
(e)	900mm	1 906.35	4.9%	93.41	2 007.39	2 308.50
(f)	Burial Permit	75.43	4.9%	3.70	79.42	91.34
	<b>NOTE:</b> Permanent residence in relation to any person means a ratepayer or consumer of municipal services and their immediate families where such person has been resident in the Council's area of jurisdiction for a continuous period exceeding 3 months. The submission of a current consumer account will serve as proof of permanent residence.					

**EMADLANGENI MUNICIPALITY  
2024/2025 TARIFF OF CHARGES**

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<b>TOWN PLANNING</b>						
A cheque/cash payable to Emadlangeni Municipality as application and advertisement fee						
<b>1. Application Fee</b>						
1,1 Search Fee		26,11	4,9%	1,28	27,50	31,62
1,2 Copies of documents A4		3,45	4,9%	0,17	3,64	4,18
A5		4,90	4,9%	0,24	5,16	5,93
1,3 Amendment of a Scheme		2 500,00		-	2 500,00	2 875,00
1,4 Consent in terms of a Scheme		939,23	4,9%	46,02	989,01	1 137,37
1,5 Subdivision of land up to 5 pieces of land:		-		-	-	-
Basic fee		1 673,28	4,9%	81,99	1 761,96	2 026,26
Plus per subdivision + Remainder		326,49	4,9%	16,00	343,80	395,37
1,6 Subdivision of land over 5 pieces of land:		-		-	-	-
Basic fee		3 979,97	4,9%	195,02	4 190,91	4 819,55
Plus per subdivision + Remainder		190,47	4,9%	9,33	200,56	230,65
1,7 Subdivisions for Government-subsidised Townships for low-income housing project						
Basic fee		313,50	4,9%	15,36	330,11	379,63
Plus per subdivision + Remainder		32,30	4,9%	1,58	34,01	39,11
1,8 Cancellation of approved layout plan:		1 900,00	4,9%	93,10	2 000,70	2 300,81
Basic fee		475,00	4,9%	23,27	500,17	575,20
1,9 Consolidation of land:		95,00	4,9%	4,66	100,04	115,04
PLUS per component		1 900,00	4,9%	93,10	2 000,70	2 300,81
1,10 Preparation of Service Agreements:						
Basic fee		380,00	4,9%	18,62	400,14	460,16
1,11 Relaxation of municipal omnibus servitudes:						
Basic fee		3 800,00	4,9%	186,20	4 001,40	4 601,61
1,12 Alteration, suspension and deletion of condition of title relating to land:						
Basic fee		5 700,00	4,9%	279,30	6 002,11	6 902,42
1,13 Development situated outside the area of a scheme:		5 700,00	4,9%	279,30	6 002,11	6 902,42
Basic fee		5 700,00	4,9%	279,30	6 002,11	6 902,42
1,14 Alteration, suspension and deletion of condition of approval relating to land:		5 700,00	4,9%	279,30	6 002,11	6 902,42
1,15 Closure of municipal road:		5 700,00	4,9%	279,30	6 002,11	6 902,42
Basic fee (Permanent)		5 700,00	4,9%	279,30	6 002,11	6 902,42
1,16 Closure of public place:		282,57	4,9%	13,85	297,55	342,18
1,17 Temporal closure of public space/Road		282,57	4,9%	13,85	297,55	342,18
1,18 Relaxation of Building lines ( Per side)		4 915,41	4,9%	240,86	5 175,93	5 952,32
1,19 Establishing of Township		4 915,41	4,9%	240,86	5 175,93	5 952,32
1,20 Extension of Township		70,65	4,9%	3,46	74,39	85,55
1,21 Zoning Certificate		2 500,00	4,9%	123,75	2 623,75	2 975,00
1,22 Rezoning > 1 hectar		5 000,00	4,9%	245,00	5 245,00	5 950,00
1,23 Rezoning 1 < 5 Hectors		7 500,00	4,9%	367,50	7 867,50	8 925,00
1,24 Rezoning 5<10 Hectors		10 000,00	4,9%	490,00	10 490,00	11 900,00
1,25 Rezoning 15< hectors						

**BUILDING PLANS**

<b>1 Examination and Considerations of Plans</b>						
1,1 Valuation up to R50,000 per R:100 or part thereof		1,79	4,9%	0,09	1,88	2,17

	Subject to minimum charge of	693,35	4,9%	33,97	730,10	839,61
1,2	Valuation over R50,000 per R100,00 or part thereof	1,43	4,97%	0,07	1,51	1,73
1,3	For examination and consideration of plans which became invalid in terms of Council's Building Bylaws, upon reloading of such plans - Tariff as stated under 1. above.					
2	For the issue of permit for small alterations to buildings and concrete or stone walls	571,17	4,9%	27,99	601,44	691,66
3	Private Swimming Pools					
	For inspection and consideration of building plans	571,16	4,9%	27,99	601,43	691,64

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	2023/2024 VAT Exclusive	2024/2025 VAT Inclusive			2023/2024 VAT Exclusive	2024/2025 VAT Inclusive
<b>Building Plans &amp; Encroachment Penalties</b>						
<b>Residential Tariffs</b>						
Any new structure less than 50m <sup>2</sup> – flat rate	620,61		4,9%	30,41	653,50	751,52
Any new structure exceeding 50m <sup>2</sup> – rate per m <sup>2</sup>	8,63		4,9%	0,42	9,09	10,46
<b>Business/Industrial/Other</b>						
Any new structure less than 50m <sup>2</sup> – flat rate	829,27		4,9%	40,63	873,22	1 004,20
Any new structure exceeding 50m <sup>2</sup> – rate per m <sup>2</sup>	11,69		4,9%	0,57	12,31	14,15
<b>Alterations and minor works</b>						
Alterations and minor works flat rate	511,24		4,9%	25,05	538,34	619,09
<b>Encroachment penalty fee</b>						
Any transgression of building regulations	285,58		4,9%	13,01	279,65	321,60
<b>Building line relaxation fee</b>						
Building lines flat rate	285,58		4,9%	13,01	279,65	321,60
<b>Application fee for offences of buildings</b>						
Building without approved building plans	995,93		4,9%	48,80	1 048,71	1 206,02
Building in contravention of a notice prohibiting any building works	995,93		4,9%	48,80	1 048,71	1 206,02
Failure to demolish, alter or safeguard	1 228,97		4,9%	60,22	1 294,10	1 488,22
Failure to give notice of intention to commence erection or demolishing of a building	995,93		4,9%	48,80	1 048,71	1 206,02
Preventing a building control officer in execution of his/her duties	1 565,59		4,9%	76,71	1 648,57	1 895,85
Submitting false or misleading information	1 565,59		4,9%	76,71	1 648,57	1 895,85
Failure to provide certificate for plumbing, electrical and engineering if required	995,93		4,9%	48,80	1 048,71	1 206,02
Use of a building for the purpose other than the purpose shown on building plans	1 565,59		4,9%	76,71	1 648,57	1 895,85
Deviation from approved building plans (structure and roof)	1 182,36		4,9%	57,94	1 245,03	1 431,78
Failure to safeguard a swimming pool	1 565,59		4,9%	76,71	1 648,57	1 895,85
Demolishing fee	478,04		4,9%	23,42	503,38	578,88
Submitting plans for the existing structure (As built plan)	995,93		4,9%	48,80	1 048,71	1 206,02
Failure to remove building materials	886,77		4,9%	43,45	933,77	1 073,84
Failure to arrange inspections (e.g. foundation, wall, roof and final inspection)	995,93		4,9%	48,80	1 048,71	1 206,02

**MISCELLANEOUS SERVICES**

1.	Search fee, per plan, documents or file produced for inspection excluding inspection of council's minutes	40,07	4,9%	1,96	42,19	48,52
2.	Certified copy of extract from minutes and/or hearings per 100 words or part thereof	40,07	4,9%	1,96	42,19	48,52
3.	Valuation roll, per copy	318,99	4,9%	15,63	335,89	386,28
4.	Voter's roll, per copy, per ward	20,03	4,9%	0,98	21,09	24,25
5.	Extract of bylaws, per page or part thereof	18,68	4,9%	0,92	19,67	22,62
6.	Standard bylaws as per price paid by Council for copies obtained from the Provincial Administration plus 10%					-
7.	Prints or plans, per copy per meter or part thereof	46,73	4,9%	2,29	49,21	56,59
8.	Prescribed fee for the lodging of a notice of appeal in terms of section 160(3) of Ordinance no 25 of 1974.	632,07	4,9%	30,97	665,57	765,41
9.	No person shall exercise the right to appeal unless his notice of appeal is accompanied by the prescribed fee; provided that such fee shall be refunded to any person who pursues his appeal to its conclusion or arrives at a compromise with the valuator.					-
	Any other certificate or permit in terms of section 265(5) of Ordinance no 25 of 1974	73,99	4,9%	3,63	77,92	89,60
	Certificate, per application per property, in accordance with section 118(1) of the Systems Act, No. 32 of 2000 (Rates Clearance Certificate)	210,83	4,9%	10,33	222,01	255,31
	Property Valuation Certificate	74,00	4,9%	3,63	77,93	89,62



10.	For the construction of drive through culverts to a lot, for the second or subsequent entrances to a maximum width of 4.5m per culvert								
10,1	Where concrete pipes are used for such culvert								
10,2	Where a dish culvert is constructed								
11	Sale of river sand, topsoil and gravel at the following tariffs per ton								
11,1	River sand ( Municipality has no permit)								
11,2	Gravel ( Municipality has no permit)								
12	Cheque defaults, per default (Cheques Phased Out)								
13	Summonses and notices received from other local authorities to be served locally, per occasion	69,77	4,9%	3,42	73,47				84,49
14	<b>Business Registration Tariff</b>		4,9%						
	This tariff is payable annual by each and every business within the municipality, irrespective of if the business needs a licence or not	55,18	4,9%	2,70	58,10				66,82
	Trading licence fee	239,75	4,9%	11,75	252,45				290,32
15	<b>Charges : Administration Related</b>		4,9%						
(a)	Copies of computer printout invoices/statements per copy	16,77	4,9%	0,82	17,66				20,31
(b)	Copies of computer printout history/transactions per copy	33,42	4,9%	1,64	35,19				40,47
(c)	Copies of receipts per copy	16,77	4,9%	0,82	17,66				20,31
(d)	Issue of Demand Letter	25,87	4,9%	1,27	27,24				31,33
(e)	Issue of a Final Notice	51,78	4,9%	2,54	54,52				62,70
(f)	Issue of a Notice of Handing Over	51,78	4,9%	2,54	54,52				62,70
(g)	Issue of sundry letters relating to debt collection	21,09	4,9%	1,03	22,21				25,54
(h)	Making of a phone call	12,64	4,9%	0,62	13,31				15,30
16	Toilet Entrance fee	2,30	4,9%	0,11	2,42				2,78
17	<b>Tender Documents</b>								
(a)	Mig projects & Long term contracts	1 062,60	4,9%	52,07	1 118,92				1 286,76
(b)	Supply and deliver goods & services	318,79	4,9%	15,62	335,68				386,03

**EMADLANGENI MUNICIPALITY  
2024/2025 TARIFF OF CHARGES**

<b>Details</b>	<b>Approved Tariffs 2023/2024 VAT Exclusive</b>	<b>Increase Rate</b>	<b>Approved Tariffs 2024/2025 VAT Exclusive</b>	<b>Approved Tariffs 2024/2025 VAT Inclusive</b>
<b>16 Advertisment and auctioneer's fees</b>				
<b>Banner Levy</b>				
A refundable deposit for temporal advertisement by political parties and/or ward councillors, any institution or organisation	1 147,11	4,9%	1 207,90	1 389,09
Election Deposit	401,49	4,9%	422,77	486,18
Election Advertisement (unlimited Posters)	1 104,05	4,9%	1 162,56	1 336,95
Posters (100 or part there of)	331,21	4,9%	348,76	401,08
Advertisement board (permanent) per annum	6 000,00	-	6 000,00	6 900,00
Advertisement board (temporary)	-	-	-	-
Advertisement Billboard (6 months)	-	-	-	-
<b>(a) Banner</b>				
(aa) Per Banner with approval sticker	300,00		300,00	345,00
(bb) Removal of banners by council for each banner	100,00		100,00	115,00
<b>(b) Aerial Advertisments</b>				
(aa) Application Fee	250,00		250,00	287,50
<b>(c) Advertising Vehicles</b>				
(aa) Application fee	250,00		250,00	287,50
(bb) Annual display fee per sign	500,00		500,00	575,00
<b>(d) Building attachment signs</b>				
(aa) Application fee	250,00		250,00	287,50
(bb) Annual display fee per sign on a private building	500,00		500,00	575,00
(cc) Annual display fee per sign on a municipal building	1 000,00		1 000,00	1 150,00
<b>(e) Electric and illuminated signs</b>				
(aa) Application fee	250,00		250,00	287,50
(bb) Annual rental rate for electronic advertising signs irrespective of whether sign is erected on private or council property	1 000,00		1 000,00	1 150,00
<b>(f) Ground signs (exclusive billboards)</b>				
(aa) Application fee	250,00		250,00	287,50
(bb) Encroachment fee (council land) per square meter for each sign type	100,00		100,00	115,00
(cc) Annual display fee per sign	1 000,00		1 000,00	1 150,00
<b>(g) Protecting signs</b>				
(aa) Application fee	250,00		250,00	287,50
(bb) Annual display fee per sign	1 000,00		1 000,00	1 150,00
(cc) Encroachment fee (council land) for each sign type	100,00		100,00	115,00
<b>(h) Estate Agents Boards</b>				
(aa) Advertising deposits (per agent) - non refundable	250,00		250,00	287,50
(bb) Annual display fee	1 000,00		1 000,00	1 150,00
<b>(i) Portable Boards</b>				
(aa) Application fee	250,00		250,00	287,50
(bb) Annual display fee per sign	1 000,00		1 000,00	1 150,00
<b>(j) Veranda/Under Canopy Signs</b>				
(aa) Application fee	250,00		250,00	287,50
(bb) Annual display fee per sign	1 000,00		1 000,00	1 150,00
<b>(k) Wall signs/ Fascia Signs</b>				
(aa) Application fee	250,00		250,00	287,50
<b>(l) Street Furniture Signs</b>				
(aa) Application fee	250,00		250,00	287,50
(bb) Annual display fee per sign	1 000,00		1 000,00	1 150,00
<b>(m) Billboards</b>				
(aa) Application fee	500,00		500,00	575,00
(bb) Annual display fee per sign - Private property	8 000,00		8 000,00	9 200,00





# GAME PARK AND CARAVAN PARK

## BALELE RECREATION RESORT

EMADLANGENI MUNICIPALITY  
2024/2025 TARIFF OF CHARGES

Details	Approved Tariffs 2023/2024 VAT Exclusive	Increase %	Increase Rate	Approved Tariffs 2024/2025 VAT Exclusive	Approved Tariffs 2024/2025 VAT Inclusive
<b>ENTRANCE FEES</b>					
Picnic Area [All Day Visitor Tariff]					
Pedestrian, Bicycle, Horse	26.08			30.43	35.00
Per Car (limited to 5 persons per vehicle – more than five will qualify for additional vehicle)	125.64			130.43	150.00
Per Kombi/Mini Bus Up to 10 Persons	622.74			656.52	755.00
Per Kombi/Mini Bus from 10 to 35 Persons	1 130.43			1 030.43	1 185.00
Per Passenger Bus	26.08			26.08	35.00
Per Motorcycle	-			-	-
<b>Annual Ticket / Disc</b>					
Emadlangeni Municipal Residents only (Year begins 1 July and ends 30 June ensuing Year)	434.78			434.78	500.00
The annual ticket will cost the same amount at any time of the specific financial year but is valid for 12 months. The annual ticket will carry benefits/discounts on accommodation set for visitor in a manner that will be approved by council (see annexure 1)					
The following individuals are entitled to a 50% rebate on provision of proof of their status:					
- Pensioners over the age of 65 years	217.39			217.39	250.00
- any person receiving a disability grant	217.39			217.39	250.00
KZ 253 School Busses per bus	552.30			565.21	650.00
<b>ACCOMMODATION</b>					
Peak =weekends, night before public holiday & KZN school holidays					
<b>Rondavels</b>					
PEAK SEASON: per night (1-2 persons)	695.65	4.9%	34.09	729.74	850.00
PEAK SEASON: per night (3-4 persons) PHASED OUT	-			-	-
every additional person	130.43			130.43	150.00
OFF PEAK SEASON: per night (1-2 persons)	565.21			565.21	650.00
OFF PEAK SEASON: per night (3-4 persons) PHASED OUT	-			-	-
every additional person	130.43			130.43	150.00
<b>Coltages</b>					
PEAK SEASON: per night (1-2 persons)	521.73			608.69	700.00
PEAK SEASON: per night (3-4 persons)	695.65			869.56	1 000.00
every additional person	130.43			130.43	150.00
OFF PEAK SEASON: per night (1-2 persons)	391.30			521.73	600.00
OFF-PEAK SEASON: per night (3-4 persons)	521.73			695.65	800.00
every additional person	130.43			130.43	150.00
Off- season contractors in week rate: per unit (Maximum 2 persons)	260.86			434.78	500.00
<b>Breakage Deposit (Peak &amp; Off peak) PHASE OUT</b>					
<b>CARAVAN/CAMPING SITE</b>					
Peak Season: Per night 1 caravan and 1 tent and 2 vehicle (Site limited to 6 persons)	260.86			260.86	300.00

Every additional person	86.95			86.95	100.00
Every additional vehicle (Max 2/site)	86.95			86.95	100.00
Off-Season: Per night 1 caravan and 1 tent and 2 vehicle (Site limited to 6 persons)	173.91			173.91	200.00
Every additional person	86.95			86.95	100.00
Every additional vehicle (Max 2/site)	86.95			86.95	100.00
Remote Deposit on 3.1 & 3.2 (Peak & Off Peak) PHASE OUT	217.39			-	-
Fixed tariff for permanent caravan per month (limited to 2 persons on month to month basis)	2 608.69			2 608.69	3 000.00
Every additional person per day	86.95			86.95	100.00
Remote Deposit (Peak & Off Peak) PHASED OUT	-			-	-
The Municipal Manager has authority to grant a 50% discount to pensioners (on proof of their status) and rallies as from 1 July 1998					-
LAPA					
Big Lapa (Picnic Area)					
Big Lapa (Without PA/Sound System)	1 304.34			1 304.34	1 500.00
Big Lapa (With PA/Sound System for small party groups not musical events)	1 913.04			1 913.04	2 200.00
- Tariff per occasion (Limited to 4 cars free)	26.08			30.43	35.00
Every additional car					
MANGOSUTHU BACKPACKERS					
Rondavel Accommodation per unit per night	300.00			260.86	300.00
Hall (without sound rental) Single Use	3 500.00			1 304.34	1 500.00
Hall (with sound rental for small parties and functions)	4 000.00			1 739.13	2 000.00
Block Booking of facility for events charging a cover charge (price will be determined by type of event)	4 500.00			3 913.04	4 500.00
Garage Stores Rental per month	2 000.00			2 000.00	2 000.00
Shop Rental per month	2 000.00			2 000.00	2 000.00
Restaurant Rental per month	3 000.00			3 000.00	3 000.00
Store room (63 m²) Rental Per month	1 000.00			1 000.00	1 000.00
Store room (16 m²) Rental Per month	250.00			250.00	250.00
Ablutions Rental per month	500.00			500.00	500.00

# GAME PARK

## EMADLANGENI MUNICIPALITY 2024/2025 TARIFF OF CHARGES

Details	Approved Tariffs 2023/2024 VAT Exclusive	Increase %	Increase Rate	Approved Tariffs 2024/2025 VAT Exclusive	Approved Tariffs 2024/2025 VAT Inclusive
<b>ACCOMMODATION</b>					
<b>Lodges</b>					
<b>Peak Season</b>					
- Giraffe per night(Limited to 3 persons)\	869.56		-	1 130.43	1 300.00
- Kudu per night(Limited to 9 persons)\	2 000.00		-	2 173.91	2 500.00
- Impala per night(Limited to 4 persons)\	869.56		-	1 130.43	1 300.00
- Zebra per night(Limited to 4 persons)\	869.56		-	1 130.43	1 300.00
Extra Persons in any of Lodges	130.43		-	130.43	150.00
<b>Off Season</b>					
- Giraffe per night(Limited to 3 persons)\	652.17		-	869.56	1 000.00
- Kudu per night(Limited to 9 persons)\	1 304.34		-	1 565.21	1 800.00
- Impala per night(Limited to 4 persons)\	652.17		-	869.56	1 000.00
- Zebra per night(Limited to 4 persons)\	652.17		-	869.56	1 000.00
Extra Persons in any of Lodges	130.43		-	130.43	150.00
<b>Encuba Bush Campina Site</b>					
Peak Season per night for 1 caravan or tent and 1 vehicle (Site limited to 6 persons) PHASED	101.13	4.9%	4.96	-	-
OUT	24.13	4.9%	1.18	-	-
Per extra Person	77.20	4.9%	3.78	-	-
Off Season per night for 1 caravan or tent and 1 vehicle (Site limited to 6 persons) PHASED	20.25	4.9%	0.99	-	-
OUT					
Per extra Person					
<b>Cancellation fee : is 10% of Deposit paid</b>					
<b>GAME PRODUCTS Note: Abattoir currently does not have licence to sell</b>					
<b>Sale of Meat Produce</b>					
Dry Biltong Bulk (> 5kg)	202.50	4.9%	9.92	212.43	244.29
Dry Droewors Bulk (> 5kg)	209.70	4.9%	10.28	219.98	252.98
Biltong Packed Retail	271.39	4.9%	13.30	284.69	327.39
Droewors Packed Retail	251.41	4.9%	12.32	263.73	303.29
Wet Biltong Bulk (> 10kg)	82.44	4.9%	4.04	86.48	99.45
Wet Droewors Bulk (> 10kg)	81.22	4.9%	3.98	85.20	97.98
Deboned Venison per kg	71.14	4.9%	3.49	74.63	85.82
Venison Prime Cuts (Chops and Steaks) per kg	64.20	4.9%	3.15	67.35	77.45
Venison Pojite per kg	52.70	4.9%	2.58	55.29	63.58
Whole Portions (Leg, Shoulder or Saddle per kg	55.80	4.9%	2.73	58.53	67.31
Whole Carcass per kg	34.17	4.9%	1.67	35.84	41.22
Venison Wors Packed per kg	65.19	4.9%	3.19	68.39	78.64
Venison Mince per kg	59.64	4.9%	2.92	62.56	71.95
Red Offal per kg	12.36	4.9%	0.61	12.97	14.91
Bones per kg	15.05	4.9%	0.74	15.78	18.15

Liver and Kidneys per kg	30.64	4.9%	1.50	32.14	36.97
Rough Offal/Tripe per kg	17.63	4.9%	0.86	18.49	21.26
Game Patties per kg	68.45	4.9%	3.35	71.80	82.57
Sosaties per kg	87.30	4.9%	4.28	91.58	105.32

**EMADLANGENI MUNICIPALITY  
2024/2025 TARIFF OF CHARGES**

<i>Details</i>	<u>Approved Tariffs 2023/2024 VAT Exclusive</u>	Increase %	Increase Rate	Approved Tariffs 2024/2025 VAT Exclusive	Approved Tariffs 2024/2025 VAT Inclusive
<b>Sale of Artefacts</b>					
Side Curtain Hangers Impala/pr					
Side Curtain Hangers Blesbuck /pr					
Side Curtain Hangers Blue Wildebeest/pr					
<b>Sale of Hides and Skins</b>					
Blue Wildebeest [Full Skins]	240.89	4.9%	11.80	252.70	290.60
Impala	65.15	4.9%	3.19	68.34	78.59
Blesbuck	58.55	4.9%	2.87	61.42	70.63
Kudu	325.46	4.9%	15.95	341.41	392.62
Grey Duiker	45.62	4.9%	2.24	47.85	55.03
Red Hartbeest	240.89	4.9%	11.80	252.70	290.60
Zebra	3 901.71	4.9%	191.18	4 092.90	4 706.83
Giraffe	2 604.74	4.9%	127.63	2 732.38	3 142.23
Warthogs					
Eland					
Roikak	534.17	4.9%	26.17	560.34	644.39
Reedbuck					
Blue Wildebeest [Capes	247.78	4.9%	12.14	259.92	298.91
Impala [Capes]	75.70	4.9%	3.71	79.41	91.32
Kudu [Capes]	75.70	4.9%	3.71	79.41	91.32
Blesbuck [Capes]	609.90	4.9%	29.88	639.78	735.75
<b>Hunting</b>					
<b>Venison Hunting</b>					
Tariff per Day					
Daily Hunting Tariff (Resident)	362.30	4.9%	17.75	391.30	450.00
Use of Vehicle (Half Day)	651.94	4.9%	31.95	686.95	790.00
Use of Vehicle (Full Day)	1 008.52	4.9%	49.42	1 043.47	1 200.00
Missed shot	297.44	4.9%	14.57	313.04	360.00
<b>Shot and wounded animal will be paid in full</b>					
<b>Use of Park Vehicles during Hunting by Hunters</b>					
Hire of vehicles and driver for one day					
Hire of vehicles and driver for half day					
Missed shot					
<b>Shot and wounded animal will be paid in full</b>	297.44	4.9%	14.57	313.04	360.00
<b>Use of Park Vehicles during Hunting by Hunters</b>					
Hire of vehicles and driver for one day					
Hire of vehicles and driver for half day					

**EMADLANGENI MUNICIPALITY  
2024/2025 TARIFF OF CHARGES**

Details	Approved Tariffs		Increase %	Increase Rate	Approved Tariffs		Approved Tariffs 2024/2025 VAT Inclusive
	2023/2024 VAT Exclusive	2024/2025 VAT Inclusive			2024/2025 VAT Exclusive	2024/2025 VAT Inclusive	
<b>Sale of Live Game</b>							
Blue Wildebeast Male	2608 69-3913 04	2736 51-4104 77	4,9%		2736 51-4104 77	3146 98-4720 48	
Blue Wildebeast Female	2608 69-3478 26	2736 51-4104 77	4,9%		2736 51-4104 77	3146 98-4720 48	
Impala Adult Male	1304 34-2434 78	1368 25-2554 08	4,9%		1368 25-2554 08	1573 48-2937 19	
Impala Adult Female	1304 34-1739 13	1368 25-2554 08	4,9%		1368 25-2554 08	1573 48-2937 19	
Impala Knypkop Ram	1043 47-1565 21	1368 25-2554 08	4,9%		1368 25-2554 08	1573 48-2937 19	
Impala Penkop/Yearling Male	869 56-1043 47	912 16-1094 60	4,9%		912 16-1094 60	1048 98-1258 79	
Impala Penkop/Yearling Female	869 56-1043 47	912 16-1094 60	4,9%		912 16-1094 60	1048 98-1258 79	
Common Duiker Male	-	-	0,0%		-	-	
Common Duiker Female	-	-	0,0%		-	-	
Blesbuck Male	1217 39-1565 21	1277 04-1641 90	4,9%		1277 04-1641 90	1468 59-1888 18	
Blesbuck Female	1217 39-1565 21	1277 04-1641 90	4,9%		1277 04-1641 90	1468 59-1888 18	
Eland Male	10434 78-13043 47	10946 08-13682 60	4,9%		10946 08-13682 60	12587 99-15734 99	
Eland Female	13043 47-17391 30	13682 60-18243 47	4,9%		13682 60-18243 47	15734 99-20979 99	
Kudu Male	6068 95-7652 17	6366 32-8027 12	4,9%		6366 32-8027 12	7321 26-9231 18	
Kudu Female	4347 82-6956 56	4560 86-7297 43	4,9%		4560 86-7297 43	5244 98-8392 04	
Zebra Male	2608 69-3478 26	2736 51-3648 69	4,9%		2736 51-3648 69	3146 98-4195 99	
Zebra Female	2608 69-3478 26	2736 51-3648 69	4,9%		2736 51-3648 69	3146 98-4195 99	
Giraffe Male	9217 39-17913 04	9669 04-18790 77	4,9%		9669 04-18790 77	11119 39-21609 38	
Giraffe Female	9217 39-15043 47	9669 04-18790 77	4,9%		9669 04-18790 77	11119 39-21609 38	
Waterbuck Male	6434 78-8173 91	6750 08-8574 43	4,9%		6750 08-8574 43	7762 59-9860 59	
Waterbuck Female	4347 82-6086 95	4347 82-6086 95	4,9%		4347 82-6086 95	4347 82-6086 95	
Red Hartebeest Male	2434 76-2869 56	2554 08-3010 16	4,9%		2554 08-3010 16	2937 19-3461 68	
Red Hartebeest Female	N/A	N/A	4,9%		N/A	N/A	
Nyala Male	6521 73-7130 43	6841 29-7479 82	4,9%		6841 29-7479 82	7867 48-8601 79	
Nyala Female	4347 82-6086 95	4560 86-6385 21	4,9%		4560 86-6385 21	5244 98-7342 99	
Mountain Reedbuck Male	N/A	N/A	4,9%		N/A	N/A	
Mountain Reedbuck Female	N/A	N/A	4,9%		N/A	N/A	
Warthog Male	869 56-1391 30	912 16-1459 47	4,9%		912 16-1459 47	1048 98-1678 39	
Warthog Female	869 56-1391 30	912 16-1459 47	4,9%		912 16-1459 47	1048 98-1678 39	
Bushbuck Male	N/A	N/A	-		N/A	N/A	
Bushbuck Female	N/A	N/A	-		N/A	N/A	
<b>Participant are expected to fire one shot and put down the animal</b>							
- Penalty: Tariff per missed shot	282,52		4,9%	13,84	296,37	340,82	
<b>Sale of Firewood (per bundle)</b>	19,07		4,9%	0,93	20,01	23,01	
Bakkie level	-		0,0%	0	173,91	200,00	
Bakkie level up	-		0,0%	0	347,82	400,00	
<b>Hiring/Usage of Abattoir Facilities</b>							
- Storage of carcasses per carcasses (Max 5 days) per day	162,34		4,9%	7,95	170,30	195,84	
<b>- Added Ingredients</b>							
Skins(wors/Drywors) per bundle							
Fat per kg (Own Spices)							
Spice per kg (Own Spices)							
<b>- Process Carcass</b>							
Small (Duiker) 1 - 20kg	145,19		4,9%	7,11	152,31	175,15	

<b>- Process Carcass</b>							
Small (Duiker) 1 - 20kg		145,19	4,9%	7,11	152,31	175,15	
Med "A" (Imp Ewe + Knypkop, MRB, Springbuck) 20 - 32 kg		188,90	4,9%	9,26	198,16	227,88	
Med "B" (Imp Ram, Blesbuck, Warthog) 32 - 65kg		238,16	4,9%	11,67	249,83	287,31	
Large "A" (Kudu cow, BWB Cow, Red hartebeast, Nyala bull) 65 - 100kg		410,04	4,9%	20,09	430,14	494,66	
Large "B" (Kudu bull, BWB Bull, Waterbuck Bull, Zebra) 100 - 180kg		567,78	4,9%	27,82	595,60	684,95	
X-Large (Eland) 180 - 400 kg		1 106,22	4,9%	54,20	1 160,43	1 334,49	
XX-Large (Giraffe Bull) > 400 kg		3 705,60	4,9%	181,57	3 887,18	4 470,25	
Skinning Small Carcasses		48,39	4,9%	2,37	50,76	58,38	
Skinning Large Carcasses		96,71	4,9%	4,74	101,45	116,67	

Med "A" (Imp Ewe + Knypkop, MRB, Springbuck) 20 - 32 kg	188.90	4.9%	9.26	198.16	227.88
Med "B" (Imp Ram, Blesbuck, Warthog) 32 - 65kg	238.16	4.9%	11.67	249.83	287.31
Large "A" (Kudu cow, BWB Cow, Red hartebeast, Nyala bull) 65 - 100kg	410.04	4.9%	20.09	430.14	494.66
Large "B" (Kudu bull, BWB Bull, Waterbuck Bull, Zebra) 100 - 180kg	567.78	4.9%	27.82	595.60	684.95
X-Large (Eland) 180 - 400 kg	1 106.22	4.9%	54.20	1 160.43	1 334.49
XX-Large (Giraffe Bull > 400 kg	3 705.60	4.9%	181.57	3 887.18	4 470.25
Skimming Small Carcasses	48.39	4.9%	2.37	50.76	58.38
Skimming Large Carcasses	96.71	4.9%	4.74	101.45	116.67

**21. BUDGET RELATED POLICIES (ANNEXURE C)**

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**PART OF THE AGENDA**



# EMADLANGENI LOCAL MUNICIPALITY



## FLEET MANAGEMENT POLICY 2024-25

Approved and adopted by council on 23 May 2024

A handwritten signature in black ink, consisting of a stylized, circular scribble.

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## SECTION 1: OBJECTIVES

- 1.1 To regulate the management of motor vehicle fleet and / or equipment.
- 1.2 To ensure that the users of the municipal vehicle fleet comply with a uniform code of good practise in respect of fleet management.
- 1.3 To provide for the maintenance, utilization, insurance and replacement of all vehicles and equipment.
- 1.3 To ensure that municipal vehicles are optimally and effectively used for the rendering of municipal services.
- 1.3 To ensure cost effective and efficient usage of available funding in respect of fuel and maintenance.
- 1.4 To minimize possible abuse/misuse of municipal vehicles.
- 1.5 To ensure safe driving and usage practices in respect of vehicle fleet.
- 1.6 To manage the operations of allocated and pool vehicles and related facilities.
- 1.7 To ensure that requirements of all relevant legislation compiled with.

## SECTION 2: DEFINATIONS

For the purpose of this policy and procedures document as well as Code of Practice, the following definitions shall apply:

- 2.1.1 **MUNICIPAL VEHICLE** means all vehicles and civil engineering plant, equipment (self-driven or otherwise), motorcycles, **trailers, stationary engine**, etc. operated on overall management of or on lease or hire from: i) The Fleet Management Services Division ii) An external service provider
- 2.1.2 **SERVICE PROVIDER** means i) In respect of municipal-owned vehicles, it shall be the Fleet Management Services ii) In respect of non-owned municipal vehicles, it shall be the relevant external service provider.
- 2.1.3 **DRIVER** means all persons engaged in the operation of vehicles and plant, being:
  - i) OCCASIONAL DRIVER: Is not a permanent driver but is required to use a municipal vehicle on an *ad hoc* basis to perform his/her duties.
  - ii) PROFESSIONAL DRIVER: Employed specifically to drive municipal vehicles for general transport purposes.
  - iii) OPERATOR: Employed specifically to operate civil engineering plant.
- 2.1.4 **SAFE PARKING** means i) Designated municipal parking ii) Enclosed premises
- 2.1.5 **COUNCIL** means a municipal council of eMadlangeni Local Municipality.
- 2.1.6 **COUNCILLOR** means a member of eMadlangeni Local Municipal Council.
- 2.1.7 **EXECUTIVE COMMITTEE** means executive committee constituted in terms



Section 43 of Local Government Municipal Structures Act, 1998.

- 2.1.8 EMPLOYEE** means any person, excluding an independent contractor or any person who receives a car allowance, who is employed by and receives remuneration from the Municipality.
- 2.1.9 FLEET OFFICER** means a person in the employ of Council who has been designated in writing as fleet officer.
- 2.1.10 DIRECTOR CORPORATE SERVICES** means a person who is employed or designated by Council as Director Corporate Services.
- 2.1.11 MUNICIPAL MANAGER** means a person employed as Municipal Manager or acting as Municipal Manager in terms section 82 of Local Government Municipal Structures Act, 1998.

### **SECTION 3: USE OF MUNICIPAL VEHICLES**

#### **3.1 General**

- 3.1.1** A driver of municipal vehicles must be in possession of a legally valid driver's license for the respective vehicle, which is administered by the Department of Protection Services and Licensing of eMadlangeni Municipality and obtain a certificate of competency.
- 3.1.2** With the exception of the Mayor/Deputy Mayor, Speaker (only vehicle allocated to them), Notwithstanding the above, whenever an official driver is not available and it is **deemed imperative for a councilor to attend a council function, meeting or any activity, such councilor may use a Municipal vehicle with the approval of the Municipal Manager/Acting Municipal Manager or an official designated by him/her** and shall in addition to being bound by this policy, be subject to all the rules and regulations applicable to staff members regarding the use of municipal vehicles.
- 3.1.3** No vehicle may be used unless the requirements laid down in this policy are complied with.
- 3.1.4** The vehicle may be used for Municipal business only. Any unauthorized usage of the vehicle an employee will subject to disciplinary actions.
- 3.1.5** A properly completed trip authorization form needs to be completed before any vehicle is released.
- 3.1.6** The vehicle may not be driven while under the influence of alcohol or any dependent form of drug.



3.1.7 Every Municipal vehicle shall have a **toll-free number** to report any abuse by the -driver.

### **3.2 Allocated Vehicles**

3.2.1 Each vehicle purchased may be recognized as an allocated vehicle or a pool vehicle.

3.2.2 Each allocated vehicle will be allocated to a specific department.

3.2.3 Should an allocated vehicle be used by an employee of another department, a vote number needs to be entered into the log book against which the costs of such use can be debited.

3.2.4 The keys, toll gate slips, fully completed trip authorization form, pre-drive inspection sheet and petrol slips of allocated vehicles should be returned to the Fleet Management Officer

3.2.5 The logbook of the allocated vehicle shall at all times be completed by the responsible employee using the vehicle.

### **3.3 Pool Vehicles**

3.3.1 Pool vehicles may be used by an employee not in charge of an allocated vehicle or a Councilor, subject to the provisions mentioned above.

3.3.2 The use of pool vehicles will function strictly on a booking system depending on the importance of the trip.

3.3.3 Applications for such bookings will be made to the Fleet Management Officer.

3.3.4 Should an employee who is in charge of an allocated vehicle have a compelling reason to book a pool vehicle, such booking shall be done in the same manner as in 3.3.3. above, and be authorized by Head of Department, provided valid reasons have been provided as to why a pool vehicle needs to be used and such a booking shall be subject to the approval of the Director: Corporate Services.

3.3.5 Authorization of the use of the vehicle will only be made based on a properly completed trip authorization form and approved by the relevant Head of Department.

3.3.6 A Councilor who wishes to use a pool vehicle needs to obtain the authority of the Municipal Manager/Acting Municipal Manager on the prescribed trip authorization form.



- 3.3.7 Whenever an employee or a Councilor is making a booking for a pool vehicle, the necessary vote number needs to be provided against which the costs of such use can be debited.
- 3.3.9 The keys, logbook and petrol card of a pool vehicle shall at all times be kept in the office of the Fleet Management Officer and will only be released on a prearranged booking.
- 3.3.10 On return of a pool vehicle during office hours, the keys, petrol card, toll gate slips, fully completed trip authorization form; pre-drive inspection sheet and petrol slips must be returned to the Fleet Management Officer on return of vehicle after hours (refer to 7.11)

#### **SECTION 4: DRIVER'S RESPONSIBILITY**

Each driver shall be charged with the following responsibilities, before a vehicle is used. Should a driver use a vehicle before the execution of these responsibilities, it will be accepted that the driver is responsible for any damage on the vehicle as if he/she caused the damage.

- 4.1 All administrative procedures as described in 3 above need to be completed before a vehicle can be used.
- 4.2 A driver will be fully responsible for the vehicle during the period he/she uses the vehicle.
- 4.3 The driver shall pick-up the vehicle in the parking bays at municipal building.
- 4.4 The driver will carry out an inspection on the vehicle in the presence of the Fleet Management Officer, and complete an inspection sheet/ book before using the vehicle.

The following activities shall be undertaken as pre-drive inspection:

- 4.4.1 Ensure that the current odometer reading and the required information has been entered in the log book/trip authorization form,
- 4.4.2 Ensure that the vehicle has sufficient fuel for the journey and also check tyres condition and pressures are correct,
- 4.4.3 Check for any oil and water leaks,
- 4.4.4 Check/top up engine oil and cooling system water,
- 4.4.5 Check brake, clutch and accelerator pedal travel,
- 4.4.6 Check all lights, direction indicators, horn, wipers, washers, spare wheel, jack and tools,
- 4.4.7 Check steering action,
- 4.4.8 Check for any damage to bodywork, mirrors, windscreen and window glass,



- 4.4.9 Check that vehicle's license is current,
  - 4.4.10 Check fire protection equipment and hazard triangle
  - 4.4.11 Start the engine and check oil pressure and whether general warning lights are operating within specification,
  - 4.4.12 Check that interior and exterior of the vehicle is clean and in good state of repair,
  - 4.4.13 Ensure that any load is secured so as to limit damage and ensure safety,
  - 4.4.14 Ensure that staff being transported complies with the relevant traffic legislation.
  - 4.4.15 Check list shall be completed for all equipment in the vehicle by the Fleet Management Officer.
- 4.5 Any defect, damage, loss or license due to expire must be reported to the Fleet Management Officer. The vehicle should then be stood down until such defects or shortfall is addressed.
- 4.6 No vehicle shall be used unless the driver has in his/her possession the vehicle logbook/trip authorization in which must be recorded:
- 4.6.1 The exact nature of the trip;
  - 4.6.2 Starting time and date;
  - 4.6.3 Place of origin and destination;
  - 4.6.4 Passengers/load carried;
  - 4.6.5 Head of Department signature.

Failure to comply with 5.6 above will result in vehicle being impounded

- 4.7 The driver must hand the trip authorization form and pre-drive inspection sheet to the Security Guard at the gate before he/she will be allowed to remove the vehicle from the parking area.
- 4.8 Details of each journey are to be entered on the log book/trip authorization. Completed log books/trip authorization must be forwarded to the Fleet Management Officer within 2 working days after each month end.

## **5. DRIVERS' RESPONSIBILITY DURING THE USE OF ALLOCATED VEHICLE AND POOL VEHICLES**

- 5.1 Council vehicles will only be used for official purposes.
- 5.2 No passengers, other than officials and Councilors on duty should be transported in or on council vehicles, unless prior permission has been obtained from the Municipal Manager/Acting Municipal Manager or a person designated by him/her and an indemnity form (marked Annexure C), has been completed and signed.
- 5.3 A driver will ensure that he/she is in a mentally and physically healthy condition



before driving.

- 5.4 A driver shall adhere to all traffic rules and regulations stipulated in legislation.
- 5.5 Should a driver contravene any traffic rule or regulation and receive a fine for such contravention, he/she shall be responsible for payment of such a fine. Should a driver wish to defend such a charge brought against him/her, he/ she will do so in his/her personal capacity. Should a driver fail to pay a fine or fail to appear in court and summons is served on the municipality as owner of the vehicle, the Municipality will deduct such amount from the driver's earnings and institute disciplinary proceedings against the employee.
- 5.6 Should an employee utilize a vehicle for purposes other than official purposes, the necessary disciplinary procedures will be instituted.

**6. DRIVER'S RESPONSIBILITIES AFTER USE OF A VEHICLE**

- 6.1 After the use of a vehicle, such vehicle shall be parked in its allocated parking at the Municipal building. This applies even if a vehicle is used for more than once a day and such vehicle may under no circumstances be parked on the street or anywhere other than in its allocated parking.
- 6.2 The closing speedometer reading and kilometers travelled are entered on the trip authorization form.
- 6.3 Once parked, the driver shall ensure that the logbook/trip authorization form is completed properly.
- 6.4 The driver shall ensure that the vehicle is in a clean and tidy condition. If the vehicle got dirty while in use, the driver must arrange for it to be cleaned by car washers used by council. If the employee returned late he/she shall arrange for the washing of the vehicle on the following day.
- 6.5 The driver will ensure that the vehicle is locked properly and should the vehicle have a removable radio/radio cover, he/she shall remove the same and give it to the Fleet Management Officer for safe keeping.
- 6.6 The driver must enter the odometer reading and trip kilometer reading on the log book/trip authorization form, and lock the vehicle (all doors and boot) and ensure that the fuel tank is full.
- 6.7 The driver shall undertake a visual post-inspection of the vehicle in the presence of the Fleet Management Officer to ensure that no dents, scrape marks, cracked windows, worn-out tyres, etc. appear. In the event of any visible damage, the driver shall endorse the inspection sheet accordingly and shall immediately submit a written report in that regard to his/her Head of Department and Fleet Management Officer.





- 6.8 The driver shall return the keys, petrol card, toll gate slips, fully completed trip authorization form, pre-drive inspection sheet and petrol slips to the Fleet Management Officer and report verbally and in writing any observations or defaults.
- 6.9 All verbal reports should be recorded in the register of defaults.
- 6.10 Formal reports should be submitted to the fleet manager within 12 hours.
- 6.11 Should a vehicle be returned after office hours, the keys, logbook, petrol card, toll gate slips, fully completed trip authorization form, pre-drive inspection sheet and petrol slips should be kept in the car for submission to the Fleet Management Officer.

## **7. WHAT THE DRIVER MUST DO IN CASE OF AN ACCIDENT**

If the driver of a municipal vehicle is involved in an accident, or has contributed to an accident, irrespective of the damage caused on vehicles or properties, such driver shall:

- 7.1 Stop the vehicle immediately, there is a legal and indeed a moral obligation to report a collision to the nearest police station, even if you hit a lamp stand or a stationary vehicle and the accident is not witnessed.
- 7.2 Check the nature and extent of any injury to another person.
- 7.3 If a person has been hurt, give help by administering first aid, (if you know how), summons the police and, if necessary, an ambulance.
- 7.4 Determine the nature and extent of any damage suffered.
- 7.5 If required to do so by any person entitled to such information, provide and obtain the following information:
  - 7.5.1 Name, address, telephone and cell number of the other driver;
  - 7.5.2 Name, address, telephone and cell number of the owner of the other vehicle;
  - 7.5.3 Numbers of the other vehicle;
  - 7.5.4 Names of the driver's/owner's insurance company/insurance broker;
  - 7.5.5 Full details of the place and time of the collision and the road conditions and visibility at the time;
  - 7.5.6 License number and its expiry date;
  - 7.5.7 Identity number
- 7.6 Make a short note (to jog your memory) of what occurred immediately before and at the time of the collision (including a description of what happened, the speed at



which the vehicles were travelling, whether the lights were on or off, whether the other driver was indicating etc).

- 7.7 If there is a camera at the time of the collision, take photographs of the scene of the collision from various angles. If not, it is always a good idea to return to the scene as soon as possible thereafter, to take the necessary photographs.
- 7.8 Measure distances from the point of the collision to identifiable landmarks such as traffic lights, lamp stands, stop signs and the like and make a rough sketch showing the position of the vehicles immediately before and after the collision.
- 7.9 If there are people involved and eye witnesses, take down their full names, addresses, telephone and cell numbers.
- 7.10 Do not admit liability for the collision, whether to the driver of the other car, a bystander or to the Police, as this may prejudice any claim that you may have either against the other driver or in respect of your policy insurance. Do not make any statement, or comment on the cause of the accident or get involved in an argument with anyone regarding the accident. On the other hand, if the other driver apologizes for the collision and admits liability, do not hesitate to have him sign a written admission of liability there and then and, if possible, have that statement witnessed. On the other hand, if he/she is not prepared to commit his apology to writing, endeavor to persuade him/her to make his/her admission in the presence of a responsible official, such as a police officer.
- 7.11 If a person or animal has been injured, do not move the vehicle, even if it obstructs the traffic until you are given permission to do so by a traffic officer or unless the vehicle completely obstructs the road. However, if you do move the vehicle, it is important to chalk out its position before doing so. On the other hand, if no one has been injured, it would be important to move the vehicles out of the road to prevent a further collision with oncoming traffic. Where the vehicle is perceived to be obstructing the traffic, place hazard triangle 25 meters ahead or behind the vehicle to warn other road users and switch on the hazard lights.
- 7.12 Confirm telephonically with the Head of Department or Fleet Management Officer for arranging to remove the municipality's vehicle from the scene of the accident by a tow-in-service, should the vehicle be in such a condition that it cannot be driven.
- 7.13 If there is a traffic officer at the scene of the collision, provide him with such information as he/she may require. The accident must be reported within 24 hours to the police station or at an authorized office of a traffic officer (unless you are injured and cannot do so timeously, in which event you must report the accident as soon as is reasonably practicable) and obtain a reference/case number. When reporting the accident, give only the bare essentials and do not commit yourself to a written statement before consulting your insurance company or attorney.



- 7.14 Do not take any alcohol or drugs after the accident.
- 7.15 All Municipal vehicles shall be repaired by the approved service provider/the Manufacture.
- 7.16 Employee failing to comply with the above will be subjected to disciplinary actions.

## **8. VEHICLE BREAKDOWN AND THEFT**

- 8.1 In the event of a vehicle breakdown the driver must first attempt to move the vehicle to a safe place where it is not likely to be safety hazard to other road users. If the vehicle cannot be moved, the driver must make every effort to reduce the possibility of causing a safety hazard to other road users by placing the hazard triangle 25 meters ahead or behind the vehicle and in such a position as to warn other road users. The hazard lights must be switched on and hand signals be used where possible.
- 8.2 If the driver has to leave the vehicle to summons assistance, he/she shall make every effort to secure the vehicle and its load. Emergency help should be obtained from the nearest available source.
- 8.3 If there is no immediate need for emergency assistance the driver must contact his/her Head of Department or the Fleet Management Officer.
- 8.4 In the event of a vehicle being stolen the SAPS, Municipal Manager/Acting Municipal Manager and insurers must be notified immediately and if the vehicle is not recovered, it must be deregistered at the registering authority.
- 8.5 In the event of a hijacking or armed robbery, the line manager must ensure that the affected staff member(s) is/are given the necessary counselling.

## **9. PARKING OF VEHICLES AFTER USE**

- 9.1 The Council vehicles shall always be parked in the allocated undercover parking bays at the Municipal building and under no circumstances shall the driver utilize the vehicle after hours, or during weekends without written authority endorsed by the relevant Head of Department, except for employees on standby duty.
- 9.2 Should a driver require a vehicle after hours or over week-ends, which makes it impractical to park as indicated in section 8.1 above, written permission must be obtained from the Municipal Manager/Acting Municipal Manager, via the relevant



Head of Department for such usage, irrespective of the period for which the vehicle is required, provided that the driver can give an undertaking that the vehicle will be safely parked in a lockable garage or any other place which the Municipal Manager/Acting Municipal Manager will be satisfied that it is safe. This permission may be withdrawn for whatever reason by the Municipal Manager/Acting Municipal Manager.

## **10. DUTIES OF THE FLEET OFFICER**

The Fleet Management Officer must:

- 10.1 Ensure that vehicles exceeding 3 500kg GVM undergo annual roadworthy testing and obtain COF before licenses and clearance certificates are issued.
- 10.2 Ensure that vehicles are kept in a roadworthy condition at all times and have valid annual certificates of fitness.
- 10.3 Ensure that the licensing of motor vehicles and plant that require license renewals on an annual basis is done timeously.
- 10.4 Inspect the vehicles at least once a month to ensure that they are kept in a usable state and tidy and make monthly report on the state of municipal vehicles.
- 10.5 Reconcile expenditure and kilometers travelled by different departments and submit a report together with petrol slips, tollgate slips and other relevant invoices to the Department of Finance within 5 working days after the end of each month.
- 10.6 Ensure that all Council vehicles have the Council name and logo affixed on each side.
- 10.7 Ensure that all Council vehicles are regularly serviced, and service schedules are kept in the vehicle.

