



**MSINGA MUNICIPALITY
UMKHANDLU WASEMSINGA
PRIVATE BAG X530**

TUGELA FERRY

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2017/2018 DRAFT BUDGET QUALITY CERTIFICATE

I **Fanozi Bethuel Sithole**, municipal manager of **Msinga Municipality**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under this Act, and that the Draft budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Thank you.

Mr. Fanozi Bethuel Sithole
The Accounting Officer
Msinga Municipality (KZ244)
Date:

ITEM A FULL COUNCIL 2017-03-27

DRAFT BUDGET

FINANCE DEPARTMENT

ROUTING:

FULL COUNCIL COMMITTEE

1. PURPOSE

To submit to the Committee the draft budget proposals for 2017/2018 and Capital Budget 2017/2018 financial year.

2. STATUTORY REQUIREMENTS

In terms of Section 10(G)(4) of the Local Government Transition Act, Second Amendment Act, 1996 (Act 97 of 1996) the Council shall submit to the Minister of Finance within 14 days from the adoption thereof by Council for the purpose of monitoring whether the maximum expenditure limits have been complied with: Provided that the Minister of Finance may delegate this monitoring function to the MEC responsible for Finance.

Section 10(G)(4) of the Act mentioned above provides that "in so far as it may be essential for the pursuit of the national economic policy, the Minister of Finance, after consultation with the Minister, determine maximum expenditure limits for the budgets or components of such budgets of municipalities for a financial year."

The Minister of Finance has therefore set the maximum expenditure increases of 6% for each of the capital, special and trust funds and operating budgets.

These restrictions do not take into consideration new municipalities that have been recently established as ours, resulting in some functions not efficiently, effectively and efficaciously being performed.

3. BUDGET PRINCIPLES / METHODS

3.1 SALARIES, WAGES AND ALLOWANCES

A provision of 8% increase has been made in staff salaries, wages and allowances.

3.2 COUNCILLOR SALARIES AND ALLOWANCE

The provision for Councillors salaries, allowances and benefits have been based on Government gazette draft Notice No. R 1224 for the determination of the upper limits of the salaries, allowances and benefits of the different

members of the municipal council. A provision of 8% increase has been made although this may not be realized.

4. RESOURCE SUPPORT SERVICES

4.1. OPERATING INCOME

4.1.1 TARIFF OF CHARGES

Refer to tariff of charges.

4.2. EQUITABLE SHARE

An amount of R 136 937 000 has been allocated to the Msinga Municipality for the financial year 2017/2018.

4.3. GRANTS

4.3.1. Financial Management Grant

An amount of R 1 900 000 has been allocated to Msinga Municipality.

4.3.2. Expanded Public Works Programme

An amount of R 4 775 000 has been allocated to Msinga Municipality

4.3.3. Intergrated Energy Programme

An amount of R 24 000 000 has been allocated to Msinga Municipality

4.4. OPERATING EXPENDITURE

The total operational expenditure amounts to R 175 123 096

5. CAPITAL BUDGET (PROJECTS)

The total capital projects is R 72 498 000 for the 2017/2018 financial year.

6. RECOMMENDATIONS

It is recommended that Council resolve as follows:

- 6.1. That the proposed estimates of operating income and expenditure for 2017/2018 financial year as submitted be approved.

- 6.2. That the proposed estimates of capital projects and programmes for 2017/2018 financial year be approved.
- 6.3. Free Basic Services vote be utilized for any Community Projects relating to a Service by the discretion of Council.
- 6.4. Draft Budget will be submitted in A Schedules.

For Consideration by Municipal Manager

Recommendations supported/Not supported



FB SITHOLE
Municipal Manager

Date: _____