



**DR NKOSAZANA DLAMINI-
ZUMA LOCAL MUNICIPALITY
PRESENTS
2021/22 ADJUSTMENT BUDGET**

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1. PURPOSE OF THE REPORT

The purpose of the report is to present the revised approved annual budget through an adjustment budget as there have been changes on anticipated revenue and expenditure in terms of MFMA.

2. BASIS AND BACKGROUND ON THE PREPARATION OF ADJUSTMENT BUDGET

(a). The Mid-Year Budget and Performance Assessment report (section 72 report) was prepared for Dr Nkosazana Dlamini Zuma municipality and presented to Council on the 24 January 2022 and after that process of the Mid-Year Budget and Performance Assessment report a decision for Adjustment budget preparation was taken.

The 2021/2022 Adjustments budget is prepared in accordance with Municipal budget and regulations, promulgated in government gazette No. 32141 dated 17 April 2009, MFMA, Act No. 56 of 2003 and guidelines and assumptions outlined on Treasury Circular for Mid-Year Assessment and Adjustment Budget of 2021/22, taking into consideration the following aspects;

- National budget assumptions, guidelines and projections;
- Alignment with national and provincial priorities;
- Headline inflation and gross domestic products forecasts; and
- Revenue assumptions with regard to grants allocation in terms of DORA.
- Municipal budget underlying assumptions, guidelines and projections;
- Anticipated own revenue from rates and services charge, sundry charges and other revenues and affordability of ratepayers and consumers of services;
- The ability of municipality to collect revenue (payment level);
- Operating expenditure cost drivers and growth thereof;
- Capital budget funding model;
- Protecting the poor by ensuring access to basic services

According to the Mid-Year Budget and Performance assessment report presented to Council it was recommended to Council that the 2021//2022 annual budget be amended to revise projections for revenue and expenditure amongst the different votes because the actual expenditure and actual revenue for the past six months were not the same as anticipated. Many budgeted community programmes were affected by lockdown rules. For example, Arts and Culture, Sport Development, Operation Sukuma Sakhe and many more could take place. The heavy rains have also affected many of our infrastructure projects, especially our road networks. Shifting of funds from non-essential activities to infrastructure maintenance has been considered as well.

PART 1 – ADJUSTMENT BUDGET

1.1 MAYOR’S REPORT

2021/22 Adjustment budget presentation by her Worship the Mayor Councillor PS. Msomi at Dr Nkosazana Dlamini-Zuma Local Municipality in February 2022.

Honourable Speaker, I am pleased to officially present an overview of 2021/22 Adjustment Budget in terms of MFMA where we report on how the municipality anticipates ensuring that Service delivery priorities, as identified in the Integrated Development Plan (IDP) are funded and implemented. The MFMA states that “a municipality may revise an approved annual budget through an adjustments budget”

(a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

(C) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

(d) May authorise the utilisation of projected savings in one vote towards spending under another vote;

(e) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;

(f) May correct any errors made in the annual budget; and

(g) May provide for any other expenditure within a prescribed framework.

The adjustment budget has been prepared considering the provision of the MFMA as stated above and in other sections of the MFMA as well as treasury regulations and circulars.

Our main Objective as the municipality is to ensure that the communities of the Dr Nkosazana Dlamini-Zuma Local Municipality get access to basic services and thus we are confident that this adjustment budget has been compiled to ensure that this happens.

Our adjustment budget for the 2021/2022 financial year, being the first adjustment budget in our term of office, demonstrates Council desire to further the development of infrastructure to provide basic services to all our people despite the negative effects of the Covid-19 pandemic. This adjustment budget strives to demonstrate the compassion the Municipality has for its citizens.

Honourable Speaker, this year's adjustment budget underlines the mid-year revenue and expenditure framework of the municipality in the context of a fragile macroeconomic environment and outlook. The global, national and provincial economies have deteriorated further since the outbreak of COVID-19. Honourable Members, it is prudent to allude to this house that there were already pre-existing challenges that contributed to the low economic growth in country. Dr Nkosazana Dlamini Zuma Municipality even before the outbreak of COVID -19 pandemics, inter-alia are the following: low business confidence, high unemployment rate, a growing of debtor's book and a growing budget deficit due to reduced revenue.

The 2021/22 adjusted medium term expenditure framework, consisting of a R 240, 8million consolidated budget, the approval of rollover of additional funding of R 20, 3 million received as the additional Equitable Share from the National Treasury in

2020/21 financial year, will positively impact on the ability of this municipality to respond and mitigate the impact of the pandemic and by providing critical infrastructure to our community.

As a progressive municipality, we also aim to give hope to our youth through skills based training, provide economic opportunities and an enabling environment for businesses to flourish. Despite the fact that this adjustment budget is crafted under tough economic times it is envisaged to steer the municipality through the tough economic environment we operate in and is also underpinned by cost containment measures which will allow a cost conscious spending.

I would also like to thank all the stakeholders who supported the municipality in the past years and current year, your dedication has led to an unqualified audit opinion in the past years as well as in 2020/2021 as included in the Annual Report.