## **11. DUTIES OF HEADS OF DEPARTMENTS**

The Heads of Departments must:

- 11.1 Keep track of expenditure and budgets to ensure economical and effective use of the funds and to prevent over-expenditure.
- 11.2 Ensure that the vehicles assigned or used by employees within their respective departments are used in accordance with this policy and relevant legislation and should take necessary measures to control deviations.

## **12. INSURANCE**



- 12.1 The Fleet Management Officer needs to ensure that any new vehicle purchased is recorded in the financial books of account (assets register) and is covered by the council's insurance policy. Each year the vehicles' values should be determined in order for the insurance broker to make the necessary premium adjustments. No council vehicle should be allowed on the road unless it is adequately insured.
- 12.2 If a driver is found to be negligent during the time the accident happened, or to have committed any forbidden act, he/she may be held liable to pay the excess costs or the total cost of the damage, depending on the seriousness of the action or be charged with negligent use of Council property.

### **13. ECONOMIC LIFE ASSESSMENTS AND DISPOSAL**

- 13.1 Economic life assessments should be performed in order to determine the economic service life expectancy of vehicles and plant under their specific operating conditions. The re-sale and trade-in values should also be taken into consideration as well as the ever-increasing new vehicle and plant costs.
- 13.2 In terms of generally recognized accounting practices (GRAP), vehicle and plant assets are required to be depreciated over their respective life expectancies. The Chief Financial Officer must ensure that vehicle and plant assets are depreciated annually and have their appropriate values entered in the asset register.
- 13.3 Vehicles and plant will be scrapped when they become redundant or get beyond economical repair.
- 13.4 A decision to dispose the vehicle is taken proper technical evaluation should be done to determine whether the vehicle can still be used.
- 13.5 The following should be taken into account during the disposal process:
- 13.5.1 The necessity of the vehicle or plant and its effect on services which are rendered.
  - 13.5.2 The service history of the vehicle or plant.
  - 13.5.3 The appropriate norms to be complied with before the vehicle or plant can be replaced or scrapped.
- 13.6 Disposal should be done according to the Council's Supply Chain Management Policy and the Council should receive maximum benefit from the disposal process.

### **14. CONTRAVENTION OF THE VEHICLE POLICY**



- 14.1 Any driver who contravenes this vehicle policy will be subjected to a disciplinary enquiry.
- 14.2 Continuous minor offences of this policy will also result in disciplinary action being taken.
- 14.3 The following penalties could be involved for non-compliance with this policy:
- 14.3.1 Refusal of permission to drive municipal vehicles,
- 14.3.2 Payment of excess amount for insurance purposes, or full amount where the cause of an accident is due to negligence on the part of the driver.
- 14.4 Councilors who contravene this policy will be reported to the EXCO for institution of the necessary disciplinary action.
- 14.5 The driver shall not tamper with the Municipal vehicle as this will constitute disciplinary action.

## **15. CONCLUSION**

- 15.1 This policy is put in place to ensure that drivers have a uniform instruction and guideline of what is expected of them whilst driving the municipality's vehicles.
- 15.2 Should any driver feel uncomfortable with his/her driving skills, he/she must report such feeling to the Head of Department who will arrange for the necessary training to be provided. Rather report your incompetence than risk your life or the municipality's property.
- 15.3 This document constitutes the eMadlangeni Local Municipality's Vehicle Policy and a copy thereof shall at all times be kept in all vehicles of this municipality and each and every driver shall, before driving any council vehicle, sign for acknowledging that he/she has read and understood this policy.
- 15.4 This Policy shall come into effect on a date of its approval by Council.



**16. COUNCIL APPROVAL AND EFFECTIVE DATE**

SIGNED BY ACCOUNTING OFFICER

A handwritten signature in black ink, appearing to read 'GN MAVUNDLA', is written over a horizontal dotted line.

GN MAVUNDLA

DATE: 23 May 2024

# EMADLANGENI MUNICIPALITY



## INDIGENT POLICY 2024/2025 FINANCIAL YEAR





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## 2. INTRODUCTION

eMadlangeni municipality is committed in supporting and to assist in empowering its community. The large percentage of the population in the jurisdiction of eMadlangeni is in need of the indigent support to ensure that they have access to basic level of services as per the constitution.

The municipality strives to meet the constitutional objectives and the criteria lay down by the credible indigent policy assessment framework provided by the Department of Local Government.

The successful implementation of this policy depends on the affordability and social analysis of the eMadlangeni area as should be included in the municipal Integrated Development Plan. The foundation laid by section 74 of the Municipal Systems Act 2000 stipulates that poor households must have access to basic services through tariffs that cover only the operating and maintenance costs

**Whereas** the municipality receives an equitable share contribution from National Treasury annually

**And whereas** the National Department of Provincial and Local Government has issued guidelines regarding indigent support;

**And whereas** the municipal wishes to give access to basic services for all of its communities;

**Now therefore** the municipal council of eMadlangeni adopts the following indigent Policy



## 2. DEFINATIONS

“For the purpose of this policy any word or expressions to which a meaning has been assigned in the Act shall bear the same meaning in this policy and unless the context indicates otherwise.”

<b>Account</b>	means any account rendered for municipality services provided
<b>Account holder</b>	means any person with whom the Municipality has concluded an agreement for the payment of the consumption of municipal services and he or she is liable thereof
<b>Consumption</b>	means the ordinary use of municipal services, refuse removal and electricity services for domestic or household purposes
<b>Indigent</b>	means any household including a child headed household earning less than the gross monthly income determine by the resolution of the Municipal Council in terms of the social economic analysis of the area.
<b>Child headed household</b>	Means households headed by any person under the age of 21 years but with all the requirements for an indigent household.
<b>Household</b>	refers to a house and its occupants regarded as a unit or the people in a family or other group that are living together in one house, including biological/foster/adopted children
<b>Indigent support</b>	means the assistance given by the Municipal Council to registered indigent households in respect of electricity and rates
<b>Indigent register</b>	means the municipal list of indigent customers as per the municipal policy, which has to be updated on an annual basis.
<b>Municipality</b>	means eMadlangeni Municipality
<b>Municipal services</b>	refers to the services provided by the municipality including refuse removal, electricity and rates
<b>Owner</b>	the person in whom from time to time is vested the legal title to premises
<b>Residential consumer</b>	means a person who resided within the area jurisdiction of the eMadlangeni Municipality
<b>Recipient of indigent</b>	
<b>Support</b>	means a person whose household has been classified, in terms of the council’s determined criteria as being an indigent and receives



assistance and or subsidisation from the municipality with respect to municipal services.

**Financial year** means the financial year of the municipality that runs from July to June.

### 3. POLICY ISSUE

It provides a foundation upon which eMadlangeni municipality can create its indigent register to meet its responsibility of providing basic municipal services. This policy is intended to improve the lives of indigent.

### 4. OBJECTIVES OF POLICY

The objectives of this policy are to:-

- a. The objective of this policy is an attempt to close the Gap between those who are indigent and other citizens of eMadlangeni Municipality, through the targeted assistance with free allocations of electricity and other services
- b. This objective should ensure that all citizens of eMadlangeni Municipality are able to participate in the community, and are not barred through their indigent status.
- c. The long term objectives is to move those who are indigent away from the need for free basic services and other support measures into a more positive developmental role as rate paying citizens of the community.
  - i. Provide a framework with which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
  - ii. Determine the criteria for qualification of indigent and poor households;
  - iii. Ensure that the criteria is applied correctly and fairly to all applicants;
  - iv. Allow the Municipality to conduct in local visits to premises of applicants to verify the actual status of the household;
  - v. Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.



## **5. SCOPE OF APPLICATION**

The policy covers all the rural and urban areas under the jurisdiction of eMadlangeni Municipality where indigent residents have been identified and registered.

## **6. POLICY PRINCIPLE**

This policy undertakes to promote the following principles

- To engage the community in the development and implementation of this policy
- To promote integrated approach to free basic service delivery
- To ensure that the equitable share received annually will be utilised to benefit the poor community members.

## **7. LEGAL FRAMEWORKS**

This policy is designed and implemented within the framework of the following legislation:

- The Constitution of the Republic of South Africa, 1996
- The Municipal Systems Act, 2000 (Act No. 32 of 2003)
- The Local Government: Municipal Property Rates Act ( Act No. 6 of 2004)
- The Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- The promotion of Access to information Act, 2000 (Act No. 2 of 2000)

## **8. ECONOMIC PROFILE**

In terms of the statistics, 29% of our labour force is employed. This represents a 24% decrease in employment from 2001 which was 53%. The global credit crunch and mechanization are some of the factors that may have caused the massive job loss.

One of the challenges that prevent local people from getting decent jobs is lack of skills. A majority of the population (55, 9%) did not reach secondary school and therefore only have primary education.

The types of jobs these people get pay them less than the indigent threshold of the municipality. This in turn creates challenges for the municipality in terms of revenue collection and sustainable service delivery.

## **9. TARGETING APPROACH**



To qualify for “Applied Indigent status”, a household must comply with the following criteria:-

- a. The total household income may not exceed R3500 per month.
- b. All households who are grant dependant.
- c. Disabled Person to also provide medical certificate.
- d. Unemployed Child headed Household not older than 21 years,
- e. Pensioner in the case of joint property ownership 50% is applicable to one spouse/partner.
- f. Must be a permanent resident of eMadlangeni;
- g. The applicant must be a resident of a single property (stand), in the event of recognised polygamous customary marriages the applicant should provide property registration documents (title deed/lease agreement) for each property.
- h. The householder must be a resident of eMadlangeni and living permanently on the property, and have a registered account with the Municipality, except that the requirement of being registered as an account holder does not apply to households in informal settlements where no accounts are rendered nor in rural areas where accounts are rendered.
- i. An indigent account holder must immediately request de-registration if his/her circumstances have changed to an extent that s/he no longer qualifies for indigent support.
- j. It is the responsibility of the resident who cannot afford to pay the full municipal tariff for services received to apply for the indigent support.

## 10. APPLICATION PROCEDURE

Registration must be undertaken three months before the beginning of each financial year. The responsibility for applying for indigent support in terms of the policy rests with the resident who has low income and cannot afford to pay the full municipal tariff for services received.

The indigent application must be done on a prescribed form obtainable from the municipal offices and ward committees and application forms must be submitted at the public participation office and revenue unit.

### 10.1 REGISTRATION

The basic point of departure is that Council will assist, through funds received from Central Government, to provide basic services to “poorer” households within the Council’s service provision area. In this regard no discriminations on any grounds will be allowed.

**In order to qualify for financial assistance, the following will apply.**

- a. Only registered residential consumers of services delivered by council will qualify.



- b. No residential consumer conducting a business from the residential property, with or without special consent obtained from Council or with or without existing usage rights shall qualify for assistance.
- c. Assistance in respect of electricity or alternative source of energy, and rates charges will only be granted to registered owners of properties consuming the relevant services.
- d. Occupants /residents who own more than one property and occupying a house where application is sought will render such application of the owner/occupier invalid.

**The account holder must apply in person and must present the following documents upon application.**

- a) Account holder's identity document/ certified copy;
- b) An application form duly completed with the necessary proof as required;
- c) Proof of residence/ latest municipal account in his/her possession
- d) Applicants biological/foster/adopted children's identity documents
- e) Recommendation by ward councillor or traditional council detailing qualifying reasons.
- f) Bank stamped letter confirming accounts with all verified financial institutions i.e. Standard Bank, FNB, ABSA, Capitec, Old Mutual and other.
- g) Latest payslip or; proof of employment from the employer; or proof of social grant or pension.
- h) In the absence of such documentation, an affidavit declaring the applicant's income, or if unemployed, a declaration of the applicant's unemployment status
- i) Medical certificates for medically boarded applicants/disabled applicants
- j) Death certificated of parents, certification by department of Social welfare as well as affidavit for child headed house holds
- k) Marriage Certificate on joint property ownership for deceased property owners.
- l) Letter of Authority from the court on deceased property owners.
- m) Non South African residents will qualify should they have valid permits

## **10.2 DEREGISTRATION /EXIT**

**Indigent support will be terminated under the following circumstances:**

- a. Death of the account holder.
- b. End of the 12-month cycle, except for those in receipt of old age social grants (Pension), and disability grants
- c. Upon change of ownership of the property in respect of which support is granted.



- d. When circumstances in the indigent household have improved in terms of gross income threshold R3500,00 as prescribed by Council.
- e. When the indigent account holder disposes of the property, either by sale or by means of donation
- f. If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply.
  - i. All arrears will become payable immediately
  - ii. Credit control measures will apply and
  - iii. The applicant will not be eligible to apply for indigent support for a period of two years.

### 10.3 APPEALS

Any aggrieved person who was not successful in the application to be regarded as an indigent, may lodge an appeal to the Municipality within a period of 14 days from the date on which the aforesaid decision was communicated to the applicant.

## 11. VERIFICATION OF INDIGENT APPLICATIONS

**The indigent support will be approved based on the following verifications**

- Ward Committee verification
- Operation Sukuma Sakhe (through family profiling)
- CDW Verification (through family profiling)
- Physical household verifications will be conducted prior approval.
- Indigent Verification Committee
- Auditor General

## 12. EXTENT OF INDIGENT SUPPORT

- a. Subsidies will be limited to property rates, electricity, refuse removal and indigent burial support.
- b. Subsidies will be determined during the compilation of annual budget.
- c. The source of funding of the indigence subsidy is that portion of the equitable share contribution received from National Treasury and any additional provisions made by council and provided for the annual operating budget.
- d. In respect of electricity consumed, a subsidy up to 50kWh per month will apply.
- e. In respect of property rates, pensioners will receive 50% rebate. Indigent customers will receive 100%
- f. In respect of refuse removal, the pensioners, retirees and disabled persons will receive 10% discount. Indigent customers will receive 100%





- g. If consumption per metering period (month) exceeds any of the norms state in (4.4), usage will be restricted and the account holder will be obliged to pay such excess consumptions at the applicable normal tariffs.
- h. If a customer's consumption or use of municipal service is less than the subsidised service, the unused portion may not be accrued and the customer will not be entitled to a cash rebate in respect of the unused portion.
- i. Indigent customers will be provided with indigent burial support.

### **13. COMMUNICATION**

The policy shall be communicated through war rooms, Sukuma sakhe meetings, and different forums so that different members of the community will become aware of the indigent policy.

### **14. PUBLICATION OF NAMES OF QUALIFYING APPLICANTS**

The Municipality will publish the approved beneficiary his/her name and address on a list of account holders receiving subsidies in terms of this policy and may be submitted to credit authorities. Any person may inspect or scrutinize the list at a Customer Care Office and inform/notify the Municipality of any person who, according to their true circumstances, should not be in receipt of a subsidy as envisaged in this policy.

### **15. EXIT PROGRAMME**

An indigent customer must immediately request deregistration where his or her circumstances have changed to an extent that he or she no longer complies with the requirements of an indigent person.

The municipality may promote exit from the indigent register by identifying indigent families to be included in the EPWP projects and other LED projects

### **16. PROCESS MANAGEMENT**

#### **i. Validity period**

The period for assistance will be for a maximum period of 12 months. Existing indigent customers must re-apply before the end of April each year to renew their indigent status. Notification to this effect will be advertised annually and ward councillors to cascade the information to their wards for the renewal and new applications in their wards.

#### **ii. Death of registered applicant**



In the event that the approved applicant passes away, the heirs of the property must re-apply for indigent support provided that the stipulated criteria are met.

**iii. Excess usage of allocation**

If the level of consumption of the indigent household exceeds the total package as approved by the Municipality, from month to month or exceeds the monthly charges raised on the indigent's accounts; the household will be obliged to pay the excess consumption on a monthly basis. Such accounts will be subject to the Municipality's credit control and debt collection measures.

**iv. Arrears on indigent accounts**

Once an application for indigent support has been approved all arrears on the consumer account will be written off.

**v. Monitoring and Reporting**

The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time, with the aim of carrying out a local verification of accuracy of the information provided by the applicant(s). Such audit will be conducted on a continuous basis.

The municipality will report on a monthly basis on the indigent support.

## **17. NON-COMPLIANCE OF HOUSEHOLD REGISTERED AS INDIGENT**

When a property owner or occupier who has registered as an indigent fails to comply with any of the conditions relevant to the receipt to the receipt of indigent relief, such person forfeit his or her status as registered indigent with immediate effect, and will thereafter be treated as an ordinary accountholder for financial year concerned.

## **18. FALSE INFORMATION**

A person who provides false information be suspended for FIVE (5) years and be refused further participation in the subsidy scheme during that period. In addition, he/she will be held liable for the immediate re-payment of any subsidies already granted and legal action, civil or criminal may be instituted against the guilty party or parties.



## 19. CURRENT AMOUNTS IN ARREARS

Applicants, whose municipal accounts show arrear amounts at that time of the application for a subsidy will be treated in terms of the provisions of credit policy of the council regarding their status as indigent,

## 20. IMPLEMENTATION AND REVIEW

- i. The accounting Officer shall be responsible for the implementation and administration of this policy with assistance of the Chief Financial Officer: Budget and Treasury, once approved by council.
- ii. The contact person in respect to this policy is the Chief Financial Officer as well as the Revenue Accountant.
- iii. The policy shall be reviewed annually as part of the budget process.

## 21. EFFECTIVE DATE

This policy comes into effect on date of signature hereof by the Executive Authority.



MUNICIPAL MANAGER

GN MAVUNDLA

23/05/2024

DATE

## **22. ANNEXURE A: ROLES AND RESPONSIBILITIES OF DEPARTMENTS**

### **ROLE OF BUDGET AND TREASURY OFFICE (BTO)**

- Verification of registered indigents (segregation of duties & potential audit query);
- Flagging the indigents on the financial management system;
- Completeness and credibility of all municipal debtors including indigent ;
- Accounting for free basic services and the Equitable Share allocation;
- Accounting for indigent debtors including write-offs;
- Budgeting for free basic services;
- Provide for indigents in the tariff policy;
- Determine a stepped tariff where appropriate;
- Provide for the indigent management in the Credit Control and Debt Collection Policy (including write-off of indigent debtors);
- Deal with audit queries around the financial management of indigents

### **ROLE OF PUBLIC PARTICIPATION**

- Creating awareness of the free basic services programme;
- Develop policy on indigent in consultation with the Budget and Treasury Office;
- Manage the application and registration process;
- Develop the indigent register;
- Maintain the indigent register;
- In the case of District liaise with the local municipalities regarding the creation of a comprehensive indigent register and list of beneficiaries;
- Monitoring and evaluation of the indigents;
- Deal with the audit queries around the completeness and credibility of the register

### **ROLE OF TECHNICAL SERVICES**

- Needs to understand indigents and what free basic services that the municipality provides;
- Provide input in the indigent policy based on experiences gained on the ground;



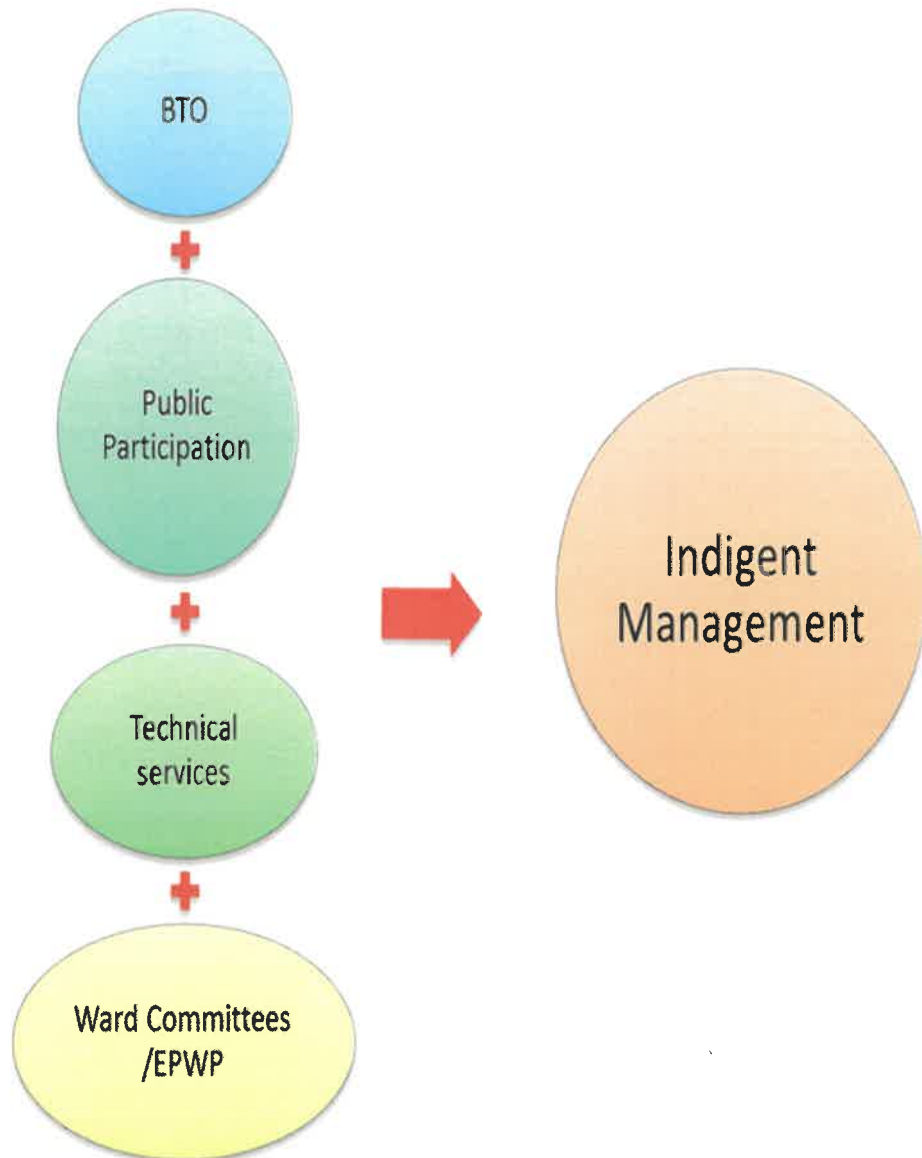
- Share beneficiary details with Public Participation and Budget and Treasury Office regarding new connections;
- In collaboration with the Budget and Treasury Office, install pre-paid meters where necessary and deemed appropriate;
- Support the free basic programme by dealing with illegal connections



**23. INDIGENT REGISTER**

Applicant	Ward	Property	Address	Contact Number	ID Number	Gender	Total Number of Households	Disability Status	Account Number	Meter Number	Total Household Income	Total Number of Household	Comment

## 24. ANNEXURE B: INDIGENT MANAGEMENT STAKEHOLDER'S



**eMadlangeni Local Municipality**  
**Asset Management Policy**  
**2024/2025**



This report contains 59 pages

A handwritten signature in black ink, consisting of stylized initials and a surname, located in the bottom right corner of the page.



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## 1 Key definitions

**"Accounting Officer"-**

Means the Municipal Manager;

**"Asset"**

Resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

**"Basic Municipal Service"**

Means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

**"Carrying Amount"**

The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

**"Chief Financial Officer"**

Means a person designated in terms of section 80(2) (a) of the MFMA;

**"Community assets"**

Any assets that contribute to the community's well-being. Examples are parks, libraries and fire stations

**"Cost"**

The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP

**"Councillor"**

Means a member of a municipal council;

**"Current year"**

Means the financial year, which has already commenced, but not yet ended;

**"Depreciable amount"**

The cost of an asset, or other amount substituted for cost, less its residual value.

**"Depreciation"**

The systematic allocation of the depreciable amount of an asset over its useful life.

**"Fair value"**

The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**"Financial year"**

Means a twelve months period commencing on 1 July and ending on 30 June each year

**"Financing agreement"**



Includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

**“GRAP”**

The accounting standards applicable to municipalities.  
GRAP – Generally Recognised Accounting Practice

**“Heritage assets”**

Some assets are described as “heritage assets” because of their cultural, environmental or historical significance. Examples of heritage assets include historical buildings and monuments, archaeological sites, conservation areas and nature reserves, and works of art.

**“Impairment loss”**

- Of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- Of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

**“Infrastructure assets”**

These assets usually display some or all of the following characteristics:

- (a) They are part of a system or network,
- (b) They are specialised in nature and do not have alternative uses,
- (c) They are immovable, and
- (d) They may be subject to constraints on disposal.

Examples of infrastructure assets include road networks, sewer systems, water and power supply systems and communication networks.

**“Inventory”**

Are assets:

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

**“Investment”**

In relation to funds of a municipality, means-

- (a) The placing on deposit of funds of a municipality with a financial institution; or
- (b) The acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

**“Investment properties”**

Property (land or a building or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

**“Local community”**

Has the meaning assigned to it in section 1 of the Municipal Systems Act;

**“Long-term debt”**

Means debt repayable over a period exceeding one year;



**"Municipal Structures Act"**

Means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

**"Municipal Systems Act"**

Means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

**"Municipal council" or "Council"**

Means the council of a municipality referred to in section 18 of the Municipal Structures Act; (refer to the MSA for definition);

**"Municipality"-**

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) When referred to as a geographic area, means a municipal area determined terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

**"MFMA"**

The Local Government: Municipal Finance Management Act (No. 56 of 2003)

**"Municipal Manager" "MM"**

Means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

**"Municipal service"**

Has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

**"National Treasury" "NT"**

Means the National Treasury established by section 5 of the Public Finance Management Act;

**"Official"**

Means-

- (a) An employee of a municipality or municipal entity;
- (b) A person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) A person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee

**"Property Plant and Equipment"**

Are tangible items that:

- (a) Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) Are expected to be used during more than one reporting period.

**"PT", "Provincial Treasury"**

Means the Provincial Treasury branch established by section 5 of the Public Finance Management Act;

**"Quarter"**

Means any of the following periods in a financial year:

- (a) 1 July to 30 September;



- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

**“Recoverable amount”**

The higher of a cash-generating asset’s net selling price and its value in use.

**“Residual value”**

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**“Useful life”**

- (a) The period over which an asset is expected to be available for use by an entity, or
- (b) The number of production or similar units expected to be obtained from the asset by an entity.

**“Vote”**

Means-

- (a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

This policy is established in terms of the following statutes and standards:

Constitution of the Republic of South Africa (Act 108 of 1996)

- Municipal Structures Act, Act 117 of 1998
- Municipal Systems Act, Act 32 of 2000
- Municipal Finance Management Act, Act 56 of 2003
- Municipal Asset Transfer Regulations
- GRAP 1 – Presentation of Financial Statements
- GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 5 – Borrowing Costs
- GRAP 11 - Construction Contracts
- GRAP 12 – Inventories
- GRAP 13 - Leases
- GRAP 16 - Investment Property
- GRAP 17 – Property, Plant and Equipment
- GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets
- GRAP 21- Impairment of Non-cash-generating Assets
- GRAP 26 - Impairment of Cash-generating Assets
- GRAP 27 - Agriculture

- GRAP 31- Intangible Assets
  - GRAP 103 - Heritage Assets
- MFMA — Local Government Capital Asset Management  
Guideline



## 2 Asset Management Policy Summary

Objectives	Key principles to be achieved
<p>The objectives of this policy are to ensure that assets are managed and accounted for by:</p> <ul style="list-style-type: none"> <li>• Physical control over fixed assets</li> <li>• Accurate recording of fixed assets and related transactions</li> <li>• Compliance with municipal legislation and accounting standards</li> <li>• Compliance with accounting policies</li> <li>• Providing management information on fixed assets</li> </ul>	<ul style="list-style-type: none"> <li>• Safekeeping of assets</li> <li>• Accurate, complete recording of all the municipality's fixed assets</li> <li>• Each strategic head is responsible for the fixed assets in their department</li> <li>• Asset register must balance to the financial statements</li> <li>• Fixed assets must be properly maintained and insured</li> <li>• The fixed assets register and annual financial statements must comply with the applicable accounting standards and legislation applicable at the time</li> </ul>

Key performance areas (strategic intent)
<ul style="list-style-type: none"> <li>• Classification of fixed assets</li> <li>• Safekeeping and identification of fixed assets</li> <li>• Format of fixed assets register</li> <li>• Acquisition and replacement</li> <li>• Capitalisation criteria</li> <li>• General planned &amp; deferred maintenance</li> <li>• Depreciation of fixed assets</li> <li>• Amendment of asset lives and diminution in value of fixed assets</li> <li>• Creation of non-distributable reserves</li> <li>• Re-valuation of fixed assets</li> <li>• Insurance, loss, damage, theft</li> <li>• Disposal and retirement from use</li> </ul>





### 3 Classification of fixed assets

Objectives	Policy statement	Responsibilities
<p>To ensure that fixed assets meeting certain criteria and characteristics are grouped and classified together according to regulated guidelines and standards</p>	<p><b>Property, plant and equipment</b>            The Strategic Head: Financial Services must ensure that all fixed assets are classified as follows in the Annual Financial Statements and fixed assets register:</p> <ul style="list-style-type: none"> <li>• Land</li> <li>• Buildings</li> <li>• Plant &amp; machinery</li> <li>• Furniture and fixtures</li> <li>• Motor vehicles</li> <li>• IT equipment</li> <li>• Community</li> <li>• Heritage assets</li> <li>• Investment property</li> <li>• Intangible assets</li> </ul> <p><b>PPE RECOGNITION CRITERIA</b>            The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:</p>	<p><b>Chief Financial Officer</b>            Document and communicate classification of fixed assets to strategic managers</p> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>• Take steps to ensure that fixed asset records are maintained in terms of the classifications supplied by the CFO.</li> <li>• Ensure that all amendments to the assets records and results of fixed asset counts are submitted according to the correct classifications</li> </ul>



Objectives	Policy statement	Responsibilities
	<p>(a) it is probable that future economic benefits or service potential associated with the item will flow to the entity; and</p> <p>(b) the cost or fair value of the item can be measured reliably.</p> <p>Measurement at recognition</p> <p>An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.</p> <p>GRAP 17</p> <p>Issued February 2010 13 Property Plant and Equipment</p> <p>.18 Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.</p> <p>Measurement after recognition</p> <p>An entity shall choose either the cost model in paragraph .33 or the</p>	



Objectives	Policy statement	Responsibilities
	<p>revaluation model in paragraph .34 as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.</p> <p><b>Investment property</b> These are investment assets held as resources for capital or operational gain.</p> <p><b>Accounting and recording</b></p> <ul style="list-style-type: none"> <li>Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.</li> <li>Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but separately on the fixed assets register</li> <li>Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.</li> </ul>	



	<p><b>Depreciation</b></p> <ul style="list-style-type: none"> <li>Investment assets shall be depreciated over their useful life except for land which is not depreciable.</li> <li>Investment assets shall be recorded in the statement of financial position at cost less accumulated depreciation and any accumulated impairment losses.</li> </ul> <p><b>Cost model</b></p> <p>The municipality applies cost model in all assets it owns that are on the fixed assets register.</p> <p><b>Inventory</b></p> <p>This is housing stock which is not held for capital gain</p> <p><b>Accounting for inventory</b></p> <ul style="list-style-type: none"> <li>This includes: <ul style="list-style-type: none"> <li>Land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business</li> <li>Land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling</li> </ul> </li> </ul>	
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Objectives	Policy statement	Responsibilities
	<p>it in the ordinary course of business</p> <ul style="list-style-type: none"> <li>• These assets shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.</li> </ul> <p><b>Recording</b></p> <ul style="list-style-type: none"> <li>• Cost of inventories shall comprise of all costs of purchase(i.e. purchase price, import duties, other taxes and transport, handling and other costs attributable to the acquisition of finished goods, materials and supplies), costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Trade discounts, rebates and other similarities are deducted. Taxes recoverable by the entity from the SARS may not be included.</li> <li>• Costs of development for housing or similar developments which are acquired or developed for resale will include costs directly related to the development – e.g. purchase</li> </ul>	



Objectives	Policy statement	Responsibilities
	<p>price of land acquired for such developments, surveying, conveyance costs and the provision of certain infrastructure. Infrastructure costs relating to extending the capacity of existing infrastructure are excluded. The costs of inventories of a service provider consisting of direct labour and other costs of personnel directly engaged in providing the service and other attributable overheads are included.</p> <ul style="list-style-type: none"> <li>• Inventories shall be measured at the lower of cost and current replacement cost or net realizable value.</li> <li>• Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but in a separate section</li> </ul> <p><b>Heritage assets</b>  <b>Fixed assets register</b>            If no original costs or fair values are available in the case of heritage assets, the chief financial officer may record such</p>	



Objectives	Policy statement	Responsibilities
	<p>asset or assets in the fixed asset register without an indication of the costs or fair value concerned.</p> <p><b>Annual financial statements</b></p> <p>For purposes of compiling the statement of position, the existence of such heritage assets shall be disclosed by means of an appropriate note.</p>	



## 4 Safekeeping and identification of fixed assets

Objectives	Policy statement	Responsibilities
<p>To prevent the loss, damage or theft from the misappropriation or misuse of fixed assets owned by the municipality</p>	<p><b>Safekeeping</b> Each strategic manager shall:</p> <ul style="list-style-type: none"> <li>• Be directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question.</li> <li>• Take the necessary steps to ensure the safekeeping of fixed assets under their control</li> <li>• If any biological asset is lost, stolen, or destroyed, the matter shall be reported in writing by the Head of Department concerned, following the same procedure as for ordinary assets.</li> <li>• Adhere to any written directives issued by the chief financial officer in regard to the control of or safekeeping of the municipality's fixed assets.</li> </ul> <p><b>Identification</b></p> <ul style="list-style-type: none"> <li>• The chief financial officer shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its fixed asset register.</li> </ul>	<p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>• Safekeeping and marking of fixed assets within department</li> <li>• Marking of and recording of fixed assets in the municipality's fixed assets register</li> </ul> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>• Safekeeping of fixed assets within their departments</li> <li>• Provide update information on new assets purchased, damaged, disposed of or moved to the CFO</li> <li>• Annual verification and reporting on fixed assets by 30 June each year</li> </ul>







Objectives	Policy statement	Responsibilities
	<ul style="list-style-type: none"><li>• The identification system shall be determined by the chief financial officer:<ul style="list-style-type: none"><li>- Acting in consultation with the municipal manager and other strategic managers</li><li>- Comply with any legal prescriptions</li><li>- Be decided upon within the context of the municipality's budgetary and human resources available.</li></ul></li><li>• Every strategic manager shall ensure that the asset identification system approved for the municipality is properly applied in respect of all fixed assets controlled or used in their department</li></ul> <p><b>Verification</b></p> <ul style="list-style-type: none"><li>• Every strategic manager shall undertake a comprehensive verification of all fixed assets under their control:<ul style="list-style-type: none"><li>- At least once during every financial year</li><li>- During physical verification, assessment of condition of the</li></ul></li></ul>	

Objectives	Policy statement	Responsibilities
	<p>assets is performed to identify any damage, misuse, or obsolescence due to changed circumstances.</p> <ul style="list-style-type: none"> <li>- appropriate action such as repair, write-down, write-off, or disposal are necessary for such assets.</li> <li>- Maintain registers for assets allocated to staff members.</li> <li>- Individuals are accountable for assets under their control in all departments.</li> <li>- Update registers immediately when assets are relocated or reassigned to facilitate control and verification.</li> <li>- In compliance with the relevant written directives issued by the chief financial officer</li> <li>- Malicious damage, theft, and break-ins must be reported to the Municipal Manager or delegated person and to the South African Police Service within 48 hours of its occurrence or awareness</li> <li>- Report in writing to the chief financial officer in the format determined by the chief financial</li> </ul>	



Objectives	Policy statement	Responsibilities
	officer, all relevant results of such fixed asset verification - Not later than 30 June	



## 5 Fixed assets register

Objectives	Policy statement	Responsibilities
<p>To ensure that all of the municipality's fixed assets are recorded in such a way to enable adequate management and accounting for fixed assets</p>	<p><b>Format of the fixed assets register</b></p> <p>The fixed assets register should contain the following for each item of property, plant and equipment:</p> <ul style="list-style-type: none"> <li>• Acquisition dates</li> <li>• Clear descriptions of individual items</li> <li>• Location</li> <li>• Department / service that controls the asset</li> <li>• A unique asset identification number</li> <li>• The original cost / fair value</li> <li>• Depreciation charge and accumulated depreciation</li> <li>• Carrying amount</li> <li>• Method and rate of depreciation</li> <li>• Impairment losses incurred during the year</li> <li>• Source of financing</li> <li>• Insurance arrangements</li> <li>• Disposal date and price</li> <li>• Date retired from use</li> </ul>	<p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>• Updated maintenance of the fixed asset register in the required format</li> <li>• Accuracy of the fixed assets register and reconciliation to annual financial statements</li> <li>• Marking and recording of changes to fixed assets in the fixed assets register</li> </ul> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>• Provision of information to the CFO for any changes in the details of the fixed assets under their control</li> </ul>

Objectives	Policy statement	Responsibilities
	<ul style="list-style-type: none"> <li>• A fixed asset shall remain in the fixed assets register for as long as it is in physical existence</li> </ul> <p><b>Carrying value</b></p> <ul style="list-style-type: none"> <li>• All fixed assets shall be carried in the fixed asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation and any accumulated impairment losses</li> <li>• The only exceptions to this rule shall be re-valued assets and heritage assets in respect of which no value is recorded in the fixed asset register.</li> </ul>	



Objectives	Policy statement	Responsibilities
	<ul style="list-style-type: none"> <li>• Re-valued amounts</li> <li>• Expected useful life</li> <li>• Remaining useful life. Information on size, diameter, etc.</li> </ul> <p><b>Provision of information for the fixed asset register</b></p> <p>Each strategic manager under whose control any fixed asset falls shall:</p> <ul style="list-style-type: none"> <li>• Promptly provide the chief financial officer in writing with any information required to compile the fixed asset register</li> <li>• Promptly advise the chief financial officer in writing of any material change which may occur in respect of such information</li> </ul> <p><b>Recording on the register</b></p> <ul style="list-style-type: none"> <li>• A fixed asset shall be recorded in the fixed assets register, as soon as it is acquired</li> <li>• Where the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately capitalised as a fixed asset</li> </ul>	



## 6 Acquisition and replacement of fixed assets

Objectives	Policy statement	Responsibilities
<ul style="list-style-type: none"> <li>To ensure fair, transparent and equitable acquisition of fixed assets in terms of the supply chain management policy, capital budget and IDP priorities</li> <li>To ensure that fixed assets are replaced when they have exhausted their effective service potential</li> </ul>	<p><b>Cost model</b></p> <ul style="list-style-type: none"> <li>Council accepts the cost model as its accounting policy for the measurement of assets after recognition and will apply the policy to all asset classes contained in its asset register.</li> </ul> <p><b>Acquisition of fixed assets</b></p> <ul style="list-style-type: none"> <li>The Chief Financial Officer will develop and provide a form to be completed by strategic managers for new acquisitions.</li> <li>Each strategic manager will promptly inform the CFO of new fixed assets taken into use in the format requested by the CFO.</li> <li>The municipality must consider the following before buying an assets:</li> <li>The purpose for which the asset is required aligns with the municipality's objectives and will provide significant, direct, and tangible benefits.</li> <li>The asset fits the definition of a Capital Asset as defined in the relevant GRAP standard, and it has been budgeted for.</li> </ul>	<p><b>Council</b></p> <p>Approval of the IDP and capital budget</p> <p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>Communicate the format of information for new acquisitions to each Strategic manager</li> <li>Recording all new acquisitions accurately into the fixed assets register</li> <li>Marking fixed asset acquisitions for identification purposes</li> </ul> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>Promptly providing the CFO with information about new fixed asset acquisitions taken into use in the prescribed format</li> <li>Review and assess the service potential of the fixed assets under their control at least annually</li> <li>Submit the replacement requirements as part of the annual IDP revision and capital budget</li> </ul>



Objectives	Policy statement	Responsibilities
	<ul style="list-style-type: none"> <li>• Future annual operations and maintenance needs have been calculated and budgeted for in the operations budget.</li> <li>• The purchase is deemed necessary, with no alternative municipal asset economically upgradable or adaptable.</li> <li>• The asset is appropriate for the task or requirement and is cost-effective over its lifespan.</li> <li>• The asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources.</li> <li>• Adequate space and necessary facilities to accommodate the asset are in place.</li> <li>• The most suitable type, brand, model, etc., has been selected.</li> </ul> <p><b>Replacement of fixed assets</b></p> <ul style="list-style-type: none"> <li>• Fixed assets will be replaced when they can no longer deliver the services effectively and efficiently.</li> <li>• Each strategic manager will assess the service potential of the fixed assets under their control annually</li> </ul>	





Objectives	Policy statement	Responsibilities
	<ul style="list-style-type: none"> <li>The results of these assessments will be included into each strategic manager's contribution to the IDP and capital budgeting process</li> </ul>	



## 7 Capitalisation criteria

Objectives	Policy statement	Responsibilities
<p>To ensure that only items that meet the criteria and characteristics for fixed assets are capitalised as such</p>	<p><b>Capitalisation of assets</b></p> <ul style="list-style-type: none"> <li>• An asset shall not be recognised based on the material value but when it meets the following criteria,</li> <li>• It is probable that future economic benefits or service potential associated with the item will flow to the entity</li> <li>• The cost or fair value of the item can be measured reliably</li> <li>• The items is going to be used for more than one financial period</li> </ul> <p><b>Inventory listing</b></p> <ul style="list-style-type: none"> <li>• Every strategic manager shall ensure that any item with an estimated useful life of more than one year, shall be recorded on an inventory listing.</li> <li>• Every strategic manager shall moreover ensure that the existence of items recorded on such inventory list is verified at least once in every financial year.</li> </ul>	<p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>• Must ensure that only capital expenditures are capitalized as fixed assets</li> <li>• Provide criteria for the recognition of fixed assets to each strategic manager</li> </ul> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>• Where staff in other departments record accounting transactions, the relevant strategic manager is responsible to ensure that only capital expenditure is recorded as a capital item in the accounting records</li> <li>• The strategic manager must also ensure that such capital expenses are recorded on the fixed assets register by supplying the relevant information to the CFO in the required format.</li> </ul>



	<p><b>Intangible items</b></p> <ul style="list-style-type: none"><li>• The chief financial officer, acting in strict compliance with the criteria set out in GRAP 31 (dealing with research and development expenses) may recommend to the council that specific development costs be recognised as fixed assets.</li></ul> <p><b>Reinstatement, maintenance and other expenses</b></p> <p><b>Enhancement costs</b></p> <ul style="list-style-type: none"><li>• Only expenses incurred in the following shall be capitalised:<ul style="list-style-type: none"><li>- Enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset)</li><li>- Material extension of the useful</li></ul></li></ul> <p><b>Maintenance costs</b></p> <p>Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses</p> <p><b>Expenses to bring the asset into operation</b></p>	
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Objectives	Policy statement	Responsibilities
	<ul style="list-style-type: none"> <li>• Expenses to bring the fixed asset into operation of will be capitalised as part of such fixed asset.</li> <li>• Such expenses may include the following costs:               <ul style="list-style-type: none"> <li>- Import duties</li> <li>- Forward cover</li> <li>- Transportation</li> <li>- Installation</li> <li>- Assembly</li> <li>- Commissioning</li> </ul> </li> </ul>	



## 8 General, planned and deferred Maintenance

Objectives	Policy statement	Responsibilities
<p>To ensure that fixed asset maintained to a level to ensure that the fixed asset can be used efficiently and services can be effectively rendered to the community by:</p> <ul style="list-style-type: none"> <li>Planned maintenance</li> <li>General maintenance</li> <li>Reporting and follow-up of deferred maintenance</li> </ul>	<p><b>General and planned maintenance</b></p> <ul style="list-style-type: none"> <li>Every strategic manager shall be directly responsible for ensuring that all assets are properly maintained to ensure:               <ul style="list-style-type: none"> <li>That such assets provide the desired level of service and</li> <li>Attain their useful operating lives</li> </ul> </li> </ul> <p><b>Maintenance planning</b></p> <ul style="list-style-type: none"> <li>An annual maintenance plan shall be prepared and submitted by each strategic manager when the capital and operating budget is prepared annually</li> <li>A maintenance plan shall be submitted to the council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.</li> <li>The strategic manager of the department controlling or using the infrastructure asset in question, shall annually report to the council at least quarterly) on:</li> </ul>	<p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>Disclose deferred maintenance in the annual financial statements</li> </ul> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>Prepare annual maintenance plans for submission with the capital budget</li> <li>Implement and report on the progress of the maintenance plan</li> </ul>



Objectives	Policy statement	Responsibilities
	<ul style="list-style-type: none"> <li>- The extent to which the relevant maintenance plan has been complied with</li> <li>- The likely effect which any non-compliance may have on the useful operating life of the asset concerned.</li> </ul> <p><b>Deferred maintenance</b></p> <p><b>Disclosure of deferred maintenance</b></p> <ul style="list-style-type: none"> <li>• If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset the chief financial officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the financial statements.</li> <li>• Such note shall also indicate any plans which the council of the municipality has approved in order to redress such deferral of the maintenance requirements concerned.</li> </ul>	



## 9 Depreciation

Objectives	Policy statement	Responsibilities
<p>To ensure that the accounting records and annual financial statements reflect fixed assets at a value in accordance with the rate at which the economic benefits and service potential has been utilised</p>	<p><b>Depreciation</b>  <b>Assets to depreciate</b>            All fixed assets, except land and heritage assets, shall be depreciated.</p> <p><b>Calculation of depreciation</b></p> <ul style="list-style-type: none"> <li>• Depreciation will take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed.</li> <li>• Depreciation shall initially be calculated from:               <ul style="list-style-type: none"> <li>- The day following the day in which a fixed asset is acquired or</li> <li>- In the case of construction works and plant and machinery – the day following the day in which the fixed asset is brought into use, until the end of the calendar month concerned.</li> </ul> </li> <li>• Thereafter, depreciation charges shall be calculated monthly.</li> <li>• Depreciation will be included in the annual operating budget</li> </ul>	<p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>• Assigns a useful operating life and depreciation rate to each depreciable asset recorded on the municipality's fixed asset register</li> </ul> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>• Annually review the useful life and depreciation rate of the fixed assets under their control for reasonability and report to the CFO by 30 June</li> </ul>



Objectives	Policy statement	Responsibilities
	<p><b>Rate of depreciation</b></p> <ul style="list-style-type: none"> <li>The chief financial officer shall, in line with MFMA guidelines, assign a useful operating life to each depreciable asset recorded on the municipality's fixed asset register</li> <li>The useful life shall be determined in consultation with the strategic manager concerned</li> </ul> <p><b>Depreciation rate</b></p> <ul style="list-style-type: none"> <li>The chief financial officer shall depreciate all depreciable assets on the straight-line method of depreciation over the assigned useful operating life of the asset in question.</li> <li>The depreciation method applied to the assets shall be reviewed at each reporting date.</li> <li>The residual value of assets shall be reviewed at each reporting date.</li> </ul>	



## 10 Amendment of asset lives and diminution in value of fixed assets

Objectives	Policy statement	Responsibilities
<p>To ensure that the amendment of asset lives or the diminution in value thereof must take place in a controlled manner based on the operating value and service potential of those fixed assets</p>	<p><b>Amendment of asset lives</b>  <b>Authority to amend useful life</b></p> <ul style="list-style-type: none"> <li>• Only the chief financial officer may amend the remaining useful life assigned to any fixed asset</li> <li>• When any material amendment occurs the chief financial officer shall inform the council of the municipality of such amendment.</li> </ul> <p><b>Circumstances to amend useful life</b></p> <ul style="list-style-type: none"> <li>• The chief financial officer shall amend the useful operating life assigned to any fixed asset if:               <ul style="list-style-type: none"> <li>- it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or</li> <li>- Any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.</li> </ul> </li> <li>• The remaining useful life of assets shall be reviewed annually.</li> </ul>	<p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>• Amends the useful lives and value of fixed assets in consultation with strategic managers</li> </ul> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>• Annually, review the useful lives, value and impairment of all the fixed assets under their control and submit to the CFO.</li> </ul>

	<ul style="list-style-type: none"> <li>• Changes emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.</li> </ul> <p><b>Diminution in fixed asset value</b></p> <p><b>Impairment of fixed assets</b></p> <ul style="list-style-type: none"> <li>• A fixed asset is said to be impaired where the recoverable amount or the recoverable service value is less than the carrying amount reflected in the accounting record.</li> <li>• Each strategic manager shall annually, review the useful lives, value and impairment of all the fixed assets under their control and submit to the CFO.</li> </ul> <p><b>Assets Useful Life</b></p> <p><b>Classes of Assets</b></p> <p><b>USEFUL LIFE IN YEARS</b></p> <p><b>MIN MAX</b></p> <p><b>PROPERTY, PLANT AND EQUIPMENT</b></p> <p><b>LAND</b></p> <p>Developed land N/A</p> <p>Undeveloped land N/A</p>	
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	<p><b>BUILDINGS</b></p> <p><b>DWELLINGS</b></p> <p>Caravans 5 - 10</p> <p>Children's homes 25 - 30</p> <p>Foreign mission dwellings 25 - 30</p> <p>Homes for the aged 25 30</p> <p>Hostels 25 - 30</p> <p>Military personnel dwellings 25 - 30</p> <p>Mobile homes 5 - 10</p> <p>Places of safety (children) 25 - 30</p> <p>Prisons and rehabilitation facilities 25 - 30</p> <p>Residences (presidential, embassies) 25 - 30</p> <p>Residences (personnel) include garages and parking 25 - 30</p> <p>Secure care centres 25 - 30</p> <p><b>NON RESIDENTIAL DWELLINGS</b></p> <p>Airport and associated buildings (control towers, transfer halls, parking, hangars and warehousing) 25 - 30</p> <p>Border and custom control points 25 - 30</p> <p>Bus terminals 25 - 30</p> <p>Bus shelters 10 - 15</p> <p><b>MFMA — Local Government Capital Asset Management Guideline</b></p> <p>78</p> <p><b>USEFUL LIFE IN YEARS</b></p> <p><b>MIN MAX</b></p> <p>Civic theatres 25 - 30</p> <p>Clinics and community health facilities 25 - 30</p>	
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	<p>Community centres and public entertainment buildings 25 - 30  Driver and vehicle testing centres 25 - 30  Fire stations 25 - 30  Foreign mission offices 25 30  Hospitals and ambulance stations 25 - 30  Industrial buildings 20 - 30  Laboratories 25 - 30  Libraries 25 - 30  Mortuaries 25 - 30  Museums and art galleries 25 - 30  Office buildings (including air conditioning systems) 25 - 30  Public parking (covered and open) 25 - 30  Police stations (and associated buildings) 25 - 30  Railway and associated buildings 25 - 30  Research facilities (including weather) 25 - 30  Stadiums 25 - 30  Taxi ranks 10 - 15  Universities, colleges, schools etc. 25 - 30  Warehouses (storage facilities, including data) 25 - 30</p> <p><b>OTHER STRUCTURES (INFRASTRUCTURE ASSETS)</b></p> <p><b>ELECTRICITY</b>  Cooling towers 25 - 30  Mains 15 - 20  Meters  Prepaid 10 - 20  Credit 20 - 25</p>	
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	<p>Power stations</p> <p>Coal 50 - 60</p> <p>Gas 50 - 60</p> <p>Hydro 50 - 60</p> <p>Nuclear 60 - 80</p> <p>Supply/reticulation 15 - 25</p> <p>Transformers 25 - 50</p> <p>Lines</p> <p>Underground 25 - 45</p> <p>Overhead 20 - 30</p> <p>Cables 25 - 45</p> <p>Substations</p> <p>Switchgear 20 - 30</p> <p>Equipment</p> <p>Outdoor 20 - 30</p> <p>GIS 15 - 30</p> <p>Indoor 30 - 40</p> <p>Electrical panels 3 - 5</p> <p>Telemetry 7 - 15</p> <p><b>MFMA — Local Government Capital Asset Management Guideline</b></p> <p>79</p> <p><b>USEFUL LIFE IN YEARS</b></p> <p><b>MIN MAX</b></p> <p><b>ROADS (Roads, Pavements, Bridges &amp; Storm Water)</b></p> <p><b>BRIDGES</b></p> <p>Vehicle</p> <p>Bridges - Concrete 60 - 80</p> <p>Bridges - Steel 40 - 50</p> <p>Bridges - Timber 25 - 40</p>	
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	<p>Pedestrian</p> <p>Bridges - Concrete 60 - 80</p> <p>Bridges - Steel 40 - 50</p> <p>Bridges - Timber 25 - 40</p> <p>Railway</p> <p>Bridges - Concrete 60 - 80</p> <p>Bridges - Steel 40 - 50</p> <p>Bridges - Timber 25 - 40</p> <p>Reinforced retaining walls</p> <p>Earth 10 - 15</p> <p>Concrete 25 - 30</p> <p>Expansion and construction joints 15 - 20</p> <p><b>STORM WATER</b></p> <p>Culverts 25 - 40</p> <p>Concrete 40 - 60</p> <p>Armco 25 - 40</p> <p>Drains</p> <p>Earthworks 80 - 100</p> <p>Concrete lining 25 - 50</p> <p>Stop banks 40 - 50</p> <p>Pipes 25 - 50</p> <p>Coastal</p> <p>Structure (Retaining walls) 20 - 40</p> <p>Piers 60 - 80</p> <p>Storm water outfalls 60 - 80</p> <p><b>ROADS</b></p> <p>Kerb and channels 40 - 50</p> <p>Municipal roads - Asphalt surface 10 - 20</p> <p>- Asphalt layer 30 - 50</p> <p>- Concrete surface 10 - 30</p> <p>- Concrete layer 30 - 50</p> <p>- Gravel surface 3 - 10</p>	
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	<p>National roads - Asphalt surface 10 - 20</p> <ul style="list-style-type: none"> <li>- Asphalt layer 30 - 50</li> <li>- Concrete surface 10 - 30</li> <li>- Concrete layer 30 - 50</li> <li>- Gravel surface 3 - 10</li> </ul> <p>Provincial roads - Asphalt surface 10 - 20</p> <ul style="list-style-type: none"> <li>- Asphalt layer 30 - 50</li> <li>- Concrete surface 10 - 30</li> </ul> <p><b>MFMA — Local Government Capital Asset Management Guideline</b></p> <p>80</p> <p><b>USEFUL LIFE IN YEARS</b></p> <p><b>MIN MAX</b></p> <ul style="list-style-type: none"> <li>- Concrete layer 30 - 50</li> <li>- Gravel surface 3 - 10</li> </ul> <p>Crash barriers 10 - 30</p> <p>Retaining walls 30 - 60</p> <p>Overload control centres 15 - 20</p> <p>Electronic hardware 10 - 15</p> <p>Other equipment 10 - 20</p> <p>Pedestrian footpaths 15 - 30</p> <p>Street lighting 25 - 40</p> <p>Subways 40 - 50</p> <p>Traffic islands 40 - 50</p> <p>Traffic lights 15 - 20</p> <p>Traffic lights – coastal 10 - 15</p> <p>Traffic signs 5 - 15</p> <p>Toll road plazas 20 - 30</p> <p><b>AIRPORTS</b></p> <p>Airports and radio beacons 25 - 30</p> <p>Aprons 25 - 30</p>	
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	<p>Runways 15 - 20  Taxiways 15 - 20  Specialised equipment  Luggage movement equipment 20 - 25  Communication equipment 10 - 15  <b>WATER</b>  Dams  Structure  - concrete 80 - 100  - earth 30 - 50  Mechanical and electrical 15 - 40  Meters 10 - 20  Standpipes 5 - 20  Metalwork (steel stairs, ladders, handrails,  weirs) 10 - 30  Pump stations  Structure 30 - 55  Electrical 15 - 40  Mechanical 15 - 40  Perimeter protection 10 - 25  Reservoirs  Structure 30 - 50  Electrical 15 - 40  Mechanical 15 - 40  Perimeter protection 10 - 25  Supply/reticulation 20 - 50  Underground chambers  Valves 15 - 25  Meters 10 - 20  Transition 10 - 15  <b>MFMA — Local Government Capital  Asset Management Guideline</b></p>	
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	<p>81</p> <p><b>USEFUL LIFE IN YEARS</b></p> <p><b>MIN MAX</b></p> <p>Other 5 - 10</p> <p>Water purification works Structure 30 - 55 Electrical 15 - 40 Mechanical 15 - 40</p> <p>Perimeter protection 10 - 25 Meters 10 - 15 Telemetry 10 - 15</p> <p><b>SEWERAGE</b></p> <p>Bulk pipelines (outfall sewers) Rising mains 40 - 50 Gravity mains 40 - 50</p> <p>Sewerage pump stations Structure 30 - 55 Electrical 15 - 40 Mechanical 15 - 40</p> <p>Perimeter protection 10 - 25 Metalwork 10 - 30 Sewers/reticulation 30 - 60</p> <p>Waste purification works Structure 30 - 55 Electrical 15 - 40 Mechanical 15 - 40</p> <p>Perimeter protection 10 - 25 Meters 10 - 15</p> <p><b>SOLID WASTE DISPOSAL</b></p> <p>Collection Vehicles 5 - 10</p>	
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	<p>Containers/Bins 10 - 15</p> <p>Transfer stations and processing facilities Structure 30 - 55</p> <p>Electrical 15 - 40</p> <p>Mechanical 15 - 40</p> <p>Perimeter protection 10 - 25</p> <p>Landfill site</p> <p>Earthmoving and compaction equipment 10 - 15</p> <p>Landfill preparation NA</p> <p>Structure 30 - 55</p> <p>Weighbridge</p> <p>Mechanical 15 - 40</p> <p>Electrical 15 - 40</p> <p>Perimeter protection 10 - 25</p> <p><b>RAILWAYS</b></p> <p>Power supply units 25 30</p> <p>Railway sidings 25 - 30</p> <p>Railway tracks 15 - 20</p> <p><b>MFMA — Local Government Capital Asset Management Guideline</b></p> <p>82</p> <p><b>USEFUL LIFE IN YEARS</b></p> <p><b>MIN MAX</b></p> <p>Signalling systems 15 20</p> <p>Shunting yards 25 30</p> <p><b>GAS SUPPLY SYSTEMS</b></p> <p>Structure 40 - 50</p> <p>Electrical 20 - 25</p> <p>Mechanical 20 - 25</p> <p>Perimeter protection 10 - 15</p>	
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	<p>Stations</p> <p>Trunk receiving 40 - 50</p> <p>District regulating 40 - 50</p> <p>Mains/pipelines 15 - 20</p> <p>Meters 15 - 20</p> <p>Storage facilities 15 - 20</p> <p>Supply/reticulation 15 - 20</p> <p><b>CEMETERIES 25 - 30</b></p> <p><b>CAPITAL/INFRASTRUCTURE WORK</b></p> <p><b>IN PROGRESS N/A</b></p> <p>Buildings</p> <p>Infrastructure</p> <p>Other</p> <p><b>OTHER MACHINERY AND EQUIPMENT</b></p> <p>Audiovisual equipment 5 - 10</p> <p>Building air conditioning systems 10 - 5</p> <p>Cellular phones (over R5 000) 0 - 2</p> <p>Cellular routers 3 - 5</p> <p>Domestic equipment (non kitchen appliances) 3 - 5</p> <p>Electric wire and power distribution equipment</p> <p>(compressors, generators &amp; allied equipment)</p> <p>5 - 7</p> <p>Emergency/rescue equipment 5 - 10</p> <p>Elevator systems 15 - 20</p> <p>Farm/Agricultural equipment 5 - 15</p> <p>Fire Fighting equipment 3 - 5</p> <p>Gardening equipment 2 - 4</p> <p>Irrigation equipment 10 - 15</p>	
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	<p>Kitchen appliances 5 - 10  Laboratory equipment - Agricultural 5 - 7  - Medical testing 5 - 7  - Roads and transport 5 - 7  Laundry equipment and industrial sewing machines 10 - 15  Learning, training support and library material (curriculum equipment) 5 - 10  Machines for metallurgy 5 - 10  Machines for mining and quarrying 5 - 10  Machines for textile production 10 - 15  Medical and allied equipment 5 - 10  Music instruments 10 - 15  Photographic equipment 5 - 7  <b>MFMA — Local Government Capital Asset Management Guideline</b>  83</p> <p><b>USEFUL LIFE IN YEARS</b>  <b>MIN MAX</b>  Pumps, plumbing, purification and sanitation equipment 5 - 10  Radio equipment 5 - 7  Road construction and maintenance equipment 10 - 15  Saddles and other tack 5 - 7  Security equipment/systems/ materials - Fixed 3 - 5  - Movable 3 - 5  Ship and marine equipment 5 - 10</p>	
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	<p>Sport and recreational equipment 5 - 10  Survey equipment 5 - 7  Telecommunication equipment 3 - 5  Tents, flags and accessories 5 - 10  Woodworking machinery and equipment 5 - 10  Workshop equipment and loose tools - Fixed 5 - 10  - Movable 3 - 5</p> <p><b>FURNITURE AND OFFICE EQUIPMENT</b>  Advertising boards 3 - 5  Air conditioners (individual fixed &amp; portable) 3 - 5  Cutlery and crockery 5 - 10  Domestic and hostel furniture 10 - 15  Linen and soft furnishings 5 - 10  Office equipment (including fax machines) 5 - 7  Office furniture 5 - 7  Paintings, sculptures, ornaments (home and office) 5 - 10</p> <p><b>COMPUTER EQUIPMENT</b>  Computer hardware including operating systems 3 - 5  Networks 5 - 10</p> <p><b>TRANSPORT ASSETS</b>  Aircraft 10 - 15  Aircraft engines 5 - 7  Airport transport equipment (stairs and luggage) 10 - 15  Buses 10 - 15</p>	
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	<p>Cycles 4 - 7  Emergency vehicles (Ambulances and fire engines) 5 - 10  Mobile clinics 10 - 15  Motor vehicles 4 - 7  Railway rolling stock 10 - 15  Ships 15 - 20  Ships engines 5 - 7  Trailers and accessories 5 - 10  Trucks 5 - 7</p> <p><b>HERITAGE ASSETS</b>  Archives N/A  Areas of land of historic or specific significance (i.e. world heritage site) N/A</p> <p><b>MFMA — Local Government Capital Asset Management Guideline</b>  84</p> <p><b>USEFUL LIFE IN YEARS</b>  <b>MIN MAX</b>  Culturally significant buildings (parliamentary buildings) N/A  National monuments N/A  National parks/reserves (i.e. Kruger Park) N/A  Paintings N/A  Sculptures N/A  Municipal jewellery N/A  Works of art N/A  Other antiques and collections N/A</p>	
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	<p><b>BIOLOGICAL OR CULTIVATED ASSETS</b></p> <ul style="list-style-type: none"> <li>Dairy cattle -</li> <li>Feathered animals (for eggs and feathers) -</li> <li>Forests and plantations -</li> <li>Fruit trees -</li> <li>Game animals -</li> <li>Animals for reproduction (cattle, goats, sheep, pigs) -</li> <li>Animals for wool or milk (goats and sheep) -</li> <li>Dogs (law enforcement and security) -</li> <li>Horses (law enforcement and working) -</li> <li>Plants (for production of seeds) -</li> <li>Vines -</li> <li>Other animals -</li> </ul> <p><b>INVESTMENT PROPERTY INTANGIBLE ASSETS</b></p> <ul style="list-style-type: none"> <li>Capitalised development costs -</li> <li>Computer software 2 - 5</li> <li>Mastheads and publishing titles -</li> <li>Patents, licences, copyrights, brand names and trademarks -</li> <li>Recipes, formulae, prototypes, designs and models -</li> <li>Service and operating rights -</li> <li>Other intangibles -</li> </ul>	
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# 11

## Cost model

Objectives	Policy statement	Responsibilities
The municipality use cost model for all of its assets	<ul style="list-style-type: none"><li>• Municipal assets are carried at cost less accumulated depreciation and any accumulated impairment losses</li></ul>	<p><b>Council</b></p> <ul style="list-style-type: none"><li>• Approve the Cost model for fixed assets</li></ul> <p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"><li>• Ensure that council policy is implemented accordingly</li></ul>





## 12 Insurance, loss, damage, theft

Objectives	Policy statement	Responsibilities
<p>To ensure that municipal fixed assets are adequately insured and adequate records kept of loss, damage and theft thereof</p>	<p><b>Insurance of fixed assets</b></p> <ul style="list-style-type: none"> <li>• The Chief Financial Officer shall ensure that all the fixed assets are adequately insured.</li> <li>• The municipal manager shall recommend to the council of the municipality, after consulting with the chief financial officer, the basis of the insurance to be applied to each type of fixed asset: either               <ul style="list-style-type: none"> <li>- The carrying value or</li> <li>- The replacement value of the fixed assets concerned.</li> </ul> </li> <li>• Such recommendation shall take due cognisance of the budgetary resources of the municipality.</li> <li>• When an asset was damaged or destroyed in circumstances beyond the control of the municipality, the municipal manager must ascertain whether third parties or a municipal employee was involved and whether the municipality has any right of recourse against such third party or employee.</li> </ul>	<p><b>Municipal Manager</b></p> <ul style="list-style-type: none"> <li>• Recommends the basis of insurance to Council after taking into account the budgetary resources available</li> </ul> <p><b>Council</b></p> <ul style="list-style-type: none"> <li>• Approves the insurance basis</li> </ul> <p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>• Reconcile the insurer's schedule of loss, damages and theft to that of each strategic manager and obtain explanations for differences</li> </ul> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>• Report all loss, damage and theft to the CFO as they occur</li> <li>• Keep records of loss damage and theft and submit it to the CFO annually</li> </ul>

Objectives	Policy statement	Responsibilities
	<ul style="list-style-type: none"> <li>• The chief financial officer shall ensure that insurance cover is sourced in terms of the supply chain management policy of the municipality.</li> <li>• The chief financial officer shall annually submit a report to the council of the municipality for approval on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.</li> </ul> <p><b>Loss, damage, theft of fixed assets</b></p> <ul style="list-style-type: none"> <li>• Every strategic manager shall promptly report every incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the department in writing to the chief financial officer and</li> <li>• In cases of suspected theft or malicious damage also to the South African Police Service.</li> <li>• a register be maintained reflecting the loss, damage, or theft of fixed assets per department.</li> <li>• The register must be updated and submitted monthly to the CFO and</li> </ul>	



Objectives	Policy statement	Responsibilities
	<p>Municipal Manager and quarterly to the council.</p> <ul style="list-style-type: none"> <li>• Each strategic manager shall prepare a schedule of loss, damage and theft and submit it to the CFO annually by 30 June.</li> <li>• The CFO will then reconcile this information to the insurer's schedule and collate it into a report for external audit.</li> </ul>	



### 13 Disposal and retirement from use

Objectives	Policy statement	Responsibilities
<p>To ensure that disposal and transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive and consistent with the Supply Chain Management Policy</p>	<p><b>Disposal of fixed assets</b></p> <ul style="list-style-type: none"> <li>Each strategic manager shall report in writing to the CFO annually on all fixed assets controlled or used by the department concerned on which fixed assets they wish to dispose of by public auction, public tender or write-off by 30 June each year.</li> <li>Each strategic manager must take the necessary steps to ensure that all obsolete or damaged assets are disposed of in an appropriate and approved manner.</li> <li>The MFMA state that the municipality will not permanently dispose of a capital asset needed to provide the minimum level of basic municipal services. When the council has decided that a specific asset is not needed to provide the minimum level of basic services, a transfer of ownership of an asset shall be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy.</li> </ul>	<p><b>Council</b></p> <ul style="list-style-type: none"> <li>Approves the disposal and write-off of all fixed assets</li> </ul> <p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>Collects and consolidates requests for disposals and write-offs of fixed assets from various strategic managers</li> <li>Submits a recommendation for disposals and write-offs to Council for approval</li> </ul> <p><b>Strategic departmental managers</b></p> <ul style="list-style-type: none"> <li>Submit a list of recommended disposals and write-offs to the CFO annually by 30 June each year with explanations</li> <li>Take steps to ensure that obsolete and damaged assets are disposed of in an appropriate and approved manner.</li> </ul>



	<p><b>Other write-offs</b></p> <ul style="list-style-type: none"> <li>• A fixed asset shall be written-off only on the recommendation of the strategic manager of the department controlling the asset and with the final approval of Council.</li> <li>• Every strategic manager shall report annually to the CFO which fixed assets they wish to have written-off, stating the full reason for such recommendation by 30 June of each year.</li> <li>• The CFO will then consolidate all such reports and submit a recommendation to Council for approval.</li> <li>• Valid reasons for the writing-off of fixed assets shall be the disposal, loss, theft, destruction, incorrect capitalizations or material impairment of these fixed assets.</li> <li>• Different disposal methods will be considered for different types of assets. Before deciding on a particular disposal method, the following shall be considered: <ul style="list-style-type: none"> <li>• The nature of the asset</li> <li>• The potential market value</li> <li>• Other intrinsic value of the asset</li> </ul> </li> </ul>	
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Objectives	Policy statement	Responsibilities
	<ul style="list-style-type: none"> <li>• Its location</li> <li>• Its volume</li> <li>• Its trade-in price</li> <li>• Its ability to support wider Government programmes;</li> <li>• Environmental considerations</li> <li>• Market conditions</li> <li>• The asset's life</li> </ul> <p>Appropriate means of disposal may include:</p> <ul style="list-style-type: none"> <li>• Public auction</li> <li>• Public tender</li> <li>• Transfer to another institution</li> <li>• Sale to another institution</li> <li>• Letting to another institution under finance lease</li> <li>• Trade-in</li> <li>• Controlled dumping (for items that have low value or are unhygienic)</li> </ul> <p>Other means of alienation include:</p> <ul style="list-style-type: none"> <li>• Donations: Donations may be considered as a method of alienation, but such requests</li> </ul>	



Objectives	Policy statement	Responsibilities
	<p>must be motivated to the Municipal Manager for approval.</p> <ul style="list-style-type: none"> <li>• Destruction: Assets that are hazardous or need to be destroyed must be identified for tenders or quotations by professional disposal agencies.</li> <li>• Scrapping: Scrapping of assets that cannot be alienated otherwise may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager.</li> </ul> <p>The processes and rules for the transfer of a capital asset to another municipality, municipal entity or national/provincial organ of state are governed by MFMA regulation namely “the Local Government: Municipal Asset Transfer Regulations”.</p>	

#### 14. Donations of Assets

Objectives	Policy statement	Responsibilities
<p>A donated asset is an item given to the municipality by a third party in government</p>	<ul style="list-style-type: none"> <li>• Donated assets should be valued at fair value, recorded in the asset</li> </ul>	<p>Council</p>

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<p>or outside government without payment or implied exchange.</p>	<p>register, and depreciated like normal assets.</p> <ul style="list-style-type: none"> <li>• All donated assets must receive approval from the Municipal Manager and be ratified by the Council before acceptance.</li> <li>• The municipality's management must evaluate the future operational costs of donated assets and their potential impact on future tariffs and taxes before acceptance.</li> <li>• The conditions associated with the donation must be agreed upon and signed by the Municipal Manager.</li> </ul>	<ul style="list-style-type: none"> <li>• Approves and accept or rejects donations made to the municipality</li> </ul> <p>Strategic director</p> <ul style="list-style-type: none"> <li>• Compile a list of items donated into their sections or departments and submit it to the Cfo before 30 June annually.</li> <li>• Municipal officials must obtain approval from the Municipal Manager before accepting any donation.</li> </ul>
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## 15 Biological Assets

Biological assets should be disclosed and accounted for in terms of GRAP as applicable

Objectives	Policy statement	Responsibilities
<p>To ensure that financial statement disclosures for Biological assets to be done in terms of GRAP 27 as applicable</p>	<p><b>RECOGNITION</b></p> <ul style="list-style-type: none"> <li>Biological assets are measured at their fair value less costs to sell. The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.</li> <li>Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.</li> <li>A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in surplus or deficit for the period in which it arises.</li> </ul>	<p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>Take the necessary steps to ensure that biological assets are disclosed in terms of GRAP for the annual financial statements</li> </ul> <p><b>Game park manager</b></p> <ul style="list-style-type: none"> <li>Ensures that game count is performed annually for all biological assets</li> <li>Such count is done with helicopter to ensure accuracy in counting.</li> </ul>

Objectives	Policy statement	Responsibilities
	<p><b>DERECOGNITION</b></p> <ul style="list-style-type: none"> <li>• on disposal</li> <li>• When no future economic benefits or service potential are expected from its use or disposal</li> </ul>	



## 16 Accounting and financial statement disclosure

Fixed assets should be disclosed and accounted for in terms of GRAP as applicable

Objectives	Policy statement	Responsibilities
To ensure that financial statement disclosures for fixed assets to be done in terms of GRAP as applicable	<ul style="list-style-type: none"><li>The Chief Financial Officer must ensure that relevant and current GRAP accounting standards are applied for the disclosure of fixed assets on the financial statements</li></ul>	<p><b>Chief Financial Officer</b></p> <ul style="list-style-type: none"><li>Take the necessary steps to ensure that fixed assets are disclosed in terms of GRAP for the annual financial statements</li></ul>

SIGNED BY ACCOUNTING OFFICER



GN MAVUNDLA

DATE: 23 May 2014

# **EMADLANGENI LOCAL MUNICIPALITY**



**DEBT BAD DEBT WRITE-OFF & IMPAIRMENT OF DEBTS DRAFT POLICY  
2024/2025**

**Approved and adopted by council on 23 May 2024**

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# POLICY ON PROVISION FOR DOUBTFUL DEBT AND WRITE-OFF OF IRRECOVERABLE DEBT

## 1. DEFINITIONS

For the purposes of this policy the following definitions are applicable:

**“Debt”** - means an amount owing to the Municipality;

**“Debtor”** – means a person who owes the Municipality money for rates/services rendered;

**“First time”** – means from the 2018/ 2019 financial year and onwards.

**“Account Holder”** includes a customer/consumer and refers to any occupier of any premises to which Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality;

**“Arrangements”** means a formal agreement entered into between the Council and a debtor where specific repayment parameters are agreed to.

**“Arrears”** means any amount due, owing and payable by a customer in respect of a municipal account not paid on the due date;

**“Chief Financial Officer”** refers to the person so designated in terms of Section 75(2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) or any person duly authorised to act on behalf of such person.

**“Council”** refers to the eMadlangeni Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee has delegated any powers and duties with regard to this policy;

**“Debt Management”** refers to all functions relating to the collection of monies owed by customers and users of municipal services.

**“Financial year”** refers to the period starting from 1 July in a year to 30 June the next year;

**“Interest”** is a charge levied and calculated at a rate determined by law from time to time on all arrear amounts owing;

**“Municipality”** when referred to as:

(a) a corporate body, means a municipality as described in Section 2 of the Municipal Systems Act, 2000 (Act No. 32 of 2000);

(b) a geographic area means a municipal area determined in terms of the Local Government Municipal Demarcation Act, 1998 (Act No. 27 of 1998).

(c) means the eMadlangeni Municipality

**“Municipal Manager”** means the person appointed as Municipal Manager in terms of Section 82 of the Local Government Municipal Structures Act, 1998, (Act No. 117 of 1998) and includes any person acting in that position or to whom authority has been delegated;

**“Official”** refers to an employee of the eMadlangeni Municipality

**“Owner”** means

(a) In relation to property referred to in paragraph (a) of the definition of “property, means a person in whose name ownership of the property is registered;



(b) In relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;

(c) In relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or

(d) In relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

(i) A trustee in the case of a property in a trust excluding state trust land;

(ii) An executor or administrator, in the case of a property in a deceased estate;

(iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

(iv) A judicial manager, in the case of a property in the estate of a person under judicial management;

(v) A curator, in the case of a property in the estate of a person under curatorship;

(vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

(vii) A lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or

(viii) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;



## **2. INTRODUCTION**

- 2.1 To ensure that household consumers with no or lower income are not denied a reasonable service and that the Municipality is not financially burdened with non-payment of services, eMadlangeni Municipality does have an approved Indigent Policy.
- 2.2 However, the Council is faced with a significant amount of outstanding debt and the continuous defaulting by certain consumers who can afford to pay for services. To deal with this, the Council also approved a revised Credit Control and Debt Collection Policy.
- 2.3. Despite strict enforcement of the above policies, Council will continuously be confronted by circumstances requiring the possible write-off irrecoverable debt.

## **3. PURPOSE OF POLICY**

- 3.1 This policy provides guidelines on treatment of the impairment and write-off of debtors.  
  
The policy seeks that household consumers with no or lower income are not denied a reasonable service and that the municipality is not financially burdened with non-payment of services.
- 3.2 Section 96 of the Local Government: Municipal Systems Act, 32 Of 2000, provides that a municipality must collect all money that is due and payable to it, subject to the provisions of that Act and other applicable legislation. The Council is faced with a significant amount of outstanding debt and the continuous defaulting by certain consumers who can afford to pay for services.
- 3.3 It is recognized, however, that circumstances may arise which may make the recovery of certain debts impossible, impractical or financially unfeasible ,and that such debts may have to be written off.
- 3.4 The purpose of this policy is to provide a framework for:
  - 3.4.1 limiting the circumstances contemplated in 3.3;
  - 3.4.2 determining, when such circumstances have arisen, whether to write- off any debts; and
  - 3.4.3 the procedures for writing off such debts.
- 3.5 The municipality will maintain audit trails in such an instance and document the reasons for the abandonment of the action or claim in respect of the debt.
- 3.6 In addition, the policy further stipulated that “Council must appoint a committee in terms of its delegations to review and recommend to Council to approve all bad debt write off cases.”





3.7 The effective management of debtors include, amongst others, the following processes:

- Implementation/ maintenance of the appropriate Information and Communication Technology (ICT) Systems and Business Processes;
- Accurate Billing;
- Customer Care and Accounts enquiry management;
- Effective and timeous Credit Control;
- Impairment of Debtors (Provision for Doubtful Debtors); and
- Write-off of uncollectable debtors.

3.8 The objectives of this policy are:

3.8.1 To ensure that the debtors disclosed in the annual financial statements are stated at amounts that are deemed to be collectable; and

3.8.2 To ensure that uncollectable debt is written off within guidelines of applicable policies and legislation.

#### **4. IMPAIRMENT OF DEBTORS**

Consumer debtors, long term receivables and other debtors are stated at cost less provision for bad debt.

Provision for impairment is made on an individual basis or collectively on a group basis.

In accordance with GRAP104, an objective assessment of financial assets is made at year end to determine possible impairment. Impairment loss is recognised as an expense in the Statement of Financial Performance.

##### **4.1 Consumer debtors**

Consumer debtors are evaluated at the end of the reporting date and impaired as follows:

<b>Category of Debtor</b>	<b>Percentage of debt regarded as collectable</b>	<b>Percentage of debt provided for as irrecoverable</b>
Credit balances	Zero	Zero
Current account	100%	Zero
Debt owing between 30 to 60 days	50%	50%
Debt in excess of 60 days	Zero	100%
Approved indigents	Zero	100%



Pending indigents	Zero	100%
Hand over accounts to panel of debt collectors, legal hand over, clearance hand over (debt outside of Section 118(1)(b) of the Municipal Systems Act	Zero	100%
Government/ public infrastructure accounts	100%	Zero
Housing rental debtors <input type="checkbox"/> Current debt <input type="checkbox"/> Debt ageing 30 days+	100% Zero	Zero 100%

#### 4.2 Sundry Deposits

Sundry deposits are assessed for impairment to ensure that no objective evidence exists that these deposits are irrecoverable.

#### 4.3 Sundry Debtors

Sundry debtors are classified as financial instruments with debit balances at yearend. Sundry debtors are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable.

### 5. RESPONSIBILITY / ACCOUNTABILITY

The Council has the overall responsibility for adopting and approving the Provision for Bad Debts and Writing Off of Irrecoverable Debt.

### 6. WRITE-OFF OF DOUBTFUL DEBTORS

6.1 The following should be the guiding principles in implementing the Policy on Writing Off of Irrecoverable Debt:-

6.1.1 The policy is in accordance with the Local Government Municipal Finance Management Act 2003, Local Government Municipal System Act 2000, as amended and other related legislation.

6.1.2 Before any debt is written off it must be proven that the debt has become irrecoverable. To ensure that recommendations for write off are consistent and accurate, irrecoverable debt will be defined as:-

6.1.2.1 Where the tracing of the debtors is unsuccessful; and

6.1.2.2 All reasonable steps, at the discretion of the appointed write off committee, were taken by the officials to recover the debt.



- 6.1.3 Bad debt write offs must be considered in terms of cost benefit; when it becomes too costly to recover and the chances of collecting the debt are slim, a write off should be considered.
- 6.1.4 Time value of money is very important because the older the debt becomes, the more difficult and costly it becomes to collect. It is therefore imperative that a proper system of credit control is implemented and maintained to avoid debt reaching the stage of becoming too expensive to recover.
- 6.1.5 Differentiation must be made between those household consumers who cannot afford to pay for basic services and those who just do not want to pay for these services.
- 6.1.6 Debt can only be written off if the required provision exists in the Municipality's budget and/ or reserves.

## **7. CATEGORIES OF DEBTORS THAT MAY QUALIFY FOR THE WRITING-OFF OF IRRECOVERABLE DEBT**

### **7.1 Approved Indigent Household Consumers in terms of the Municipality's Indigent Policy**

- 7.1.1 Debt owed to Council by an Indigent Household, when registering for the first time in terms of the official Indigent Policy, shall be written off as a once off concession, subject to a thorough audit investigation and certification to the effect that the household is a bona fide indigent as stipulated in the Indigent Policy.
- 7.1.2 Debt owed by the deceased estate of the breadwinner of a registered indigent household shall be written off up to the date of the death of the owner.

### **7.2 Balances too small to recover considering the cost for recovery**

- 7.2.1 Where final accounts have been submitted and paid by the respective consumer and the remaining balance after finalisation of any final readings and other administrative costs results in a balance of one hundred rand (R100) or less, such account must be forwarded once to the consumer for payment.
- 7.2.2 Where such account is not paid by the respective consumer within a period of ninety (90) days such amounts will automatically be written off.  
The write-off in instances like this is subject to the following conditions being complied with:

- a certified copy of the death certificate of the owner be obtained;
- a sworn affidavit regarding the indigence be obtained.

Should the new owner not qualify to be registered as an Indigent, in terms of the Council's Indigent Policy, the outstanding rates and service charges for the period from the death of



the previous owner till the date of the new service application remain payable by the new owner and cannot be written off.

Should the new owner qualify to be registered as an Indigent, in terms of the Council's Indigent Policy, the outstanding rates and service charges for the period from the death of the previous owner till the date of the new service application can be written off in instances where the next of kin/new owner present proof that the property transfer fees has been paid and the service contract is signed in his/her name.

### **7.3 Insolvency of the Debtor and Insolvent Deceased Estates**

7.3.1 Where a debtor becomes insolvent the Municipality must ensure that a creditor's claim is timeously registered. Any amount not being recovered due to insufficient funds or if there is a risk of a contribution being made to an insolvent estate must, after notification, be written off.

7.3.2 In case of death of the debtor, a creditor's claim must be timeously registered against the deceased's estate. Any amount not being recovered due to insufficient funds or if there is a risk of a contribution being made to a deceased estate must, after notification, be written off.

### **7.4 Untraceable Debtors**

7.4.1 Where for any reason the forward address of a debtor becomes untraceable or the debtor becomes untraceable from the current address, such account must be handed over to a collection agent for recovery of the debt. The collection agent will be paid an all-inclusive fee that will be negotiated. The Terms of Reference for such collection agent must include the appointment of a tracing agent to locate the debtor. Should a debtor be untraceable, the collection agent must report to the Municipality on the actions that were taken to attempt to trace the debtor.

7.4.2 Any amount owed by a debtor that has become untraceable must, after notification, be written off or sold to a debt collection agency at a discount.

7.4.3 Debt written off in the above instances will automatically result in the debtor being reported to the credit bureau by the Municipality.

### **7.6 Special Incentives for Household Consumers**

7.6.1 Notwithstanding the Municipality's Credit Control Policy a debtor may enter into a written agreement with the Municipality to repay any outstanding and due amount to the Municipality under the following conditions:-

7.6.1.1 The outstanding balance, costs and any interest thereon shall be paid in regular and consecutive monthly instalments;



- 7.6.1.2 The current monthly amount must be paid in full; and
- 7.6.1.3 The written agreement has to be signed on behalf of the Municipality by a duly authorised officer.

7.6.2 Due to ineffective/ non implementation of credit control measures in the past, the majority of household consumers have accumulated significant arrear amounts and that these consumers are not in a position to pay of these arrear amounts in full together with their current monthly accounts. In order to improve the current payment levels from consumers the Council of eMadlangeni Municipality may resolve to implement special incentives to address the arrear debt.

## 7.7 Special cases

The allocation of RDP houses by the Directorate Infrastructure, Planning and Development has in some instances resulted in debt raised for the property in the name of the person allocated the house, but who never took occupation due to one of the following reasons:

- Failure to inform the rightful owner about the allocation;
- Alteration of allocation not effected in Council records;

In the above-mentioned cases there will never be a need to implement the Credit Control and Debt Collection Policy; therefore write-off should take place immediately when the Directorate involved in the allocation of property issues a memorandum that confirms the above. Furthermore the write-off should be affected and later reported to Council for ratification purposes.

## **8. ESTABLISHMENT OF A COMMITTEE TO MONITOR ANY DEBT TO BE WRITTEN OFF**

- 8.1 Council will establish and appoint a Committee to monitor the implementation of this Policy.
- 8.2 The Committee will consist of the following members:-
  - 8.2.1. The Municipal Manager (Chairperson) or delegated authority.
  - 8.2.2. Chief Financial Officer (Alternative Chairperson).
  - 8.2.3. Member of the Executive Committee for Finance.
  - 8.2.4. One member of the Portfolio Committee for Finance to be nominated by the Portfolio Committee for Finance.
  - 8.2.5 One Representative of each of the Political Parties.



- 8.3. The above Committee will meet at least quarterly to receive and review a report from the Chief Financial Officer containing full details of any actions taken by officials with respect to this Policy, and to consider any circumstances not covered by this Policy.
- 8.4. The quorum for the Committee shall be 50% of the members plus one.
- 8.5. Formal minutes of Committee meetings must be prepared and submitted to Council.
- 8.6. The Chief Financial Officer will, after thorough review of any applications in terms of this Policy, be delegated to write off any amounts to the maximum of;
  - 8.6.1. in the case of a household consumer an amount of **R10,000** (excluding interest and penalties) per submission;
  - 8.6.2. in the case of a business consumer an amount of **R20,000** (excluding interest and penalties) per submission; and
  - 8.6.3. any amount in excess of the delegation provided for in paragraph 8.6.1 and 8.6.2 above must be submitted together with a recommendation to the Municipal Manager for consideration. The Municipal Manager or delegated authority will, after thorough review of any recommendation by the Chief Financial Officer and in terms of this Policy, be delegated to write off any amounts to the maximum of:-
  - 8.6.4. in the case of a household consumer an amount of **R20,000** (excluding interest and penalties) per submission; and
  - 8.6.5 in the case of a business consumer an amount of **R50,000**(excluding interest and penalties) per submission.
- 8.7. Any amount in excess of the delegation provided for in paragraph 8.6.4 and 8.6.5 above may only be reviewed by the Committee to Monitor Debt to be written off and must be submitted together with a recommendation to Council for consideration.

## **9. DELEGATED POWERS ON WRITING-OFF INTEREST AND PENALTIES ON RECOVERABLE DEBTS**

- 9.1 The Chief Financial Officer will, after thorough review of any applications in terms of this Policy, be delegated to write off interest and penalties, subject to full settlement account, to the maximum of;
  - 9.1.1 in the case of a household consumer an amount of **R10 000** per submission;
  - 9.1.2 in the case of a business consumer an amount of **R20 000** per submission; and
  - 9.1.3 any amount in excess of the delegation provided for in paragraph 9.1.1 and 9.1.2 above must be submitted together with a recommendation to the Municipal Manager for consideration. The Municipal Manager will, after thorough review of any recommendation



by the Chief Financial Officer and in terms of this Policy, be delegated to write off interest and penalties, subject to full settlement of the account, to the maximum of:

9.1.4. in the case of a household consumer an amount of **R20,000** per submission; and

9.1.5 in the case of a business consumer an amount of **R50,000** per submission.

9.2 Any amount in excess of the delegation provided for in paragraph 9.1.1 to 9.1.5 above may only be reviewed by the Committee to Monitor Debt to be written off and must be submitted together with a recommendation to Council for consideration.

## **10. PREVENTION OF PRESCRIPTION OF DEBT**

### **10.1 Prevention**

Proceedings out of the appropriate court for the recovery of a debt must be commenced as soon as it is appropriate in order to prevent prescription of the debt. A summons process for payment of the debt must be successfully concluded as soon as possible to prevent prescription of the debt in terms of the Prescription Act. 12

### **10.2 Prescription Act, 1969 (Act No. 68 of 1969):**

Section 10 (1) of the Prescription Act provides that a debt shall be extinguished by prescription after the lapse of the period which in terms of the relevant law applies in respect of the prescription of such debt. The Municipality cannot legally enforce payment of a debt once the debt has prescribed, but the period of prescription is interrupted:-

- (i) By the service on the debtor of any process whereby the creditor claims payment of the debt (Section 15). "Process" means a Summons or Notice of Motion, which must actually be served on the debtor and not simply issued by the court, and does NOT include a registered letter of demand
- (ii) the debtor acknowledges liability, whether expressly or tacitly (Section 14); payment of a portion of the debt can constitute a tacit acknowledgement of liability.

The completion of prescription may also be delayed in certain circumstances (Section 13).

### **10.3 In terms of Section 11 of the Prescription Act, 1969 (Act 68 of 1969), the periods of prescription of debts are as follows:**



- (i) **Thirty years** in respect of -
- any debt secured by a mortgage bond;
  - any judgment debt;
  - any debt in respect of any taxation imposed or levied by or under any law; and any debt owed to the State in respect of any share of the profits, royalties or any similar consideration payable in respect of the right to mine minerals or other substances.
- (ii) **Fifteen years** in respect of any debt owed to the State and arising out of an advance or loan of money or a sale or lease of land by the State to the debtor, unless a longer period applies in respect of the debt in question in terms of paragraph (i) above.
- iii) **Six years** in respect of a debt arising from a bill of exchange or other negotiable instrument or from a notaries contract, unless a longer period applies in respect of the debt in question in terms of paragraph (i) or (ii) above.
- (iv) **Three years** in respect of all other debts, save where an Act of Parliament provides otherwise.





## 11. BAD DEBTS RECOVER

The approval of Council for the write-off of any debt does not mean that actions to recover the money will be terminated, however, further actions will be instituted depending on the costs involved and if debt is recovered it will be recorded in the financial records of Council as recovered.

## 12. IMPLEMENTATION

This policy will be effective on the date of adoption by Council. All future submissions for the writing off of debt must be considered in accordance with this policy.

SIGNED BY ACCOUNTING OFFICER

A handwritten signature in black ink, appearing to read 'GN MAVUNDLA', is written over a horizontal dotted line.

GN MAVUNDLA

DATE: 23 May 2024

# **EMADLANGENI LOCAL MUNICIPALITY**



## **Funding and Reserve Policy**

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## 1. PREAMBLE

In the spirit of the Municipal Finance Management Act, (No. 56 of 2003) “ to modernize budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of Municipalities to deliver services to all residents customers, users and investors” and Where the budget and Reporting regulation of 2009 (Government gazette 32141) prescribes this policy as a necessary instrument to monitor and sustain the Municipality’s financial management,

Therefore the Emadlangeni Municipality adopts the funding and reserves policy as set in this document.

## 2. OBJECTIVES OF THE POLICY

The policy sets out to ensure that the annual budget of Emadlangeni Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year unfounded liabilities. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and the Municipal Budget and Reporting Framework.

The policy shall apply to all the relevant parties within the Emadlangeni municipality that are involved throughout the budget process and financial management disciplines.

## 3. BUDGET ASSUMPTIONS AND METHODOLOGY

### 3.1 CAPITAL BUDGETS

#### 3.1.1 Basis of Calculation

\_ The **zero based method** is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.

\_ The annual capital budget shall be based realistically anticipated revenue (capital loans to be taken up will be deemed to be part of his), which should be equal to the anticipated capital expenditure in order to result in a balanced budget.

\_ The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred



resulting directly from the capital expenditure, should be carefully analysed when the annual capital budget is being finalized.

\_ In addition, the council shall consider the likely impact of such operational expenses – net of any revenues expected to be generated by such item on future property rates and service tariffs.

### **3.2 FUNDING OF THE CAPITAL BUDGET**

#### **3.2.1 Own Funding Sources**

The Council shall establish a capital replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

\_ Un appropriate cash-backed surpluses to the extent that such surpluses are not required for operational purposes.

\_ Further amounts appropriated as contributions in each annual or adjustments budget; and

\_ Net gains on the sale of fixed assets in terms of the fixed assets management and accounting policy.

#### **3.2.2 Other Funding Sources**

The Ad-hoc capital Budget shall be financed from external sources such as the following:

\_ Grants and subsidies as allocated in the annual Division of Revenue Act.

\_ Grants and Subsidies as allocated by the Provincial Government.

\_ External loans.

\_ Private Contributions.

\_ Contributions from the capital Development Fund (developer's contributions).

\_ Any other financing source secured by the local authority.

### **3.3 OPERATIONAL BUDGET**

#### **3.3.1 Basis of Calculation**

\_ The **incremental approach** is used in preparing the annual operating budget, except in cases where a contractual commitment has been made that would span over more than one financial year. In these instances the zero based method will be followed.

\_ The annual operating budget shall be based on realistically anticipated revenue, which should be equal to the anticipated operating expenditure in order to result in a balanced budget.

\_ An income based approach shall be used where the realistically anticipated income is determined first and the level of operating expenditure would be based on the determined income, thus resulting in a balanced budget.



### **3.3.2 Assumptions for various budget categories**

The following assumptions are used when compiling the budget for the following expenditure categories:

#### **\_ Salaries, Wages and Allowances**

The Salaries and allowances are calculated based on the percentage increases as per the collective agreement between organized labour and the employer for a particular period. The remuneration of all political office bearers is based on the limitations and percentages as determined by the responsible National Minister.

#### **\_ Collection Costs**

It refers to costs attributed to the maintenance of the financial system used for the collection of outstanding amounts and is based on the service level agreement.

#### **\_ Depreciation**

The above is calculated at cost, using the straightline method, to allocate the depreciation cost to the residual values over the estimated useful lives of the assets.

#### **\_ Interest External Borrowings**

The above refers to interest and redemption that has to be repaid on an external loan taken up by Council. The budget is determined by the repayments that the Municipality is liable for based on the agreements entered into with the other party.

#### **\_ Bulk Purchases**

The expenditure on bulk purchases shall be determined using the tariffs as stipulated by the Water Boards and NERSA and by any other service provider from time to time.

#### **\_ Other General Expenditure**

A percentage growth for all other general expenditure will be based on the percentage determined by the Financial Services in line with prevailing growth rates and the CPI and prior actual expenditure trends.

#### **\_ Repairs and Maintenance**

The budget of repairs and maintenance shall be based on the increment as determined Financial Services in conjunction with the needs of the departments in terms of repairing their assets.

#### **\_ Contributions to Funds**

Refers to the contribution made to provisions (e.g. leave reserve fund) on annual basis and is determined based on the actual expenditure in the previous year and any other factor that could have an effect.

#### **\_ Less: Debited Elsewhere**

This category refers to interdepartmental charges within the organization. The performance of each of the line items is analysed where after the budget is based on the preceding year's performance.

**\_ Appropriations**

Refers to the transfer to and from the capital replacement reserve, to offset depreciation charges. Appropriations are determined on an annual basis.

**3.3.3 Funding of the Operational Budget**

The operating budget shall be financed from the following sources.

**\_ Service Charges**

- I. Electricity Charges
- II. Refuse Removal fees
- III. Sewerage Fees

**\_ Taxes**

Increases in tariffs and rates will be based on actual billed revenue and as far as possible is limited to inflation plus an additional percentage increase to accommodate the growth of the town.

Detailed information can be found in the Tariff Policy.

**\_ Grants and Subsidies**

Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other subsidies received by the organization.

**\_ Interest on Investments**

The budget for interest and investment shall be in accordance with the Cash management and Investment policy of the Municipality.

**\_ Rental Fees**

Income from rental property will be budgeted for based on the percentage growth rate as determined by financial Services for a particular budget year.

**\_ Fines**

Income from fines will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipt until the end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial services for a particular budget year.

**4. BORROWING REQUIREMENTS**




The borrowing requirements are based on the backlogs of the infrastructure needs taking into consideration the operational impact of any loans.

## 5. IMPLEMENTATION AND REVIEW OF THE POLICY

This policy will be reviewed regularly or when so requires by changes to Legislation. Any Changes to this policy must be adopted by Council and be consistent with the Act and any National treasury regulations.

SIGNED BY ACCOUNTING OFFICER



.....

GN MAVUNDLA

DATE 23 May 2024



# **EMADLANGENI LOCAL MUNICIPALITY**



## **PETTY CASH POLICY**

**2024-25**

**Approved and adopted by council on 23 May 2024**

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## ABBREVIATIONS

ELM	Emadlangeni Local Municipality
AO	Accounting Officer
ASB	Accounting Standards Board
CFO	Chief Financial Officer
HOD(SO)	Head of Department (Senior Official)
FO	Finance Officer
FM	Finance Manager
MFMA	Municipal Finance Management Act (No. 56 of 2003)
MSA	Municipal Systems Act (No. 32 of 2000)
SCM	Supply Chain Management
VAT	Value Added Tax



## **1. INTRODUCTION**

In terms of the Municipality's Supply Chain Management policy under Sub-paragraph 12 (1) (a), purchases from R0 up to R2000 (inclusive of VAT) to be procured using petty cash, therefore the Emadlangeni Municipality adopts then following petty cash policy.

In terms of section 65 of MFMA, the accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. The accounting officer delegates authority to the Chief Financial Officer.

## **2. REGULATORY FRAMEWORK**

Section 217 of the Constitution of the Republic of South Africa requires an organ of state to contract for goods or services in accordance with a system which is:

- fair;
- equitable;
- transparent;
- competitive; and
- cost effective.

In support of the Constitutional objectives the Municipal Finance Management Act No 56 of 2003 (hereafter MFMA) section 110 require successful implementation of the supply chain management process. Section 111 of the MFMA requires that each municipality and municipal entity must have and implement a supply chain management policy.

In the development of such a policy guidance is provided in the Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636 30 May 2005 as well as National Treasury Circulars/Guidelines. The framework to determine the Preferential Procurement Policy it is prescribed in the Preferential Procurement Policy Framework Act 2000 (Act No. 5 of 2000).



### 3. OBJECTIVES

Compliance with the regulatory framework in terms of the relevant legislation is required.

### 4. DEFINITIONS

In this Petty Cash policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government Municipal Finance Management Act, 2003 (Act No 56 of 2003), has the meaning so assigned, and:

“**CFO**” means the person who is appointed by the Council as the Chief Financial Officer for the Municipality and his delegates

“**Channel(s)**” means the line of communication commencing with the Finance Officer for supply chain management to the Chief Financial Officer to the Municipal Manager and to council;

“**Close Family Members**” means a person’s spouse, children, parents or brothers and sisters;

“**Code of Conduct**” means the code of conduct attached to this policy as Annexure ...;

“**Council**” means the Municipal Council of the eMadlangeni Local Municipality, its legal successors in title and its delegates;

“**Delegating Authority**”, means the Council, Municipal Manager, councillor or other employee to whom original powers were assigned in terms of legislation, and in relation to a sub-delegation of a power, means that delegated body;

“**Delegation**” means the issuing of a written authorisation by a delegating authority to a delegated body to act in his stead, and in relation to a duty, includes an instruction or request to perform or to assist in performing the duty, and ‘**delegate**’ and ‘**sub-delegate**’ has a corresponding meaning;

“**Delegated body**” in relation to the delegation of a power means the person to whom a power has been delegated by the delegating authority in writing;



**“Employee”** means any person other than an independent contractor who:

- works for another person or for the State and who receives, or is entitled to receive any remuneration; and
- in any manner assist in carrying on or conducting the business of an employer

**“Emergency”** means an unforeseeable and sudden event, with material harmful or potential harmful consequences for the municipality that requires immediate action;

**“Employer”** means the Emadlangeni Local Municipality, a municipality established in terms of the provisions of section 12 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998);

**“Equity Ownership”** means the percentage of an enterprise or business owned by individuals or, in respect of a private company, the percentage of a company’s shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise or business, commensurate with their degree of ownership at the closing date of the bid;

**“Director”** means an executive director directly accountable to the Municipal Manager, appointed in terms of section 57 of the Systems Act, including the Chief Financial Officer;

**“Goods”** means those raw materials or commodities which are available for general sale;

**“In the service of the state”** means to be:

- a member of :
  - any municipal council
  - any provincial legislature; or
  - the National Assembly or the National Council of Provinces;
- a member of the board of directors of any municipal entity;
- an employee of any municipality or municipal entity;
- any employee of any national or provincial department, national or provincial public entity or constitutional within the meaning of the Public Finance Management act, 1999 (Act No.1 of 1999);
- a member of the accounting authority of any national or provincial public entity; or
- an employee of Parliament or a Provincial Legislature.



**“Local Business” or “Local Firm”** means service providers with active offices in the Municipality, which shall be interpreted on the basis of whether the offices are utilized for the goods or services to be procured, and whether the majority shareholders are local;

**“Management”** refers to the membership of any board or similar governing body which is charged with the day-to-day management control of the enterprise / business. This entails the power to determine policies and direction of economic activities and resources;

**“MFMA”** means the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003);

**“Municipal Manager”** means the person who is appointed by the Council as the head of the administration and as accounting officer for the Municipality in accordance with section 82 of the Structures Act and his delegates;

**“Municipality”**, means the Emadlangeni Local Municipality, and when referred to as:

- an entity, means a municipality as described in section 2 of the Systems Act; and
- a geographic area, means the municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No 27 of 1998);

**“Organ of State”** means –

- any department of state or administration in the national, provincial or local sphere of government; or
- any other functionary or institution:
  - exercising a power or performing a function in terms of the Constitution or a provincial constitution; or
  - exercising a public power or performing a public function in terms of any legislation, but does not include a court or a judicial officer;

**“Person”** includes reference to juristic person;

**“Preferential Procurement Legislation”** means the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) and its associated Preferential Procurement Regulations, and the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);



**“Procurement”** means a process of preparing, negotiating and concluding a contract, whether in writing or verbally, which involve the acquiring of goods, services and engineering and constructions works or any combination thereof, or the acquiring of capital assets or any rights in respect of the above, by means of a purchase, lease or donation;

**“Procuring”** has a similar meaning;

**“Rand Value”** means the total estimated value of a contract in rand denomination which is calculated at the time of quotation and bid invitations and includes all applicable taxes and excise duties;

**“SCM Sub-Directorate”** means the Supply Chain Management Sub-directorate which is under the management and control of the Chief Financial Officer, and that is responsible for the implementation and management of the SCM Policy;

**“Services”** means the provision of labour and work carried out by hand, or with the assistance of plant and equipment, including the input, as necessary, of knowledge based expertise;

**“Service Provider”** means a current or potential supplier, manufacturer, contractor, vendor, agent or consultant;

**“SMME’s”** means small, medium and micro enterprises in the supply chain management system of the Municipality;

**“Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998);

**“Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);

**“Petty Cash”** means a relatively small amount of cash kept at hand for making immediate payments for miscellaneous small expenses;

**“Petty Cash Float”** means the total sum of Petty Cash which has been granted to a Finance Officer;





**“Expenditure Accountant”** means an employee made responsible for the day to day operating of the Petty Cash Float;

**“Reconciliation”** is the process of comparing information with the relevant documentation and receipts;

**“Sub-Advances”** means a relatively small amount of cash, made available by the Finance Officer on request to buy miscellaneous small items

## **5. GENERAL REQUIREMENTS AND OPERATIONS**

5.1.1 The submission must be completed and authorized by the Head of Department, and then forwarded to the Finance Manager for reviewal and approval by Chief Financial Officer.

5.1.2 Authority to recommend and approve submission can be delegated in writing and appointment letter must be kept in safe custody for audit purposes.

5.1.3 All submissions regarding the request to utilize petty cash must be forwarded to the Finance Department two days before the date on which the petty cash is required. Poor planning will not be justifiable reason to deviate from this provision.

5.1.4 No purchases of goods or services may take place before the approval to use petty cash is granted by the Chief Financial Officer or the delegated official, except in the case of urgent and emergencies in which case the Municipal Manager will have to give permission to proceed with the transaction.

5.1.5 The Chief Financial Officer or any other delegated senior finance official may make surprise inspections of the petty cash as he/she deems fit to do so, at least quarterly.

5.1.6 A petty cash requisition form must be used for all petty cash purchases. These forms shall be pre-numbered and recorded accordingly in the petty cash register.

The petty cash requisition form must include the following:

- (i) Reason for petty cash;



- (ii) Amount requested (not exceeding R200 per person, per day);
- (iii) Vote number;
- (iv) Person requesting an item; and
- (v) Authorised by Head of Department.

5.1.7 Urgent and emergency cases will be accommodated where immediate action is required to avoid a dangerous or life-threatening situation, misery or want or any other cases which may require immediate action to be taken to proactively avoid a negative impact on service delivery.

5.1.8 The use of petty cash float is strictly confined to individual cash purchases of up to a maximum of R200.00 per transaction per day, unless authorized by the Chief Financial Officer.

5.1.9 The expenditure with regard to petty cash purchases shall not be deliberately split into more than one transaction to avoid the said limit.

5.1.10 Original invoices or cash slips must be submitted to the official responsible for petty cash after such purchases have taken place.

5.1.11 The face of the original invoice or cash slip must contain the following:

- The words “tax invoice” in a prominent place,
- Trading name, address and VAT registration number of the supplier (where applicable),
- Serialized tax invoice number/reference,
- Date of the tax invoice,
- Name and address of the recipient \_eMadlangeni Local Municipality (where applicable),
- VAT registration number of the recipient (where applicable),
- Accurate description of the good or services supplied,
- Quantity of good or services supplied,
- Total selling price charged including VAT. The VAT must be shown separately (where applicable).



- 5.1.12 Failure by any official to submit the invoices or cash slips within the period of 5 days from the date when petty cash was issued (This period will exclude public holidays and weekends that fall within it) will result in such total amount of purchases being recovered from the salary of the requisitioner (Non-Refundable/Non-Reversible).
- 5.1.13 Certain types of transactions may be excluded from the petty cash purchases in the case where it is considered necessary to do so e.g. day to day maintenance, stationery, subsistence and traveling claims, loans, payment of personal remuneration to any person whatsoever, instalment invoices, etc.
- 5.1.14 The related low valued items which are required to be purchased repetitively on a daily, weekly and monthly basis may not each time be purchased by means of petty cash. These requirements have to be consolidated, quantified and therefore procured through the normal procurement process, e.g. coffee and milk for boardrooms committee meetings if those items are required on a regular basis.
- 5.1.15 The Expenditure Accountant must submit a monthly reconciliation report to the Finance Manager, containing the total number and value of petty cash purchases for each month, including the opening balance and closing balance as well as the names of suppliers where goods and services have been purchased.

## **6 ARRANGEMENT FOR SUBMISSIONS WITH REGARD TO THE REQUESTS TO UTILISE PETTY CASH**

All submissions regarding the request to utilize petty cash must be forwarded to the SCM unit preferably two days before the date on which the petty cash is required. Poor planning will not be justifiable reason to deviate from this provision.

## **7 CUSTODY AND SAFEKEEPING OF PETTY CASH**

The office and the safe where Petty Cash is maintained must always be locked and the keys must be kept in a safe place which is known by the custodian of the petty cash.

- 7.1.1 Any shortages in respect of a petty cash float must be reimbursed immediately by the responsible official;



- 7.1.2 If petty cash is lost, the official responsible for petty cash will be held liable; and
- 7.1.3 Where a petty cash float is stolen the incident must be reported promptly to Chief Financial Officer in the required format, after a case has been logged at the South African Police Services.

## **8 ACCESS TO THE PETTY CASH**

The use of petty cash should be freely accessible by all staff members provided that the correct processes have been followed. The Expenditure Clerk is the only staff member authorized to issue petty cash not unless.

## **9 RECONCILIATION OF PETTY CASH FLOAT**

- 9.1 When the cash in the Petty Cash Float is almost exhausted, the Petty Cash register must be balanced and reconciled by the Expenditure Accountant as follows:
  - 9.1.1.1 Counts the Petty Cash money at hand and confirm the monthly closing balance of cash at hand as reflected in the Petty Cash register.
  - 9.1.1.2 Adds up all the receipts submitted as proof of payment and agrees the total to the total reflected in the Petty Cash register.
  - 9.1.1.3 Verifies that the total Petty Cash as at the beginning of the month plus receipts less payments for the month equals the Petty Cash on hand at the end of month.
  - 9.1.1.4 Reconciles the Petty Cash total on hand with the requisition forms, vouchers and other supporting documentation.
- 9.2 When Such reconciliation procedure as stated above should be performed at the end of the month and it should be ensured that the Petty Cash Float balances to the closing ledger balance.
- 9.3 The official responsible for the review of the Petty Cash funds and petty cash register, signs as proof of the review.
- 9.4 The Chief Financial Officer, Finance Manager, internal or external auditors of the Municipality may at any stage without prior notice, perform an audit of petty cash count to confirm the cash balance.



- 9.5 Internal audit should make surprise inspections of the Petty Cash at least once per quarter and perform the following procedures:
- 9.5.1 Inspect the Petty Cash vouchers to ensure that all items on the voucher are items usually used by the Municipality in the performance of duties and that no purchase was made for personal use.
  - 9.5.2 Performs a cash count, in the presence of the official responsible for Petty Cash.
- 9.6 Any shortages or surplus funds concerning Petty Cash must immediately be paid in at the cashier and the reason for the shortage/ surplus must be investigated by the senior official appointed by Municipal Manager or Chief Financial Officer for rectification.
- 9.6.1 At year end a cash count should be performed on all advances to ensure that the cash on hand agrees with the general ledger account. A cash count working paper should be prepared as evidence of the cash count (preferably an Internal Auditor), the official responsible for Petty Cash and Senior Official of the Expenditure Section should sign the working paper as evidence of the cash count.

## **10 REPLENISHMENT OF PETTY CASH**

- 10.1 Petty cash will only be replenished if the petty cash has reached a minimum amount of R2000.00. A maximum amount of R 3000 will be kept in the petty cash office in order to minimize and avoid the risk relating to theft and loss.
- 10.2 Petty Cash Float shall be reimbursed by means of an uncrossed cheque where such replenishment will be approved by the Chief Financial Officer and the cheque signed by Chief Financial Officer and one other cheque signatory. The Petty Cash shall be reimbursed by cheque through the normal Financial System in use.
- 10.3 The schedule of petty cash vouchers (petty cash expenses) should be drawn up for approval by the Chief Financial Officer before submission for issuing of a reimbursement cheque.
- 10.4 Replenishment of the petty cash float will be undertaken after the balancing and



reconciliation of the petty cash register has been reviewed by Finance Manager and approved by the Chief Financial Officer.

- 10.5 A cheque must be made out to the Chief Financial Officer for the replenishment of the petty cash float and such cheque must be cashed by the Expenditure Accountant or any other person delegated by Chief Financial Officer within the expenditure unit who must record the amount received in the petty cash register.

## 11 PETTY CASH REGISTER

The keeping of a formal petty cash register is compulsory, except where petty cash expenses are posted directly on the official financial system of the Municipality.

## 12 IMPLICATION OF NON-COMPLIANCE TO THE MUNICIPAL PETTY CASH POLICY

It should be noted that failure to comply with this municipal petty cash policy constitutes financial misconduct and any employee found guilty will be subject to disciplinary procedures.

## 13 COUNCIL APPROVAL AND EFFECTIVE DATE

SIGNED BY ACCOUNTING OFFICER



GN MAVUNDLA

DATE: 23 May 2024

# EMADLANGENI LOCAL MUNICIPALITY



## CREDIT COLLECTION AND DEBT COLLECTION POLICY

2024/25

A handwritten signature in black ink, enclosed in a circle.

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## 1. PURPOSE

This Policy, read together with the eMadlangeni Municipality Credit Control and Debt Collection By-law, provides procedures and mechanisms for credit control and debt collection. The Policy has been compiled in compliance with the Local Government: Municipal Systems Act 32 of 2000 (the Systems Act), which requires the adoption of a credit control and debt collection policy, which is consistent with the Municipality's rates and tariffs policies and which complies with the Systems Act. The Policy aims to ensure that the Municipality's approach to debt recovery is sensitive, transparent and is equitably applied throughout the Municipality's geographic area.

## 2. DEFINITIONS

Words contained in this Policy have the same meaning as in the eMadlangeni Municipality: Credit Control and Debt Collection By-law, except where the context indicates otherwise. In addition, the following words and phrases have the following meanings:

"**Account**" means written notification in the form of a statement of account in respect of municipal services, rates, sundry charges and other charges, addressed to a person liable for payment thereof;

"**Agent**" means a person authorised by the customer to act on his or her behalf;

"**Arrears**" means any amount which is due, owing and payable and which remains unpaid by due date;

"**Authorised Official**" means the **Municipal Manager** or his delegate in terms of the Municipality's System of Delegations;

"**Bulk customer**" means a customer who consumes large amounts of electricity for commercial or industrial purposes;

"**By-law**" means eMadlangeni Municipality: Credit Control and Debt Collection By-Law, as amended;

"**CFO**" means a person employed by the Municipality in terms of section 56 of the Systems Act as the Chief Financial Officer of the Municipality, and includes any person to whom the Chief Financial Officer has delegated or sub-delegated a power, function or duty in accordance with the system of delegation developed by the Municipal Manager in terms of section 79 of the Municipal Finance Management Act and section 59 of the Systems Act;

"**Collection charges**" means the charges which the Municipality is entitled to recover in terms of section 75A(1) of the Systems Act, and includes the administrative cost– (a) of reminding any ratepayer or customer of arrears; (b) for the termination, restriction or reinstatement of any municipal service to a defaulting ratepayer or customer; (c) of any notice rendered, sent, delivered or published to a ratepayer or customer in terms of the By-law or any other law; (d) of any merchant fee; and (e) in respect of any other charge which the Municipality is by law entitled to recover;

"**Company**" shall bear the same meaning as "Company" in the Company's Act, 2008 (Act 71 of 2008); "**Consolidated account**" means a monthly account reflecting municipal service fees,



charges, surcharges on fees, property rates, sundry charges and other municipal taxes, levies and duties and all consolidations in terms of section 102 of the Systems Act;

“**Credit Authority**” means any arrangement made by agreement between the Municipality and a customer for the payment of any arrears in instalments. Such arrangement may take the form of an agreement or an acknowledgment of debt;

“**Customer**” means any person or their agent with whom the Municipality or an authorised official has entered into an agreement for the provision of any municipal service to the premises;

“**Deemed Owner**” means the occupiers contemplated in section 27.2 of this Policy;

“**Defaulter**” means a Customer whose account is in arrears;

“**Deposit**” means a monetary amount raised by the Municipality in relation to the consumption of a Municipal Service and mitigation of credit risk to the Municipality, irrespective of the existence of an agreement;

“**Due date**” means the date on which a customer’s account becomes payable, which in the case of monthly accounts is twenty-one days from the date of the account, and in the case of annual accounts is the 31 October each year;

“**Effective Date**” means the date on which this Policy comes into effect which shall be 1 July 2018;

“**Illegal connection**” means any connection to a system through which municipal services are provided, which is not authorised or approved by the Municipality or an authorised official;

“**Juristic person**” includes a partnership, a proprietor, association or other body of persons, corporate or unincorporated and includes a trust and organ of state;

“**Meter**” means any device which measures any demand or quantity of either electricity energy passing through such meter;

“**Metering period**” means the time interval between two successive billed meter readings but shall exclude previous leak periods;

“**MPRA**” means the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004), as amended;

“**Multi-property owner**” means an owner of 2 or more registered properties in the Municipality’s area of jurisdiction;

“**Municipal charges**” means municipal service fees, surcharge on fees, penalties, interest, property rates, and other municipal taxes, levies and duties, as well as any other charges in terms of Legislation, Policy or an agreement including Sundry Charges and Collection charges;

“**Municipal service**” means a service provided by the Municipality in terms of its powers and functions to or for the benefit of the local community, irrespective of whether or not – (a) such



service is provided by the Municipality itself or by engaging an external mechanism contemplated in section 76 of the Systems Act; or (b) any fees, charges or tariffs are levied in respect thereof;

**"Net salary"** means the gross salary minus pension and statutory deductions;

**"Owner"** In addition to the persons defined in the MPRA, includes: (a) In relation to a property referred to in paragraph (a) of the definition of "property" in the MPRA, a person in whose name ownership of the property is registered; (b) An owner in a sectional title scheme who owns in addition to the residential unit, a garage, parking, granny flat or storage room, under separate Title in the scheme, is deemed to be the owner of ONE property for the **purposes of 7.2 and 7.3** of the Rates Policy of the Municipality; (c) An owner of two or more properties which are notarially tied to each other, is deemed to be the owner of ONE property for the **purposes of 7.2 and 7.3** of the Rates Policy of the Municipality; (d) The administrator of the body corporate of a sectional title scheme where the common property of a sectional title scheme is at issue and there are no elected trustees of the body corporate; (e) The administrator, where the owner of a property is a mental health care user as defined in section 1 of the Mental Health Act, 2002 (Act No. 17 of 2002); (f) The business rescue practitioner, where the owner of a property has been placed under business rescue; (g) The managing agent, where the owner of a property is absent from the Republic of South Africa or where the Municipality has, after reasonable attempts, not been able to determine his or her whereabouts; (h) Every person who is entitled to occupy or use a building, or who does occupy or use a building, where – (i) The owner of the property is absent from the Republic of South Africa; (ii) The Municipality has, after reasonable attempts, not been able to determine the whereabouts of the owner of the building; and (iii) There is no managing agent; (i) Trustees and beneficiaries jointly, in the case of property in a trust; (j) An executor or administrator, in the case of property in a deceased estate; (k) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation; (l) A judicial manager, in the case of a property in the estate of a person under judicial management; (m) A curator, in the case of property in the estate of a person under curatorship; (n) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude, as joint owner together with the registered owner; (o) A lessee, in the case of a property that is registered in the name of the Municipality and is leased by it; (p) A buyer or a developer, in the case of a property that was sold by the Municipality and of which possession was given pending registration of ownership in the name of the buyer, beneficiary, or a developer; (q) A fideicommissary as joint owner together with the fiduciary; (r) Ingonyama Trust in respect of the land vested in the Ingonyama Trust by virtue of the Ingonyama Trust Act of 1994, as amended, or any other law; (s) The National Government of the Republic of South Africa, in the case of a property that is registered in the name of a deregistered company or close corporation and where ownership thereof has accrued to the state by operation of law ( bona vacantia); (t) An owner of a property in the name of any other juristic person not mentioned in this definition of an owner; (u) A Deemed Owner; and (v) A child or children in charge of a property in the case of a child headed household as contemplated in this Policy and the Rates Policy of the Municipality;

**"Person"** means a natural person or Juristic Person;



**"Property"** means– (a) immovable property registered in the name of a person, including, in the case of sectional title scheme, a sectional title unit registered in the name of a person; (b) a right registered against immovable property in the name of a person; (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation, excluding a permission to occupy; or (d) a public service infrastructure;

**"Prescribed form"** means any document that may be prescribed by law or required by the CFO from time to time; in a format approved by Council;

**"Rates"** means a municipal rate on property envisaged in terms of section 229(1) (a) of the Constitution and levied by the Municipality in terms of the MPRA, expressed as cents in the rand;

**"Rates Regulations"** means the Municipal Property Rates Regulations, 2006 as amended;

**"Residential property"** means a dwelling, in any building, premises, structure, or any other place, or any part thereof, used predominantly as a place of residence or abode of any natural person excluding a dwelling where the dominant use is for any purpose other than residential, or where it is used in the supply of commercial accommodation;

**"Revenue Clearance Certificate"** means a certificate of the kind referred to in Section 118(1) of the Systems Act;

**"Services Account"** means an account which relates to Electricity consumption and related charges;

**"Service Agreement"** means an agreement entered into between the Customer and the Municipality for the provision of municipal services. (E.g. Rates, Electricity);

**"Sundry charge"** means an amount charged to a customer which is not directly linked to a property and includes but is not limited to– (a) charges arising from damage to municipal property and equipment; (b) monies owed for municipal services other than rates and electricity; (c) monies awarded to the Municipality through court orders and judgments; (d) fines; and (e) monies owed to the municipality by the municipality staff (staff debts);

**"Systems Act"** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended;

**"Tenant"** means in relation to this Policy a person with whom has entered into a lease agreement with the Landlord; and such person became a Customer to the Municipality prior the adoption of clause 3.1 of this Policy. This excludes tenants stated in clause 3.3 and Social Housing Tenants as mentioned in this Policy;

**"Tenderer"** means a contractor, service provider or supplier who has submitted a tender for the provision of services or the delivery of goods to the Municipality;

**"50/50 pre-payment debt recovery"** means a pre-payment system whereby 50% of payment is allocated to arrears and 50% is allocated to the purchase of electricity. Only owners can make application for a pre-payment system, excluding municipal employees, councillors and social housing tenants whose accounts are in arrears.



## **PROVISION OF MUNICIPAL SERVICES**

### **3. REGISTRATION FOR MUNICIPAL SERVICES**

3.1 Residential property - The Municipality will endeavour to register owners only for services on their properties. Tenant registrations currently in place will continue until the tenant vacates, the account is closed or the Municipality cancels the contract of the tenant in default in terms of subsection 6.1 (b) of this Policy.

3.2 Business property - The Municipality will only enter into new contracts for municipal services with tenants if the owner of the property is a multi-property owner as defined, and the municipal accounts on all of his or her properties are paid. Where the landlord is not a multi-property owner, the owner of the property must register for services.

3.3 When the owner of the property is a bulk customer, the CFO, at his or her discretion, may allow tenants of the bulk customer to be registered for municipal services on the property concerned, upon submission of any documents or information that may be requested by the CFO.

3.4 Government property - The Municipality will continue to register tenants for services. The respective Government Departments shall be held liable for the debts on their own property.

3.5 Sundry accounts - The customer must provide the Municipality with a municipal account number or rate account number. If the customer does not have an existing municipal account then a new account must be created.

3.6 The Municipality shall whenever possible, combine any separate accounts of a person who is liable for payment to the Municipality, into one consolidated account.

3.7 No registrations or additions to the customer database can be processed unless legal documentation acceptable to the CFO has been produced in each instance.

3.8 If there is an outstanding debt on the property, this debt must be settled in full, or suitable payment arrangements must be made by the owner of the property, before any customer or owner is registered for services.

3.9 Customers who fail to register and who illegally consume services will be subjected to such administrative, civil or criminal action as the Municipality deems appropriate.

3.10 Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the customer or owner to advise the Municipality of such change.

3.11 A person applying for a Municipal Service must enter into a service agreement with the Municipality in order for such Municipal Service to be provided.

3.12 Documentation and Information (Juristic Persons)- An application by a Juristic Person for a Municipal Service must include –

(a) The submission of a resolution delegating authority to the applicant and furnishing, if applicable, the Juristic person's Registration Number or Trust Reference Number with the Master of the High Court.



(b) The names, identity number, cell phone number, physical and postal addresses, email addresses and any other particulars of all the directors or members or trustees or proprietors or partners, as maybe prescribed.

(c) Certified copies of the following where applicable: (i) Current Letter of Authority of the Trustee(s). (ii) Identity documents of the persons referred to in (b) above. (iii) CIPC registration documents. (iv) Constitution.

(d) A signed Direct Debit form as prescribed by the Municipality.

(e) Deeds of Suretyship in the prescribed form, signed by the persons referred to in (b) above.

3.13 A person may be required to provide to the Municipality such personal information, as may be prescribed, for any purpose contemplated in this policy, amongst others, all contact details (postal/physical/email address etc.), proof of identification, financial information and such other relevant documentation, as may be required by the Municipality from time to time (e.g. binding lease agreement, title deed etc.).

3.14 All information furnished may be verified by the Municipality with any or all data information institutions, credit information bureau's and any financial institutions as may be deemed necessary by the Municipality in determining a person's credit worthiness or for any other reason as determined by the CFO.

3.15 The Municipality has a right to conduct a full credit check on any person who is or who will become subject to this policy or any other policy of the Municipality.

#### **4. DEPOSITS**

4.1 Upon date of ownership transfer, a deposit will be automatically raised, based on the criteria determined by the CFO, from time to time.

4.2 The CFO may exclude a category of owners from payment of deposits.

4.3 Where a tenant terminates a services account, consumption charges emanating from a meter must thereafter be linked to the owner's rates account and a deposit will be raised once consumption is recorded and will become due in the next months' bill.

4.4 The Municipality may appropriate a customer's deposit on any account related to that customer.

4.5 Notwithstanding receipts for different services, deposits payable to the Municipality shall be a consolidated deposit, paid in cash. Sureties shall not be accepted in lieu of deposits.

4.6 Where a business customer does not present a valid South African ID Document, a deposit equivalent to twice the prescribed deposit shall apply, in addition to the personal suretyships.

4.7 If a customer is in arrears, the deposit may, upon due notice, be increased.

4.8 The Municipality may utilise the consolidated deposit as security for any or all of the charges or amounts included in the statement of account.





4.9 Social Housing tenants qualify for the same deposit as an owner.

4.10 No deposit will be raised on property where there is no consumption or properties where there is a prepaid meter however an availability fee shall be raised.

4.11 Where a tenant has absconded leaving a debt on a property, an additional deposit, equal to the debt on the property, may be raised on any other account held by the tenant with the Municipality.

4.12 Guarantees

a. Guarantees shall not be accepted as a form of deposit except where Municipal Property is alienated or as the CFO may direct from time to time

b. Existing Guarantees shall be honoured for the duration of the contract with the Municipality.

c. **Addenda** to existing Guarantees shall not be accepted. The additional deposit must be paid in cash.

d. Where guarantees are held in lieu of deposits, such guarantee shall be presented for payment and a new deposit shall be raised to any arrear account.

4.13 Review of Deposits

a. If the customer poses a credit risk, the value of the original deposit paid or a guarantee held may be reviewed from time to time by the CFO.

b. The deposit on an account shall be reviewed when—

i. the Account is paid after the due date; ii. Payment by negotiable instrument or direct debit is dishonored; or iii. there is increased consumption of services.

c. The Municipality may increase the deposit payable by a customer by up to 12 months average usage.

d. The deposits on all accounts may increase pro rata based on the Bulk consumption charge to Eskom.

4.14 Interest Payable on Cash Deposits

**No interest shall be payable by Municipality on cash held as deposits.**

## **ACCOUNTS MANAGEMENT**

### **5. ACCOUNTS**

5.1 The Municipality will deliver notices and accounts in accordance with section 115 of the MSA. A Customer may register for another mode of transmission as set out in the Credit Control and Debt Collection By-Law. In the case of multiple-ownership, the account will be delivered to any one of the owners.



5.2 Failure to receive or accept accounts does not relieve a customer of the obligation to pay any amount due and payable. The onus is on the customer to make every effort to obtain a copy of the account, or establish the amount payable for payment.

5.3 The Municipality or an authorized official must, if administratively possible, issue a duplicate account to a customer on request. The Municipality will provide owners with copies of their tenant's accounts if requested in writing.

5.4 The Municipality may post annual rates assessment for record purposes.

5.5 With the exception of Government Accounts, assessment rates shall be billed on a monthly basis, and may only be billed annually by prior written agreement, subject to the Rates Policy of the Municipality.

5.6 Customers are required to update their information details with the Municipality promptly whenever information on record changes and or whenever requested by the Municipality. A failure to update information with the Municipality or a failure to respond to the Municipality's request for updated information may, subject to the principles of administrative justice, result in withholding of services, disconnection of services or prosecution. Such update of information includes, but is not limited to—

a. Details of executors or administrators of deceased estates; b. Deregistration of a company if the company is the account holder; c. Details of deceased company directors, members of Close Corporations and trustees of Trusts; d. Details of deceased partners and; e. Letters of appointment of a Trustee or Liquidator in the case of an insolvency /liquidation together with contact particulars.

5.7 The Municipality may recover a rate annually, on application, from multi-property owners. Such application must reach the Municipality on or before 30 May of each year and the annual rates account is to be paid by 31 October of each year.

5.8 The payment of rates shall not be affected by reason of an objection, appeal or noncompliance with the Rates Policy of the Municipality.

5.9 A request for a reconciliation of any account shall be processed after payment of a prescribed fee.

5.10 Tokens for pre-paid electricity may only be refunded within 48 hours of purchase thereof.

5.11 There is no obligation on the Municipality to provide records older than 5 years from the date such records are requested.

## **6. RESPONSIBILITY FOR AMOUNTS DUE**

6.1 In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the



property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property. Accordingly —

a. the owner of such property shall be liable for charges incurred in connection with such property and all municipal debts must be paid by the owner of such property without prejudice to any claim or right of recovery which the Municipality may have against another person; and

b. the Municipality reserves the right to cancel a contract with the customer in default and register the owner of such property for services on the property.

6.2 Where the property is owned by more than one person, each owner shall be jointly and severally liable, the one paying the other to be absolved, for all municipal debts charged on the property.

6.3 Owners with their tenants who are registered as customers shall be held jointly and severally liable, the one paying the other to be absolved, for debts on their property, except for property rates.

6.4 Refuse removal shall form part of the property debt payable by the owner of the property.

6.5 When a Juristic person opens a Service Account, the directors, members or trustees as the case may be must sign personal suretyships in favour of the Municipality. Liability for outstanding amounts maybe extended to such directors, members or trustees jointly and severally, the one paying the other to be absolved.

6.6 The Municipality may —

a. recover from a tenant, occupier or agent such monies as are owing by the tenant, occupier or agent to the owner, as payment of the arrears owing by such owner for so long as a tenant or occupier occupies a property in respect of which arrears are owing, or an agent acts for an owner in respect of whose property arrears are owing;

b. recover the amount in whole or in part despite any contractual obligation to the contrary on the part of the tenant, occupier or agent;

c. recover from the tenant, occupier or agent an amount which is limited to the amount of the rent or other money due and payable, but not yet paid by the tenant, occupier or agent; and

d. apply to the Companies and Intellectual Property Commission to re-register a deregistered company or close corporation or apply to court for an order of restoration or the voiding of the deregistration for the purposes of recovering the amounts owed by that company or close corporation for all municipal debts which have accrued and shall recover the costs of reregistration from the directors or members accordingly.

e. In the case of assets accruing to the State by operation of any law [(bona vacantia) – Section 76 (2) (i) of the PMFA] collect outstanding fees from the relevant treasury who may exercise all powers, authority and prerogatives, and fulfill any obligation on behalf of the state.



6.7 Should the tenant, occupier or agent refuse to pay as contemplated in subsection 6.6 to the Municipality, the services of the tenant, occupier or agent may be disconnected.

6.8 Should any dispute arise as to the amount owing, the customer shall pay all amounts which are not subject to the dispute that are due and payable, pending the finalisation of the dispute lodged in respect of the specific amount owed by the customer.

6.9 Subject to sections 20 and 21, where an existing Customer wishes to convert an existing electricity supply service to a Pre-paid meter, the customer must first settle all outstanding amounts or make a suitable arrangement to liquidate the outstanding amount as contemplated in section 24, before an application for a pre-paid meter may be considered.

6.10 On special projects identified by the Municipality, pre-paid meters may be zero costed.

6.11 In relation to low cost housing schemes, the Municipality may charge a fixed rate for property rates, which charge may be deducted via the pre-payment system.

6.12 The owner of the property may be held liable for tampering with the electricity metering equipment on the property as well as charges that arise therefrom.

6.13 Where any subsidiary company of a holding company is indebted to the Municipality, the liability for such arrears may be extended to the holding company; and where any holding company is indebted to the Municipality, the liability for such arrears may be extended to any subsidiary company

6.14 Debtors may be referred to a third party debt collector and tracing agent.

## **7. PAYMENT OPTIONS**

7.1 The Municipality will endeavour to establish a payment network to ensure that wherever practically possible; customers in receipt of accounts have access to a payment site within a reasonable distance of their home.

7.2 The Municipality shall accept payment under the following circumstances– a. Payment by cheque – provided it is a Bank cheque in ALL instance.

b. Payment via a Bank cheque, electronic funds transfer (EFT) or Cash for Settlement of final accounts.

c. Subject to a. and b. above, the following payment methods are also available: (i) EFT;

(ii) Internet Transfers;

iii) Third party collectors appointed from time to time by the Municipality; (iv) Direct Debit; and (v) Debit Order payments. d. The following shall apply for all EFT payments of the customer's arrears accounts: (i) Only proof of payments from customers will be accepted. (ii) The proof of payment will be verified, where applicable, for authenticity (through the submitting bank's website). (iii) All reconnection requests where services have been disconnected will ONLY be actioned once payments have been cleared and or receipted to the respective consumer accounts.

e. Customers whose accounts are in arrears are encouraged to pay at online sites in the Municipality's banking halls.

7.3 Cheques will not be accepted in any other circumstances except those listed in subsection 7.2 of this Policy.

7.4 Where any direct debit or payment made to the Municipality or an authorised official is later dishonoured by the bank, the Municipality or its authorised official— a. will recover the bank charges incurred relating to that dishonoured payment against the account of the customer;

b. may regard such an event as default on payment and the account shall be dealt with as an arrear account; and

7.5 The methods of payment shall be determined by the CFO from time to time.

7.6 Where a customer signs a Credit Authority with the Municipality, payment shall, as far as possible, only be accepted via a direct debit procedure.

## **8. FULL AND FINAL SETTLEMENT**

8.1 Where the exact amount due and payable has not been paid in full, any lesser amount tendered and receipted, shall not be in full and final settlement of such an account, except when duly accepted in terms of a delegated authority.

8.2 Subsection 8.1 shall prevail notwithstanding the fact that such lesser payment was tendered or receipted in full settlement.

8.3 The CFO must be consulted on any settlement, out of court or otherwise, that has a financial implication on the Municipality.

## **9. CASH ALLOCATION**

9.1 In accordance with section 102 of the Systems Act, the Municipality may— a. consolidate any separate accounts of persons liable for payments to the Municipality;

b. credit a payment by such a person against ANY account of that person; and

c. implement any of the debt collection and credit control measures provided for in this Policy in relation to any arrears on any of the accounts of such a person.

9.2 Any amounts paid may be appropriated to the oldest debt first.

9.3 Any amount paid by the customer in excess of an existing debt may be held in credit for the customer in anticipation of future rates and fees for municipal services, and no interest will be payable on that amount.

9.4 The Municipality's allocation of payment is not negotiable and the customer may not choose which account to pay.



## **10. INTEREST AND ADMINISTRATIVE CHARGES**

10.1 Interest charges are raised on arrears accounts.

10.2 The legal rate of interest raised on arrears is equivalent to 1.5%.

10.3 Interest shall accrue 30 days from date of account on unpaid accounts. Interest shall accrue for each completed month in respect of any arrears remaining unpaid after 30 days of the account. A part of a month shall be deemed to be a completed month on the basis that interest is charged as from the first day of the account being in arrears.

10.4 Payments on assessed or estimated charges, where the final amount has not been determined but which would have been due and payable had the amount been determined, shall attract interest from the date when it would have been so due and payable. For example, 30 days from date of account.

10.5 Where a debtor qualifies for a full reduction in the value of his property, and where such debtor enters into an Acknowledgement of Debt with the Municipality to pay off arrears for service charges, no further interest will be added to the arrears outstanding if during the period, the debtor adheres to the agreement.

10.6 Interest may only be reversed under the following circumstances– a. exemptions as determined by this Policy from time to time;

b. if the Municipality has made an administrative error on the account;

c. Where any debt has arisen as a result of a faulty meter or the Municipality has applied an incorrect charge, meter constant or tariff due to an administrative error;

d. where the Municipality approves such reversal from time to time.

10.7 An administrative charge as determined by a Resolution of the Municipal Council shall be levied on arrear rates where the Municipality has instituted legal action against the owner by service of summons to recover same.

## **11. PROCUREMENT OF GOODS AND SERVICES AND PAYMENTS IN TERMS OF CONTRACTS**

11.1 When submitting a tender for the provision of services or the delivery of goods, each potential tenderer must prove to the satisfaction of the Municipality that all accounts for which the tenderer is liable, have been paid up to date, and that all accounts for which each and every director, member, owner, partner or trustee of the tenderer is liable, have also been paid up to date.

11.2 The Municipality will at its sole discretion check whether all the municipal accounts are up to date. Copies of all current accounts sent to the tenderer and to each director, member, owner, partner or trustee must be attached to the tender documents.



11.3 Before awarding a tender, the Municipal debts of the tenderer and of each director, member, owner, partner or trustee of the tenderer must be paid in full.

11.4 Where payments are due to a creditor of the Municipality, or in terms of any contractual arrangement with the Municipality, any arrear amount owing to the Municipality may be set off against such payments.

11.6 This Policy applies to quotations, public tenders and tenders in terms of section 36 of the Municipality's Supply Chain Management Policy.

## **12. AGREEMENT WITH EMPLOYERS**

12.1 Section 103 of the Systems Act reads as follows— A Municipality may— (a) with the consent of a person liable to the Municipality for the payment of rates or other taxes or fees for municipal services, enter into an agreement with that person's employer to deduct from the salary or wages of that person- (i) any outstanding amounts due by that person to the Municipality; or (ii) regular monthly amounts as may be agreed.

12.2 In the event that the employee voluntarily chooses to use the method of payment as contemplated in subsection 12.1 for the payment of his or her municipal accounts, the employee may approach the Municipality for the agreement to be concluded.

12.3 A collection commission may be payable to the employer as determined from time to time.

## **13. STAFF, COUNCILLORS AND WARD COMMITTEE MEMBERS IN ARREARS**

13.1 a. Item 10 of Schedule 2 to the Systems Act (Code of Conduct for Municipal Staff Members) states that—

i. a staff member of the Municipality may not be in arrears to the Municipality for rates and service charges for a period longer than three (3) months; and ii. a Municipality may deduct any outstanding amounts from a staff member's salary after this period; and

b. The Municipality shall liaise with the relevant staff on repayment of their arrears.

c. The staff member must sign a Credit Authority and direct debit deduction form in accordance with this Policy

d. No special treatment shall be afforded to staff members whose accounts are arrears.

e. Any staff member who has breached the code will be dealt with in accordance with the disciplinary procedures adopted by the Municipality or as prescribed by Law or determined by a Collective Agreement.

13.2 a. Item 12A of Schedule 1 to the Systems Act states that a Councillor may not be in arrears to the Municipality for a period longer than three months.



b. The Municipal Manager shall liaise with the Speaker and issue the necessary salary deduction instruction where appropriate.

13.3 Where the Municipality is satisfied with the reasons supplied by the staff member or Councillor stating why the account is in arrears, the staff member or Councillor must pay such arrears within a period of 3 months with interest.

13.4 On appointment to a higher post, employees who have signed a Credit Authority shall increase their instalments on the Credit Authority in accordance with their new salary increase.

13.5 Staff and Councillors do not qualify for the Debt Relief Program under section 16.

13.6 The Council reserves the right to deduct any arrears from the stipend or any other amounts payable to ward committee members.

#### **14. ARREAR ACCOUNTS**

##### **Disconnection and Reconnection of Services**

14.1 Arrears on rates, services or any other consolidated debt may result in disconnection of ANY service or withholding use of municipal facilities.

14.2 A disconnection penalty fee, as determined by the CFO, from time to time, will be raised on all accounts printed for disconnection.

14.3 A reconnection fee will be raised on reconnection of services

14.4 Any official or contractor appointed by the Municipality for the purposes set out herein, may, at all reasonable times enter any premises to which services are supplied by the Municipality, in order to inspect pipes, wires or any apparatus used for the supply of services and belonging to the Municipality, for the purpose of ascertaining the quantity of services supplied or consumed, or to disconnect or terminate such supply or remove any apparatus belonging to the Municipality.

14.5 Should the owner fail to allow access to the premises or the property to which services are supplied by the Municipality on three consecutive occasions, the CFO may, having given due notice, disconnect, stop or restrict or discontinue the provision of any service, and the owner, at his or her cost should opt for a pre-paid meter.

14.6 The owner of the property remains liable and responsible for all instances of un-authorized reconnections and disconnections, tampering, damage or theft of municipal infrastructure, and services installed in the property. Further, the onus is upon the owner to ensure that tenants on the premises or the property refrain from such acts.

14.7 Un-authorized reconnection of, or tampering with a service supply is prohibited and shall constitute a criminal offence that will result in legal action being taken against the owner and disconnection of municipal services.





14.8 Subject to applicable legislation, the Municipality may refuse the supply of electricity to a consumer who is found guilty of fraud, theft or any other criminal offence related to municipal services, or, where it is evident that such criminal offence has occurred, until such time as the total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the Municipality have been paid in full.

14.9 Reconnections of municipal services will only be allowed when all applicable penalties and fees have been paid and the debt has been extinguished or suitable arrangements have been made to settle the debt.

14.10 Services may be dis-connected , after due notice has been given ,where the— a. owner or tenant is deceased; or b. company, close corporation or trust has been deregistered, and such has not been reported to the Municipality.

14.11 Reconnection of services where services have been disconnected in terms of subsection 14.10 above will be authorized when— a. an executor has been appointed; or b. the Company or Close corporation has been re-registered.

14.12 The services of customers on pre-paid meters, who tamper with their services, will be disconnected and any amounts due to the Municipality will become payable immediately.

14.13 Where a municipal service, which is not in the name of the registered owner, has been restricted, disconnected or discontinued, the CFO may, subject to the principles of administrative justice, insist that the service be transferred into the name of such property owner; and a. Notwithstanding subsection 14.13, the CFO may at any other time insist that the service be transferred into the name of such property owner.

14.14 Any additional grounds for disconnecting municipal services as set out in the Bylaw, shall be deemed to form part of this Policy.

## **15. DEBT RELIEF PROGRAMME**

15.1 The debt relief programme is aimed at assisting customers who are in arrears for service charges, for sixty (60) days or more. Customers, excluding officials and Councillors, eligible for the debt relief programme are those families— a. who reside on property with a rateable value as determined by the Municipality at its annual budget; or

b. who, irrespective of the property value, are confirmed by the CFO as being too poor to be able to afford their current electricity services debt; after having taken into consideration an assessment report from a Social Development Officer in terms of subsection 16.2.b; or

c. where the Customer has temporarily lost employment and has been assessed by a social worker in terms of subsection 16.2.b.

15.2 The following criteria must be met before a customer will be regarded as eligible for debt relief: a. a comprehensive report by the ward or PR councillor on the customer must be submitted to the Municipality;



- b. an assessment and report by the municipal Social Development Officer who would present his or her opinion, based on a site visit, on whether the family qualifies for debt relief;
- c. a verification report by a electricity official; and
- d. approval by the **Chief Financial Officer** in respect of municipal property values allowed for rates relief

15.3 The customer must sign a contract and have the conditions of the contract explained. Subject to subsection 16.5, the debt will be written off over a period of twenty (20) months.

## **16. TERMINATION / TRANSFER OF SERVICES**

16.1. At least fourteen (14) days' notice is required from the customer upon termination or transfer of an account, to enable the Municipality to take final meter readings and process account adjustments.

16.2. Once the account is terminated, the account must thereafter be linked to the owner's rates account.

16.3. The Municipality will may terminate Electricity supply, at the request of a Landlord or owner, where there are occupiers on the property or premises and the Landlord or the owner is a Customer in respect of such supply.

16.4. A customer who wishes to terminate, disconnect or remove Electricity Supply where there are occupiers on the property or premises, must, before such an application may be considered:

(a) Provide the Municipality with proof that the occupiers have been given 14 days' notice of the proposed termination (not later than 30 days prior to the lodging of an application with the Municipality); and

(b) Settle all amounts owing to the Municipality or make a suitable arrangement to liquidate the debt as contemplated in section 24 of this Policy.

16.5. The requirement to give 14 days' notice mentioned in subsection 18.4 above is in line with the Constitutional Court decision in Joseph and Others v City of Johannesburg & Others CCT 43/09 and the principles of administrative justice.

16.6. The Municipality may exercise its common-law right where a tenant on a property is in breach of his or her contract with the Municipality, and transfer the debt to the owners' account. The tenant shall forfeit his or her deposit to the owner where the outstanding debt is paid by the owner.

## **17. UNALLOCATED CONSUMPTION**

17.1 Notwithstanding that an electricity service may have been disconnected, the registered owner remains liable to monitor his /her property as well as the metering as defined in this Policy. Accordingly when electricity consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised, the relevant charges for electricity services shall be raised against the registered owner on his or her consolidated bill.



Furthermore, the Municipality has the right to remove relevant Municipal infrastructure (and other components) at the cadastral boundary of the property to ensure that ongoing electricity consumption is terminated.

## **18. METER READINGS**

The Municipality may estimate readings and read meters in accordance with the period prescribed in the respective electricity Policies and By-laws.

## **19. DEBT RECOVERY USING THE PRE-PAYMENT METERING SYSTEM (RESIDENTIAL CUSTOMER ONLY)**

19.1 A Customer whose account is in arrears may apply to the CFO on a prescribed form for the 50/50 pre-payment debt recovery facility.

19.2 In order to qualify for the 50/50 pre-payment debt recovery facility, the following minimum criteria must be met:

- a. A Customer's account must be in arrears in an amount exceeding R500; and
- b. The Municipal valuation of the Customer's property must not exceed R250 000, save that in the case of a Senior Citizen, the Municipal property valuation must not exceed R460 000;
- c. A Customer must be a Residential Customer;
- d. A customer must sign an Acknowledgement of Debt in favour of the Municipality in respect of the total outstanding indebtedness;

19.3 The CFO is not obliged to grant an application for the 50/50 pre-payment debt recovery facility.

19.4 When concluding the Acknowledgement of Debt, the customer's deposit will be appropriated towards reducing the outstanding debt.

19.5 Where an application for the 50/50 pre-payment debt recovery facility is approved, NO connection fee in respect of the prepaid meter and or additional charges or additional deposit will be raised for the Customer whose electricity meter was not tampered with and or was not removed on account of tampering.

19.6 A Customer whose account is in arrears and whose meter has been tampered with will be liable to pay a connection fee and sign an Acknowledgement of Debt before a prepaid meter can be installed on site. Such connection fee may, in the discretion of the CFO, be added to the principal debt owing under the Acknowledgment of Debt.

19.7 Upon conclusion of an Acknowledgment of Debt, it will be incumbent upon the Customer to complete such documents as maybe required by the eMadlangeni Electricity Department for the installation of the pre-payment metering system.



19.8 Child - Headed Households must meet the requirements as set out in the Municipality's Rates Policy and an application must be made with the consent of the Social Development Officer appointed by the Municipality.

## **20. REVENUE CLEARANCE CERTIFICATES**

Subject to Sections 118(1) and (1A) of the Systems Act, the following shall apply to the issue of a revenue clearance certificate for the purpose of effecting transfer of a property to a new owner.

### **20.1 Assessments–**

- a. an application shall be made by a conveyancer, in the prescribed format. Each application must be accompanied by the relevant application fee. The application will not be processed until the fee is paid.
- b. copies of all current accounts must accompany any application made manually. If the relevant information is not provided, the application will be returned to the conveyancer.
- c. the new owner may be held liable post transfer should the application not record the correct meter numbers on the property.
- d. the Municipality does not accept responsibility for errors on manual applications. The Conveyancer must check that all details on the application, assessment and the revenue clearance certificate are correct.
- e. assessed figures are calculated ninety (90) days in advance. Service charges are estimated for ninety (90) days based on previous consumption, taking into account any existing Rebate.
- f. upon the receipt of the revenue clearance certificate request, a letter shall be sent to the nominated Conveyancer notifying him or her about his or her responsibilities to inform both the seller and the purchaser regarding the total amount of municipal outstanding debts charged against the property.
- g. an "Attorneys' Report" in respect of all amounts owing and the assessed figures, shall be issued upon the receipt of the request for the report.
- h. the assessment shall remain valid for a period of thirty (30) days from the issue date. If payment has not been received within this period, a re-assessment may be required and payment of a further application fee will apply.
- i. amounts raised on the Supplementary Valuation Roll prior to the effective date of that roll, will be billed for the purpose of the assessment. The seller shall be deemed to have waived his right to be billed on the effective date of such roll.
- j. prior to the issue of a revenue clearance certificate for a subdivision which is still held under the title of the parent property, the owner/seller must, subject to the provisions of section 21.1.0 pay all debt on the parent property. The onus rests with the owner/seller to ensure that on new subdivisions, the debts on the parent property are fully paid.



- k. any discrepancies may result in delays in the issuing of a revenue clearance certificate, and in addition may result in the levying of additional backdated rates, penalties or charges.
- l. any amounts paid shall be appropriated to the oldest debt first.
- m. a separate application is required for each transfer.
- n. an assessment in terms of S118 (1) of the Systems Act will only be issued on request by a Conveyancer.
- o. the balance of the debt, prior to the two years preceding the date of application of a certificate, shall remain as a charge against the property. The Municipality shall exercise its rights to recover such debt as guided by the law on the application of section 118 of the Systems Act.
- p. the Municipality reserves the right not to provide services on the property until all debt is fully paid or suitable arrangements are made to pay the debt;
- q. the onus is on the Conveyancer to advise the purchaser of the provisions of section 20.1. o and p above.
- r. where the Municipal account is in respect of a debt consolidated under Section 102 of the Systems Act, the said consolidated account will be deconsolidated on application for a revenue clearance certificate. An account for the property subject to the Revenue Clearance application will be rendered together with the full interest that accrued on the consolidated account.
- s. a revenue clearance certificate shall be issued within ten (10) days of the date of payment of the amount requested in the "Attorneys' Report".
- t. Where simultaneous transfers of a property are contemplated, the Conveyancer must apply for a separate revenue clearance certificate in respect of each new transfer.

#### 20.2 Revenue Clearance Certificates–

- a. Payment of the assessment must be made in cash, EFT payments, direct debit, bank transfers, bank cheques or other instruments accepted by the CFO from time to time.
- b. There shall be no refunds on the cancellation of a sale or otherwise.
- c. The Certificate shall be valid for a period of **nifty (90)** days from date of issue.
- d. The certificate shall be endorsed with the balance owing as a charge against the property in order to bring the same to the attention of the seller, buyer and conveyancer. The onus is on the conveyancer to advise his or her clients accordingly.
- e. The Municipality may institute legal proceedings to recover the balance owed from the persons referred to section 20.1 o.
- f. The Municipality reserves the right to follow any of the legal mechanisms available to it in order to recover the balance of the debt, including, lodging an urgent application to interdict the sale of the property until the debt is paid in full.



g. All Collection Charges incurred in pursuing recovery of arrears, shall be levied against the debtor's account.

20.3 Information and contact details of the purchaser provided on the revenue clearance certificate shall be used as details of the new owner (purchaser) for the purposes of billing for rates, services and consolidated accounts, until the same has been changed by the purchaser.

20.4 On the date of ownership transfer, the previous owner's (the Seller) service agreement will be deemed to have lapsed, and, subject to the rights of the Municipality in terms of section 6.1(c) and 20.1p of this Policy, the new owner (purchaser) must conclude a new service agreement with the Municipality.

20.5 The seller shall furnish to the Municipality new contact details, in writing, comprising a postal and physical address and such further information as may be determined by the CFO from time to time, prior to the Municipality issuing the rates clearance certificate. The seller shall continue to keep the Municipality informed of any change in contact details until such time as the Municipality has confirmed in writing that all amounts that became due whilst the property was in the ownership of the seller (whether or not raised at the time of the rates clearance certificate) have been paid up. Non-compliance with this clause will be regarded as an offence.

20.6 Where, subsequent to the transfer of ownership of a property, a Municipality becomes aware of any Municipal Charges that ought to have been raised in terms of any Legislation (e.g. the MPRA) or this Policy against a predecessor in title to the property, the Municipality reserves the right to levy such Charges against the new owner (purchaser); provided that that the new owner (purchaser) shall only be liable for those Charges that become due and payable with effect from the date of transfer.

## **21. LEGAL ACTION**

21.1 Legal proceedings may be instituted by the Municipality to recover arrear amounts on service accounts, where—

- a. disconnection action yielded no satisfactory result;
- b. disconnection action is not possible due to the nature of the services for which the account has been rendered; or
- c. the arrears are older than ninety (60) days.

21.2 The Municipality may, in terms of Sections 28 and 29 of the MPRA, recover arrear rates from tenants in occupation of the relevant property, or managing agents, but only to the extent of the rent payable or amount due by the tenant but not yet paid to the owner of the property. This does not preclude further legal action against the owner.

21.3 For residential properties occupied by owners, all reasonable steps shall be taken to ensure that the ultimate sanction of judgment and sale-in-execution is avoided or taken as the last resort. The Municipality, however, has total commitment to follow the legal process through to judgment



and sale-in-execution should the debtor fail to make use of the alternatives provided for by the Municipality from time to time.

21.4 Once judgment is obtained the properties will be advertised and sold through public auction, unless appropriate settlement has been made to the satisfaction of the Municipality. The Municipality shall assess annually, the appropriate minimum amount below which it will not attach homes.

21.5 All Collection Charges shall be debited to the relevant debtor's account.

21.6 Proceeds of the Sale in Execution may be appropriated to any of the debtor's accounts in arrears.

21.7 Metering and connection equipment remain in the ownership of the Municipality at all times and the owner of the property, on which such meters and connection equipment is installed, shall be held responsible for all instances of tampering, damage or theft. Accordingly, the owner of the property concerned is liable for any breach of this duty and may be prosecuted.

21.8 Where a Sectional Title Body Corporate is in arrears, the CFO may apply to court for the appointment of an administrator in terms of Sections 46 and 47 of the Sectional Titles Act 95 of 1986, as amended.

## **22. CREDIT AUTHORITIES IN RESPECT OF ARREARS IN TERMS OF SECTION 58 OF THE MAGISTRATES COURTS ACT**

22.1 The Municipality may, at its discretion, enter into a Credit Authority in the prescribed form, incorporating a consent to judgment in terms of section 58 of the Magistrates Courts Act, with customers and owners in arrears with Municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, duties and sundry charges, after consideration of an application submitted by such persons as prescribed by the Municipality.

22.2 The Municipality may conduct a credit check and request certain information from a customer or owner in order to satisfy itself that the customer or owner will be able to honor the agreement. Such credit check may include a full risk analysis of the customer or owner concerned to determine his/hers/it's: (a) Risk profile as an individual/entity; and

(b) Interests in any Juristic person.

22.3 Before any Credit Authority is concluded, all municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, duties and sundry charges must be consolidated onto one account (if not done previously) and a Credit Authority concluded for the full debt.

22.4 The customers' current account must be paid in full, and maintained, for the duration of the Credit Authority.

22.5 The owner of a property must consent in writing to a Credit Authority being entered into between the Municipality and his or her tenant. The owner consents to judgment should the tenant breach the Credit Authority.

22.6 Should the tenant breach the Credit Authority referred to in subsection 23.5 above, the Credit Authority and the account shall be terminated immediately with the tenant and linked to the owner's rate account.

22.7 Re-connection and disconnection fees, where applicable, must be paid in full before any Credit Authority can be entered into.

22.8 By entering into a Credit Authority, the debtor(s), and where applicable, the owner, acknowledge that failure to meet any installment will result in prompt disconnection action being taken, without prejudice to any legal action that the Municipality may take to recover the arrears.

22.9 Credit authorities to be concluded with Juristic persons shall require; a. documentation and information as set out in section 3.12 above as maybe applicable.–

b. the financial situation of the Juristic person to be reviewed taking into account latest audited financial statements and other supporting documentation relevant to their financial position.

c. Deeds of suretyship in favour of the Municipality, by the persons referred to in subsection 3.12 (b) above, as the case maybe; in an amount equivalent to the value of the debt plus current accounts; and

d. the deposit to be reviewed.

22.10 A Credit Authority may not be granted where– a. arrears have arisen due to dishonoured cheques or direct debit reversals; b. instances of repeated meter tampering have been identified; etc. the services have been removed; or d. Any other relevant factors.

22.11 Where any debt has arisen as a result of a faulty meter or the Municipality having applied an incorrect charge or tariff, the customer may arrange to pay the debt over a maximum period at the discretion of the CFO.

22.12 The amount of the down payment and the period of the Credit Authority shall be at the discretion of the CFO.

22.13 The Credit Authority shall be terminated if a debtor relocates from the property. The balance owing shall become immediately due and payable.

22.14 The monthly installments on a Credit Authority are payable within twenty one (21) days from the date of the account notwithstanding any further extension of time printed on the face of the account.

22.15 A Credit Authority shall be cancelled upon application for a revenue clearance certificate on the property, and the whole debt shall become due, owing and payable, notwithstanding any agreement to the contrary.

22.16 Where the Credit Authority is based on interim readings, the amounts on the Credit Authority will accordingly be adjusted once the actual readings are taken. The customer must sign any additional documentation relative to this.

22.17 A Credit Authority for staff and councillors shall be in accordance with section 13.





22.18 The customer who signs a Credit Authority must make payment to the Municipality via a Debit Order.

22.19 The Municipality is not a Credit Provider within the meaning of the National Credit Act, 2005 (Act No 34 of 2005). Nothing in this Policy should be construed as conferring such status on the Municipality.

### **23. DISPUTES**

23.1 A customer who wishes to lodge a dispute in respect of an account must submit the dispute in writing, on the prescribed form, to the Authorised Official as defined in this Policy stating the reasons for such dispute and any relevant facts, information or representation which the Authorised Official should consider to resolve the dispute.

23.2 The dispute must be submitted within twenty one (21) days of the account. If a dispute is raised after this period, it will be treated as an enquiry, the account will not be suspended and normal credit control procedures will apply.

23.3 The dispute must relate to a specific amount on the account. Amounts not in dispute must be paid in full. If the amounts not in dispute remains unpaid, services may be disconnected.

23.4 Should any dispute arise with respect to the amount owing, the debtor will continue to make regular payments based on the average charges for the preceding three (3) months prior to the dispute, plus interest where applicable.

23.5 A query is not regarded as a dispute. A query is a verbal inquiry whereas a dispute must be in writing and lodged with the relevant municipal department or section.

23.6 Proven tampering charges are not regarded as a dispute.

23.7 The customer must provide the Authorised Official with the account alleged to be in dispute, which includes incorrect readings, misallocation of payments, incorrect tariffs charged and incorrect property values used and any other relevant information that may be required.

23.8 The Authorised Official: a) May investigate or cause the dispute to be investigated within 30 days , or as soon as possible after such dispute is received; b) May hear representations, or call for additional information /documentation from a Customer who disputes an account; c) Must inform the customer, promptly, in writing, of his or her finding after conclusion of the investigation; d) Must take a decision, based on the spirit of the Policy.

23.9 A dispute submitted above shall not stop or defer the continuation of any credit control and legal procedure already instituted for the recovery of arrear payments relating to such dispute.

23.10 The customer has the right to appeal to the CFO against the decision of the Authorised Official. The CFO may hear representations and either confirm, vary or revoke the decision of the Authorised Official and must communicate his decision within 30 days of date of receipt of the appeal or as soon thereafter as possible.



23.11 A person whose rights are affected by the decision of the CFO may lodge an appeal against that decision within 21 days of the date of notification of the decision, to the Municipal Manager in terms of section 62 of the Systems Act. The appeal must be lodged on the prescribed form.

23.12 Disputes regarding the General Valuation Roll must be submitted to the **Municipality's Revenue** Unit in the form of an objection or appeal as envisaged by Sections 50 and 54 of the MPRA. The account must be paid in full until an objection or appeal outcome is reached where after the account will be credited or debited accordingly.

## **24. REFUNDS**

24.1 Credits on accounts shall only be refunded:

24.1.1 On application and subject to the entire customer's accounts being fully paid,

- a. to the previous owner on credit remaining on the transfer of property;
- b. to pay the buyer or seller, on transfer of a property, unless otherwise directed by an order of Court.

24.2 A refund shall be forfeited after 3 years if it remains unclaimed.

## **25. DECEASED ESTATES**

25.1. The Executor of a Deceased Estate shall be liable for payment of all debts on the property.

25.2. For the purposes of liability for an account, including a consolidated account, the occupier or occupiers of a property which vests in a deceased estate where neither an executor nor administrator has been appointed, will be regarded as the Deemed Owner. The CFO may request a deemed owner to sign a services agreement. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account.

25.3. "Deemed Ownership" does not confer any rights on an occupier other than the liability to pay the accounts.

25.4. In accordance with subsection 14.10, failure to inform the Municipality that the property forms part of a deceased estate may result in the disconnection of services, until an executor has been appointed.

## **26. HOUSING**

26.1 This Policy shall apply equally to tenants.

26.2 Where the Municipality has sold a property in a suspensive sale agreement to a tenant and that owner or tenant is responsible for the rates and service charges on that property, the accounts will be consolidated with rates, and services will be disconnected for non-payment.

26.3 Where tenants are substituted in terms of the any Municipal Policy, Legislation or agreement, the substituted tenant shall assume the rights and obligations of the one so substituted, including all debts, credit authorities and deposits.



## **27. IRRECOVERABLE DEBT**

27.1 Debt will only be considered as irrecoverable if it complies with one or more of the following criteria—

- a. all reasonable notifications and cost-effective legal avenues have been exhausted to recover a specific outstanding amount;
- b. any amount equal to or less than R500.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it;
- c. the cost to recover the debt does not warrant further action;
- d. it has been proven that the debt has prescribed;
- e. the debtor is untraceable or cannot be identified so as to proceed with further action;
- f. the debtor has emigrated leaving no assets of value to cost-effectively recover the Municipality's claim;
- g. it is not possible to prove the debt outstanding;
- h. a court has ruled that the claim is not recoverable;
- i. the claim is subject to any order of court;
- j. the claim is subject to an out of court settlement agreement;
- k. the debt is subject to a settlement in terms of section 109 of the Systems Act;
- l. the Municipality has resolved that the debt is irrecoverable;
- m. if an offer of Full and Final Settlement is accepted and confirmed in writing by the Legal and CFO if it has financial implications;
- n. the outstanding amount is—
  - i. as a result of an administration error;
  - ii. An interest as a result of a property debt that arose prior to the current owner taking transfer and successive transfers before his; or
- o. Expenditure incurred in respect of internal accounts raised in the name of the Municipality, in any previous financial year;
- p. conversion of old dormant account balances of debtors, inherited from the previous municipalities which now form part of the Municipality, and where reasonable steps have been taken to recover these debts; or
- q. where the Municipality-
  - i. expropriates any property; or



ii. purchases any property in terms of its Sales in Execution.

27.2. Provided there is sufficient provision for bad debt, the CFO shall write off any revenue which is irrecoverable or the recovery of which is considered not to be reasonably practicable.

27.3. The CFO must report to Council all amounts that have been written off as irrecoverable with the Section 71 MFMA report.

## **28. LEASES**

28.1 Persons who lease property from the Municipality for the purposes of any business or trade must sign a surety agreement covering all debt incurred on the said property during the duration of the lease.

28.2 Where the lessee is a company or close corporation, the directors or members are required to sign a personal surety covering all debt incurred on the said property during the duration of the lease.

28.3 Municipal service accounts must be opened in the name of the lessee only. The rates and services accounts will be consolidated.

28.4 Sub-lessees' may open service accounts in their names with the consent of the Legal and provided that the account is consolidated with the rates account.

## **29. SANCTIONS AND COLLECTIONS**

29.1 Where an account rendered to a debtor remains outstanding for more than 90 [ninety] days the defaulting debtor's name may, at the option of the Municipality, be listed with a credit bureau or any other equivalent body as a defaulter,

29.2 Emolument attachment orders in the case of employed debtors, and eviction processes may be implemented as part of the debt collection procedures.

## **30. CLAIMS IN RESPECT OF DAMAGE TO SERVICE INFRASTRUCTURE AND MUNICIPAL PROPERTY**

30.1 Where a contractor has been engaged to provide services or to deliver goods on behalf of the Municipality and the contractor damages/destroys service infrastructure or Municipal property, the following will apply:

30.1.1 The contractor must forthwith notify the relevant department within the municipality, e.g. eMadlangeni Electricity Department whose service infrastructure or Municipal property was damaged/destroyed, so that a claim can be submitted to the Municipality's Insurance section or



where applicable, to the Municipality's Insurance Company in order to quantify and recover the damages sustained.

30.1.2 The contractor shall remain liable for the damage caused to the service infrastructure or Municipal property notwithstanding that its contract with the Municipality may have terminated or been cancelled.

30.1.3 Upon quantification of the damages sustained, the CFO shall issue a certification of the quantum. Such certification shall be deemed to be a liquid document for purposes of recovery of the damages.

30.1.4 The damages shall become a collectable debt in terms of this Policy.

### **31. MISREPRESENTATION**

31.1 Any person who has received any benefit or relief in terms of this Policy and who has misrepresented themselves in order to qualify for such benefit or relief will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Municipality from time to time, and the CFO— (a) Will reverse all benefits and relief received;

(b) Will raise any fee, as determined by Council from time to time, as set out in the Tariff Policy; and

(c) Will cancel any Credit Authority and all amounts due to the Municipality will become payable immediately.

31.2 The Municipal Manager shall report any misrepresentation in terms of this Policy to the South African Police Services.

### **32. POLICY EVALUATION AND REVIEW**

To be in a position to measure the outcome of the Policy, the Municipality believes that the output of this Policy should be measured in terms of general recognised accounting practices and the following benchmarks will be applicable:

Total amount outstanding 365 DEBT COLLECTION PERIOD = revenue X 1 ANNUAL  
DEBTORS last 12 months receipts from debtors 100 COLLECTION RATE = last 12 months  
billing X 1

The norm on the debt collection period is set at 60days and the collection rate is set at 85%



**33. COUNCIL APPROVAL AND EFFECTIVE DATE**

SIGNED BY ACCOUNTING OFFICER



.....

GN MAVUNDLA

DATE: 23 May 2024

# EMADLANGENI MUNICIPALITY



## VIREMENT POLICY 2024-25

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## **1. PURPOSE**

The purpose of this policy is to provide a guideline for management in their day-to-day management of their budgets.

## **2. BACKGROUND**

The Municipal Council approves a medium term expenditure framework budget (3 - year budget) before the start of the financial year. The approved budget is an estimation of the activities in the financial terms period. The budget consists of an operating and capital budget based on the strategic objectives of the local government. In practice, as the year progresses, circumstances may change such that certain estimates are under-budgeted and other over-budgeted. It is not practical to refer any such deviations to Council and it is therefore common practice to delegate certain authority for transfers to the Mayor and senior officials.

## **3. LEGISLATION REQUIREMENTS**

In terms of the Constitution the approval of a budget is the responsibility of the Council. This does not mean the approval of every line item but is rather aimed at the approval of the budget as a financial and service delivery document. The process and other requirements are controlled by the Municipal Finance Management Act (MFMA) and related circulars and guideline that are prescribed by National Treasury.

Unlike the Public Finance Management Act, Act 1 of 1999 (PFMA) and Treasury Regulation on PFMA, the MFMA is not specific with regards to virements.



#### **4. DELEGATIONS ON CAPITAL BUDGETS**

A Capital Budget is approved per line item or project. This in effect means that council does not allow any discretion to an official other than delivering on the decision. Any saving or shortfall must be reported to council for them to decide on the future utilization of the savings as well as to seek additional funds for the execution of a project in the case of a shortfall in the budgeted amount to complete the project.

Virements between capital and operating budget – refer to paragraph 5.5

#### **5. DELEGATION ON TRANSFERS**

##### **5.1. Transfers between Votes**

A “Vote” in terms of National guidelines is determined as one of the main segments into which a budget of a municipality is divided for the appropriation of funds for different departments or functional areas. This specifies the total amount that is appropriate for the purpose of the department or functional area. Council therefore decides on the total amount that is allocated to that specific function and classifies it as a vote. Only the shifting of funds within the “vote” can be delegated to the Mayor, the Accounting Officer, the Chief Financial Officer or any other senior Manager, because Council approves the “vote”. As far as the reallocation of funds between “Votes” is concerned it cannot be delegated and Council has to decide on each of them.



## **5.2 Transfers between Cost/Functional Centers**

Transfer between line item budgets between cost/functional centers within a specific “vote” is delegate to the Mayor through a procedure that must be informed by the Budget Steering Committee. The Mayor is the chairperson of the Budget Steering Committee where he/she will play their political oversight and where he/she can be informed by the Accounting Officer, the Chief Financial Officer and other senior functional managers. Any transfer of funds between cost/functional centers by the Mayor must be informed in writing by comments from the Accounting Officer and the Chief Financial Officer. The amount of transfer by the Mayor and the Accounting Officer (Municipal Manager) is limited by the Delegation of Authority; and this amount is revised from time to time in line with the revision of the delegations.

## **5.3 Transfers between Different Categories (Cost/Functional Categories)**

The transfer of budgets between different categories within a functional or cost centre can be delegated. Although no legal prevention exists to delegate such a function it can create a strategic problem. Although council approves a strategic document in the form of “Votes” the decision is based on information provided by a budget report. Based on this report certain assumptions are made. If the delegated person or party now decides to use staff expense money for maintenance it can create a problem.

## **5.4 Transfers within Categories**

The transfer of budgeted amount within categories is delegated to the Accounting Officer and can only be considered on advice in writing by the Chief Financial Officer. The Accounting Officer can delegate his authority to the Chief Financial Officer. The maximum amount that can be

transferred in terms of this delegation is one hundred thousand (R100, 000) rand per case. Anything above that amount must be referred to the Mayor for approval under his/her limitation of two hundred thousand (R200 000) per case. Anything above R200 000 must be referred to Council for approval.

The transfer of funds between line items within the category "General Expenses" and "Maintenance" up to a maximum of 5% of the budgeted line item amount can be delegated to senior management and manager budget office by the Accounting Officer.

#### 5.5 Transfer from Capital to Operating Budget

Transfer from capital to operating budget and vice versa can only be approved by the Mayor with recommendation from the Accounting Officer. The amount to be transferred is limited to an amount of one hundred thousand (R100 000) rand. The virements should be made within the approved budget.

### 6 GENERAL

The purpose of this delegation is to improve the pace at which service delivery is done and to make functionaries more accountable for their action. Members delegated these functions shall be obliged to report to Council every three (3) months all their function done under this delegation.

SIGNED BY ACCOUNTING OFFICER



GN MAVUNDLA

DATE: 23 May 2024

# EMADLANGENI LOCAL MUNICIPALITY



## CONTAINMENT POLICY

2024-25

This policy document seeks to implement National Treasury instruction 01 of 2013/14; Government Gazette 37042 dated 15 November 2013 and MFMA Circular 70 of 3 December 2013 , Circular 82 of March 2016.

The following measures must be implemented, consistently with immediate effect to ensure the containment of costs: -

## **1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners**

### **1.1 Measure**

Directors must ensure compliance with all the relevant policies and procedures, as it relates to employment contracts, for the aforementioned employment categories.

### **1.2 Controls**

1. Directors must ensure that the employment contracts for the aforementioned categories are in line with the applicable HR policies, and must in conjunction with the Director Corporate Services (DCS), ensure compliance.
2. The Director Corporate Services (DCS) must confirm if such proposed appointments are in line with the Municipal Systems Amendment Act (5 July 2011).
3. The relevant recruitment notifications must be endorsed by the Budget & Treasury Section for budget availability, after HR has confirmed compliance with the applicable HR policies.

## **2. Travel claims**

### **2.1 Measure**

Ensure effective control over travel claims.

### **2.2 Controls**

1. Directors must implement systems in their respective Directorates to ensure cost-effective and time efficient travelling.
2. Travelling must be pre-authorised by the appropriate delegated official, before such costs are incurred, whilst the said official must ensure that kilometres claimed are indeed justifiable.
3. The respective Directors should exercise control over the distances travelled.

## **3. Essential Vehicle User Scheme**



### 3.1 Measure

Limit expenditure under the scheme and apply the applicable policies and procedures consistently.

### 3.2 Controls

Policy guidelines must be formulated by the Director Corporate Services (DCS), relating to the type of vehicles to be purchased by qualifying employees, requiring vehicles for the execution of their duties.

## 4. **Acting Allowances**

### 4.1 Measure

Acting allowances must be paid in accordance with the applicable HR policies, SALGBC Collective Agreements and any applicable legislation.

### 4.2 Controls

1. Acting appointments should only be cascaded to two levels below the acting position, to curb unnecessary costs.
2. Acting **must** only be permitted in positions on the approved organogram, in line with Municipal Systems Amendment Act (5 July 2011).
3. Acting **must** only be permitted in funded vacant positions.
4. Prior to an employee being assigned to act, the request must firstly be forwarded to the Budget and Treasury Section to confirm budget availability.
5. Acting for extended periods **must** be discouraged, unless **motivated** to the Accounting Officer, based on operational reasons. This will ensure that the municipality is not exposed to unnecessary litigation.

## 5. **Overtime**

### 5.1 Measure

Overtime must be undertaken in compliance with all relevant policies, SALGBC Collective Agreements and applicable legislation (e.g. Basic Conditions of Employment Act).

### 5.2 Controls



1. Overtime should only be pre- approved where the necessary budget provision exists, after a need analysis has been undertaken by the relevant Directorate.
2. Authority to work overtime in excess of 40 hours per month, must be obtained from the Accounting Officer and accompanied by a motivation **prior** to the overtime being worked, as this is in contravention of Section 10 of the Basic Conditions of Employment Act (BCEA).
3. The Director **must** ensure that overtime worked in excess of 40 hours, was authorised **by the Accounting Officer prior** to the actual overtime being worked.
4. The core working hours of the employees to be changed to a shift system, where applicable, to obviate the need for overtime.
6. The regulations issued by the Department of Labour, relating to annual salary thresholds within which overtime may be paid, must be adhered to.
7. The Director Corporate Services must ensure that an Overtime Policy is developed and approved by Council, and such policy **must be** in line with the applicable legislation and regulations.

## 6. Catering, Refreshments & Entertainment

### 6.1 Measures

National Treasury instruction 01 of 2013/2014 as it relates to expenses for catering and events, states the following: -

1. **Constitutional institutions** may not incur catering expenses for **internal meetings**, i.e. for meetings attended only by **persons in its employment**, unless approved by the accounting officer.
2. **Constitutional institutions** may not incur expenses on **alcoholic beverages**, except for instances where alcohol is to be served at functions relating to: -
  - a. State banquets;
  - b. The promotion of South Africa and any of its goods or services; or
  - c. The hosting of foreign dignitaries.
3. The Accounting Officers must ensure that team building exercises and social functions, including year-end functions and farewells, **are not financed from the budgets of their respective establishments or by any suppliers or sponsors.**

In implementing the aforementioned instruction, the following controls are applicable as it relates to catering and entertainment: -



## 6.2 Controls

1. Apart from tea, coffee and muffins, **no catering and refreshments** will be provided at Council workshops, retreats, strategic sessions, internal training sessions, official meetings (Standing Committees and other Council committees), Council meetings and Management meetings.
2. At the discretion of the Accounting Officer, catering and refreshments **may** only be provided at meetings with overseas visitors and other spheres of government (Provincial/National), after budget availability has been confirmed by the Budget and Treasury Section.

## 7. **Telephone Costs**

### 7.1 Measures

The Council's policy relating to payment for private calls must be fully enforced by all Directorates.

### 7.2 Controls

The cost of private calls must be recovered by all Directorates by providing a schedule on a monthly basis to the Finance Directorate (Payroll Office), so that the necessary deductions can be made from the affected municipal employees' salaries.

## 8. **Municipal Workshops, Retreats, Strategic Sessions and Internal Training**

### 8.1 Measures

### 8.2 Controls

1. Only local municipal venues may be utilised to host municipal workshops, retreats, strategic sessions and internal training.
2. The Director concerned must submit a motivation to the Accounting Officer, in the event of local municipal venues not being available.
3. Alternative facilities at other government institutions must then be sourced, where such sessions cannot be held in-house.
4. The necessary proof must be provided to the Accounting Officer, where local municipal venues or facilities at other government institutions are not available.



5. Budget availability must be confirmed by the Budget & Treasury Section in the first instance, prior to the Accounting Officer approving the use of external venues.

## **9. Projects /Programme Launches**

### 9.1 Measures

### 9.2 Controls

1. The number of projects/programme launches must be minimised, so as to limit the associated costs to the Municipality.
2. When different projects/programmes are launched in a particular ward, it must be organised as one launch and not as different launches for each and every project.

## **10. Uniforms and Clothing**

### 10.1 Measures

### 10.2 Controls

1. A Uniforms Policy **must** be drafted stipulating the guidelines, including type of uniforms, shoes and frequency of issue, etc in line with the working environment of the respective employees.
2. A monthly reconciliation of uniforms purchased and issued to staff members must also be performed by the respective Directorates.

## **11. Travel and Subsistence**

In line with the National Treasury instruction 01 of 2013/2014, as it relates to travel and subsistence expenses, the following control measures must be implemented:

-

### 11.1 Measures

Municipality may use National Treasury negotiated and improved upfront discounts for travel and accommodation unless they can negotiate rates which are lower rate than the agreements.

### 11.2 Controls

1. Only economy class tickets to be purchased for employees and Councillors, where the flying time of the flight is five (5) hours or less.



2. The Accounting Officer may approve the purchase of business class tickets for employees with disabilities or for those with special needs, where the flying time is five (5) hours or less.
3. Purchasing of air tickets for first class travel is not permitted, under any circumstances.
4. Domestic hotel accommodation linked to travel and subsistence may not exceed R1 300 per night per person (including dinner, breakfast and parking). National Treasury may periodically review this amount.
5. The amount of R1300 quoted above may be exceeded with approval of the Accounting Officer in instances (i) such as peak holiday periods, and (ii) when South Africa is hosting an event in the country or in a particular geographical area that results in an abnormal increase in the number of local / international guests in the country or in that particular geographical area.
6. Hiring of Vehicles for travelling **must** be undertaken in terms of the Council approved policy as it relates to vehicle groupings that can be hired per the level of employees / Councillors.
7. Sharing of the mode of transport when Employees / Councillors travel to the same destination.
8. Overnight accommodation **must** be limited to instances where the distance by road exceeds 500 kilometres to and from the destination (return journey).
9. When a vehicle is hired, it must be shared between the Employees/Councillors attending the same workshop, conference, seminar, etc. (one vehicle to be hired per occasion).
10. Flight bookings must be made timeously, to prevent unnecessary overnight stay costs.

## **11. Attendance of Conferences, Seminars & Workshops**

### 11.1 Measures

### 11.2 Controls

1. Conferences, seminars and workshops **may** be attended by Officials and Councillors, but only when absolutely necessary.
2. The Director concerned must submit a motivation to the Accounting Officer, outlining the absolute necessity for attendance.



3. The total size of municipal delegations attending conferences, seminars and workshops outside the Municipality, **must** be restricted to two delegates.
4. The Director concerned must submit a motivation to the Accounting Officer, if the number of required attendees exceeds two delegates from the Municipality.
5. Budget availability must be confirmed by the Budget & Treasury Section, in the first instance.
6. In the event of training being provided at no cost to the Municipality, the size of the municipal delegation may be increased, subject to approval by the Accounting Officer.

### 13. Use of Consultants

National Treasury instruction 01 of 2013/2014 as it relates to expenses for the use of consultants, states the following: -

1. **Constitutional institutions** may only contract in consultants after a gap analysis has confirmed that the constitutional institution concerned does not have the requisite skills or resources in its fulltime employment to perform the assignment in question. Based on a business case, the appointment of consultants may only be approved by the Accounting Officer.
2. Consultants must only be remunerated at the rates: -
  - a. Determined in the "Guideline for fees", issued by the South African Institute of Chartered Accountants (SAICA);
  - b. Set out in the "Guide on Hourly Fee Rates for Consultants", by the Department of Public Service and Administration (DPSA), or
  - c. Prescribed by the body regulating the profession of the consultant.
3. Hotel accommodation and related costs in respect of consultants may not exceed the amount of R1300 per night per person (including dinner, breakfast and parking). National Treasury may periodically review this amount. Air Travel must be restricted to economy class and claims for kilometres may not exceed the rates approved by the Automobile Association of South Africa (AA SA).
4. All contracts of consultants must include penalty clauses for poor performance and in this regard, Accounting Officers must invoke such clauses where deemed necessary.
5. Accounting Officer must develop consultancy reduction plans by 31 March of each year for implementation in the ensuing financial year. The first consultancy reduction plan required in terms of Treasury instruction 01 of 2013/2014 must be developed before 31 March 2014 for implementation in the 2014/2015 financial year.



In implementing the aforementioned instruction, the following control measures are applicable as it relates to the use of consultants.

### 12.1 Measures

The use of consultants **must** be reviewed and curtailed.

### 12.2 Controls

1. All pending appointments of consultants to be reviewed and no consultant services to be procured unless the Accounting Officer, based on a motivation from the Director concerned, endorses the procurement process.
2. Directors must review the utilisation of consultants in their respective Directorates to determine if their continued services are still required.
3. Requests for extension of consultants' contracts of appointment must be motivated in writing to the Accounting Officer, and he may in turn instruct the Director to table an item via the Bid Committee system to make recommendations in this regard.
4. Any SLA or contract signed with consultants, must include
  - (i) retention and penalty clauses for poor performance,
  - (ii) clauses that deal with skills transfer,
  - (iii) period of the contract must be clearly stated, amongst other pertinent clauses.
5. Directorates who deal with Consultants must ensure compliance with the National Treasury instruction, as it relates to disbursements for travelling and accommodation for consultants.
6. The Accounting Officer **must** give instructions to all Directorates to develop a consultancy reduction plan, indicating how the Directorates intend to comply with the National Treasury instruction.



**14. GENERAL MEASURES TO BE IMPLEMENTED**

1. In order to curb petrol expenditure, the municipality's vehicle tracking system should be utilised by the Directorates to monitor usage in order to curb abuse of municipal vehicles and excessive petrol consumption.
2. E-Learning methods should be considered for in-house training.
3. Telephone and/or Video conferencing facilities must be used, where possible, to avoid unnecessary travelling and subsistence costs.
4. Where possible, transversal contracts must be used for the procurement of goods and services.
5. Consideration must be given to utilising the services of the Government Communications and Information System (GCIS) for media related needs.
6. Bulk purchases should be considered for regularly consumed inventory.

**15. IMPLEMENTATION DATE OF THE COST CONTAINMENT POLICY**


The Cost Containment Policy (CCP) was approved by Council on 31 January 2018; and is thus effective as from this date.

**16. MONITORING AND EVALUATION**

Directors are required to report on a quarterly basis regarding the respective status of implementation of the Cost Containment Policy (CCP) for their respective Directorates.

The required reporting framework will be developed by the Director Corporate Srvices and will be made available to all Directors. The Directors **must** report on the implementation of the CCP, to the Portfolio Committees and the Mayoral Committee on a quarterly basis.

SIGNED BY ACCOUNTING OFFICER



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GN MAVUNDLA

DATE: 23 May 2024

# **EMADLANGENI LOCAL MUNICIPALITY**



## **SUPPLY CHAIN MANAGEMENT POLICY 2023-24**

**Approved and adopted by council on .....2024**

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### **Definitions**

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

**“competitive bidding process”** means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

**“competitive bid”** means a bid in terms of a competitive bidding process;

**“final award”**, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

**“formal written price quotation”** means quotations referred to in paragraph 12 (1) (c) of this Policy;

**“in the service of the state”** means to be –

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or



- (iii) the National Assembly or the National Council of Provinces;
  - (b) a member of the board of directors of any municipal entity;
  - (c) an official of any municipality or municipal entity;
  - (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
  - (e) a member of the accounting authority of any national or provincial public entity;
- or
- (f) an employee of Parliament or a provincial legislature;

**“list of accredited prospective providers”** means the list of accredited prospective providers which the **municipality** must keep in terms of paragraph 14 of this policy;

**“other applicable legislation”** means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
  - (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- and
- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

**“Treasury guidelines”** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

**“the Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**“the Regulations”** means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005 and amendments to the regulations regarding Supply Chain Management ;



**“highest acceptable tender”** means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders;

**“lowest acceptable tender”** means a tender that complies with all specifications and conditions of tender and that has lowest price compared to other tenders;

**“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

**“Rand value”** means the total estimated value of a contract in Rand, calculated at the time of the tender invitation;

**“specific goals”** means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;

**“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

**“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and



**“PPPFA”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

**“PPR”** means the Preferential Procurement Policy Framework Regulations 2022

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**CHAPTER 1**  
**IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY**

**Supply chain management policy**

2. (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –

- (a) gives effect to –
  - (i) section 217 of the Constitution; and
  - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
- (b) is fair, equitable, transparent, competitive and cost effective;
- (c) complies with –
  - (i) the SCM Regulations; and
  - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
- (d) is consistent with other applicable legislation;
- (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) This Policy applies when the municipality –

- (a) procures goods or services;
- (b) disposes of goods no longer needed;
- (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.



(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –

- (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
- (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

### **Amendment of the supply chain management policy**

3. (1) The Accounting Officer must –

- (a) at least annually review the implementation of this Policy; and
- (b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the council.

(2) If the Accounting Officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –

- (a) ensure that such proposed amendments comply with the Regulations; and
- (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

### **Delegation of supply chain management powers and duties**

4. (1) The council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer –



- (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
  - (i) Chapter 8 or 10 of the Act; and
  - (ii) this Policy;
- (b) to maximize administrative and operational efficiency in the implementation of this Policy;
- (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
- (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of sub-paragraph (1).

(3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of municipality or to a committee which is not exclusively composed of officials of the municipality.

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

#### **Sub-delegations**

5. (1) The Accounting Officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with sub-paragraph (2) of this paragraph and paragraph 4 of this Policy.





- (2) The power to make a final award –
- (a) above R10 million (all applicable taxes) may not be sub-delegated by the Accounting Officer;
  - (b) above R2 million (Including all applicable taxes), but not exceeding R10 million (Including all applicable taxes), may be sub-delegated but only to –
    - (i) Chief Financial Officer;
    - (ii) a Senior Manager
    - (iii) a bid adjudication committee of which the Chief financial officer or a Senior Manager is a member; or
  - (c) not exceeding R2 million (Including all applicable taxes) may be sub-delegated but only to –
    - (i) Chief Financial Officer;
    - (ii) Other departments Senior Managers; or
    - (iii) a bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the Accounting Officer a written report containing particulars of each final award made by such official or committee during that month, including–

- (a) the amount of the award;
- (b) the name of the person to whom the award was made; and
- (c) the reason why the award was made to that person.

(4) Sub-paragraph (3) of this paragraph does not apply to procurements out of petty cash.

(5) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a



competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

(6) No supply chain management decision-making powers may be delegated to an advisor or consultant.

**Oversight role of council**

6. (1) The council reserves its right to maintain oversight over the implementation of this Policy.

(2) For the purposes of such oversight the Accounting Officer must –

(a) (i) within 30 days of the end of each financial year, submit a report on the implementation of this policy, to the council of Emadlangeni Local Municipality; and

(ii) whenever there are serious and material problems in the implementation of this policy, immediately submit a report to the council.

(3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor.

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.



**Supply chain management unit**

7. (1) A supply chain management unit is hereby established to implement this Policy.

(2) The supply chain management unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

**Training of supply chain management officials**

8. The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.



**CHAPTER 2**  
**SUPPLY CHAIN MANAGEMENT SYSTEM**

**Format of supply chain management system**

9. This Policy provides systems for –
- (i) demand management;
  - (ii) acquisition management;
  - (iii) logistics management;
  - (iv) disposal management;
  - (v) risk management; and
  - (vi) performance management.

*Part 1: Demand management*

**System of demand management**

10. (1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by Emadlangeni Local Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

- (2) The demand management system must –
- (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
  - (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
  - (c) provide for the compilation of the required specifications to ensure that its needs are met.
  - (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.



***Part 2: Acquisition management***

**System of acquisition management**

11. (1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –

- (a) that goods and services are procured by the municipality in accordance with authorized processes only;
- (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
- (c) that the threshold values for the different procurement processes are complied with;
- (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation;  
and
- (e) that any Treasury guidelines on acquisition management are properly taken into account.

(2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -

- (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
- (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

(3) Goods or services procured in terms of section 110(2) of the MFMA must be made public stating the fact that the municipality procures such goods or services otherwise than through the SCM system, including-

- a) The kind of goods or services
- b) The name of the supplier.



### **Range of procurement processes**

12. (1) Goods and services may only be procured by way of –
- (a) petty cash purchases, up to a transaction value of R2000 (Including all applicable taxes);
  - (b) Procurement above the Petty cash threshold up to R300 000 (VAT included) are “formal written quotations”. This means the following:
    - The provisions of regulation 17 must be adhered to;
    - The provision of regulation 18(a) is still applicable, which reads as follows: “that all requirements in excess of R30 000 (VAT included) that are procured by means of formal written price quotation must, in addition to the requirements of regulation 17, be advertised for at least seven days on the website and an official notice board of the municipality”
  - (c) a competitive bidding process for–
    - (i) procurement above a transaction value of R300 000 (Including all applicable taxes); and
- (2) The Accounting Officer may, in writing-
- (a) lower, but not increase, the different threshold values specified in subparagraph (1); or
  - (b) direct that –
    - (i) formal written price quotations be obtained for any specific procurement of a transaction value lower than R2 000; or
    - (ii) a competitive bidding process be followed for any specific procurement of a transaction value lower than the competitive bidding thresholds specified in sub regulation (1)(c)(i).
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.



### **General preconditions for consideration of formal written quotations or bids**

13. A formal written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

- (a) has furnished –
  - (i) full name;
  - (ii) identification number or company or other registration number; and
  - (iii) tax reference number and VAT registration number, if any;
- (b) has submitted a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
- (c) has indicated –
  - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
  - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months;  
or
  - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

### **Lists of accredited prospective providers**

14. (1) A supply chain management policy must –
- (a) instruct the accounting Officer must –
    - (i) to keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements of the municipality or municipal entity through formal written price quotations; and
    - (ii) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite



prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

- (b) specify the listing criteria for accredited prospective providers. With effect from 1 July 2016, the municipality uses the Central Supplier Database (CSD ) supplier number starting with (MAAA) which is auto generated by the Central Database System after successful registration and validation of the prospective provider as mandatory requirement as part of listing criteria for accrediting prospective provider; and
- (c) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service.

in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations.

#### **Petty cash purchases**

**15.** The conditions for procurement of goods by means of petty cash referred to in paragraph 12 (1) (a) of this Policy, are as follows –

- (a) The Chief Financial Officer may, in writing, delegate the responsibility to monitor Petty Cash purchases to the Accountant: Revenue/Income Officer.





- (b) Goods and services may only be procured by way of petty cash, up to a transaction value of R2 000 (Including all applicable taxes) and not exceeding R200 Including all applicable taxes) per person, per day.
- (c) A petty cash requisition form must be used for all petty cash purchases. These forms shall be pre-numbered and recorded accordingly in the petty cash register. The petty cash requisition form must include the following:
- (i) Reason for petty cash;
  - (ii) Amount requested (not exceeding R200 per person, per day);
  - (iii) Vote number;
  - (iv) Person requesting an item; and
  - (v) Authorized by Head of Department
- (d) Urgent and emergency cases will be accommodated where immediate action is required to avoid a dangerous or life-threatening situation, misery or want or any other cases which may require immediate action to be taken to proactively avoid a negative impact on service delivery.
- (e) The use of petty cash float is strictly confined to individual cash purchases of up to a maximum of R200.00 per transaction per day, unless authorized by the Chief Financial Officer.
- (f) The expenditure with regard to petty cash purchases shall not be deliberately split into more than one transaction to avoid the said limit.
- (g) Original invoices or cash slips must be submitted to the official responsible for petty cash after such purchases have taken place.
- (h) The face of the original invoice or cash slip must contain the following:
- The words "tax invoice" in a prominent place,
  - Trading name, address and VAT registration number of the supplier (where applicable),
  - Serialized tax invoice number/reference,



- Date of the tax invoice,
  - Name and address of the recipient \_eMadlangeni Local Municipality (where applicable),
  - VAT registration number of the recipient (where applicable),
  - Accurate description of the good or services supplied,
  - Quantity of good or services supplied,
  - Total selling price charged including VAT. The VAT must be shown separately (where applicable).
- (h) Failure by any official to submit the invoices or cash slips within the period of 5 days from the date when petty cash was issued (This period will exclude public holidays and weekends that fall within it) will result in such total amount of purchases being recovered from the salary of the requisitioner (Non-Refundable/Non-Reversible).
- (i) Certain types of transactions may be excluded from the petty cash purchases in the case where it is considered necessary to do so e.g. day to day maintenance, stationery, subsistence and traveling claims, loans, payment of personal remuneration to any person whatsoever, instalment invoices, etc.
- (j) The related low valued items which are required to be purchased repetitively on a daily, weekly and monthly basis may not each time be purchased by means of petty cash. These requirements have to be consolidated, quantified and therefore procured through the normal procurement process, e.g. coffee and milk for boardrooms committee meetings if those items are required on a regular basis.
- (k) Petty cash must not be used to circumvent normal procurement processes
- (l) a monthly reconciliation report from the Expenditure Accountant must be submitted to the Chief Financial Officer, including –
- (i) the total amount of petty cash purchases for that month; and
  - (ii) receipts and appropriate documents for each purchase.



### **Written or verbal quotations**

**16.** Has been deleted in line with the amended regulations gazette No. 4198 of the government gazette No. 49863 on the 14<sup>th</sup> December 2024.

### **Formal written quotations**

**17.1** (1) the conditions for the procurement of goods or services through formal written price quotations are as follows:

- (a) Quotations above R2000.00 up to R 300 000.00 must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;
- (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
- (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Accounting Officer or an official designated by the Accounting Officer,
- (d) the Accounting Officer must record the names of the potential providers and their written quotations, and

(2) A designated official referred to in sub regulation (1)(c) must within three days of end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that sub regulation.



### **Procedures for procuring goods or services through formal written price quotations**

**18.** (1) The procedure for the procurement of goods or services through formal written price quotations, is as follows:

- (a) when using the list of accredited prospective providers, the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- (b) all formal written procurements must be concluded in line Preferential Procurement Regulations 2022 unless Petty-cash threshold have been used.
- (c) acceptable offers, which are subject to the preference points system (Preferential Procurement Policy Framework Act (PPPFA) and its regulations PPR ), must be awarded to the bidder who scored the highest points or in line with Preferential regulations;
- (d) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (e) the Accounting Officer or chief financial officer must on a monthly basis be notified in writing of all formal written price quotations accepted by an official acting in terms of a sub delegation;
- (f) All requirements in excess of R 30 000 (Including all applicable taxes) that are to be procured by means of formal written price quotations must, in addition to the requirement of regulation 17, be advertised for at least seven days in the municipal website and official notice board of the municipality or municipal entity.
- (g) The accounting officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused.
- (h) for proper record keeping and audit purposes, the following documentation must be kept by Finance and department procuring goods or services;
  - (i) the authorized purchase requisition produced by the department requiring goods and services.
  - (ii) formal written price quotations



- (iii) the order authorized by the Chief Financial Officer and the Accounting Officer.
- (iv) formal signed delivery note submitted by the successful supplier.
- (v) formal invoice or certificate of work performed submitted by the successful supplier.
- (vi) goods received voucher, as prepared by expenditure: creditors section.
- (vii) the cheque voucher prepared by the Accountant: Expenditure and authorized by the Chief Financial Officer.
- (viii) the authorized payment cheque.
- (ix) Any minutes of a bid resolution by the Bid Adjudication.
- (x) Proof of authorized direct payment (cash focus) processed for each transaction

### **Competitive bids**

**19.** (1) Goods or services above a transaction value of R300 000 (Including all applicable taxes) may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

(2) No requirement for goods or services above an estimated transaction value of R300 000 (Including all applicable taxes), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

### **Process for competitive bidding**

**20.** The procedures for the following stages of a competitive bidding process are as follows:

- (a) Compilation of bidding documentation as detailed in paragraph 20;



- (b) Public invitation of bids as detailed in paragraph 21;
- (c) Site meetings or briefing sessions as detailed in paragraph 21;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 22;
- (e) Evaluation of bids as detailed in paragraph 27;
- (f) Award of contracts as detailed in paragraph 28;
- (g) Administration of contracts
  - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
- (h) Proper record keeping
  - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

**Bid documentation for competitive bids**

**21.** The criteria with which bid documentation for a competitive bidding process must comply –

- (a) take into account –
  - (i) the general conditions of contract and any special conditions of contract, if specified;
  - (ii) any Treasury guidelines on bid documentation; and
  - (iii) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- (b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;



- (d) if the value of the transaction is expected to exceed R10 million (Including all applicable taxes), require bidders to furnish–
  - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
    - (aa) for the past three years; or
    - (bb) since their establishment if established during the past three years;
  - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
  - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
  - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from Emadlangeni Local Municipality is expected to be transferred out of the Republic; and
- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

**Public invitation for competitive bids**

22. (1) The procedure for the invitation of competitive bids, is as follows:
- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of



the municipality or any other appropriate ways (which may include an advertisement on e - tenders and CIDB; and

- (b) The information contained in a public advertisement, must include –
- (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (Including all applicable taxes), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub-paragraph (2) of this policy;
  - (ii) a statement that bids may only be submitted on the bid documentation provided by Emadlangeni Local Municipality; and
  - (iii) date, time and venue of any proposed site meetings or briefing sessions.;
  - (iv) statement stating that no late bid proposal will be accepted.
  - (v) Where functionality and preference will apply, must comply with PPPFA and its regulations.

(2) The Accounting Officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

- (3) Bids submitted must be sealed and indicated in a manner prescribed by the municipality
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.





### **23. Procedure for handling, opening and recording of bids**

The procedures for the handling, opening and recording of bids, are as follows:

- (a) Bids—
  - (i) must be opened only in public;
  - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
  - (iii) received after the closing time should not be considered and returned unopened immediately.
- (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out.
- (c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- (d) The Accounting Officer must —
  - (i) record in a register all the names of bidders received in time;
  - (ii) make the register available for public inspection; and
  - (iii) publish the entries in the register and the bid results on the website

### **Negotiations with preferred bidders**

**24.** (1) The municipal manger may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation —

- (a) does not allow any preferred bidder a second or unfair opportunity;
- (b) is not to the detriment of any other bidder; and
- (c) does not lead to a higher price than the bid as submitted.

(2) Minutes of such negotiations must be kept for record purposes.



### **Two-stage bidding process**

25. (1) A two-stage bidding process is allowed for –
- (a) large, complex projects;
  - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - (c) long term projects with a duration period exceeding three years.

(2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(3) In the second stage final technical proposals and priced bids should be invited.

### **Committee system for competitive bids**

26. (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:

- (a) a bid specification committee;
- (b) a bid evaluation committee; and
- (c) a bid adjudication committee;

(2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act; and

(3) A neutral or independent observer, appointed by the Accounting Officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.



- (4) The committee system must be consistent with –
- (a) paragraph 26, 27 and 28 of this Policy; and
  - (b) any other applicable legislation.

(5) The Accounting Officer may apply the committee system to formal written price quotations.

**Bid specification committees**

27. (1) A bid specification committee must compile the specifications for each procurement of goods or services by the municipality.

- (2) Specifications –
- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
  - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply;
  - (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
  - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
  - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
  - (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2022 and
  - (g) must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.



- (3) A bid specification committee must be composed of:
- (a) At least four officials of the municipality who must serve as standing members; one from the Supply Chain Management Unit and the other from Technical Services.
  - (b) an official may be co-opted from the end user department preferably a manager and a knowledgeable official responsible for the function involved;
  - (c) may invite external specialized expert.
  - (d) must be appointed in writing for a period of 12 months which is in line with the financial year end of the municipality, subject to the annual reviewal of this policy;
  - (e) the quorum must be equal to 50% of the number of permanent (as opposed to co-opted) committee members, plus one member.
- (4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

**Bid evaluation committees**

28. (1) A bid evaluation committee must –
- (a) evaluate bids in accordance with –
    - (i) the specifications for a specific procurement; and
    - (ii) the points system set out in terms of paragraph 27(2)(f).
  - (b) evaluate each bidder's ability to execute the contract;



- (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
- (d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

(2) A bid evaluation committee must as far as possible be composed of -

- (a) At least four officials of the municipality who must serve as standing members; one from the Supply Chain Management Unit.
- (b) an official may be co-opted from end user department preferably a manager and a knowledgeable official responsible for the function involved;
- (c) may invite external specialized expert;
- (d) must be appointed for a period of 12 months which is in line with the financial year end of the municipality, subject to the annual reviewal of this policy
- (e) the quorum must be equal to 50% of the number of permanent (as opposed to co-opted) committee members, plus one member.

### **Bid adjudication committees**

**29.** (1) A bid adjudication committee must –

- (a) consider the report and recommendations of the bid evaluation committee; and
- (b) either –
  - (i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
  - (ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.



(2) A bid adjudication committee must consist of at least four senior managers of the municipality which must include –

- (a) Chief financial Officer as the chairperson
- (b) A Senior SCM Practitioner
- (c) An official from the Technical Services of the municipality
- (d) may invite external specialized expert.
- (e) the quorum must be equal to 50% of the number of permanent (as opposed to co-opted) committee members, plus one member.

(3) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the deputy chairperson who is elected by the Accounting Officer must preside at the meeting.

(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

(5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
  - (ii) notify the Accounting Officer.
- (b) The Accounting Officer may –
- (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
  - (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.



(6) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(7) The Accounting Officer must comply with section 114 of the Act within 10 working days with respect to awards based on paragraph 5 above.

### **Procurement of banking services**

**30.** (1) A contract for banking services –

- (a) must be procured through competitive bids;
- (b) must be consistent with section 7 or 85 of the Act; and
- (c) may not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

### **Procurement of IT related goods or services**

**31.** (1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.



(3) The accounting officer must notify SITA together with a motivation of the IT needs if –

- (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (Including all applicable taxes); or
- (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (Including all applicable taxes).

(4) If SITA comments on the submission and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

**Procurement of goods and services under contracts secured by other organs of state**

**32.** (1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –

- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
- (b) there is no reason to believe that such contract was not validly procured;
- (c) there are demonstrable discounts or benefits to do so; and
- (d) that other organ of state and the provider have consented to such procurement in writing.

(2) Subparagraphs (1)(c) and (d) do not apply if –

- (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
- (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.





### **Procurement of goods necessitating special safety arrangements**

33. (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

### **Proudly SA Campaign**

34. Emadlangeni Local Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- suppliers and businesses within the Republic.

### **Appointment of consultants**

35. (1) The Accounting Officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurement is made.

- (2) Consultancy services must be procured through competitive bids if
- (a) the value of the contract exceeds R300 000 (Including all applicable taxes); or
  - (b) the duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

- (a) all consultancy services provided to an organ of state in the last five years; and
- (b) any similar consultancy services provided to an organ of state in the last five years.



(4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

**Deviation from, and ratification of minor breaches of, procurement processes**

**36.** (1) The Accounting Officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (i) in an emergency;
- (ii) if such goods or services are produced or available from a single provider only;
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) acquisition of animals for zoos and/or nature and game reserves; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The Accounting Officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.



### **Unsolicited bids**

37. (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The Accounting Officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- (c) the person who made the bid is the sole provider of the product or service; and
- (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

- (a) reasons as to why the bid should not be open to other competitors;
- (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
- (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The Accounting Officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.



(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must take into account –

- (a) any comments submitted by the public; and
- (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing Emadlangeni Local Municipality to the bid may be entered into or signed within 30 days of the submission.

### **Combating of abuse of supply chain management system**

**38.** (1) The Accounting Officer must–

- (a) take all reasonable steps to prevent abuse of the supply chain management system;
- (b) investigate any allegations against an official or other role player of fraud, corruption, favoritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
  - (i) take appropriate steps against such official or other role player; or
  - (ii) report any alleged criminal conduct to the South African Police Service;
- (c) check the National Treasury’s database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) reject any bid from a bidder–



- (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
  - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract and has also committed a corrupt or fraudulent act in competing for the particular contract as per Section 4(1) and (2) of the Competition Act.
- (f) cancel a contract awarded to a person if –
  - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
  - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (g) reject the bid of any bidder if that bidder or any of its directors –
  - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
  - (ii) has been convicted for fraud or corruption during the past five years;
  - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).



(2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

### ***Part 3: Logistics, Disposal, Risk and Performance Management***

#### **Logistics management**

39. The Accounting Officer must establish and implement an effective system of logistics management, which must include -

- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) before payment is approved, certification by the responsible Head of Department that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

#### **Disposal management**

40. (1) The criteria for the disposal or letting of assets, including



unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows:

(i) An obsolescence plan must be determined for each asset to ensure that when the asset can no longer be maintained or used for its original purpose, that there is a plan to replace it.

(ii) A renewal plan must be determined for assets that have reached the end of its useful life.

(iii) Asset disposal decisions must be made within an integrated, service and financial planning framework.

(2) Assets may be disposed of by –

(i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;

(ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;

(iii) selling the asset; or

(iv) destroying the asset.

(3) Emadlangeni Local Municipality must establish a disposal strategy to determine the best mechanism of disposal for each asset and the Accounting Officer must ensure that –

(a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;

(b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;

(c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;



- (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

#### **Risk management**

41. (1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows:

- (a) risk management aspect must be allocated to the Chief Financial Officer, the SCM practitioners, the internal audit function and the Audit Committee, each of which shall ultimately be accountable to the Accounting Officer or the Council for the discharge of their responsibilities.

(2) Risk management must include –

- (a) the identification of risks on a case-by-case basis;
- (b) the allocation of risks to the party best suited to manage such risks;
- (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.





### **Performance management**

42. The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

### ***Part 4: Other matters***

#### **Prohibition on awards to persons whose tax matters are not in order**

43. Prohibition on awards to persons whose tax matters are not in order

(1) The Accounting Officer must ensure that, irrespective of the procurement process followed, no award for formal written quotations with a Rand value equal to or below R50 million and above R 50 million, is given to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) If a municipality / municipal entity is in possession of a supplier's original valid tax clearance certificate or Tax Compliance Status with a PIN number through National Treasury Central Supplier Database or MBD1 bidding document, it is not necessary to obtain a new tax clearance certificate or a TAX compliance status with a PIN number each time a price quotation or bid is submitted from that specific supplier. This provision may be applied only if the closing date of the price quotation or bid falls within the expiry date of the tax clearance certificate or a Tax compliance status with a PIN number that is in the municipality's / municipal entity's possession including but not limited to Central Supplier Database record. Cross-reference must be made to the original tax clearance certificate or Tax compliance status with a PIN number for audit purposes.

Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality or municipal entity, within 7 working days, written proof from SARS of their tax



compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations. The proof of tax compliance status submitted by the bidder to the municipality or municipal entity must be verified via the CSD or e-Filing.

The accounting officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the timeframe stated above.

#### **Prohibition on awards to persons in the service of the state**

44. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

- (a) who is in the service of the state;
- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) a person who is an advisor or consultant contracted with Emadlangeni Local Municipality.

#### **Awards to close family members of persons in the service of the state**

45. The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

#### **Ethical standards**

46. (1) A code of ethical standards as set out in the “*National Treasury’s code of conduct for supply chain management practitioners and other role players involved in*



supply chain management” is hereby established for officials and other role players in the supply chain management system of the municipality in order to promote-

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) A breach of the code of ethics must be dealt with as follows -

- (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
- (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

(3) To uphold ethical standards the following must be ensured; -

- (a) All declarations in terms of sub regulation 2(d) and (e) of Local Government: MFMA, 2003 SCM Regulations must be recorded in a register which the accounting must keep for this purpose;
- (b) All declarations by the accounting officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register; and
- (c) Measures to warrant that appropriate action is taken against any official or other role player who commits a breach of the code of ethical standards.

(4) All supply chain management practitioners and other role players involved in supply chain management are to sign a code of ethical standards as set out in the “National Treasury’s code of conduct



**Inducements, rewards, gifts and favours to municipalities, officials and other role players**

47. (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

- (a) any inducement or reward to Emadlangeni Local Municipality for or in connection with the award of a contract; or
- (b) any reward, gift, favour or hospitality to –
  - (i) any official; or
  - (ii) any other role player involved in the implementation of this Policy.

(2) The Accounting Officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph (1) does not apply to gifts less than R350 in value.

**Sponsorships**

48. The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- (a) a provider or prospective provider of goods or services; or
- (b) a recipient or prospective recipient of goods disposed or to be disposed.

**Objections and complaints**

49. Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action –



- (a) if the objection or complaint is against the procurement process, submit a written objection or complaint against the decision or action to the accounting officer of the municipality who shall, in turn, within 24 hours refer the written objection or complaint to the independent and impartial person referred to in paragraph 50 for resolution or
- (b) if such complaint or objection is against the award of a bid, lodge a written appeal with the Municipal Bid Appeals Tribunal in accordance with the provisions of paragraph 50A.

**Resolution of objections and complaints against procurement process**

**50.** (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes to assist in the resolution of objections and complaints between the municipality and any other person regarding -

- (a) the implementation of the procurement process in terms of the supply chain management system; or
- (b) any matter arising from the implementation of the procurement process in terms of the supply chain management system.

(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must –

- (a) strive to resolve promptly all objections and complaints received; and
- (b) submit monthly reports to the accounting officer on all such objections and complaints received, attended to or resolved.

(4) If the independent and impartial person referred to in paragraph 49.1, is of the view that a matter which should be dealt with in terms of paragraph 49A, he or she



shall forthwith refer the matter to the Municipal Bid Tribunals and that Tribunal shall then hear and determine the matter in accordance with the provisions of paragraph 49A.

(5) An objection or complaint may be referred to the KwaZulu-Natal Provincial Treasury if:

- (a) the objection or complaint is not resolved within 60 days; or
- (b) no response is forthcoming within 60 days.

(5) If the Provincial Treasury does not or cannot resolve the matter, the objection or complaint may be referred to the National Treasury for resolution.

#### **Contracts providing for compensation based on turnover**

**51.** If a service provider acts on behalf of Emadlangeni Local Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Emadlangeni Local Municipality must stipulate –

- (a) a cap on the compensation payable to the service provider; and
- (b) that such compensation must be performance based.

#### **52. Municipal Bid Appeals Tribunal**

(1) The council shall establish a Municipal Bid Appeals Tribunal for its area of jurisdiction to hear and determine an appeal against the award of a bid.



(2) The accounting officer of the municipality, in consultation with the Provincial Treasury, shall appoint the Chairperson, Deputy Chairperson and Members of the Municipal Bid Appeals Tribunal.

(3) The powers, duties and functions of the Municipal Bid Appeals Tribunal, and matters incidental thereto, are set out in the Rules which are appended to this Supply Chain Management Policy and marked Appendix A.

(4) The administrative and secretarial work involved in the performance of the duties and functions of the Municipal Bid Appeals Tribunal shall be performed by officers of the Provincial Treasury as set out in the Rules referred to in paragraph 49A.3.

(5) There shall be no further appeal against a decision of the Municipal Bid Appeals Tribunal.

### **53. THE PREFERENTIAL POINT SYSTEM**

(1) All procurement of goods, services and works are to be in compliance with this policy.

(2) The unit responsible for the management of this policy is the Supply Chain Management Unit.

(3) All Unit Heads responsible for the procurement of goods, services and/or works are, however, responsible for compliance with this policy within their areas of control, and will be held accountable where transgressions to policy are encountered.

#### **(4) Identification of preference point system**

(4.1) The Municipality must in its tender documents, stipulate—

(a) the applicable preference point system as envisaged in 4 (3); (4) and (5) below;

(b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.



(4.2) If it is unclear whether the 80/20 or 90/10 preference point system applies, the Municipality must in its tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or

(4.3) 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

**(4.4) 80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million**

(4.4.1) The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left[ 1 - \frac{(P_t - P_{min})}{P_{min}} \right]$$

$P_{min}$

*Where:*

$P_s$  = Points scored for comparative price of the bid under consideration;

$P_t$  = Price of tender under consideration; and

$P_{min}$  = Price of lowest acceptable tender.

(4.4.2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.





**(4.5) 90/10 preference point system for acquisition of goods or services with Rand value above R50 million**

(4.51) the price in respect of bids (including price quotations) with an estimated Rand value of greater than R50 000 000 (all applicable taxes included):

$$P_s = 90 \left[ 1 - \frac{(P_t - P_{\min})}{P_{\min}} \right]$$

Where:

$P_s$  = Points scored for price of tender under consideration;

$P_t$  = Price of tender under consideration; and

$P_{\min}$  = Price of lowest acceptable tender.

(4.5.2) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

**(4.6) 80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million**

(4.6.1) The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left[ 1 + \frac{(P_t - P_{\max})}{P_{\max}} \right]$$

Where-

$P_s$  = Points scored for price of tender under consideration;

$P_t$  = Price of tender under consideration; and



$P_{min}$  = Price of highest acceptable tender.

(4.6.2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

(c) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(d) Subject to section 2(1)(f) of the PPPFA, the contract must be awarded to the tenderer scoring the highest points.

**(4.7) 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million are as follows:**

(4.7.1) The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left[ 1 - \frac{P_t - P_{max}}{P_t - P_{min}} \right]$$

Where-

$P_s$  = Points scored for price of tender under consideration;

$P_t$  = Price of tender under consideration; and

$P_{min}$  = Price of highest acceptable tender.

(4.7.2) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

Subject to section 2(1)(f) of the PPPFA, the contract must be awarded to the tenderer scoring the highest points.

(4.7.3) After considering the representations referred to in sub regulation (1)(b), the organ of state may, if it concludes that such information is false—

- (a) disqualify the tenderer or terminate the contract in whole or in part; and
- (b) if applicable, claim damages from the tenderer.



## **(5) The Basket of Preference Goals**

(a.) The basket of preference goals as contained in the relevant legislation are listed hereunder and the Municipality is at liberty to apply specific goals in any combination format depending on their preference targets. Municipality may include in their policy specific goals as part of their tendering conditions.

### **(5.1.) Preference Goal 1**

#### **(5.1.1) Ownership as specific goal**

A maximum of 20 points (80/20 preference points system) or 10 (90/10) preference points system), may be allocated. Bidder may score preference points based on company ownership.

If the Municipality applies ownership as specific goal, the Municipality must advertise the tender with a specific tendering preferential procurement requirement that in order for a tenderer to claim 10 / 20 points for specific goals, a tendering company must have the following ownership:

- race, (Historically Disadvantaged Persons) or
- gender (Historically Disadvantaged Persons) or;
- disability (Historically Disadvantaged Persons).

Ownership verification may be conducted through the Companies and Intellectual Property Commission (CIPC and CSD report).

### **(5.2.) Preference Goal 2**

#### **(5.2.1.) RDP Goals**

Over and above the awarding of preference points in favour of HDIs, the following activities may be regarded as a contribution towards achieving the goals of the RDP (published in Government Gazette No. 16085 dated 23 November 1994):



- a. The promotion of South African owned enterprises;
- b. The promotion of export orientated production to create jobs;
- c. The promotion of SMMEs;
- d. The creation of new jobs or the intensification of labour absorption;
- e. The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province;
- f. The promotion of enterprises located in a specific region for work to be done or services to be rendered in that region;
- g. The promotion of enterprises located in a specific municipal area for work to be done or services to be rendered;
- h. The promotion of enterprises located in rural areas;
- i. The empowerment of the work force by standardising the level of skill and knowledge of workers;
- j. The development of human resources, including by assisting in tertiary and other advanced training programmes, in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills; and
- k. The upliftment of communities through, but not limited to, housing, transport, schools, infrastructure donations, and charity organizations.

The Municipality may also use other RDP goals identified in the Government Gazette No. 16085 dated 23 November 1994;

<https://www.gov.za/sites/default/files/governmentgazetteid16085.pdf>

### **(5.3.) Preference Goal 3**

#### **(5.3.1) Combinations of any other Goals**

The Municipality may also combine any specific goals above in a manner that will help them evaluate and apply preference points to tenders.

The SCM Manager or CFO or Accounting Officer or bid specification committee shall set appropriate Local Economic Development Targets in the form of Contract Participation Goals and or Targeted Procurement objectives which must form part of the invitation to tender, set as performance criteria within contracts, where appropriate, for the following target groups:

- (a) Priority population groups



- (b) Women
- (c) Youth
- (d) Disabled
- (e) Co-operatives
- (f) Military Veterans
- (g) Location of a Business Enterprise

Tender(s) received need to be evaluated in terms of the preference point system first. Once the highest points scorer has been ascertained only then the targeted procurement will be applied. Targeted Procurement will justify the award of tender to a tenderer with lower preference points score.

Targeted Procurement Criteria will be applied, where feasible, on a tender-by-tender basis.

In an event where a tender with the highest number of preference points score does not meet the targeted procurement criteria set for the specific tender, then the next responsive tender with a lower preference points score and who meets targeted procurement criteria must be considered for the award of a tender.

If the tendered price of the next responsive tender who meets the targeted procurement criteria is too high than that of a tender with a highest number of preference points score, the municipality must ensure that a cost effective price is derived through employing one of the following options through a negotiation process with the preferred bidder:

That the next responsive tender who meets targeted procurement criteria accepts the lowest responsive price of a tender that did not meet the targeted procurement criteria

OR

That the next responsive tender accepts a tender price that is market related as was determined by the Municipality through the budgeting process of the tender itself.

Where negotiations fail the Municipality reserves the right to cancel the tender or consider the highest scoring bid in terms of preference points scoring.

Address declared by the prospective bidder in the National Treasury Central Supplier Database (CSD) or in Emadlangeni Municipality Vendor Portal shall be used to determine the location of a business enterprise.

The preference points system is still to be used on the sale or letting of assets and in accordance with the disposals management section of this policy.



## **6. Criteria for breaking deadlock in scoring**

(6.1) If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.

(6.2) If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

## **(7.) Remedies**

(7.1) If an organ of state is of the view that a tenderer submitted false information regarding a specific goal, it must—

(a) inform the tenderer accordingly; and

(b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.

## **54. MANAGEMENT OF EXPANSION OR VARIATION OF ORDERS AGAINST THE ORIGINAL CONTRACT**

The Accounting Officer must as far as possible refrain from extending/expanding contracts and for allowing a variation orders as this increases risk, reflects possible flaws in planning and creates an uncompetitive environment that may possibly unfairly prejudice other possible vendors. Accounting Officer should only be grant extensions if it makes economic sense and provided that it can be justified in terms of fairness, equitableness, transparency, competitiveness and cost effectiveness.

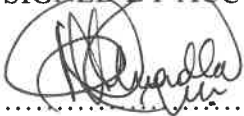


In order to mitigate such practices contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract. Furthermore, anything beyond the abovementioned thresholds must be reported to council or the board of directors

### **55. Municipal rates and services**

Where the recommended bidder's municipal rates and service are in arrears for more than 3 months, the bidder should be notified of their status and the bidder must be requested to settle their accounts within 7 working days and submit to the municipality or municipal entity, within 7 working days, a statement of their municipal account as proof or a letter that they have made an arrangement with the municipality to settle the outstanding account.

SIGNED BY ACCOUNTING OFFICER



.....  
GN MAVUNDLA

DATE: 23 May 2024

# EMADLANGENI LOCAL MUNICIPALITY



## BUDGET POLICY 2024-25





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## DEFINITIONS

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**“Accounting Officer”** –

- (a) Means the Municipal Manager;
- (b) A person appointed in terms of Section 82 (1) (a) or (b) of the Municipal Structure Act.

**“Allocation”** means-

- (a) A municipality’s share of the local government’s equitable share referred to in section 214(1) (a) if the Constitution;
- (b) An allocation of money to a municipality in terms of Section of 214 (1) (c) of the Constitution;
- (c) An allocation of money to a municipality in terms of a provincial budget; or
- (d) Any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

**“Annual Division of Revenue Act”** means the Act of Parliament, which must be enacted annually in terms of Section 214 (1) if the Constitution;

**“Approved budget”** means an annual budget-

- (a) Approved by a Municipal Council, or
- (b) Includes such an annual budget as revised by an adjustments budget in terms of Section 28 of the MFMA.

**“Basic Municipal Service”** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provides, would endanger public health or safety or the environment;

**“Budget-related Policy”** means a policy of a Municipality affecting or affected by the annual budget of the Municipality, including-

- (a) The tariffs policy, which the Municipality must adopt in terms of Section 74 of Local Government: Municipal Systems Act;
- (b) The rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- (c) The credit control and debt collection policy, which the municipality must adopt in terms of Section 96 of the Local Government: Municipal Systems Act;

**“Budget transfer”** means transfer of funding within a function /vote.

**“Budget Year”** means the financial year of the municipality for which an annual budget is to be approved in terms of section 16 (1) of the MFMA;

**“Chief Financial Officer”** means a person designated in terms of Section 80 (2) (a) of the MFMA;

**“Councillor”** means a member of a Municipal Council;

**“Creditor”** means a person to whom money is owed by the Municipality;

**“Current Year”** means the financial year, which has already commenced, but not yet ended;

**“Delegation”** in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

**“Financial Recovery Plan”** means a plan prepared in terms of Section 141 of the MFMA;

**“Financial Statements”** means statements consisting of least-

- (a) A statement of financial position;
- (b) A statement of financial performance;
- (c) A cash-flow statement;
- (d) Any other statements that may be prescribed; and
- (e) Any notes to these statements;

**“Financial Year”** means a twelve months period commencing on 1 July and ending on 30 June each year.

**“Financial Agreement”** includes any and agreement, lease, and instalment purchase contract or hire purchase arrangement under which a Municipality undertakes to repay a long-term debt over a period of time;

**“Fruitless and wasteful expenditure”** means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

**“Irregular expenditure”** means;-

- (a) Expenditure incurred by a Municipality or Municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of Section 107 of the MFMA;
- (b) Expenditure incurred by a Municipality or Municipal entity in contravention of, or that is not in accordance with, a requirement of the Local Government: Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) Expenditure incurred by a Municipality in contravention of, or that is not in accordance with, a requirement of the Public Office Bearer Act, 1998 (Act No. 20 of 1998); or
- (d) Expenditure incurred by a Municipality or Municipal Entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the Municipality or entity or any of the Municipality’s by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a Municipality which falls within the definition of “unauthorised expenditure”;

**“Investment”**, in relation to funds of a Municipality, means-

- (a) The placing on deposit of funds of a Municipality with a financial institution; or
- (b) The acquisition of assets with funds of a Municipality not immediately required, with the primary aim of preserving those funds;

**“Lender”**, means a person who provides debt finance to a Municipality;

**“Local community”** has the meaning assigned to it in Section 1 of Local Government: Municipal Systems Act;



**“Long-term debt”**, means debt repayable over a period exceeding one year;

**“Mayor”** means a councillor elected as the mayor or acting mayor of the Municipality in terms of Section 48 of the Municipal Structures Act;

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

**“Municipal Structures Act”** means the Local Government: Municipal Structures Act, 117 of 1998 as amended from time to time;

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 32 of 2000 as amended from time to time;

**“Municipal council”** or **“council”** means the council of a Municipality referred to in Section 18 of the Municipal Structures Act;

**“municipal debt instrument”** means any note, bond, debenture or other evidence of indebtedness issued by a Municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

**“Municipal entity”** has the meaning assigned to it in Section 1 of the Municipality Systems Act (refer to the MSA for definition);

**“Municipality”**-

- (a) When referred to as a corporate body, means a Municipality as described in Section 2 of the Municipal Systems Act; or
- (b) When referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

**“Municipal service”** has the meaning assigned to it in Section 1 of the Municipal Systems Act;

**“Municipal tariff”** means a tariff for services which a Municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

**“Municipal tax”** means the National Treasury established by Section 5 of the Public Finance Management Act;

**“Official”**, means-

- (a) An employee of a Municipality or Municipality entity;
- (b) A person seconded to a Municipality or Municipal entity to work as a member of staff of the Municipality or Municipal entity; or
- (c) A person contracted by a Municipality or Municipal entity to work as a member of the staff of the Municipality or Municipal entity otherwise than as an employee

**“Overspending”**-

- (a) Means causing the operational or capital expenditure incurred by the Municipality during a financial year to exceed the total amount appropriated in that year’s budget for its operational or capital expenditure as the case may be;
- (b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or



- (c) In relation to expenditure under Section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

**“Past financial year”** means the financial year preceding the current year;

**“Quarter”** means any of the following periods in a financial year;

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

**“Service delivery and budget implementation plan”** means a detailed plan approved by the mayor of a Municipality in terms of Section 53 (1) (c) (ii) of the MFMA for implementing the municipality’s delivery of municipal services and its annual budget, and which must indicate-

- (a) Projections for each month of-
  - (i) Revenue to be collected, by source; and
  - (ii) Operational and capital expenditure, by vote;
- (b) Service delivery targets and performance indicators for each quarter; and
- (c) Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of Section 54 (1) (c) of the MFMA;

**“Short-term debt”** means debt repayable over a period not exceeding one year;

**“Standards of generally recognised accounting practice”**, means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standard Board;

**“Unauthorised expenditure”**, means any expenditure incurred by a Municipality otherwise than in accordance with Section 15 or 11 (3) of the MFMA, and includes-

- (a) Overspending of the total amount appropriated in the municipality’s approved budget;
- (b) Overspending of the total amount appropriated for a vote in the approved budget;
- (c) Expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) Spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any conditions of the allocation; or
- (f) A grant by the Municipality otherwise than in accordance with the MFMA;

**“virement”** means transfer of funds between functions/votes

**“vote”** means-

- (a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the Municipality; and
- (b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned?



## **1. INTRODUCTION**

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, subsection 16, states that the Council of a Municipality must for each financial year approve an annual budget for the Municipality before commencement of that financial year. According to subsection 2 of the Act concerned, in order to comply with subsection 1, the Mayor of the Municipality must table the annual budget at a Council meeting at least ninety (90) days before the start of the budget year. This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a Municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework.

## **2. OBJECTIVE**

The objective of the budget policy is to set out:

- The principles which the Municipality will follow in preparing each medium term revenue and expenditure framework budget;
- The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence to Emadlangeni Local Municipality's IDP review and budget processes.

## **3. BUDGETING PRINCIPLES**

- The Municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.
- Expenses may only be incurred in terms of the approved annual budget (or adjustment budget) and within limits of the amounts of the amounts appropriated for each vote in the approved budget.
- Emadlangeni Local Municipality shall prepare a medium term revenue and expenditure framework (MTREF) and that be reviewed annually and approved by Council
- The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan (IDP).



## **4. BUDGET PREPARATION PROCESS**

### **(a) Formulation of the budget**

- (a) The Accounting Officer with the assistance of the Chief Financial Officer and the officer responsible for the IDP shall draft the IDP process plan as well as the budget timetable for the Municipality including Municipal entities for the ensuing financial year.
- (b) The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (ten (10) months before the start of the next budget year).
- (c) IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
- (d) The mayor shall convene a strategic workshop in September/October with Council and all senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality. The mayor shall table the IDP priorities with the draft budget to Council.
- (e) The mayor shall table the draft IDP and MTREF budget to Council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings, etc.)
- (f) The Chief Financial Officer and senior managers undertake the technical preparation of the budget.
- (g) The budget must be in the prescribed format, in terms of National Treasury's guidelines issued from time to time, and must be divided into capital and operating budget.
- (h) The budget must reflect the realistically expected revenues by major source for the budget year concerned;
- (i) The expenses reflected in the budget must be divided into items as prescribed by National Treasury;
- (j) The budget must also contain the information related to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

### **(b) Public participation process**

Immediately after the draft annual budget has been tabled, the Municipality must convene hearings on the draft budget in April and invite the public, stakeholder organisations, to



make representation at the council hearings and to submit comments in response to the draft budget.

**(c) Approval of the budget**

- (a) Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
- (b) The council resolution must contain budget policies and the performance measures must be adopted.
- (c) Should the Municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance in the Province that the budget has not been approved.
- (d) The budget tabled to Council for approval shall include the following documents;
- (e) Draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
- (f) Draft resolutions
- (g) Measurable performance objectives for each budget vote, taking into account the municipality's IDP;
- (h) The projected cash flows for the financial year by revenue sources and expenditure votes;
- (i) Any proposed amendments to the IDP;
- (j) Any proposed amendments to the budget-related policies;
- (k) The cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the accounting officer, the chief financial officer, and other senior managers;
- (l) Particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as Non-Governmental Organisations, welfare institutions and so on;
- (m) Particulars of the municipality's investments; and
- (n) Various information in regard to municipal entities under the shared or sole control of the municipality.

**(d) Publication of the budget**

- (a) Within 14 days after the draft annual budget has been tabled, the Director: Corporate Services must post the budget and other budget-related documentation onto the Municipal website so that it is accessible to the public as well as send hard copies to Auditor General's office, Local Government, District Municipality, National and Provincial Treasury;
- (b) The Chief Financial Officer must within 14 days submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the Municipal website.

**(e) Service Delivery and Budget Implementation Plan (SDBIP)**

- (a) The mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council



- (b) The SDBIP shall include the following components;
- i. Monthly projections of revenue to be collected for each source
  - ii. Monthly projections of expenditure (operating and capital) and revenue for each vote
  - iii. Quarterly projections of service delivery targets and performance indicators for each vote
  - iv. Ward information for expenditure and service delivery
  - v. Detailed capital works plan broken down by ward over three years.

## **5 CAPITAL BUDGET**

- (a) Expenditure of a project shall be included in the capital budget if it meets the asset definition i.e. if it results in an asset being acquired or created and its value exceeds R10 000 and has a useful life in excess of one year
- (b) Vehicle replacement shall be done in terms of Council's vehicle replacement policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.
- (c) A Municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- (d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- (e) Before approving a capital project, the Council must consider;
- i. The projected cost of the project over all the ensuing financial years until the project becomes operational,
  - ii. Future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- (a) Before approving the capital budget, the Council shall consider;
- i. The impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
  - ii. Depreciation of fixed assets.
  - iii. Maintenance of fixed assets, and
  - iv. Any other ordinary operational expenses associated with any item on such capital budget.
- (b) Council shall approve the annual or adjustment budget only if it has been properly balanced and funded
- (c) The capital expenditure shall be funded from the following sources;

### **Revenue or Surplus**

- If any project is to be financed from revenue this financing must be included in the
- Cash budget to raise sufficient cash for the expenditure.



- If the project is to be financed from surplus there must be sufficient cash available at the time of execution of the project.

### **External loans**

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

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

- (a) Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve shall be established from the following sources of revenue;
  - Inappropriate cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
  - Interest on the investments of the CRR, appropriated in terms of the investments policy;
  - Additional amounts appropriated as contributions in each annual or adjustment budget; and
  - Sale of land and profit or loss on the sale of assets
- (b) Before any asset can be financed from the CRR the financing must be available within the reserve and available as such as this fund must be cash backed;
- (c) If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;
- (d) Transfers to the CRR must be budgeted for in the cash budget.

### **Grant Funding**

- Non capital expenditure funded from grants
  - Must be budgeted for as part of the revenue budget
  - Expenditure must be reimbursed from the funding creditor and transferred to the operating and must be budgeted for as such.



- Capital expenditure must be budgeted for in the capital budget
- Interest earned on investments of Conditional Grant Funding shall be capitalised if the conditions state that that interest should accumulate in the fund. If there is no conditions stated the interest can then be allocated directly to the revenue accounts.
- Grant funding does not need to be cash backed but cash should be secured before spending can take place.

## **6 OPERATING BUDGET**

- (a) The Municipality shall budget in each annual and adjustment budget for the contribution to:
- i. Provision for accrued leave entitlements equal to 100% of the accrued leave
  - ii. Entitlement of officials as at 30 June of each financial year
  - iii. Provision for bad debts in accordance with its rates and tariffs policies
  - iv. Provision for the obsolescence and deterioration of stock in accordance with its stores management policy
  - v. Depreciation and finance charges shall be charged to or appointed only between the departments or votes to which the projects relate
  - vi. At least 5% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance.
- (b) When considering the draft annual budget, council shall consider the impact which the proposed increase in rates and service tariffs will have on the monthly municipal accounts of households
- (c) The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts
- (d) The operating budget shall reflect the impact of the capital components on;
- Depreciation charges
  - Repairs and maintenance expenses
  - Interest payable on external borrowings
  - Other operating expenses
- (e) The Chief Financial Officer shall ensure that the cost of indigence relief is separately reflected in the appropriate votes.

## **7 FUNDING OF CAPITAL AND OPERATING BUDGET**

- (a) The budget may be financed only from;
- i. Realistically expected revenues, based on current and previous collection levels;
  - ii. Cash-backed funds available from previous surpluses where such funds are not required for other purposes; and

- iii. Borrowed funds in respect of the capital budget only.

## **8 UNSPENT FUNDS/ROLL OVER OF BUDGET**

- (a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure
- (b) Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
- (c) Conditions of the grant fund shall be taken into account in applying for such rollover of funds
- (d) Application for rollover of funds shall be forwarded to the budget office by the 15<sup>th</sup> of April each year to be included in next year's budget for adoption by Council in May
- (e) Adjustments to the rolled over budget shall be done during the 1<sup>st</sup> budget adjustment in the new financial year after taking into account expenditure up to the end of the previous financial year.
- (f) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior to the end of that particular financial year
- (g) No unspent operating budget shall be rolled over to the next budget year

## **9 BUDGET TRANSFERS AND VIREMENTS**

- (a) Budget transfers within the same vote shall be recommended by the Senior Manager: Budget and Treasury and approved by the Chief Financial Officer or such other senior delegated official in the Budget and Treasury Department
- (b) No budget transfers or virement shall be made to or from salaries except with the prior approval of the Chief Financial Officer in consultation with the Director: Corporate Services
- (c) In cases of emergency situations virements shall be submitted by the Accounting Officer to the Mayor for authorisation and be reported by the Mayor to Council at its next meeting
- (d) The budget for personnel expenditure may not be increased without prior approval of the Chief Financial Officer
- (e) Savings on allocations earmarked for specific operating and capital projects may not be used for other purposes except with the approval of Council,
- (f) Directors may utilise a saving in the amount appropriated under a main expenditure category (e.g. salaries, general expenses, repairs & maintenance, etc.) within a vote which is under their control towards the defrayment of excess expenditure under another main expenditure category within the same vote, with the approval of the Chief Financial Officer or such senior delegated official in the Budget & Treasury Department
- (g) The amount of a saving under a main expenditure category of a vote that may be transferred to another main expenditure category may not exceed ten per cent of the amount appropriated under that main expenditure category
- (h) Savings in an amount appropriated for capital expenditure may not be used to defray operational expenditure



- (i) Virements between votes shall be included in the adjustment budget.

## **10 ADJUSTMENT BUDGET**

Each adjustment budget shall reflect realistic excess, however nominal of current revenues over expenses.

- (a) The Chief Financial Officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury, reflects the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget related policies and shall make recommendations to the Mayor on the revision of the IDP and the budget-related policies where these are indicated
- (b) Council may revise its annual budget by means of an adjustment budget at most three times a year or as regulated
- (c) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenue arises or is apparent
- (d) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with item 2 of Section 10.
- (e) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Mayor
- (f) The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council
- (g) Only the Mayor shall table an adjustment budget. Adjustment budget shall be done at most three times a year after the end of each quarter and be submitted to Council in the following months;
  - i. In October – to adjust funding rolled over from the previous financial year as well as to include additional funding that has become available from external sources;
  - ii. February – to take into account recommendations from the mid-year budget and performance report tabled to Council in January that affect the annual budget
  - iii. May – final budget adjustment to adjust current year’s budget in cases where there is an indication that there will be rolling over of funding to the next financial year
- (h) An adjustment budget must contain all of the following
  - i. An explanation of how the adjustments affect the approved annual budget
  - ii. Appropriate motivations for material adjustments; and
  - iii. An explanation of the impact of any increased spending on the current and future annual budgets.



- (i) Any unappropriated surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget, but shall be appropriated to the municipality's capital replacement reserve
- (j) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan
- (k) Unauthorised expenses may be authorised in an adjustment budget
- (l) In regard to unforeseen and unavoidable expenditure, the following shall apply;
  - i. The Mayor may authorise such expense in an emergency or other exceptional circumstances
  - ii. The municipality may not exceed 3% of the approved annual budget in respect of such unforeseen and unavoidable expenses
  - iii. These expenses must be reported by the Mayor to the next Council meeting
  - iv. The expenses must be appropriated in an adjustment budget and
  - v. Council must pass the adjustments budget within sixty (60) days after the expenses were incurred

## **11 BUDGET IMPLEMENTATION**

### **11.1 Monitoring**

- (a) The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that;
  - funds are spent in accordance with the budget
  - expenses are reduced if expected revenues are less than projected and
  - revenues and expenses are properly monitored.
- (b) The Accounting Officer with the assistance of the Chief Financial Officer must prepare any adjustments budget when such budget is necessary and submit it to the Mayor for consideration and tabling to Council
- (c) The Accounting Officer must report in writing to Council any impending shortfalls in the annual revenue budget, as well as any impending overspending together with the steps taken to prevent or rectify these problems.

### **11.2 REPORTING**

#### **11.2.1 Monthly budget statements**

- (a) The Accounting Officer with the assistance of the Chief Financial Officer must not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- i. Actual revenues per source, compared with budgeted revenues;



- ii. Actual expenses per vote, compared with budgeted expenses;
- iii. Actual capital expenditure per vote, compared with budgeted expenses;
- iv. Actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- v. The amount of allocations received, compared with the budgeted amount;
- vi. Actual expenses against allocations, but excluding expenses in respect of the equitable share;
- vii. Explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- viii. The remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- ix. Projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

(b) The report to the National Treasury must be both in electronic format and in a signed written document.

### **11.2.2 Quarterly Reports**

(a) The Mayor must submit to Council within thirty (30) days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the Municipality.

### **11.2.3 Mid-year budget and performance assessment**

- (a) The Accounting Officer must assess the budgetary performance of the Municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the Municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- (b) The Accounting Officer must then submit a report on such assessment to the Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- (c) The Accounting Officer may in such report make recommendations after considering the recommendation the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan

## **12 CONCLUSION**

The Director: Corporate Services must place on the Municipality's official website the following:

- The annual and adjustment budgets and all budget-related documents
- All budget-related policies;
- The integrated development plan;
- The annual report;
- All performance agreements;
- All service delivery agreements;

- All long-term borrowing contracts; and
- All quarterly and mid-year reports submitted the Council on the implementation of the budget and the financial state of affairs of the Municipality.

SIGNED BY ACCOUNTING OFFICER

A handwritten signature in black ink, appearing to read 'GN MAVUNDLA', is written over a horizontal dotted line. The signature is somewhat stylized and overlaps the line.

GN MAVUNDLA

DATE: 23 May 2024



# **EMADLANGENI LOCAL MUNICIPALITY**



## **BORROWING POLICY**

**2024/25**

A handwritten signature in black ink, consisting of a stylized, cursive script.

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## DEFINITIONS

In this policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance management Act, 2003 (Act no. 6 of 2003) and / or other related legislation/regulations has the same meaning as in that Act.

- **Accounting Officer** Means the Municipal manager and vice versa.
- **Act** Means the Local government: Municipal Finance Management Act, 2003 (Act No 56 of 2003).
- **Chief Financial Officer** Means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the Municipality.
- **Council or Municipality** Means the Municipal Council or Emadlangeni Municipality as referred to in Section 18 of the Municipal Structures Act.
- **Creditor** In relation to a Municipality, means any person or service provider to whom money is owed by the Municipality.
- **Debt** \_ a monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities;  
\_ a contingent liability such as that created by guaranteeing a monetary liability or obligation of another.
- **Delegate** Means an official/person delegated to perform tasks on behalf of another person.
- **Financial Statement** Means statements consisting of at least
  - \_ A balance sheet (statement of financial position)
  - \_ An income statement (statement of financial performance)
  - \_ A cash-flow statement
  - \_ Any other statements that may be prescribed
  - \_ Any notes to these statements.
- **Financial Year** Means a year ending 30 June.
- **Financing Agreement** Means any long-term agreement, lease, and installment purchase contract or hire purchase agreement under which the Municipality undertakes to pay the capital cost of property, plant or equipment over a period of time.
- **Lender** In relation to a Municipality means a person or service provider who provides debt finance to a Municipality.
- **Long Term Debt** Means debt, which is repayable over a period exceeding 12 months.
- **Municipal Debt Instrument** Means any note, bond, debenture or other evidence of indebtedness issued by a Municipality, including virtual or electronic evidence of indebtedness intended to be used in raising debt.
- **Security** Means a lien, pledge, mortgage, cession or other form of collateral intended to secure the interest of a creditor.
- **Short Term Debt** Means a debt, which is repayable over a period not exceeding 12 months.

## 1. INTRODUCTION AND BACKGROUND

The Municipality may only incur debt in terms of the Municipal finance management act, Act No 56 of 2003. The Municipality may incur two types of debt, namely short-term and long term debt.

### 1.1 Short Term Debt

The Municipality may incur short-term debt only when necessary to bridge:

- a) Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistically anticipated income to be received within that financial year.
- b) Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

The Municipality:

- a) Must pay off short term debt within a financial year
- b) May not renew or refinance its short-term debt.

### 1.2 Long Term Debt

The Municipality may incur long-term debt for purposes of financing its long-term strategic objectives, as outlined in the Constitution of the Republic of South Africa, Act No 108 of 1996, and Chapter 7 on Local Government, to:

- a) Provide democratic and accountable government for local communities.
- b) Ensure the provision of services to communities in a sustainable manner.
- c) Promote social and economic development.
- d) Promote a safe and healthy environment
- e) Encourage the involvement of communities and community organizations in the matters of local government.

## 2. SCOPE AND APPLICATION

This policy governs the taking up of new loans, as well as the maintenance and redemption of existing loans. It specifically applies to:

- a) Conditions under which Municipal debt maybe incurred.
- b) Security.
- c) Approvals.
- d) Internal Controls.
- e) Reporting and monitoring Procedures.
- f) Financial Viability.

## 3. OBJECTIVES

The objectives of this policy are to:

- a) Ensure compliance with the relevant legal and statutory requirements relating to Municipal borrowing.
- b) Record the circumstances under which the Municipality may incur debt.
- c) Describe the conditions that must be adhered to by the Accounting Officer or his/her delegate when a loan application is submitted to Council for approval.
- d) Set out the internal control measures applicable to the maintenance and redemption of loans.
- e) Ensure timeous reporting on the loans register as required by the act and in accordance with Generally Recognized Accounting Practice.

f) Record the key performance indicators to ensure access to the money markets.

#### 4. CONDITIONS UNDER WHICH MUNICIPAL DEBT MAYBE INCURRED

##### 4.1 Statutory Conditions

The Municipality may incur debt, provided that:

- a) The debt is denominated in Rand and is not indexed to, or affected by fluctuations in the value of the Rand to other currencies (Section 47 (a) of the Act).
- b) The debt is approved by resolution of Council, signed by the Executive Mayor, and the Accounting officer has signed the agreement or other document, which creates or acknowledges the debt (Section 46 (2) of the Act).
- c) The Accounting Officer has, at least 21 days prior to the meeting of the Council at which the resolution is to be considered, published a notice in a newspaper of general circulation.
  - \_ Stating particulars of the draft resolution, including the amount of the loan, the purpose of the loan to be incurred and the particulars of any security to be provided (Section 46(3) (a) (i) of the Act).
  - \_ Inviting the public to submit written representations to the Council in respect of the draft resolution (section 46(3) (a) (ii) of the Act).
- d) The Accounting Officer has, prior to the adoption of the resolution, submitted an information statement to the Council setting out the purpose for which the debt is to be incurred, the anticipated total cost of credit over the repayment period, the essential repayment terms and particulars of any securities to be provided (Section 46(3)(b) of the Act).
- e) The relevant resolution was adopted at a meeting of the Council, which was open to the Public.
- f) Where Security is to be provided, the provisions of Section 6 below have been compiled with (Section 47(b) of the Act).

##### 4.2 Administrative Conditions

- a) To obtain Council's approval for a bank overdraft, call bond or short-term loan, the Accounting Officer or his/her delegate must submit:
  - \_ A cash flow statement indicating the anticipated shortfalls and anticipated further income streams that will repay the short-term debt.
  - \_ Monthly cash-flow reports indicating progress towards the repayment of the bank overdraft, call bond or short-term loan.
- b) To obtain Council's approval for a long term loan, the Accounting Officer or his/her delegate must submit:
  - \_ The Bid committee's recommendation after having obtained and evaluated quotations from at least three financial institutions stating the loan period (repayment period), comparable interest rates and administrative costs.
  - \_ An operating budget reflecting the effect of the anticipated depreciation of the envisaged asset to be financed and / or capital costs on service charges.
  - \_ Statements from the financial institutions that the proposed instruments are in line with national legislation.

#### 5. SECURITY

- a) The Municipality may, by a resolution of the Council, authorize security to be provided for any of its debt obligations.
- b) Without contravening the above point, the municipality when incurring debt may:

- \_ Undertake to maintain revenues or specific charges, fees, tariffs or funds at a particular level or at a level sufficient to meet its obligations arising from that debt.
- \_ Undertake to effect payment directly from monies or sources that may become available and authorize direct access to such sources to ensure payment of those obligations.
- \_ Undertake to make provision in its budget for the payment of those obligations, including capital and interest.
- \_ Undertake to deposit funds with the lender or a third party as security for the debt.
- \_ Agree to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders, including payments into special purpose fund/accounts or other payment mechanisms/procedures.
- \_ Cede as security any category of revenue or rights to future revenue specified in the financing agreement or information statement contemplated in 5.1 (d) above.
- \_ Undertake to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms.
- \_ Agree to restrictions on debt, which the Municipality may want to incur in future.
- \_ Agree to such other arrangements, as the Municipality may consider necessary and prudent.
- c) A Council resolution authorizing the giving of security as referred to in Security (a):\_ must determine whether the asset or right with respect to which the security is given, is necessary for providing a minimum essential municipal service.
- \_ if so must indicate the manner in which the availability of the asset or right for the provision of that service will be protected.
- d) If the resolution has determined that the asset or right is necessary for providing a minimum essential, the lender to whom the Municipal security is given, may not, in the event of a default by the Municipality, deal with the asset or right in the manner that would preclude or impede the continuation of the minimum essential municipal service.
- e) A determination in terms of Security (c) that an asset or right is not necessary for providing a minimum essential municipal service is binding on the Municipality until the secured debt has been paid in full.

## 6. APPROVAL

- a) Once Council approves the loan, the Accounting Officer has to enter into an agreement with the recommended financial institution on behalf of Council. The Chief Financial Officer must ensure that the terms and conditions are as originally agreed before the Council is committed.
- b) All municipal loan commitments must be recorded in a Loans Register reflecting at a minimum the:
  - I. Loan number
  - II. Type of loan
  - III. Financial institution
  - IV. Date issued
  - V. Purpose of the loan
  - VI. Loan period
  - VII. Interest rate
  - VIII. Installments (capital and interest)
  - IX. Due dates (quarterly/ half yearly / yearly)
  - X. Security
  - XI. Final redemption date
  - XII. Opening balance at the beginning of the financial year
  - XIII. Amounts received during the financial year
  - XIV. Capital amounts redeemed during the financial year
  - XV. Closing balance at the end of the financial year.

- c) Sufficient provision must be made in the budget to depreciate assets linked to the loan.

## **7. INTERNAL CONTROL OVER BORROWINGS**

### **7.1 Draw down claims on loans**

Regular claims must be prepared, signed and submitted for processing to the financing institution providing the loan facility.

The following supporting documents must be attached to each drawdown claim:

- a) Signed copy of certified statement, signed to be an authorized representative of the municipality.
- b) Signed copy of Application for loan draw-down, signed by an authorized representative of the Municipality.
- c) Expenditure summary listing the expenditure being claimed.

### **7.2 Repayment made on loans**

Loans are paid at the end of each quarter, being September, December, March and June. Payments are made in terms of the amortization schedules or notices from the financing institution for the respective loans due for repayments.

The following supporting documents must be attached to each loan repayment.

- a) Signed copy of cheque requisition
- b) Copy of amortization schedule or notice from financing institution detailing the capital and interest amounts due and payable.

### **7.3 Reconciliation's between General Ledger / Loans Register and Financing Institutions**

The following reconciliation are performed between the Loans register, statements/ Amortization schedules of financing institutions and the General Ledger and are examined by a senior official under the direction of the Chief Financial Officer:

- a) Loans register to general ledger on a monthly basis.
- b) Capital redemption per the General ledger to the redemptions schedule on a monthly basis.
- c) Interest paid per the general ledger to the interest schedule on a monthly basis.

### **7.4 Documentation kept on record**

The following loan documentation and certificates, at a minimum, must be safeguarded at all times:

- a) Loan agreements
- b) Any applicable security agreements
- c) Copy of annual loans register
- d) Signed copies of monthly reconciliations
- e) Copies of all repayments made
- f) Copies of amortization schedules
- g) Copies of quarterly National Treasury returns.



## 8. REPORTING AND MONITORING PROCEDURES

Regular reporting mechanisms shall be put in place in order to assess the overall standing of the Municipality's borrowings and to ensure that the current borrowings comply with policy objectives, guidelines, applicable legislation and regulations.

As a minimum, the following reports shall be prepared:

### 8.1 For Internal Treasury Management

- a) A monthly schedule of loans detailing each loan.
- b) A monthly reconciliation of all interest / capital repaid and capital received.

### 8.2 For the Executive Mayor and Council

A monthly report, within 10 working days of each month, on the borrowing portfolio to the Executive Mayor and thereafter to the Finance Portfolio Committee for information, detailing:

- a) Date issued.
- b) Interest rate.
- c) Loan number.
- d) Reference number.
- e) Redemption date.
- f) Institution funding source.
- g) Opening balance at the beginning of the financial year.
- h) Amounts received during the financial year.
- i) Capital amounts redeemed during the financial year.
- j) Closing balance at the end of the financial year.

### 8.3 For External Parties .

- a) A schedule of the Municipality's borrowings must be published as part of the annual financial statements.
- b) Any information to be submitted to the financing institutions and or security provider / guarantors as and when required.

## 9. FINANCIAL VIABILITY

- a) The Accounting Officer or his / her delegate must ensure that the Municipality is financially viable and will be able to access the capital market. A report in this regard must be submitted to council after the completion of the financial statements at the end of every financial year.
- b) The Chief Financial Officer must complete a financial analysis of at least the following ratios and the achievement of the following targets / norms must be included in the report:

### i. Percentage of Total Debt to Assets

$$A = B/C \times 100;$$

Where

A = Percentage debt in relation to assets,

B = (Long term Liabilities + Current Portion of Long term liabilities)

C= Total assets

Target = Less than 10% (Note: End March 2012 =?? %)



**ii. Percentage of Debt to Revenue**

$$A = B/C \times 100;$$

Where

A = Percentage debt in relation to Revenue,

B = (Long term Liabilities + Current Portion of Long term liabilities)

C= (Total income for the year – Operating Government Grants)

Target = Less than 35% of Revenue (Note: End March 2012 =?? %)

**iii. Percentage of capital Charges to Operating Expenditure**

$$A = B/C \times 100;$$

Where

A = Percentage capital charges in relation to Operating expenditure

B = Capital charges

C= Operating expenditure

Target = Less than 16% (Note: End March 2012 =?? %)

**iv. Percentage of Interest Paid to Operating Expenditure**

$$A = B/C \times 100;$$

Where

A = Percentage Interest paid in relation to Operating Expenditure

B = Interest paid

C= Operating expenditure

Target = Less than 5% (Note: End March 2012 =?? %)

**v. Percentage of Total Debt to Equity**

$$A = B/C \times 100;$$

Where

A = Percentage debt in relation to Equity

B = (Long-term Liabilities + Current Portion of long term Liabilities)

C= Funds and Reserves

Target = Less than 10% (Note: End March 2012 =?? %)

**vi. Gearing**

$$A = B/C \times 100;$$

Where

A = Ratio of Equity in relation to Long term Debt

B = Funds and Reserves

C= (Long-term Liabilities + Current Portion of Long Term Liabilities)

Target = Less than 25% (Note: End March 2012 =?? %)

**vii. Current Ratio**

$$A = B/C \times 100;$$

Where

A = Ratio of Current Assets in relation to Current Liabilities

B = Current Assets

C = Current Liabilities

Norm = better than 2:1 (Note: End March 2012 =??)

### viii. Liquid Ratio

$A = B/C \times 100$ ;

Where

A = Ratio of Cash Assets in relation to Current Liabilities

B = Cash Assets (e.g. Call deposits, Cash, Bank)

C = Current Liabilities

Norm = At least 1.5: 1 (Note: End March 2012 =??)

### ix. Percentage of Outstanding debtors to revenue

$A = B/C \times 100$ ;

Where

A = Percentage Outstanding debtors in relation to Revenue

B = (Consumer debtor + other debtors – Current portion of long term receivables)

C = Total Income for the year

Target = less than 18% (Note End march 2012 =?? %)

### x. Percentage of Personnel Cost to Operating Income

$A = B/C \times 100$ ;

Where

A = Percentage of personnel cost in relation to Operating income

B = Personnel Cost

C = Operating Income

Norm = less than 30% of Operating income

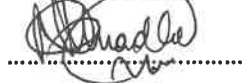
(Note: End March 2012 =??%)

c) The Accounting officer must indicate the steps to be taken in order to address deviations from the set targets and / or any other action required to ensure access to the capital market on a continuous basis.

## 10. ANNUAL REVIEW OF POLICY

This policy will be reviewed regularly or when so requires by changes to Legislation. Any Changes to this policy must be adopted by Council and be consistent with the Act and any National treasury regulations.

SIGNED BY ACCOUNTING OFFICER



GN MAVUNDLA

DATE 23 May 2024

**EMADLANGENI  
MUNICIPALITY**



**CASH AND  
INVESTMENT  
MANAGEMENT  
POLICY  
2024/2025**

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## **Preamble**

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

A paraphrase of the provisions of this Act is attached as Annexure I to this policy.

## **Objectives**

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

The Council therefore has a responsibility to invest these public revenues, knowledgeably and judiciously, and must be able to account fully to the community in regard to such investments.

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

## **Definitions**

- In this policy a word or phrase to which a meaning has been assigned in Section 1.0 on definitions has that meaning, unless the context otherwise indicates.

## **Effective Cash Management**

- Cash Collections

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

The respective responsibilities of the Chief Financial Officer and other Heads of Departments in this regard are defined in a Code of Municipal Practice approved by the



Municipal Manager and the Chief Financial Officer, and this Code of Practice is attached as Annexure II to this Policy.

The unremitting support of and commitment to the Municipality's Credit Control Policy, both by the Council and the Municipality's Officials, is an integral part of proper cash collections, and by approving the present policy the Council pledges itself to such support and commitment.

- Payments to Creditors

The Chief Financial Officer shall ensure that all tenders and quotations invited by and contracts entered into by the Municipality stipulate payment terms favorable to the Municipality, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by the Municipality. This rule shall be departed from only where there

are financial incentives for the Municipality to effect either payment, and the Chief Financial Officer shall approve any such departure before any payment is made.

In the case of Small, Micro and Medium enterprises, where such a policy may cause financial hardship to the contractor, payment may be effected at the conclusion of the month during which the service is rendered or within fourteen days of the date of such service being rendered, whichever is the later. The Chief Financial Officer shall approve any such early payment before any payment is made.

Notwithstanding the foregoing policy directives, the Chief Financial officer shall make full use of any extended terms of payment offered by suppliers and not settle any accounts earlier than such extended due date, except if the Chief Financial officer determines that there are financial incentives for the municipality to do so.

The Chief Financial Officer shall not process payments, for accounts received, more than four times in each calendar month. Wherever possible, payments shall be effected by means of electronic transfers rather than by cheques.

Special payments to creditors shall only be made with the express approval of the Chief Financial Officer, who shall be satisfied that there are compelling reasons for making such payments prior to the normal payment periods.

- a) Cash Management Programme

The Chief Financial Officer shall prepare an annual estimate of the Municipality's cash flows divided into calendar months, and shall update this estimate on a weekly basis. The estimate shall indicate when and for what periods and amounts surplus revenues



may be invested, when and for what amounts investments will have to be liquidated, and when – if applicable – either long-term or short-term debt must be incurred. Heads of Departments shall in this regard furnish the Chief Financial Officer with all such information as is required, timeously and in the format indicated.

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

### **Investment Ethics**

The Chief Financial Officer shall be responsible for investing the surplus revenues of the Municipality, and shall manage such investments in consultation with the Finance Committee or Council as the case may be, and in compliance with any policy directives formulated by the Council and prescriptions made by the Minister of Finance.

In making such investments the Chief Financial Officer, shall at all times have only the best considerations of the municipality in mind, and, except for the outcome of the consultation process with the Finance Committee, as the case may be, shall not accede to any influence by or interference from Councilors, investment agents or institutions or any other outside parties.

Neither the Chief Financial Officer nor the Chairperson of the Finance Committee, may accept any gift, other than an item having such negligible value that it cannot possibly be construed as anything other than a token of goodwill by the donor, from any investment agent or institution or any party with which the Municipality has made or may potentially make an investment.

### **Investment Principles**

#### a) Limiting Exposure

Where large sums of money are available for investment the Chief Financial Officer shall ensure that they are invested with more than one institution, wherever practicable, in order to limit the risk exposure of the municipality. The Chief Financial Officer shall further ensure that, as far as it is practically and legally possible, the municipality's



investments are so distributed that more than one investment category is covered (that is, call, money market and fixed deposits).

b) Risk and Return

Although the objective of the Chief Financial Officer in making investments on behalf of the Municipality shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved in regard to both the financial institution and the investment instrument concerned. No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions. Deposits shall be made only with registered deposit-taking institutions (see 5.4 below).

c) Call Deposits and Fixed Deposits

Before making any call or fixed deposits, the Chief Financial Officer, shall obtain quotations from at least three financial institutions.

Given the volatility of the money market, the Chief Financial Officer, shall, whenever necessary, request quotations telephonically, and shall record in an appropriate register the name of the institution, the name of the person contacted, and the relevant terms and rates offered by such institution, as well as any other information which may be relevant (for example, whether the interest is payable monthly or only on maturity, and so forth). However, special consideration shall be given to the cost benefit and convenience of linking the Primary bank account and the call accounts, for investments cash banking conditional grants. From time to time funds should be available immediately. In those instances, three quotations are not applicable.

Once the best investment terms have been identified, written confirmation of the telephonic quotation must be immediately obtained (by facsimile, e-mail or any other expedient means).

Any monies paid over to the investing institution in terms of the agreed investment (other than monies paid over in terms of part 7 below) shall be paid over only to such institution itself and not to any agent or third party. Once the investment has been made, the Chief Financial Officer shall ensure that the

municipality receives a property determined receipt of certificate for such investment, issued by the institution concerned in the name of the municipality.



d) Restriction on Tenure of Investments

No investments with a tenure exceeding twelve months shall be made without the prior approval of the Council.

### **Control Over Investments**

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

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

The Chief Financial Officer shall ensure that all investment documents and certificates are properly secured in a fireproof safe with segregated control over the access to such safe, or are otherwise lodged for safekeeping with the Municipality's bankers or attorneys.

### **Other External Investments**

From time to time it may be in the best interests of the Municipality to make longer-term investments in secure stock issued by the National Government, Eskom or any other reputable parastatal or institution, or by another reputable Municipality. In such cases the Chief Financial Officer, must be guided by the best rates of interests pertaining to the specific type of investment, which the Municipality requires, and to the best and most secure instrument available at the time.

No investment with a tenure exceeding twelve months shall be made without the prior approval of the Executive Mayor or Executive Committee, as the case may be, and without guidance having been sought from the Municipality's bankers or other credible investment advisers on the security and financial implications of the investment concerned.





### **Banking Arrangements**

The Accounting Officer is responsible for the management of the Municipality's bank accounts, but may delegate this function to the Chief Financial Officer. The Accounting Officer and Chief Financial Officer are authorized at all times to sign cheques and any other documentation associated with the management of such accounts. The Accounting Officer, in consultation with the Chief Financial Officer, is authorised to appoint two or more additional signatories in respect of such accounts, and to amend such appointments from time to time. The list of current signatories shall be reported to the Executive Committee or the Executive Mayor, as the case may be, on a monthly basis, as part of the report dealing with the Municipality's investments.

The Accounting Officer shall invite tenders for the placing of the Municipality's bank accounts within six months after the election of each new Council, such new banking arrangements to take effect from the first day of the

ensuing financial year. However, such tenders may be invited at any earlier stage, if the Municipal Manager, in consultation with the Chief Financial Officer, is of the opinion that the services offered by the Municipality's current bankers are materially defective, or not cost-effective, and the Council, agrees to the invitation of such tenders.

### **Raising of Debt**

The Accounting Officer is responsible for the debt, but may delegate this function to the Chief Financial Officer, who shall then manage this responsibility in consultation with the Accounting Officer. All debt shall be raised in strict compliance with the requirements of the Municipal Finance Management Act 2003, and only with the prior approval of the Council. Long-term debt shall be raised only to the extent that such debt is provided for as a source of necessary finance in the capital component of the approved annual budget or adjustments budget.

Short-term debt shall be raised only when it is unavoidable to do in terms of cash requirements, whether for the capital or operating budgets or to settle any other obligations, and provided the need for such short-term debt, both as to extent and duration, is clearly indicated in the cash flow estimates prepared by the Chief Financial Officer. Short-term debt shall be raised only to anticipate a certain long-term debt agreement or a certain inflow of operating revenues.

### **Investments for the Redemption of Long-Term Liabilities**

In managing the Municipality's investments, the Chief Financial officer shall ensure that, whenever a long-term (non-annuity) loan is raised by the Municipality, an amount



is invested at least annually equal to the principal sum divided by the period of the loan. Such investment shall be made against the bank account maintained for the external finance fund, and shall be accumulated and used only for the redemption of such loan on due date. The Council shall approve the making of such investment at the time that the loan itself is approved.

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

### **Interest on Investments**

The interest accrued on all the Municipality's investments shall, in compliance with the requirements of generally accepted municipal accounting practice, be recorded in the first instance in the Municipality's operating account as ordinary operating revenues, and shall thereafter be appropriated, at the end of each month, to the fund or account in respect of which such investment was made.

In the case of the external finance fund, the Chief Financial Officer may reduce the amount which must be annually invested to redeem any particular loan by the amount of interest so accrued.

If the accrual of interest to the external finance fund, unutilized capital receipts and trust funds results in a surplus to the resources required in respect of such funds or accounts, such surplus amount shall be credited by the Chief Financial Officer to the appropriation account and expropriated to the asset financing reserve.

**Annexure I: Paraphrase of Requirements of Municipal Finance Management Acts No 56 of 2003** Note: In terms of Section 60(2) of the Municipal Systems Act No 32 of 2000 the Council may delegate the authority to take decisions making investments on behalf of the Municipality only to the Chief Financial Officer. The foregoing policy is based on the assumption that such authority has been delegated to the Chief Financial Officer.



## **Opening of Bank Accounts**

Every Municipality must open and maintain at least one bank account. This bank account must be in the name of the Municipality, and all monies received by the Municipality must be paid into this bank account or accounts, promptly and in accordance with any requirements that may be prescribed.

A Municipality may not open a bank account:

- Otherwise than in the name of the Municipality;
- Abroad; or
- With an institution not registered as a bank in terms of the Banks Act 1990.

Money may be withdrawn from the Municipality's bank account only in accordance with the requirements of Section 11 of the present Act.

## **Primary Bank Account**

Every Municipality must have a primary bank account, and if the Municipality has only one bank account that account is its primary bank account. If the Municipality has more than one bank account, it must designate one of those bank accounts as its primary bank account.

The following must be paid into the Municipality's primary account:

- All allocations to the Municipality;
- All income received by the Municipality on its investments;
- All income received by the Municipality in connection with its interest in any Municipality entity;
- All money collected by a municipal entity or other external mechanism on behalf of the Municipality; and
- Any other monies as may be prescribed.

The Accounting Officer of the Municipality must submit to the National Treasury the Provincial Treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the Municipality is held, and the type and number of the account. If the Municipality wants to change its primary bank account, it may do so only after the Accounting Officer has informed the National Treasury and the Auditor-General, in writing, at least 30 days before making such change.

## **Bank Account Details to be Submitted to Provincial Treasury and Auditor-General**

The Accounting Officer of the Municipality must submit to the Provincial Treasury and to the Auditor-General, in writing, within 90 days after the Municipality has opened a



new bank account, the name of the bank where the account has been opened, and the type and number

of the account; and annually, before the start of each financial year, the name of each bank where the Municipality holds a bank account, and the type and number of each account.

### **Control of Municipal Bank Accounts**

The Accounting Officer of the Municipality must administer all the Municipality's bank accounts, is accountable to the Municipal Council for the Municipality's bank accounts and must enforce compliance with Sections 7, 8 and 11 of the present Act.

### **Withdrawals from Municipal Bank Accounts**

Only the Accounting Officer or the Chief Financial Officer of the Municipality (presumably where this power has been appropriately delegated), or any other Senior Finance Official of the Municipality acting on the written authority of the Accounting Officer, may withdraw money or authorize the withdrawal of money from any of the Municipality's bank accounts. Such withdrawals may be made only to:

- defray expenditure appropriated in terms of an approval budget;
- defray expenditure authorized in terms of Section 26(4) (this Section deals with situations in which the budget was not timeously approved, and the Province has been compelled to intervene);
- defray unforeseeable and unavoidable expenditure authorized in terms of Section 29(1);
- in the case of a bank account opened in terms of Section 12, make payments from the account in accordance with Section 12(4);
- pay over to a person or organ of state money received by the Municipality on behalf of such person or organ of state, including money collected by the Municipality on behalf of such person or organ of state by agreement, or any insurance or other payments received by the Municipality for such person or organ of state;
- refund money incorrectly paid into a bank account;
- refund guarantees, sureties and security deposits;
- make investments for cash management purposes in accordance with Section 13;
- defray increased expenditure in terms of Section 31; or
- for such other purposes as may be prescribed.



(Note that Section 11(1) does not expressly provide for the withdrawal of monies to pay creditors, where the relevant obligations arose in terms of the previous budget; to repay loans; or to repay consumer deposits).

Any authorization to a Senior Finance Official to withdraw money or to authorize the withdrawal of money from a bank account must be in accordance with the framework as may be prescribed. The Accounting Officer may not authorize any official other than the Chief Financial Officer to withdraw money or to authorize the withdrawal of money from the Municipality's primary bank account if the Municipality has a primary bank account, which is separate from its other bank accounts.

### **Relief, Charitable, Trust or Other Funds**

No political structure or office bearer of the Municipality may set up a relief, charitable, trust or other fund of whatever description, except in the name of the Municipality. Only the Municipal Manager may be the Accounting Officer of any such fund.

A Municipality may open a separate bank account in the name of the Municipality for the purpose of such relief, charitable, trust or other fund. Money received by the Municipality for the purpose of such fund must be paid into the bank account of the Municipality, or if a separate bank account has been opened for such fund, into that account.

Money in a separate account opened for such fund may be withdrawn from the account without appropriation in terms of the approved budget, but only by or on the written authority of the Accounting Officer, acting in accordance with decisions of the Council, and for the purpose for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

Such relief, charitable, trust or other funds may not be funded from the equitable shares and should not be managed as a grant-in-aid fund managed in terms of Section 67 of the Municipal Finance Management Act.



**Cash Management and Investments**

The Minister, acting with the concurrence of the cabinet member responsible for local government, may prescribe a framework within which municipalities must conduct their cash management and investments, and invest money not immediately required.

A Municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be so prescribed.

A bank where the Municipality at the end of financial year holds a bank account, or held a bank account at any time during such financial year, must, within 30 days after the end of such financial year, notify the Auditor-General, in writing, of such bank account, indicating the type and number of the account, and the opening and closing balances of that financial year. The bank must also promptly disclose any information regarding the account when so requested by the National Treasury or the Auditor-General.

A bank, insurance company or other financial institution which at the end of the financial year holds, or at any time during the financial year held, an investment for the Municipality, must within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year. Such institution must also promptly disclose any information regarding the investment when so requested by the National Treasury or the Auditor-General.

SIGNED BY ACCOUNTING OFFICER



GN MAVUNDLA

DATE: 23 May 2024

# EMADLANGENI MUNICIPALITY



## RATES POLICY 2024-25

**Approved and adopted by council on 23 May 2024**

A handwritten signature in black ink, consisting of a stylized 'A' followed by a cursive flourish.

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**RATES POLICY DOCUMENT**

**PART ONE: PREAMBLE**

**WHEREAS:**

In terms of section 229(1) of the Constitution of the Republic of South Africa (Act 108 of 1996), the municipality has the power to levy rates on property in its area.

The Municipality must, in accordance with the provision of section 3 of the Local Government: Municipal Property Rates Act (Act 6 of 2004) and Section 62 of the Local Government: Municipal Finance Management Act 56 of 2003, the municipality should adopt and implement a rates policy on the levying of rates on rateable properties.

The Council of the Emadlangeni Municipality has resolved to levy rates on the market value of all rateable properties in its area of jurisdiction, as reflected in its property register compiled in terms of section 23 of the Municipal Property Rates Act 2004 (Act No. 6 of 2004), in order to provide a reliable source of revenue to provide basic services and perform its functions.

## **PART TWO: DEFINITIONS**

Any words and phrases referred to in this policy shall have the same meaning and interpretation assigned in terms of the Municipal Property rates Act 6 of 2004 (“the Act”) and for this purpose lists hereunder the definitions used in the Act.

In this Act, unless the context indicates otherwise –

“**Act**”, means Local Government: Municipal property Rates Act, No.6 of 2004

“**Agent**”, in relation to the owner of a property, means a person appointed by the owner of the property –

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner’

“**agricultural property**”, means property that is used primarily for agricultural purpose but without derogating from section 9 of the MPRA, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game;

“**Annually**” means once every financial year;

“**Appeal board**” means a valuation appeal board established in terms of section 56 of the Act;

“**Assistant municipal valuer**” means a person designated as an assistance municipal valuer in terms of section 35(1) or (2);

“**Category**” –

- (a) In relation to property, means a category of properties determined in terms of section 8; and
- (b) In relation to owners of properties, means a category of owners determined in terms of section 15(2);

“**data-collector**” means a person designated as a data-collector in terms of section 36 of the Act;

“**Date of valuation**” means the date determined by a municipality in terms of section 31(1) of the Act;



“**Day**”, means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;

“**District municipality**” means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

“**Effective date**” –

- (a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32(1); or
- (b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78(2)(b);

“**Exclusion**”, in relation to a municipality’s rating power, means a restriction of that power as provided for in section 17;

“**Exemption**”, in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15;

“**Financial year**” means the period starting from 1 July in a year to 30 June the next year;

“**Income Tax Act**” means the Income Tax Act, 1962 (Act No. 58 of 1962);

“**Land reform beneficiary**”, in relation to a property, means a person who –

- (a) acquired the property through –
  - (i) The Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
  - (ii) The Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);
- (b) Holds the property subject to the Communal property Associations Act, 1996 (Act No. 28 of 1996); or
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

“**land tenure right**” means land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991(Act No.112 of 1990)

“**Local community**”, in relation to a municipality –

- (a) Means that body of persons comprising –



- (i) The residents of the municipality;
  - (ii) The ratepayers of the municipality;
  - (iii) Any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
  - (iv) Visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
- (b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons;

**“Market value”**, in relation to a property, means the value of the property determined in accordance with section 46;

**“MEC for local government”** means the Member of the Executive Council of a province who is responsible for local government in that province;

**“Mining Property”**, Means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002( Act no.28 of 2002)

**“Minister”** means the Cabinet member responsible for local government;

**“Multiple purposes”**, in relation to a property, means the use of a property for more than one purpose, subject to Section 9 of the Act;

**“Municipal council” or “council”** means a municipal council of Emadlangeni Municipality

**“Municipal Finance Management Act”** means the Local Government : Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**“Municipal manager”** means a person appointed in terms of section 82 of the Municipal Structures Act;

**“Municipal Structures Act”** means the Local Government : Municipal Structures Act, 1998 (Act No. 117 of 1998);

**“Municipal Systems Act”** means the Local Government : Municipal Systems Act, 2000 (Act No. 32 of 2000);

**“Municipal valuer” or “valuer of a municipality”** means a person designated as a municipal valuer in terms of section 33(1);



**“newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding -

- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;

**“Occupier”**, in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

**“Office bearer”**, in relation to places of public worship means the primary person who officiates at services at the place of worship;

**“Official residence”**, in relation to place of worship, means

- (a) A portion of property used for residential purpose; or
- (b) One residential property used for residential property is not located on the same property as place of worship,

Registered in the name of religious community or registered in a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer;

**“Organ of state”** means an organ of state as defined in section 239 of the Constitution;

**“Owner”** –

- (a) In relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
  - (b) In relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;



- (bB) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act No. 59 of 1980);
- (bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) In relation to public service infrastructure referred to in paragraph (d) of the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
- (i) A trustee, in the case of a property in a trust excluding state trust land;
  - (ii) an executor or administrator, in the case of a property in a deceased estate;
  - (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
  - (iv) A judicial manager, in the case of a property in the state of a person under judicial management;
  - (v) A curator, in the case of a property in the estate of a person under curatorship;
  - (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
  - (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
  - (viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or



- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

**“Permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of –

- (a) Any restrictions imposed by
  - (i) A condition of title;
  - (ii) A provision of a town planning or land use scheme; or
  - (iii) Any legislation applicable to any specific property or properties; or
- (b) Any alleviation of any such restrictions;

**“Person”** includes an organ of state;

**“place of public worship”** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is—

- (a) Registered in the name of the religious community;
- (b) Registered in the name of a trust established for the sole benefit of a religious community; or
- (c) Subject to a land tenure right;

**“Prescribe”** means prescribe by regulation in terms of section 83 of the Act;

**“Property”** means –

- (a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) Public service infrastructure;



**“Property register”** means a register of properties referred to in section 23 of the Act;

**“Protected area”** means an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act;

**“Protected Areas Act”** means the National Environmental Management : Protected Areas Act, 2003;

**“Public Benefit Organization”**, Means a property where the dominant activity is listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of part 1 of ninth Schedule to the Income tax Act

**“Publicly controlled”** means owned by or otherwise under the control of an organ of state, including –

- (a) a public entity listed in the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) a municipality; or
- (c) a municipal entity as defined in the Municipal Systems Act;

**“Public service infrastructure”** means publicly controlled infrastructure of the following kinds:

- (a) National, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) Power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) Railway lines forming part of a national railway system;
- (f) Communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways, aprons and the air control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant to air navigation purposes;





**"Public service purposes"**, in relation to the use of a property, means property owned and used by an organ of state as—

- (a) Hospitals or clinics;
- (b) Schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) National and provincial libraries and archives;
- (d) Police stations;
- (e) Correctional facilities; or
- (f) Courts of law,

but excludes property contemplated in the definition of "public service infrastructure";

**"Rate"** means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

**"rateable property"** means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

**ratio"**, in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

**"Rebate"**, in relation to a rate payable on a property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;



**“reduction”**, in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount;

**“Register”** –

- (a) Means to record in a register in terms of –
  - (i) The Deeds Registries Act, 1937 (Act No. 47 of 1937); or
  - (ii) The Mining Titles Registration Act, 1967 (Act No. 16 of 1967);And
- (b) includes any other formal act in terms of any other legislation to record –
  - (i) a right to use land for or in connection with mining purposes; or
  - (ii) a land tenure right;

**“residential property”** means a property included in a valuation roll in terms of section 48(2)(b) of the Act, in respect of which the primary use of permitted use is for residential purpose without derogating from section 9 of the Act;

**“Sectional Titles Act”** means the Sectional Titles Act, 1986 (Act No. 95 of 1986);

**“Sectional title scheme”** means a scheme defined in section 1 of the Sectional Titles Act;

**“Sectional title unit”** means a unit defined in section 1 of the Sectional Titles Act;

**“smallholding”** for the purposes of this policy means an agricultural holding smaller than a farm in close proximity to urban development which in the opinion of the valuer is classified as such;

**“Specified public benefit activity”** means an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act;

**“State trust land”** means land owned by the state –

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

**“This Act”** includes regulations made in terms of section 83.



- (a) in this Act, a word or expression derived from a word or expression defined in subsection (1) has a corresponding meaning unless the context indicates that another meaning is intended.

### **Other Definitions**

**“Child headed household”** means any child who is or is a blood relative of the owner of the property and which child is responsible for the care of siblings or parents.

**“Disabled”** means a person who qualifies to receive relief in terms of the Social Services Act 1992 (Act No. 59 of 1992) or has been certified as disabled by a medical practitioners;

**“Indigent owner”** means an owner of property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality’s indigent policy;

**“The Municipality”** means the Emadlangeni Municipality;

**“Owners of property in an area affected by a disaster”** means owners of property situated within an area affected by;

- (a) Disaster within the meaning of the **Disaster Management Act 57 of 2002**;
- (b) Any other serious adverse social or economic conditions;

**“Pensioner”** means

- (a) a person in receipt of a social pension; or
- (b) a person over the age of 60 years; or
- (c) a person who has retired prematurely from employment due to medical

reasons.

**“Retiree”** means a person who has retired from employment in terms of that person’s employment or who has reached the age of a pensioner;

**“Temporarily without income”** means;

- (a) In the case of an employee –
  - (i) The period of which the person is entitled to benefits in terms of the Unemployment Insurance Act; or
  - (ii) 90 days whichever is the longer; or
- (b) in any other case, a period of 90 days determined from the date of application by that person for relief in terms of the Municipality’s policy;



**“Non-profit organizations”** means any organization which is registered in terms of the Non-profit Organisations Act.

### **PART THREE: THE PURPOSE OF THIS POLICY**

3. The purpose of this policy is to:

- 3.1 comply with the provisions Section 3 of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 3.2 give effect to the principles outlined above;
- 3.3 determine the methodology and to prescribe procedures for the implementation of the Act;
- 3.4 determine criteria to be applied for the levying of differential rates for different categories of properties;
- 3.5 determine or provide criteria for the determination of categories of properties and categories of owners of properties for categories of properties;
- 3.6 determine criteria to be applied for granting exemptions, rebates and reductions;
- 3.7 determine how the municipality’s powers must be exercised in relation to multi purpose properties;
- 3.8 determine measures to promote local economic and social development; and
- 3.9 identify which categories or properties the municipality has elected not to rate as provided for in Section 7 of the Act.

### **PART FOUR: FUNDAMENTAL PRINCIPLES OF THIS POLICY**

The principle of the Act are to regulate the power of the municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and fair valuation method of properties; to make provision for an objection and appeal process



**The principles of the policy are to ensure that: -**

- 4.1 the power of the municipality to impose rates on property will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods services, capital or labour in terms of Section 229 of the Constitution of the Republic of South Africa;
- 4.2 all ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;
- 4.3 property rates will be assessed on the market value of all rateable properties in the jurisdiction of the municipality and for the purpose of generating revenue to balance the budget after taking into account;
  - 2.3.1 Profits generated on trading and economic services; and
  - 2.3.2 The amounts required to finance exemptions, rebates and reductions of rates as approved by council from time to time;
- 4.4 property rates will not be used to subsidise trading and economic services;
- 4.5 The rates income generated by the municipality will take into account relief measures to address the social and economic needs of the community;
- 4.6 this Policy was developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

**PART 5: IMPLEMENTATION OF THIS POLICY AND EFFECTIVE DATE**

- 5.1 This policy takes effect from 01 July being the effective date of the first valuation roll prepared by the municipality in terms of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and must accompany the municipality's budget for the financial year.
- 5.2 The Rates Policy must be reviewed annually, and if necessary amended by the Municipal Council, such amendments to be effected in conjunction with the



Municipality's annual budget in terms of Sections 22 and 23 of the Municipal Financial Management Act.

- 5.3 The Municipality has adopted by-laws to give effect to the implementation of its Rates Policy and such by-laws must be read in conjunction with this policy. The rates by-laws may differentiate between:
- 5.3.1 Categories of properties; and
  - 5.3.2 Categories of owners of properties.
- 5.4 The by-laws adopted in terms of Item 1.3 may be reviewed annually, and if necessary be amended by the Municipal Council, in conjunction and in accordance with the Rates Policy.

#### **PART SIX: EQUITABLE TREATMENT OF RATE PAYERS**

- 6.1 This municipality is committed to treating all ratepayers on an equitable basis. "Equitable" does not necessarily mean "equal" treatment of ratepayers. The circumstances of each category of owner or category of property will be considered in a fair manner, and within the limitations set out in the Act. The municipality may adopt measures to ensure equitable and fair treatment of ratepayers.
- 6.2 Any differentiation in levying rates must not constitute unfair discrimination.

#### **PART SEVEN: DISCRETIONARY DECISIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES**

It is recorded that the Municipality has adopted the following resolutions:

- 7.1 To levy rates on all rateable property in its area of jurisdiction.
- 7.2 To determine the date of implementation as provided above.
- 7.3 To determine the date of general valuation as 1 July 2018.
- 7.4 To levy different cents in the rand for different categories of rateable property.



- 7.5 That the categories of properties for the purpose of differential rating referred to in 5.4 above are those specified in Appendix 1 attached hereto.
- 7.6 That the criteria for the assessment of market value in terms of Section 8(1) shall be actual use.
- 7.7 To determine whether the valuations for multiple purpose usage will be assessed according to the dominant use of the property.
- 7.8 To rate public service infrastructure.

## **PART EIGHT: CATEGORIES OF RATEABLE PROPERTY AND DIFFERENTIAL RATING**

- 6.1 The municipality may levy different Rates to different categories of properties for this municipality is those specified in Appendix 1.
- 6.2 The categories of property are determined according to the actual use of the property and the property shall be rated on such actual use
- 6.3 A change in the use of property may result in a change in category of property
- 6.4 Differential rating among the various property categories may be executed by different rate randages for each property category.
- 6.5 The municipality has determined the following categories of property
  - a) Agriculture properties used for agricultural purpose
  - b) Business and commercial properties
  - c) Industrial properties
  - d) Mining properties
  - e) Municipal properties
  - f) Public benefit organisations
  - g) Public service infrastructure
  - h) Public Service Purpose
  - i) Residential properties
  - j) Vacant Properties
  - k) Public worship



## **PART 9: CATEGORIES OF OWNERS**

- 9.1 The municipality may in terms of the criteria set out in this policy
- a) Exempt a specific category of property of owners of properties, or owner of a specific category of properties, from payment of rates levied on their property; or
  - b) Grant to a specific category of owners of properties, or the owner of a specific category of properties, a rebate on or reduction in the rates payable in respect of their properties, as determined in clause 10
- 9.2 The municipality has determined the following categories of owners of properties
- a) Residential
  - b) Vacant land
  - c) Public benefit organization
  - d) Indigent owners
  - e) Pensioners
  - f) Disabled owners
  - g) Child headed households
  - h) Owners of properties affected by disaster
  - i) Municipal

## **PART TEN: RELIEF MEASURES FOR RATEPAYERS**

- 10.1 The municipality has considered the need and desire to grant relief to specific categories of owners of properties and owners of specific categories of properties with a view to providing appropriate measures to alleviate the rates burden on them. The Municipality therefore grants Exemptions, Rebates and Reductions, on categories of owners, based on local conditions and circumstances. No category of owner shall qualify for multiple rebates.



10.2 The municipality will not grant relief in respect of the payment of rates other than by way of an exemption, rebate or reduction provided for in this policy and granted in terms of section 15 of the Act to:

10.2.1 A specified category of property; or

10.2.2 A specified category of owner of property as provided for hereunder.

10.3 The municipality will not grant relief to the owners of property on an ad hoc or individual basis. For the purposes of rates policy the Municipality has determined the following **categories of owners (of property)** with criteria for relief measures included under Part 10 –

**a) Indigent Owners**

**b) Pensioner Owner**

**c) Disable Owner**

**d) Child Headed Households**

**e) Property owned by public benefit organisations**

**f) Owners of properties affected by a disaster**

The council may approve further categories of owners if required.

## **PART ELEVEN: RELIEF MEASURES FOR OWNER CATEGORIES AND PROPERTY USE CATEGORIES.**

The municipality has identified the following use categories of properties and the requisite criteria for the purposes of granting exemptions, rebates or reductions to the owners of these categories of property in terms of section 15 of the Act:

The municipality has identified the following categories of owners of properties and the requisite criteria for the purposes of granting exemptions, rebates or reductions in terms of section 15 of the Act:



<b>11.1 Indigent Owners</b>		
<b>11.1.1 Criteria</b>	In order to qualify as an indigent owner, the owner must:	
	(a)	Be the sole owner of the property or own the property jointly with his/her spouse;
	(b)	Live permanently on the property;
	(c)	Not own any other property within Emadlangeni municipality;
	(d)	Have an income threshold as defined in the Council's Customer Care policy;
	(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID
<b>11.1.2 Relief Granted</b>	Percentage Rebate or reduction on the market value of the property	A rebate or reduction may be applied at the Council's discretion, dependent on budgetary affordability factors.

<b>11.2 Pensioner Owners</b>		
<b>11.2.1 – Criteria</b>	In order to qualify as a pensioner owner, the owner must:	
	(a)	Be at least 60 years of age;
	(b)	For a residential category of property be the sole owner of the property or own the property jointly with his/her spouse;
	(c)	Not be granted more than one pensioner rebate at a time;
	(d)	Live permanently on the property;
	(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID.



<b>11.2.2 – Relief Granted</b>	Percentage Rebate or reduction on the market value of the property	A rebate or reduction may be applied at the Council’s discretion, dependent on budgetary affordability factors.
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<b>11.3 Disabled Owners</b>		
<b>11.3.1 – Criteria</b>	In order to qualify as a disabled person, the owner must:	
	(a)	Be the sole owner of the property or own the property jointly with his/her spouse;
	(b)	Live permanently on the property;
	(c)	May not own any other property within the Emadlangeni municipality;
	(d)	Have an income threshold as defined in the Council’s Customer Care Policy;
	(e)	Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar coded ID.
<b>11.3.2 – Relief Granted</b>	Percentage Rebate or reduction on the market value of the property	A rebate or reduction may be applied at the Council’s discretion, dependent on budgetary affordability factors.

<b>11.4 Child-Headed Households</b>	
<b>11.4.1 Criteria</b>	A household may be recognized as a child-headed household if it is deemed to fit the definition as contained at the beginning of this policy, and the owner must -
	(a) Live permanently on the property;
	(b) May not own any other property within the Emadlangeni municipality;
	(c) Make application annually on the prescribed form and within the prescribed period and submit a valid RSA bar



	coded ID.	
<b>11.4.2 Relief Granted</b>	Percentage Rebate or reduction on the market value of the property	A rebate or reduction may be applied at the Council's discretion, dependent on budgetary affordability factors.

<b>11.5 Properties Owned by Public Benefit Organizations' (PBO)</b>		
<b>11.5.1 Criteria</b>	In order to qualify owners shall be registered as a Public Benefit Activities as listed in Part 1 of the 9 <sup>th</sup> Schedule to the Income Tax Act and must -	
	(a)	Make application in writing annually in the prescribed format;
	(b)	Provide proof of ownership of the property and registration as a Public Benefit Organisation in terms of the Income Tax Act conducting one or more of the following specified public benefit activities listed in Part 1 of the 9 <sup>th</sup> Schedule: <ul style="list-style-type: none"> <li>• welfare and humanitarian; or</li> <li>• health care; or</li> <li>• education.</li> </ul>
	(c)	Owners of property meeting the criteria shall pay the PBO category of property tariff as published annually.
<b>11.5.2 Relief Granted</b>	The PBO tariff would comply with prescribed ratios	PBO tariff to be determined by Council at its discretion, dependent on budgetary affordability factors.

**Note:** It is noted that this position is motivated by the need for non-profit organizations who **are not** registered in terms of the 9<sup>th</sup> schedule, Income Tax Act, to register with SARS in order to be eligible for rates relief.



<b>11.6 Owners of properties affected by a disaster or other serious adverse social or economic conditions</b>	
<b>11.6.1 Criteria</b>	The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of his/her property as contemplated in section 15 of the Act, where it is contended that the market value of the property is being affected by -
	(a) A disaster within the meaning of the Disaster Management Act (57 of 2002); or
	(b) Any other serious adverse social or economic conditions as may be defined and determined by the Council.
	(c) To retain the relief the owner must apply annually for a review in April, preceding the year of rates implementation. The municipal valuer may at his/her discretion amend the market value if the property is reinstated and deemed habitable.
<b>11.6.2 Relief Granted</b>	<p>The relief provided will be in the form of a reduction in the municipal valuation of the property in relation to a certificate issued for this purpose by the Municipal Valuer, effective from the date of the disaster.</p> <p>The resultant reduction in the quantum of the rates payable will be for the current financial year only and calculated on a pro-rata basis from the date of the disaster or adverse conditions to the end of the financial year.</p>

The above relief shall be subject to the following conditions –

- (i) All applications for relief must be in writing in the prescribed form and must reach the Municipality before 30 April preceding the year of rates implementation;
- (ii) The Municipal Manager or his/her nominee must process and approve compliant applications;
- (iii) The Municipality retains the right to refuse a rebate, reduction or exemption if the details supplied on the application form are incomplete, incorrect or false;

- (iv) Where applicable for relief the use of any land or buildings, or any part thereof, shall not be for the private pecuniary benefit of any individual, whether as a shareholder in a company or otherwise;
- (v) Where applicable for relief, if during the currency of any financial year, any such land or building is used for any purpose other than the purpose for which it was so exempted, the Municipality shall impose rates thereon or on such portion so used, at a rate proportionate to the period of such use; and
- (vi) Once the Application is granted, the Applicant is required to submit annually, an affidavit confirming the use or ownership of the property as the case may be.

## **PART TWELVE: OTHER EXEMPTIONS, REBATES AND REDUCTIONS**

12.1 The municipality has exempted in total from payment or rates the following categories or properties;

12.1.1 Properties registered in the name of an used primarily as a place of public worship by a religious community including an official residence also registered in the name of the community, which is occupied by an office bearer who officiates at services at that place of public worship.

12.1.2 Properties owned by owners registered a no profit organisations

12.2 It is recorded that the municipality is precluded in terms of section 17(1)(h) of the Act from levying rates on the first R15 000 on the market value of the property assigned in the valuation roll or supplementary valuation roll of the municipality to a category determined by the municipality:

12.2.1 For residential properties

12.2.2 Vacant residential properties

12.3 The municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding R 125 000 in respect of improved residential properties



#### 12.4 REBATES FOR CATEGORIES OR PROPERTIES

The municipality has resolved to grant rebates to the categories of properties below:

##### Schedule of the Categories of Properties Granted Rebates:

Category of Property	Percentage Rebate of Rates
Residential	20%
Industrial	10%
Agriculture	50%
Business	10%
Public Service Infrastructure	30%
Vacant Land zoned Residential	10%

#### 12.5 ELECTIVE EXEMPTION

The municipality has resolved to grant elective exemption to the categories of properties below:

##### Schedule of the Categories of Properties Granted Rebates:

Category of Property	Amount exempted of Rates
Residential	R 125 000
Industrial	R 45 000
Agriculture	R 45 000
Business	R 45 000
Vacant Properties	R 45 000

#### 12.6 REBATES FOR CATEGORIES OF OWNERS OF PROPERTIES

The municipality has resolved to grant the following rebates, to the following categories of owners of properties in additional to the rebate granted to the category of properties in 11.1 above.

Category of Owner	Percentage Rebate
A pensioner	50%
Disabled persons	50%
Indigent persons	100%
Child Headed Households	100%



## PART THIRTEEN: MULTIPLE PURPOSE PROPERTIES

- 13.1 A municipality will conduct assessment/valuations according to any or all of the following:
- (a) permitted use;
  - (b) dominant use;
  - (c) pro-rata according to multiple uses.
- 13.2 The municipality determine the value of properties based on one of the following criteria namely:
- 13.2.1 the permitted us;
  - 13.2.2 the dominant use;
  - 13.2.3 pro rata based on the various multi-purpose usage.
- 13.3 It is recorded that this municipality has determined that for the purpose of assessing the value of multi purpose properties the following criteria will apply:
- 13.3.1 option 13.2.1 will apply only in respect of vacant land which has not been put to any use. In this instance the zoning or permitted use prevails. If indeterminate, then the valuer will establish the Highest and Best Use of the property;
  - 13.3.2 dominant usage as in 13.2.2 will be determined by the valuer as a basis  
for determining the use category. Dominant in this instance shall be the  
measured extent under use (land and/or buildings).
- 13.4 Properties will be assessed on dominant use where at least 66% of that property is used for a particular purpose. The entire property will be assigned to that category of usage and the value will be addressed based on that usage only.
- 13.5 This municipality has resolved that:
- 13.5.1 generally properties will be assigned to a category based on its dominant usage, provided that:





13.5.2 in the case of State and Trust Land the different usage will be assessed pro rata and assigned to a category.

#### **PART FOURTEEN: COMMUNITY PARTICIPATION**

14.1 This municipality will comply with its community participation and consultation obligations in terms of Chapter 4 of the Municipal Systems Act and Section 4 and 5 of the Act before the Rates Policy or any review thereof is finally adopted. In terms of Chapter 4 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) the municipality is committed to:

14.1.1 building capacity of the local community to enable it to participate in the affairs of the municipality; and

14.1.2 to foster community participation for which the municipality will allocate funds in its budget for such processes.

14.2 The participation by the local community in municipal affairs will take place through the political structures; the mechanisms, processes and procedures for participation in municipal governance and any other appropriate mechanisms processes and procedures established by the municipality and generally to apply the provisions for participation as required by this act.

14.3 The municipality will provide for:

14.3.1 The receipt, processing and consideration of petitions, objections and comments lodged by the members of the local community;

14.3.2 Public meetings and hearings by the municipal council and other political structures (e.g. ward committees) and political office bearers of the municipality;

14.3.3 Consultative sessions with locally recognized community organisations and where appropriate, traditional authorities.

14.4 Communication with the public relating to the Rates Policy will be in terms of Section 4(2) of the Act by notice in:



- 14.4.1 local newspapers circulating in its area and determined by this council as a newspaper of record; and /or
- 14.4.2 official notice boards and other public places accessible to the public including the library and the municipal offices;
- 14.4.3 on the municipal webstie; and
- 14.4.4 inviting the local community to submit comments and representations within the time specified in the notice.

## **PART FIFTEEN: RECOVERY OF RATES**

- 15.1 The following people shall be liable for the payment of rates levied by the municipality:
  - 15.1.1 owner of a property;
  - 15.1.2 joint owners of a property, who shall be liable jointly and severally;
  - 15.1.3 the owner of a sectional title unit; and
  - 15.1.4 in relation to agricultural properties:
    - 15.1.4.1 any one joint owner of the agricultural property for all the rates levied on the agricultural property; or
    - 15.1.4.2 each individual joint owner for that portion of rates levied on the joint owner's undivided share in the agricultural property, which ever option the municipality may choose in relation to agricultural properties.
- 15.2 In terms of Section 26 of the Act the municipality will recover rates:
  - 15.2.1 on a monthly basis or as may be prescribed in terms of the Municipal Finance Management Act, which rate must be paid in each period determined by the municipality.
- 15.3 The municipality will furnish each person liable for the payment of rates with a written account in terms of Section 27 of the Act.
- 15.4 A municipality may recover rates in arrears from tenants and occupiers in accordance with the provisions of Section 28 of the Act.



- 15.5 A municipality may recover rates due, either whole or in part, from the agent of the owner if this is more convenient for the municipality and in terms of Section 29 of the Act.
- 15.6 The municipality will charge 1,5% interest on outstanding property rates on monthly basis.

#### **PART SIXTEEN: CONSOLIDATION AND APPORTIONMENT OF PAYMENTS**

Separate accounts of persons liable for payment to the municipality for either rates or service may be consolidated in one account and any appropriation of payments will be done in accordance with the municipality's credit control policy.

#### **PART SEVENTEEN: DEFEREMENT OF RATES**

- 17.1 The municipality will on application defer the payment of rates in terms of section 26(3) of the Act under the following special circumstances. To qualify for deferment of rates, the Applicant:-
- 17.1.1 must be a pensioner, indigent, disabled, over 60 years of age, or who is not above 60 year of age, but has or has been retired from employment by reason of any illness or disability certified by a medical practitioner, dentist, psychologist, intern or intern psychologist contemplated in the Medical, Dental and Supplementary Health Service Professions Act, 1974 (Act 56 of 1974), and whose income from all sources whatsoever must not exceed R42 000 per annum (including the income of the spouse, if applicable) and the property must be an undeveloped RDP house on its original form;
- 17.2.2 must reside permanently on the property concerned;
- 17.2.3 must be the registered owner of the property.
- 17.2 Application must be made annually in writing on the prescribed form:



- 17.2.1 not later than the final date for payment of such rates provided that the council may in special circumstances grant a deferment of the payment of rates after the final date for such payment notwithstanding that such application was made after such final date for payment.
- 17.3 Deferment will be considered provided that the total amount of all rates so deferred together with accumulated interest accumulated thereon shall not at any time exceed 50% of the value of the property concerned shown in the valuation roll.
- 17.4 The final date for payment of the rates on the property concerned shall not be affected by reason of any application for deferment in terms of subsection 17.2 above, provided that if the council allows such application, the portion of the rates in respect of which payment is deferred shall be refunded to the applicant.
- 17.5 The accumulated amount of the deferred rates shall bear interest at a rate determined from time to time by the council and the council may also approve the waiver of such interest.
- 17.6 Only the current year's rate can be considered for deferment and then only if the Applicant's rates are not in arrears.
- 17.7 Any deferment granted in terms of here shall terminate immediately:-
- 17.7.1 upon the death of the registered owner; provided that the council may continue such deferment, in any case where it is established to its satisfaction that the property concerned has been inherited by the surviving spouse and that such spouse is continuing in occupation of the property;
- 17.7.2 upon the expropriation, sale or other disposal of the property concerned;
- 17.7.3 upon the owner ceasing to reside permanently on the property concerned;
- 17.7.4 if the owner fails by the final date for the payment thereof, to pay rates or any part thereof owing in respect of the property concerned, after allowing for the amount of the deferment; and
- 17.7.5 on expiry of the period of deferment.



**PART EIGHTEEN: IMPERMISSIBLE RATES IN TERMS OF SECTION 17 OF THE ACT**

- 18.1 It is recorded that the municipality may not, in terms of Section 17 of the Act levy a rate on –
- 18.1.1 The first 30% of the market value of public service infrastructure;
  - 18.2.2 Mineral rights within the meaning of paragraph 18.1.2 of the definition of “property” in Section 1;
  - 18.2.3 A property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds;
  - 18.2.4 The first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality –
    - 18.2.4.1 For residential purposes; or
    - 18.2.4.2 For properties used for multiple purposes, provided one or More components of the property are used for residential Purposes; or
  - 18.2.5 on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

**PART NINETEEN: CONSTITUTIONALLY IMPERMISSIBLE RATES**

- 19.1 The Act provides that in terms of Section 229(2)(a) of the Constitution a municipality may not exercise its power to levy rates on property in a way that would materially an unreasonably prejudice –
- 19.1.1 National economic policies;
  - 19.1.2 Economic activities across its boundaries; or
  - 19.1.3 The national mobility of goods, services, capital or labour.



**PART TWENTY: NEWLY RATED PROPERTY**

20.1 Any property which was not previously rated must be phased in subject to the conditions that:

20.1.1 property registered in the name of a land reform beneficiary must be phased in after the exclusion period in section 17(1)(g);

20.1.2 property owned by Public Benefit Organisations must be phased in over a period of four financial years provided that the municipality may extend this period on written application to the MEC.

20.2 The phasing in period shall be as set out in the attached table.

**Applicable rates for properties to be phased in over four years:**

**(Public Benefit Organizations)**

<b>Year</b>	<b>Percentage Rates Payable</b>
First	Zero %
Second	25%
Third	50%
Fourth	75%

**Applicable rates for properties to be phased in over three years:**

**Newly Rateable Properties**

<b>Year</b>	<b>Percentage Rates Payable</b>
First	25%
Second	50%
Third	75%

SIGNED BY ACCOUNTING OFFICER



.....  
GN MAVUNDLA

DATE 23 May 2024

**22. TREASURY DRAFT BUDGET ASSESSMENT COMMENT (ANNEXURE D)  
WILL BE ATTACHED ON THE COUNCIL AGENDA**

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## KWAZULU-NATAL PROVINCE

TREASURY  
REPUBLIC OF SOUTH AFRICA

### DIRECTORATE: MUNICIPAL FINANCE MANAGEMENT

P. O. Box 3613, Pietermaritzburg, 3200  
Treasury House, 145 Chief Albert Luthuli Street, Pietermaritzburg, 3201  
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Our Ref: 11/6/13/1(KZN253)-2025

Enquiries: Mr W.C. Donnelly

Date: 10 May 2024

**THE MUNICIPAL MANAGER  
EMADLANGENI LOCAL MUNICIPALITY  
PO BOX 11  
UTRECHT  
2980**

**Fax No/Email: 034 331 4312/mm@emadlangeni.gov.za**

Dear Mrs. G. Mavundla

#### **ASSESSMENT OF THE 2024/25 ANNUAL BUDGET TABLED IN TERMS OF SECTION 16(2) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, ACT NO. 56 OF 2003 (MFMA)**

1. Reference is made to your 2024/25 Tabled Budget that was submitted to Provincial Treasury in accordance with Section 22 of the MFMA which states that *immediately after an Annual Budget is tabled in a municipal council, the Accounting Officer of a municipality must submit the Annual Budget in both printed and electronic formats to the National Treasury and the relevant Provincial Treasury.*
2. Section 23(1)(b) of the MFMA states that *the municipal Council must consider any views of the National Treasury, the relevant Provincial Treasury and any provincial or national organs of state or municipalities which made submissions on the budget.* Section 24(1) of the MFMA further states that *the municipal Council must at least 30 days before the start of the financial year consider approval of the Annual Budget.*
3. An assessment was conducted on the information submitted by your municipality in the Schedule A as extracted from your financial system, the 2024/25 Tabled Budget data string (TABB) uploaded by the municipality to the National Treasury GoMuni Upload Portal and extracted by Provincial Treasury from the portal on 10 April 2024 and other related budget documents. Please find the attached detailed findings and recommendations emanating from the assessment undertaken by Provincial Treasury in Annexure A: *Tabled Budget Feedback* for your consideration in terms of Section 23(1)(b) of the MFMA. During the engagement on 06 May 2024, the municipality noted the issues raised by Provincial Treasury and committed to attend to them prior to the 2024/25 Annual Budget being considered in Council for approval in terms of Section 24(1) of the MFMA. Furthermore, differences between the Schedule A submitted to Provincial Treasury and the data strings uploaded to the National Treasury GoMuni Upload Portal have been highlighted per line item in Annexure A.
4. It should be noted that the funding position for your 2024/25 Tabled Budget was determined based on the information reflected in the audited 2022/23 Annual Financial Statements (AFS), the 2023/24





## KWAZULU-NATAL PROVINCE

TREASURY  
REPUBLIC OF SOUTH AFRICA

Adjustments Budget data string (ADJB) and the 2024/25 Tabled Budget data string (TABB) that were uploaded to the National Treasury GoMuni Upload Portal together with your 2024/25 Tabled Budget which reflect the figures that the municipality has on your financial system. The assessment of your 2024/25 Tabled Budget considered the cash flow impact of the budgeted Operating revenue and expenditure (Tables A4/B4), the budgeted Capital expenditure (Tables A5/B5) and all other relevant budget tables as reflected in the 2023/24 ADJB and 2024/25 TABB.

5. Based on a recalculation of the Cash/Cash equivalents at the year-end as per Table A7: *Budgeted cash flows* and the Surplus/(shortfall) as per Table A8: *Cash backed reserves/accumulated surplus reconciliation* of your 2024/25 Tabled Budget in line with the National Treasury Budget funding assessment framework using the audited 2022/23 AFS and data string figures from the relevant budget tables including Tables A4/B4 and A5/B5 that were uploaded to the National Treasury GoMuni Upload Portal and downloaded by Provincial Treasury from the portal on 10 April 2024, your municipality's 2024/25 Tabled Budget appears to be **unfunded** in terms of Section 18 of the MFMA read together with MFMA Circular No. 55.

The following major findings, noted in the assessment of your 2024/25 Tabled Budget that contributed to your budget being assessed as unfunded, are highlighted for your municipality to address (as indicated above, please refer to Annexure A for the detailed assessment of your 2024/25 Tabled Budget):

- The Cash/cash equivalents at the year-end has been budgeted at approximately R790 000 as per TABB Table A7 by the municipality. Provincial Treasury recalculated approximately negative R3.6 million.
  - In respect of Unspent conditional transfers, the Provincial Treasury after considering the 2022/23 Audited AFS, the 2023/24 Adjusted Budgeted allocations and grant expenditure (ADJB) as well as the 2024/25 budgeted allocations and grant expenditure (TABB), used approximately R5.9 million for recalculation purposes. The municipality used R2.9 million in TABB Table A8.
  - In respect of Statutory requirements, the Provincial Treasury after considering the VAT receivable/payable as per the 2022/23 Audited AFS, the 2023/24 budgeted income and expenditure (ADJB) as well as the 2024/25 budgeted income and expenditure (TABB), used approximately R560 000 for recalculation purposes in Table A8, whereas the municipality calculated approximately negative R23 million.
  - In respect of Other working capital requirements, the Provincial Treasury after considering the estimated 2024/25 outstanding Debtors and outstanding Creditors based on the 2022/23 audited AFS, the 2023/24 ADJB and the 2024/25 TABB, used approximately R25.3 million for recalculation purposes in Table A8. The municipality used R35.4 million in TABB Table A8.
6. The municipality adopted a Budget funding plan position, as per MFMA Circular No. 89 and subsequent MFMA Municipal Budget Circulars as a funded budget was not achievable in one financial year, together with the 2023/24 Annual Budget in Council which was not updated during the preparation of the 2024/25 Annual Budget.
  7. When assessing the 2024/25 Tabled Budget of the municipality against the 2023/24 approved Budget funding plan to determine the extent of the progress towards achieving a funded position targeted in the 2029/30 financial year, Provincial Treasury noted with concern that there is no favourable progress towards achieving the targets set out in your approved Budget funding plan.

The following discrepancies and weaknesses have been noted while assessing your 2024/25 Tabled Budget against the 2023/24 approved Budget funding plan to determine whether the funding position will be achieved in line with the targets reflected therein:



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- The municipality reflected a negative cash/cash equivalents at year end in the 2024/25 Tabled budget as recalculated by Provincial Treasury when compared to the positive cash/cash equivalents at year end in the 2023/24 approved Budget funding plan in Table A7.
- The municipality's budgeted Deficit has deteriorated in the 2024/25 Tabled Budget when compared to the 2023/24 approved Budget funding plan in Table A8.

In light of the findings noted above, the approved 2023/24 Budget funding plan does not appear to be reasonable in relation to the strategies that the municipality intends to embark on in order to improve the funding position. Additionally, the 2024/25 Tabled Budget continues to regress wherein the budgeted Shortfall in Table A8: *Cash Backed reserves/accumulated surplus* increased in the 2024/25 financial year when compared to the previous year.

In its current form, Provincial Treasury does not support the municipality's 2024/25 Tabled Budget and the approved 2023/24 Budget funding plan tabled in Council. This is a serious transgression that will negatively impact the financial viability of the municipality as well as its ability to deliver services to the community.

As per MFMA Circular No. 89 and subsequent MFMA Municipal Budget Circulars, municipalities with unfunded budgets are required to develop a credible Budget funding plan which shows how and by when the budget of the municipality will be funded since a funded budget is not achievable in one financial year. Hence, the municipality must review and revise the current Budget funding plan and ensure that a credible Budget funding plan is tabled in Council together with the 2024/25 Final Budget for approval. However, the municipality must ensure that timeframe required to achieve a funded budget does not increase.

8. **We also draw your attention to Section 38(1)(a) of the MFMA which states that *National Treasury may stop the transfer of funds due to a municipality as its share of the local government's equitable share referred to in Section 214(1)(a) of the Constitution, but only if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(1) of the Constitution* which includes reporting obligations as set out in the MFMA and National Treasury's request for information in terms of Section 74 of the MFMA.**
9. Provincial Treasury Circular PT/MF 06 of 2023/24 dated 14 February 2024 required all municipalities to prepare their 2023/24 MTREF budgets on their financial systems as per the guidance provided in MFMA Circular No. 126 dated 07 December 2023 and extract the Schedule A directly from their financial systems to eliminate the possibility of any differences and/or misalignments. In this regard, Provincial Treasury noted that majority of the figures reflected in the 2024/25 Schedule A tabled in Council are aligned to the figures reflected in the Tabled Budget data string (TABB). **Your municipality is still required to address the remaining discrepancies to ensure that the 2024/25 Schedule A to be approved in Council and the 2024/25 Approved Budget data string (ORGB) are fully aligned by generating both documents directly from your financial system.**
10. Section 24(3) of the MFMA, read together with Regulation 20(1) of the MBRR, requires that the approved Annual Budget be submitted to both National Treasury and the relevant Provincial Treasury within ten working days after the Council has approved the Annual Budget. However, as per MFMA Circular No. 126 given that the municipalities are generating their Annual Budgets directly from their financial systems as required by the Municipal Standard Chart of Accounts (mSCOA) Regulations and that the budgets must be verified before it is locked on the financial system, municipalities are requested to upload the Approved Budget data string (ORGB) to the National Treasury GoMuni Upload Portal and submit their 2024/25 Approved Budgets to the National and Provincial Treasuries **immediately after approval by the municipal Council.** Therefore, if the Annual Budget is tabled to Council on 31 May 2024, then the final date for



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submission is 03 June 2024. Municipalities must further ensure full compliance of their budget submission, data strings and supporting documentation incorporating all the components reflected in the attached Annexure B: MBRR Schedule A – Annual Budget.

11. The municipality is requested to table in Council this correspondence and the attached Annexures that provide Provincial Treasury's comments on the 2024/25 Tabled Budget. This must be tabled together with the municipality's responses to Provincial Treasury's findings on the 2024/25 Tabled Budget when tabling the Final Budget for to Council approval and a copy of the Council resolution and the minutes thereof must be included in the Approved Budget documents to be submitted to the National and Provincial Treasuries.

Yours faithfully

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**Mr. F. Cassimjee**  
**Chief Director: Municipal Finance Management**

- cc. Mayor  
Deputy Mayor  
Chief Financial Officer  
Audit Committee Chairperson  
Ms. C. Coetzee – KwaZulu-Natal (KZN) Provincial Treasury  
Mr. J. Hattingh – National Treasury

## General Compliance and Other Matters - Tabled Budget

Municipality: eMadlangeni Local Municipality  
 Budget Year: 2024/25

### Annexure A: Tabled Budget Feedback

#### General Compliance - Tabled Budget

Compliance with MBRR			
1	Has the municipality prepared the Tabled Budget as per the prescribed format and content as stipulated in the MBRR? - Schedule A of MBRR	Yes	
<b>Part 1 – Annual Budget</b>			
	- Table of contents	Yes	
	- Mayors report	Yes	
	- Resolutions	Yes	
	- Executive summary	Yes	
	- Annual Budget tables	Yes	
<b>Part 2 – Supporting Documentation</b>			
	- Overview of Annual Budget process	Yes	
	- Overview of alignment of the Annual Budget with Integrated Development Plan (IDP)	Yes	
	- Measurable performance objectives and indicators	Yes	
	- Overview of budget related policies	Yes	
	- Overview of budget assumptions	Yes	
	- Overview of budget funding	Yes	
	- Expenditure on allocations and grant programmes	Yes	
	- Allocations and grants made by the municipality	Yes	
	- Councillor and board member allowances and employee benefits	Yes	
	- Monthly targets for revenue, expenditure and cash flow	Yes	
	- Annual Budgets and Service Delivery and Budget Implementation Plans - internal departments	Yes	
	- Annual Budgets and Service Delivery and Budget Implementation Plans - municipal entities and other external mechanisms	N/A	
	- Contracts having future budgetary implications	Yes	
	- Capital expenditure details	Yes	
	- Legislation compliance status	Yes	
	- Other supporting documents	Yes	
	- Annual Budgets of municipal entities attached to the municipality's Annual Budget	N/A	
	- Municipal Manager's quality certification	Yes	
Format, Content, mSCOA compliance and Submission			
2	Did the municipality upload the following data strings to the GoMuni Upload Portal?		
	2.1. The Tabled Budget data string (TABB)?	Yes	
	2.2. The IDP Project Detail data string (PRTA)?	Yes	
	2.3. The Non Financial Information data string (A1D)?	Yes	
3	Did the municipality submit the following additional information?		
	3.1 Signed Council resolution for the tabling of the 2024/25 Annual Budget	Yes	
	3.2 2024/25 Draft SDBIP	Yes	
	3.3 Budget related policies	Yes	
	3.4 Supporting documentation (e.g.. Bank statements, Bank reconciliation, Investments register, Grants register, Signed prepayment arrangements, Calculation for rates, Calculation for service charges, etc.)	Yes	
	3.5. National Treasury tariff tool (in excel format)	No	
	3.6. Fixed asset register (in a PDF file)	Yes	
4	Was the Annual Budget submitted to Provincial Treasury extracted directly from the municipal Enterprise Resource Planning (ERP) system (confirmation to be obtained from the municipality)?	Yes	
5	Did the Annual Budget tabled in Council reflect the same figures as those uploaded via the data string (figures on the municipal ERP system)?	No	
6	Was the Annual Budget tabled in Council using Version 6.8 of the mSCOA Chart for the 2024/25 MTREF (MFMA Circular No. 126)?	Yes	
	6.1 Are all the tables completed?	No	SA24 and A10 not fully completed.
	6.2 Do the audited outcome figures in the budget tables agree to figures in the audited Annual Financial Statements (AFS)?	No	
	6.3 Do the current year's Original Budget (2023/24) figures in the budget tables agree to the Original Budget figures as per the Schedule A tabled to Council?	No	
	6.4 Do the current year's Adjusted Budget (2023/24) figures in the budget tables agree to the Adjustments Budget figures as per the Schedule B tabled to Council?	No	
7	If the municipality has a municipal entity, was a consolidated Council budget prepared and submitted?	N/A	
8	Did the municipality submit the reconciliation of the Valuation roll to the ERP system as per MFMA Circular No. 126 and 123?	No	
9	Were there any discrepancies noted between the Valuation roll to the report as per the ERP system?	N/A	
Cash funding position of the budget			
Tables A7 :Budget Cash Flow			
10	Is Table A7 in the Council Tabled Budget correctly and fully completed?	Yes	

11	Is the Cash/cash equivalents at the year - end as per Table A7 of the Council Tabled Budget positive for the budget year?	Yes	
<b>Tables A8: Cash backed reserves/accumulated surplus reconciliation</b>			
12	Is Table A8 in the Council Tabled Budget correctly and fully completed?	No	The municipality reflected Rnil in the Council Tabled Budget whereas the data strings reflect a negative R23 million and Provincial Treasury's recalculation reflects R560 000.
13	Does the Table A8 in the Council Tabled Budget reflect a Surplus for the budget year?	No	
<b>Tabled Budget Funding Position</b>			
14	Is the 2024/25 Tabled Budgeted funded according to Section 18 of the MFMA based on Provincial Treasury's assessment?	No	
15	For a municipality that has tabled an unfunded Annual Budget or an Annual Budget that has been assessed by Provincial Treasury as Unfunded <b>for the first time</b> , has the municipality submitted a credible Budget funding plan that was tabled to Council together with their 2024/25 Tabled Budget?	N/A	
16	For a municipality whose Annual Budget was assessed as Unfunded by Provincial Treasury in the prior budget year, has the municipality submitted an updated/amended credible Budget funding plan that was tabled to Council together with their 2024/25 Tabled Budget?	No	
<b>Service level standard</b>			
17	Have the Service Level Standards been tabled together with the budget as required by MFMA Circular No. 75?	No	The Council resolution submitted did not indicate that the Service Level Standards were tabled together with the budget
18	Have the Service Level Standards been incorporated into the budget or submitted together with budget documents?	Yes	
<b>Cost containment measures</b>			
19	Has the municipality demonstrated that the Cost containment policy that was approved by Council has been considered in the Tabled Budget?	Yes	
<b>Alignment of Council Schedule A Annual Budget to IDP strategic objectives</b>			
20	a) Does the 'Total Revenue' budget for the IDP strategic objectives in Table SA4 reconcile to the 'Total Operating Revenue' budget in Table A4?	No	
	b) Does the 'Total Operating expenditure' budget for the IDP strategic objectives in Table SA5 reconcile to the 'Total operating expenditure' budget in Table A4?	Yes	
	c) Does the 'Total Capital expenditure' budget for the IDP strategic objectives in Table SA6 reconcile to the 'Total capital expenditure' budget in Table A5?	Yes	
21	Are the IDP strategic objectives of the municipality aligned to the national and provincial priorities?	Yes	
<b>Other matters</b>			
22	Have all allocations as per 2024 DoRB and Provincial allocations in Gazette No. 2666 been included in the 2024/25 Tabled Budget?	Yes	
23	Is the highest level of Free basic services provided for (Council Schedule A Table A10) in line with the Indigent policy?	No	
24	Does the Capital budget reflect consistent efforts to address the backlogs in basic services?	Yes	
25	Does the Capital budget reflect consistent efforts to address the renewal of infrastructure for the existing services?	Yes	
26	Is the Budget Steering Committee (BSC) functional ?	Yes	
27	Did the municipal departments submit budget bids and were they evaluated by the Budget and Treasury Office (BTO) ?	Yes	
28	Did the municipality plan to conduct <u>or</u> has already conducted meaningful public participation prior to the approval of the budget ?	Yes	

Table A4 - Budgeted Financial Performance (Operating Revenue) - PT Assessment

R thousand	Description	2022/23	Current Year			2024/25				
			2023/24			Medium Term Revenue & Expenditure Framework				
			Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at: M9 - March 2024	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26
(AUDA)	(ORGB)	(ADJB)			Council Tabled Budget	Data String (TABB) / (A1D)				
<b>Revenue</b>										
<b>Exchange Revenue</b>										
	<b>Service charges - electricity</b>	14 139	19 227	19 226	22 606	30 141	21 380	21 380	22 428	23 526
	% Growth Rate (Nominal)		36.0%	0.0%				11.2%	4.9%	4.9%
	Incr./(Decr.) in households rec. Min. Service Level & Above			-						
	% Gross Margin- Electricity		-5.6%	-5.3%				-7.0%	-6.7%	-6.4%
	Surplus/(Deficit) per Table A2		(4 898)	19 514				10 838	3 168	13

**PT Comments:**

The municipality budgeted for Service charges - electricity of R21.4 million in the 2024/25 financial year which is a 11.2 percent increase when compared to the 2023/24 Adjusted Budget, which was not justified in the budget narrative. It increases by 4.9 percent in Budget Year +1 and Budget Year +2. The municipality budgeted to increase Electricity tariffs by 4.9 percent in terms of the schedule of tariffs as per the budget narrative. The municipality must ensure that the budgeted Electricity tariff increases for 2024/25 are in accordance with the guidance issued by NERSA in their letter dated 29 January 2024. According to Table A10, the number of households receiving Electricity services has not increased in 2024/25. This is due to the municipality not populating A1D data strings.

When the Full Year projection is compared to the 2024/25 Tabled Budget, the Tabled Budget has decreased by 29.1 percent. The municipality is requested to consider the year to date figure during the finalisation of the 2024/25 budget to be approved by Council.

The municipality currently operates on a budgeted Surplus for the Trading service- electricity in 2024/25. The percentage Gross Margin - Electricity is showing negative 7 percent in 2024/25, whilst the Trading Service - electricity's budgeted revenue exceeds the related expenditure in Table A2 by R10.8 million in 2024/25, R3.2 million in 2025/26 and R13 000 in 2026/27. The Electricity tariffs do not appear to be cost reflective as the budgeted revenue from tariffs is R21.4 million whilst the expenditure is R22.9 million, with a Gross Margin of negative 7 percent.

<b>Service charges - Waste Management</b>	1 917	2 434	2 434	1 507	2 009	2 429	2 429	2 540	2 657
% Growth Rate (Nominal)		27.0%	0.0%				-0.2%	4.6%	4.6%
Increase/(Decrease) in households receiving the Minimum Service Level and Above sub-total			-						
Surplus/(Deficit) per Table A2		(812)	(200)				(1 279)	(1 056)	(1 104)

**PT Comments:**

The municipality has budgeted revenue from Service charges-waste management at R2.4 million, a 0.2 percent decrease when compared to the 2023/24 Adjusted Budget.

Service charges-waste management increases by 4.6 percent in Budget year +1, and percent in Budget year +2. Table A10 has not been fully populated, therefore the number of consumers to whom this service will be provided cannot be assessed. The municipality budgeted to increase Service charges - Waste Management tariffs by 4.9 percent in terms of the schedule of tariffs as per the budget narrative. Therefore, there is no correlation between the budgeted decrease of 0.2 percent to the Tariff increase of 4.9 percent. According to Table A10, the number of households receiving Waste water management services has not increased in 2024/25. This is due to the municipality not populating the A1D data strings.

When the Full Year projection is compared to the 2024/25 Tabled Budget, the Tabled Budget has increased by 20.9 percent, which appears excessive. The municipality is requested to consider the year to date figure during the finalisation of the 2024/25 budget to be approved by Council.

The municipality currently operates on a budgeted Deficit for the Trading service- Waste Management in 2024/25. The budgeted Trading Service - Waste Management revenue is less than the related expenditure by R1.3 million in 2024/25, R1.1 million in 2025/26 and R1.1 million in 2026/27. The noted Deficits may be an indication that the municipality's Waste Management tariffs are not cost reflective.

<b>Sale of goods and rendering of services</b>	353	527	265	209	279	426	426	446	467
% Growth Rate (Nominal)		49.2%	-49.7%				60.8%	4.6%	4.6%

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
		(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)		

*PT Comments:*

Sale of goods and rendering of services has been budgeted at R426 000 in the 2024/25 Tabled Budget. This represents a 60.8 percent increase from the 2023/24 Adjusted Budget of R265 000. The municipality did not supply the Provincial Treasury with workings and / or calculations nor justified it in the budget narrative.

When the Full Year projection is compared to the 2024/25 Tabled Budget, the Tabled Budget has increased by 53 percent, which appears excessive.

<b>Interest earned from Current and Non-Current Assets</b>	557	493	905	814	1 085	1 037	1 037	1 084	1 134
% Growth Rate (Nominal)		-11.4%	83.4%				14.6%	4.6%	4.6%

*PT Comments:*

Interest earned from Current and Non-Current Assets has been budgeted at R1 million in the 2024/25 Tabled Budget. This represents a 14.6 percent increase from the 2023/24 Adjusted Budget. Interest earned from Current and Non-Current Assets increases by 4.6 percent in Budget year +1 and Budget year +2.

When the 2023/24 full year projection of R1.1 million is compared to the 2024/25 Tabled Budget of R1 million, the 2024/25 Tabled Budget has decreased by 4.5 percent.

<b>Rental from fixed Assets</b>	1 407	1 082	1 244	1 292	1 722	1 567	1 567	1 639	1 714
% Growth Rate (Nominal)		-23.1%	15.0%				25.9%	4.6%	4.6%

*PT Comments:*

Rental from fixed assets has been budgeted at R1.6 million in the 2024/25 Tabled Budget. This represents a 25.9 percent increase from the 2023/24 Adjusted Budget of R1.2 million. Rental from fixed assets increases by 4.6 percent in Budget year +1 and Budget year +2.

The municipality did not supply the Provincial Treasury with workings and / or calculations nor justified it in the budget in the budget narrative.

When the Full Year projection is compared to the 2024/25 Tabled Budget, the 2024/25 Tabled Budget has decreased by 9 percent. The municipality must ensure that the budget is based on signed lease agreements where applicable.

<b>Licences and permits</b>	1 791	1 673	1 613	1 310	1 747	2 083	2 083	2 179	2 279
% Growth Rate (Nominal)		-6.6%	-3.6%				29.2%	4.6%	4.6%

*PT Comments:*

Licences and permits has been budgeted at R2.1 million in the 2024/25 Tabled Budget. This represents a 29.2 percent increase from the 2023/24 Adjusted Budget of R1.6 million. Licences and permits increases by 4.6 percent in Budget year +1, and Budget year +2.

When the Full Year projection is compared to the 2024/25 Tabled Budget, the 2024/25 Tabled Budget has increased by 19.2 percent, which appears excessive.

<b>Operational revenue</b>	6	142	639	708	944	122	122	128	134
% Growth Rate (Nominal)		2421.0%	349.6%				-80.9%	4.6%	4.6%

*PT Comments:*

Operational revenue has been budgeted at R122 000 in the 2024/25 Tabled Budget. This represents a 80.9 percent decrease from the 2023/24 Adjusted Budget of R639 000, which was not justified in the budget narrative. Operational revenue increases by 4.6 percent in Budget year +1, and Budget year +2.

When the Full Year projection is compared to the 2024/25 Tabled Budget, the 2024/25 Tabled Budget has decreased by 87.1 percent.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
		(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)		

<b>Non-Exchange Revenue</b>									
<b>Property rates</b>	25 471	45 345	45 345	28 436	37 915	47 567	47 567	50 017	52 317
% Growth Rate (Nominal)		78.0%	0.0%				4.9%	5.2%	4.6%
Increase/(decrease) in the No. of properties			-			-	-	-	-
Increase/(decrease) in the Value of properties (R'm)			-			-	-	-	-

**PT Comments:**

The municipality budgeted for Property rates revenue of R47.6 million in the 2024/25 Tabled Budget which is a 4.9 percent increase when compared to the 2023/24 Adjusted Budget. Property rates increase by 5.2 percent in Budget year +1, and 4.6 percent Budget year +2. According to Table A10, the number of households being charged for Property rates services is Nil in 2024/25. This is due to the municipality not populating the A1D data strings and the Council approved Schedule A.

When the Full Year projection is compared to the 2024/25 Tabled Budget, the 2024/25 Tabled Budget has increased by 25.5 percent which appears excessive.

<b>Fines, Penalties and forfeits</b>	689	6 275	604	741	988	6 563	6 563	6 865	7 181
% Growth Rate (Nominal)		811.4%	-90.4%				985.8%	4.6%	4.6%

**PT Comments:**

The budget for Fines, penalties and forfeits is R6.6 million in the 2024/25 Tabled Budget which is a 985.8 percent increase when compared to the 2023/24 Adjusted Budget. No reasons were provided in the budget narrative. Fines, Penalties and forfeits increase by 4.6 percent in Budget year +1, and Budget year +2.

The 2024/25 budgeted amount appears excessive considering that the budget has increased by 564.6 percent compared to the full year projection.

<b>Transfers and subsidies - Operational</b>	43 866	47 469	47 469	61 861	82 482	46 303	46 303	44 822	43 599
% Growth Rate (Nominal)		8.2%	0.0%				-2.5%	-3.2%	-2.7%

**PT Comments:**

Transfers and subsidies - Operational of R46.3 million represents 35.8 percent of the Total operating revenue budget of R129.5 million. This implies that the municipality is grant reliant. The DoRB and Provincial Allocations show R46.3 million.

<b>Interest</b>	1 788	-	5 671	4 576	6 101	-	-	-	-
% Growth Rate (Nominal)		-100.0%					-100.0%		

**PT Comments:**

The municipality has budgeted Rnil for Interest in the 2024/25 Tabled Budget. The 2023/24 Full year projection reflects an amount of R6.1 million for Interest.

The municipality should take into consideration the 2022/23 Audited Outcome and the 2023/24 Full year projection in the preparation of the Final 2024/25 Budget.

<b>Total Revenue (excluding capital transfers and contributions)</b>	93 091	124 667	125 416	124 060		129 477	129 477	132 148	135 009
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Table A4 - Budgeted Financial Performance (Operating Expenditure) - PT Assessment

R thousand	Description	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework					
			Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
			(AUDA)	(ORGB)	(ADJB)	**** M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)		
<b>Expenditure By Type</b>											
	<b>Employee related costs</b>	46 463	47 879	51 995	34 971	46 627	51 683	51 683	52 855	54 927	
	% Growth Rate (Nominal)		3.0%	8.6%				-0.6%	2.3%	3.9%	
	Increase/(decrease) in No. of Positions		142				-	(142)		-100.0%	

**PT Comments:**

The municipality has budgeted for Employee related costs at R51.7 million, which is a 0.6 percent decrease in the 2024/25 Tabled Budget. It increases by 2.3 percent in Budget year +1 and 3.9 percent in Budget year +2. The municipality stated that it is still waiting for the Collective Agreement on Wages and Salaries signed by the Local Government National Bargaining Council that set the salaries increases.

Based on the 2023/24 Full Year Projection of R46.6 million, the 2024/25 Tabled Budget is a 10.8 percent increase. The 2024/25 TABB data strings reflect a decrease of 142 in the number of positions when compared to the 2023/24 Original Budget. This may be an indication of an error in the data strings and the municipality is advised to review the data strings and make the necessary corrections.

Remuneration (Employee related costs and Remuneration of councillors) as a percentage of Total operating expenditure is 44.4 percent. This is above the norm range of 25 percent – 40 percent contained in MFMA Circular No. 71.

<b>Remuneration of councillors</b>	4 597	4 858	4 473	3 098	4 131	4 771	4 771	5 029	5 180
% Growth Rate (Nominal)		5.7%	-7.9%				6.7%	5.4%	3.0%
Remuneration Ratio	36.1%	40.5%	43.8%			44.4%	44.2%	44.2%	43.9%

**PT Comments:**

The municipality has budgeted for Remuneration of councillors at R4.8 million, which is a 6.7 percent increase in the 2024/25 Tabled Budget. It increases by 5.4 percent in Budget year +1 and 3 percent in Budget year +2. The municipality stated in their budget document that the cost associated with the Remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The Full Year Projection for 2023/24 is reflected at R4.1 million, a 15.5 percent increase when compared to the 2024/25 Tabled Budget, which appears excessive.

<b>Bulk purchases - Electricity</b>	15 896	20 301	20 249	14 342	19 123	22 883	22 883	23 936	25 037
% Growth Rate (Nominal)		27.7%	-0.3%				13.0%	4.6%	4.6%

**PT Comments:**

The municipality budgeted for Bulk purchases - Electricity of R22.9 million in the 2024/25 Tabled Budget which is a 13 percent increase when compared to the 2023/24 Adjusted Budget. The municipality stated that the budget for Electricity will be increased based on the NERSA guidelines, which have not yet been received. Thus, the increase is currently based on the CPI inflation. However, MFMA Circular No. 126 indicates that the bulk electricity costs increased by 12.7 percent according to NERSA.

It should however be noted that when compared to the Full Year Projection for 2023/24 of R19.1 million, the 2024/25 Tabled Budget is a 19.7 percent increase which exceeds the NERSA guideline of 12.7 percent. The municipality is requested to consider the year to date figure during the finalisation of the 2024/25 budget to be approved by Council.

<b>Inventory consumed</b>	4 121	6 029	3 291	2 133	2 844	5 972	5 935	6 208	6 493
% Growth Rate (Nominal)		46.3%	-45.4%				80.3%	4.6%	4.6%

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	(AUDA)	(ORGB)	(ADJB)	*** M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)		

PT Comments:

The municipality budgeted for Inventory consumed of R6 million in the 2024/25 Tabled Budget which is a 80.3 percent increase when compared to the 2023/24 Adjusted Budget, which was not justified in the budget narrative. The budget for the 2024/25 Budget has increased by 110 percent in relation to the full year projection of R2.8 million for the 2023/24 financial year, which appears excessive.

The municipality is therefore requested to review the budget in relation to the expected performance for the 2023/24 financial year and revise the budget in the Final Budget to be approved by Council, if necessary.

<b>Debt impairment</b>	6 770	10 400	10 400	-	-	2 852	2 852	2 983	3 120
% Growth Rate (Nominal)		53.6%	0.0%				-72.6%	4.6%	4.6%

PT Comments:

The municipality budgeted for Debt impairment of R2.9 million which reflects a 72.6 percent decrease when compared to the 2023/24 Adjusted Budget.

Based on the Provincial Treasury's recalculation, Debt impairment should be approximately R24.7 million for the 2024/25 Tabled Budget, Based on the collection rates for Property rates (68.5 percent), Service charges - electricity (85 percent), Service charges - waste management (85 percent) and Fines (6.2 percent). The Debt impairment budget therefore appears understated.

The Audited Outcome for 2022/23 based on the audited Annual Financial Statements is R12.4 million.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
		(AUDA)	(ORGB)	(ADJB)	*** M9 - March 2024		Council Tabled Budget	Data String (TABB) / (A1D)		
<b>Depreciation and amortisation</b>	11 563	9 864	9 864	4 419	5 892	9 847	9 847	10 328	10 803	
% Growth Rate (Nominal)		-14.7%	0.0%				-0.2%	4.9%	4.6%	

**PT Comments:**

The municipality budgeted for Depreciation and amortisation of R9.8 million in the 2024/25 Tabled Budget which is a 0.2 percent decrease when compared to the 2023/24 Adjusted Budget. It increases by 4.9 percent in Budget year +1 and 4.6 percent in Budget year +2.

The budgeted Depreciation and amortisation should take into consideration the Audited Outcome of R11.6 million, the Total Capital expenditure for the 2023/24 Adjusted Budget and the Budgeted Capital expenditure for 2024/25. The municipality must satisfy itself as to the adequacy of the budget.

<b>Interest</b>	1 967	300	164	165	219	-	-	-	-
% Growth Rate (Nominal)		-84.7%	-45.3%				-100.0%		

**PT Comments:**

The municipality has budgeted Rnil for Interest in the 2024/25 Tabled Budget. The 2023/24 Full year projection reflects an amount of R219 000 for Interest.

The municipality is advised to review its records and make the necessary corrections in the 2024/25 Original Budget if applicable.

<b>Contracted services</b>	26 679	18 485	16 849	12 417	16 556	16 725	16 725	17 353	18 491
% Growth Rate (Nominal)		-30.7%	-8.9%				-0.7%	3.8%	6.6%

**PT Comments:**

The municipality budgeted for Contracted services of R16.7 million in the 2024/25 Tabled Budget which is a 0.7 percent decrease when compared to the 2023/24 Adjusted Budget. No reasons were provided in the budget narrative. When compared to the Full year projection of R16.6 million, the budget has increased by 1 percent.

The municipality is requested to ensure that the budget for Contracted services is based on the Contracts register as informed by the Supply Chain Management Procurement Plan. Additionally, further information to justify the budget should be submitted by the municipality together with the Final Budget. The municipality is advised to ensure that Contracted services are budgeted for in line with the current signed agreements and expected 2024/25 agreements so as to avoid any possible unauthorised expenditure at year end.

<b>Irrecoverable debts written off</b>	-	-	-	108	144	-	-	-	-
% Growth Rate (Nominal)									

**PT Comments:**

The municipality has budgeted Rnil for Irrecoverable debts written off in the 2024/25 Tabled Budget. The 2023/24 Full year projection reflects an amount of R144 000 for Irrecoverable debts written off.

Should the municipality be planning to write off any debts in 2024/25, this must be budgeted for accordingly.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:  M9 - March 2024	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
							Council Tabled Budget	Data String (TABB) / (A1D)		
<b>Operational costs</b>	21 786	12 019	11 761	7 548	10 063	12 322	12 322	12 378	12 918	
% Growth Rate (Nominal)		-44.8%	-2.2%			4.8%		0.4%	4.4%	

**PT Comments:**

The municipality has budgeted for Operational costs at R12.3 million in 2024/25. This represent a 4.8 percent increase when compared to the 2023/24 Adjusted Budget. Operational costs increases by 0.4 percent in Budget year +1 and 4.4 percent in Budget year +2. The municipality indicated that it has shifted the focus and decided to improve the maintenance of infrastructure; the high increase on other expenditure and materials is due to anticipated high expenditure on roads and electricity maintenance.

The budget for the 2024/25 Tabled Budget has increased by 22.4 percent in relation to the full year projection of R10.1 million for the 2023/24 financial year and appears excessive.

<b>Total Expenditure</b>	141 455	130 136	129 046	79 201		127 055	127 018	131 069	136 969
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**PT Comments:**

The municipality has budgeted R127.1 million for Total Operating Expenditure in 2024/25, a decrease of R2 million when compared to the 2023/24 Adjusted Budget.

**Table A4 - Budgeted Financial Performance (Surplus/Deficit) - PT Assessment**

<b>Total Operating Revenue</b>	93 091	124 667	125 416	124 060		129 477	129 477	132 148	135 009
<b>Total Operating Expenditure</b>	141 455	130 136	129 046	79 201		127 055	127 018	131 069	136 969
<b>Operating Surplus/ (Deficit)</b>	(48 364)	(5 469)	(3 630)	44 859		2 422	2 459	1 079	(1 960)
% Growth Rate (Nominal)		-88.7%	-33.6%				-167.7%	-55.5%	-281.7%

**PT Comments:**

The municipality has budgeted for a Operating surplus of R2.5 million (2024/25), R1.1 million (2025/26) and a deficit of R2 million (2026/27).

The Surplus may be overstated based on some of the comments above, more specifically the comment on Debt impairment.

Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
							Council Tabled Budget	Data String (TABB)		
R thousand	(AUDA)	(ORGB)	(ADJB)	M9 - March 2024						
<b>Capital Expenditure - Functional</b>										
<b>Municipal governance and admin.</b>	<b>97 965</b>	<b>512</b>	<b>669</b>	<b>202</b>	<b>270</b>	<b>1 433</b>	<b>1 433</b>	<b>191</b>	<b>200</b>	
Executive and council	662	43	11	-	-	-	-	-	-	
Finance and administration	97 303	469	658	202	270	1 433	1 433	191	200	
Internal audit	-	-	-	-	-	-	-	-	-	
<b>Community &amp; public safety</b>	<b>2 088</b>	<b>526</b>	<b>7 229</b>	<b>1 353</b>	<b>1 805</b>	<b>92</b>	<b>92</b>	<b>97</b>	<b>101</b>	
Community and social services	2 088	526	273	15	20	92	92	97	101	
Sport and recreation	-	-	6 957	1 338	1 785	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Health	-	-	-	-	-	-	-	-	-	
<b>Eco. and environ. services</b>	<b>13 852</b>	<b>21 294</b>	<b>23 958</b>	<b>5 990</b>	<b>7 987</b>	<b>14 389</b>	<b>14 389</b>	<b>14 444</b>	<b>9 506</b>	
Planning and development	909	-	-	-	-	-	-	-	-	
Road transport	12 942	21 294	23 958	5 990	7 987	14 389	14 389	14 444	9 506	
Environmental protection	-	-	-	-	-	-	-	-	-	
<b>Trading services</b>	<b>1 041</b>	<b>16 719</b>	<b>23 385</b>	<b>18 670</b>	<b>24 893</b>	<b>13 494</b>	<b>13 494</b>	<b>6 957</b>	<b>4 348</b>	
Energy sources	1 041	16 719	23 385	18 670	24 893	13 494	13 494	6 957	4 348	
Water management	-	-	-	-	-	-	-	-	-	
Waste water management	-	-	-	-	-	-	-	-	-	
Waste management	-	-	-	-	-	-	-	-	-	
<b>Other</b>	<b>812</b>	<b>-</b>	<b>-</b>	<b>425</b>	<b>567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Capital Expenditure Functional</b>	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>26 641</b>	<b>35 522</b>	<b>29 408</b>	<b>29 408</b>	<b>21 689</b>	<b>14 155</b>	
% Growth Rate (Nominal)		-66.3%	41.5%			-46.8%	-26.2%	-34.7%		

PT Comments:

The Capital budget for the 2024/25 financial year amounts to R29.4 million, a 46.8 percent decrease when compared to the 2023/24 Adjusted Budget of R55.2 million.

Table A9 shows that R27.9 million (94.9 percent) of the 2024/25 Capital budget of R29.4 million is directed towards Infrastructure assets.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
	(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB)		
<b>Repairs and maintenance (Table A9)</b>	955	2 044	1 557			2 036	2 036	2 600	2 721
% Growth Rate (Nominal)		114.1%	-23.8%				30.8%	27.7%	4.6%
Repairs and maintenance as a % of PPE Values							0.3%		

**PT Comments:**

The municipality budgeted for Repairs and maintenance of R2 million in Table SA34c of the 2024/25 Tabled Budget which is 0.3 percent of the previous year's PPE value. The municipality should be providing for Repairs and maintenance of at least 8 percent of the previous year's PPE as per MFMA Circular No. 71 for the MTREF financial years. The municipality should be aware of the consequences of under-spending on Repairs and maintenance which includes shortening of the useful lives of assets, deteriorating reliability and quality of services leading to a more expensive crisis maintenance over the medium to long term.

The municipality has indicated that it is still struggling to set aside the amount as per the guidelines due to the availability of finances to fully cover repairs and maintenance costs, and will endeavour to do this over the years.

The municipality is advised to provide a detailed explanation and assurance that adequate provision has been made for Repairs and maintenance in the budget to secure the on-going health of the municipality's infrastructure and also ensure alignment to the municipal Asset management plan.

<b>Renewals and Upgrading of existing assets (Table A9)</b>	(903)	153	133			968	968	176	184
% Growth Rate (Nominal)		-116.9%	-13.0%				627.5%	-81.9%	4.6%
Renewals and Upgrades as a % of capital expenditure		0.4%	0.2%				3.3%	0.8%	1.3%

**PT Comments:**

The municipality budgeted for Renewals and Upgrading of existing assets of R968 000 in Table A9 of the 2024/25 Tabled Budget which is 3.3 percent of capital expenditure. This is below the requirement per National Treasury Circular No. 71 which requires that at least 40 percent of the Capital budget must be allocated to the Renewal and upgrading of existing assets. No reasons were provided in the budget narrative for the non compliance.

**Table A5 - Budgeted Capital Expenditure by funding**

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB)		

**Budgeted Capital Expenditure Funded by:**

National Government	13 077	37 163	52 450	23 649	31 532	27 883	27 883	21 401	13 854
% Growth Rate (Nominal)		184.2%	41.1%				-46.8%	-23.2%	-35.3%

*PT Comments:*

The Capital budget is funded by Transfers recognised – capital of R27.9 million, which constitutes 95 percent of total capital funding. Capital allocations included in TABB Table A5 of R27.9 million do not agree to allocations reflected in DoRB of R31.9 million.

Description	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Original Budget	Adjusted Budget	Actual Amount (Data String) IYM as at:	Full Year Projections for current year based on Actual Perf. (100%)	Budget Year 2024/25		Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	(AUDA)	(ORGB)	(ADJB)	M9 - March 2024		Council Tabled Budget	Data String (TABB)		
<b>Transfers recogn.- capital</b>	<b>13 555</b>	<b>37 163</b>	<b>52 450</b>	<b>23 649</b>	<b>31 532</b>	<b>27 883</b>	<b>27 883</b>	<b>21 401</b>	<b>13 854</b>
<b>Internally generated funds</b>	<b>102 202</b>	<b>1 888</b>	<b>2 791</b>	<b>2 992</b>	<b>3 990</b>	<b>1 525</b>	<b>1 525</b>	<b>288</b>	<b>301</b>
% Growth Rate (Nominal)		-98.2%	47.8%				-45.3%	-81.1%	4.6%
<i>PT Comments:</i>									
The municipality decreased the Internally generated funds from R2.8 million in the 2023/24 Adjustments Budget to R1.5 million in the 2024/25 Tabled Budget. The municipality is advised to carefully consider the affordability of utilising funds from the municipality's cash backed reserves to fund Capital expenditure as the municipality appears to be Unfunded.									
<b>Total Capital Funding</b>	<b>115 758</b>	<b>39 051</b>	<b>55 241</b>	<b>26 641</b>	<b>35 522</b>	<b>29 408</b>	<b>29 408</b>	<b>21 689</b>	<b>14 155</b>

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Table A7 - Budgeted Cash Flows - PT Assessment

Description	Budget Year 2024/25				
	Tables A4/A5 Comparison (TABB)	Table A7 Council Tabled Budget	Table A7 Data string (TABB)	% Collection/ Payment	Treasury Calculation based on Tables A4 and A5
R thousand					

It should be noted that the funding position for your 2024/25 Tabled (Draft) Budget was determined based on the information reflected in the audited 2022/23 AFS, the 2023/24 ADJB and the 2024/25 TABB data strings that were submitted to the National Treasury GoMuni Upload Portal which reflect the figures that the municipality has on the financial system. The assessment of your 2024/25 Tabled (Draft) Budget considered the cash flow impact of the budgeted Operating revenue and expenditure (Tables B4/A4) as well as the Capital expenditure (Tables B5/A5) as reflected in the 2023/24 ADJB and 2024/25 TABB data strings.

The amounts reflected in the Treasury Calculation column were based on the submitted mSCOA data strings and certain assumptions applied through the Treasury Budget Funding Assessment Tool. Should the submitted mSCOA data strings contain material errors, those would also affect the Treasury calculated figures and will need to be addressed by the municipality in the submission of the Approved (Final) Budget data string (ORGB). The assessment below contains brief explanations for significant variances between the municipality's 2024/25 Tabled (Draft) Budget tables and the Treasury calculated figures, where applicable.

Considering that the assessment of the 2024/25 Approved (Final) Budget will also be determined using the 2023/24 ADJB and the 2024/25 ORGB, the municipality is requested to ensure that the 2023/24 ADJB data string is fully aligned to the latest Council Approved Adjustments budget which includes all adjustments made for changes to grant allocations and/or Section 29 of the MFMA and that the 2024/25 ORGB data string reflects figures that are accurate and that the errors and omissions noted in the 2024/25 TABB data string are corrected.

CASH FLOW FROM OPERATING ACTIVITIES					
<b>Receipts</b>					
Property rates	47 567	38 053	38 373	81%	32 579
Collection rate- Property rates (AFS)					-

**PT Comments:**

The municipality budgeted receipts from Property rates at R38.4 per the TABB Table A7, which is a collection rate of 81 percent. For recalculation purposes, Provincial Treasury recalculated receipts of approximately R32.6 million using a collection rate of 68.5 percent based on the audited AFS.

Service charges	23 809	20 237	20 237	85%	20 237
Service charges - electricity revenue (SA30)	21 380	18 173	18 173	85%	
Collection rate- electricity revenue (AFS)					-
Service charges - water revenue (SA30)	-	-	-	-	-
Collection rate- water revenue (AFS)					-
Service charges - sanitation revenue (SA30)	-	-	-	-	-
Collection rate- sanitation revenue (AFS)					-
Service charges - refuse revenue (SA30)	2 429	2 064	2 064	85%	
Collection rate- refuse revenue (AFS)					-

**PT Comments:**

The municipality budgeted to receive R20.2 million from Service charges in TABB Table A7. This equates to a 85 percent collection rate when compared to the R23.8 million budgeted in TABB Table A4. For recalculation purposes, the Provincial Treasury calculated receipts from Service charges of approximately R20.2 million using a collection rate of 85 percent as per the municipality's calculation.

Description	Budget Year 2024/25				
	Tables A4/A5 Comparison (TABB)	Table A7 Council Tabled Budget	Table A7 Data string (TABB)	% Collection/ Payment	Treasury Calculation based on Tables A4 and A5
<b>R thousand</b>					
Other revenue	10 762	9 148	9 148	85%	17 337
Rental of facilities and equipment (Table SA30)	1 567	1 332	1 332	85%	161%
Fines, penalties and forfeits (Table SA30)	6 563	5 579	5 579	85%	
Collection rate- Fines, penalties and forfeits					-
Licenses and permits (Table SA30)	2 083	1 771	1 771	85%	
Agency services (Table SA30)	-	-	-	-	
Other revenue (Table SA30)	548	466	466	85%	

**PT Comments:**

The municipality applied a collection rate of 85 percent in the 2024/25 Tabled Budget and calculated Other revenue of R9.1 million. Provincial Treasury used approximately R17.3 million for recalculation purposes, which includes budgeted Other revenue in TABB Table A4 using various collection rates (Rental of facilities 100 percent, Fines penalties and forfeits 6.2 percent and Other revenue 100 percent) plus estimated VAT collectable on Debtors payments, VAT collectable on cash sales and VAT refunds for 2024/25.

Transfers and Subsidies - Operational	46 303	46 303	46 303	100%	46 303
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**PT Comments:**

The cash inflow for Transfers and Subsidies – Operational has been budgeted at R46.3 million and Provincial Treasury used R46.3 million for recalculation purposes. Operational allocations included in Table SA18 and TABB Table A4 agree to allocations reflected in DoRB and the Provincial Gazette of R46.3 million.

Transfers and Subsidies - Capital	27 883	31 858	31 858	114%	31 858
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**PT Comments:**

The cash inflow for Transfers and Subsidies – Capital has been budgeted at R31.9 million and Provincial Treasury used R31.9 million for recalculation purposes. Capital allocations included in TABB Table A5 of R27.9 million do not agree to allocations reflected in DoRB of R31.9 million.

Description	Budget Year 2024/25				
	Tables A4/A5 Comparison (TABB)	Table A7 Council Tabled Budget	Table A7 Data string (TABB)	% Collection/ Payment	Treasury Calculation based on Tables A4 and A5
<b>R thousand</b>					
Interest	1 037	1 037	1 037	100%	1 037
Interest earned - external investments (SA30)	1 037	1 037	1 037	100%	
Interest earned - outstanding debtors (SA30)	-	-	-	-	

*PT Comments:*

The municipality has budgeted R1 million for Interest in TABB Table A7, which agrees to the Provincial Treasury's recalculation.

<b>Payments</b>					
Suppliers and employees	114 319	(121 612)	(121 612)	106%	(126 134)
Employee related costs (SA30)	51 683	51 769	(51 769)	100%	
Remuneration of councillors (SA30)	4 771	4 771	(4 771)	100%	
Bulk purchases (SA30)	22 883	26 136	(26 316)	115%	
Acquisition inventory - water and other inventory (SA30)	5 935	6 541	(6 541)	110%	
Contracted services (SA30)	16 725	19 234	(19 234)	115%	
Other expenditure (SA30)	12 322	12 981	(12 981)	105%	
Other Cash Flows/Payments (SA30)		-	-	-	

*PT Comments:*

The municipality calculated R121.6 million for Suppliers and employees in TABB Table A7 of the Tabled Budget data string. For recalculation purposes, Provincial Treasury recalculated Suppliers and employees of approximately R126.1 million, being 100 percent of the Operating budget excluding non-cash items in TABB Table A4 and including estimated Input VAT payable to Suppliers for Operating and Capital expenditure based on TABB Tables A4 and A5 and the related data strings.

<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>25 025</b>	<b>25 344</b>		<b>23 217</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					

<b>Payments</b>					
Capital assets	29 408	(33 819)	(33 819)	115%	(29 408)

The cash outflow for Capital assets of R33.8 million appears to be overstated by approximately R4.4 million in relation to the Capital expenditure as per TABB Table A5 of R29.4 million which was used by Provincial Treasury for recalculation purposes.

<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(33 819)</b>	<b>(33 819)</b>		<b>(29 408)</b>
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Description	Budget Year 2024/25				
	Tables A4/A5 Comparison (TABB)	Table A7 Council Tabled Budget	Table A7 Data string (TABB)	% Collection/ Payment	Treasury Calculation based on Tables A4 and A5
<b>R thousand</b>					
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Receipts					
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-		-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		(8 795)	(8 475)		(6 191)
Cash/cash equivalents at the year begin:		9 266	9 266		2 621

*PT Comments:*

The municipality has determined the Cash/cash equivalents at year begin to be R9.3 million in TABB Table A7. Provincial Treasury recalculated the Cash/cash equivalents at year begin to be approximately R2.6 million. Thus, the Cash/cash equivalents at year begin appears to be overstated.

Cash/cash equivalents at the year end:		471	790		(3 570)
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*PT Comments:*

The recalculated closing Cash and cash equivalents by Provincial Treasury based on TABB Tables A4 and A5 of the Tabled Budget data strings and the recalculated opening Cash and cash equivalents based on the 2023/24 Adjusted Budget data string is approximately negative R3.6 million as opposed to the R790 000 as per the TABB Table A7 in the Tabled Budget data string.

Table A8 - Cash backed reserves/accumulated surplus reconciliation- PT Assessment

Description	Table A8 Council Tabled Budget	Table A8 Data string (TABB)	Treasury Calculation	PT Comments:
<b>R thousand</b>				
<b>Cash and investments available</b>				
Cash/cash equivalents at the year end	471	790	(3 570)	The Cash/cash equivalents at the year end has been budgeted at approximately R790 000 as per TABB Table A8 by the municipality. Provincial Treasury recalculated approximately negative R3.6 million.
Other current investments > 90 days	-	-	(0)	
Non current assets - Investments	-	-	-	
<b>Cash and investments available:</b>	<b>471</b>	<b>790</b>	<b>(3 570)</b>	
<b>Application of cash and investments</b>				
Unspent conditional transfers	2 920	2 920	5 917	In respect of Unspent conditional transfers, the Provincial Treasury after considering the 2022/23 Audited AFS, the 2023/24 Adjusted Budgeted allocations and grant expenditure (ADJB) as well as the 2024/25 budgeted allocations and grant expenditure (TABB), used approximately R5.9 million for recalculation purposes. The municipality used R2.9 million in TABB Table A8.
Unspent borrowing	-	-	-	
Statutory requirements	-	(22 983)	560	In respect of Statutory requirements, the Provincial Treasury after considering the VAT receivable / payable as per the 2022/23 Audited AFS, the 2023/24 budgeted income and expenditure (ADJB) as well as the 2024/25 budgeted income and expenditure (TABB), used approximately R560 000 for recalculation purposes in Table A8, whereas the municipality calculated approximately negative R23 million
Other working capital requirements	22 051	35 377	25 340	In respect of Other working capital requirements, the Provincial Treasury after considering the estimated 2024/25 outstanding Debtors and outstanding Creditors based on the 2022/23 audited AFS, the 2023/24 ADJB and the 2024/25 TABB, used approximately R25.3 million for recalculation purposes in Table A8. The municipality used R35.4 million in TABB Table A8.
Other provisions	-	-	-	
Long term investments committed	-	-	-	
Reserves to be backed by cash/investments	-	-	-	
<b>Total Application of cash and investments:</b>	<b>24 971</b>	<b>15 314</b>	<b>31 817</b>	
<b>Surplus(shortfall) - Excl Non-Current Creditors</b>	<b>(24 500)</b>	<b>(14 523)</b>	<b>(35 387)</b>	
<b>Trf to Debt Relief Benefits</b>				
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	
<b>Surplus(shortfall) - Incl Non-Current Creditors</b>	<b>(24 500)</b>	<b>(14 523)</b>	<b>(35 387)</b>	Based on a recalculation of the Cash/Cash equivalents at the year-end as per Table A7: Budgeted cash flows and the Surplus/(shortfall) as per Table A8: Cash backed reserves/accumulated surplus reconciliation of your 2024/25 Tabled Budget in line with the National Treasury Budget funding assessment framework using the audited 2022/23 AFS and data string figures from the relevant budget tables including Tables A4/B4 and A5/B5 that were uploaded to the National Treasury GoMuni Upload Portal and downloaded by Provincial Treasury from the portal on 10 April 2024, your municipality's 2024/25 Tabled Budget appears to be <b>Unfunded</b> in terms of Section 18 of the MFMA read together with MFMA Circular No. 55.
<b>Trf to Debt Relief Benefits</b>				

## **Annexure B**

### **MBRR Schedule A – Annual budget and supporting documentation of a municipality**

As per the Municipal Budget and Reporting Regulations, the following information should be included as part of Schedule A:

#### **PART 1 – ANNUAL BUDGET**

- Mayor's Report
- Resolutions
- Executive Summary
- Annual Budget Tables

#### **PART 2 – SUPPORTING DOCUMENTATION**

- Overview of annual budget process
- Overview of alignment of annual budget with Integrated Development Plan
- Measurable performance objectives and indicators
- Overview of budget related policies
- Overview of budget assumptions
- Overview of budget funding
- Expenditure on allocations and grants programmes
- Allocation and grants made by the municipality
- Councilor and board member allowances and employee benefits
- Monthly targets for revenue, expenditure and cash flow
- Annual budgets and service delivery and budget implementation plans internal – departments
- Annual budgets and service delivery agreements – municipal entities and other external mechanisms
- Contracts having future budgetary implications
- Capital expenditure details
- Legislation compliance status
- Other supporting documents
- Annual budgets of municipal entities attached to the municipalities annual budget
- Municipal manager's quality certification

Details on the contents of each of the above Sections are provided in the Schedules to the Municipal Budget and Reporting Regulations, as published in Part 1 and 2 of the Government Gazette No. 32141 dated 17 April 2009.