Considering the above explanation, I hereby recommend that the council may approve the 2021/2022 Adjustment Budget.

I thank you.

Honourable Mayor
Councillor PS. Msomi

1.2 RESOLUTIONS

It is recommended that the council:

Notes and adopt the Adjustment Budget for 2021/2022 financial year and supporting documentation.

1.3 EXECUTIVE SUMMARY

The 2021/2022 Adjustments Budget for Dr Nkosazana Dlamini Zuma Municipality has been prepared in terms of the guidelines contained in Section 28(2) of the MFMA and furthermore ensures that the municipality continues to deliver on its core mandate and

identified priorities, achieves its strategic goals and entails prioritising all available resources towards addressing the basic needs of its citizens.

The aim for the compilation of the 2021/2022 Adjustments Budget is to align the expenditure to the anticipated revenue and ensure that the budget is adequately funded. Heads of Departments were requested to identify areas where possible savings were identified in order to address those where additional funding was required.

In compiling the Adjustment Budget for the 2021/2022 financial year, the under mentioned principles gave guidance to the compilation of the 2021/2022 adjustment budget;

- The budget must be funded as required by Section 18 of the MFMA, which states that, an annual budget may only be funded from –
 - a) realistically anticipated revenues to be collected;
 - b) cash-backed surpluses from previous years not committed for other purposes; and
 - c) borrowed funds, but only for the capital budget referred to in section 17(2).

- Revenue projections in the budget must be realistic, taking into account –
 - a) projected revenue for the year taking into account collection levels to date; and
 - b) actual revenue collected in the previous financial years.

The application of sound financial management principles to ensure that the Municipality gets the Clean Audit is essential and critical and to ensure that the Municipality's remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes to maintain sound financial stewardship. A

critical review was also undertaken of expenditures on non-core and 'nice to have' items. This has resulted in savings to the municipality.

The Provincial Treasury's Circular for Adjustment budget and Mid-Year Budget Assessment of 2021/22 was also used to guide the compilation of 2021/22 Adjustment Budget, comments on the 2021/2022 Mid-Year Budget and Performance Assessment report and the following was also taken into consideration;

- a) Revenue Reports on all revenue streams of Dr Nkosazana Dlamini-Zuma Local Municipality / allocation and grant receipts and expenditure for the past six months,
 - i) The Budget Versus Actual Expenditure report on all budgeted votes / budget statement
 - ii) Service delivery implementation plan as it sets the service targets and performance indicators for Dr NDZ Municipality
 - iii) Section 71 reports as submitted to National and Provincial Treasury which are used by the National Treasury and other stake holders for budget monitoring purposes
 - iv) Approved roll overs grant roll

The Operating Revenue is estimated at R 240 ,8Million and that is R406 983 decrease when compared to original budget taking into account the projected impact of the Covid -19 pandemic. Following the call by national government to control government spending by implementing the cost containment measures, the expenditure budget has been kept to the bare necessities. The Operating Expenditure is proposed at R 238 ,2 Million which reflects a reduction of R 954 676 to the original budget.

Capital expenditure is set to decrease by 2% from R 92 ,8 Million of the original budget to R 91 ,3 Million.

Summarily the budget can be reconciled as reflected in the below table.

EXPENDITURE TYPE	APPROVED BUDGET	TOTAL AMMENDMENTS	ADJUSTMENT BUDGET	% CHANGE
Operating Expenditure	239 227 632	954 676	238 272 956	1%
Capital Expenditure	92 799 601	1 488 433	91 311 137	2%
Total Budget	332 027 233	2 443 109	329 584 124	1%

Overview of budget Policies and budget funding

Budget Related Policies

There are no changes to the budget policies proposed in the adjustments Budget.

Budget Funding

The adjustments budget is cash – funded which is an indicator of a “credible” budget. Funding levels are acceptable (inclusive of the Reserve balances), which is remarkable in these economic times, and is sufficient to cover all requirements of the funding and reserves policy.

1.1 ADJUSTMENTS BUDGET TABLES

TABLE B 1 ADJUSTMENT BUDGET SUMMARY

Table B1 below is a summary of Adjustment budget tables extracted from B Schedule. For more information on Adjustment Budget Tables, B Schedule version 6.5 extracted from financial system is attached on the report.

KZN436 Dr Nkosazana Dlamini Zuma - Table B1 Adjustments Budget Summary - 28/02/2022

Description	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	36 226	36 226	-	-	-	-	-	-	36 226	37 748	39 409
Service charges	4 045	4 045	-	-	-	-	-	-	4 045	4 215	4 400
Investment revenue	6 338	6 338	-	-	-	-	(1 000)	(1 000)	5 338	8 604	8 983
Transfers recognised - operational	147 721	147 721	-	-	-	-	509	509	148 230	152 252	148 940
Other own revenue	10 450	10 450	-	-	-	-	85	85	10 535	24 543	25 182
Total Revenue (excluding capital transfers and contributions)	204 780	204 780	-	-	-	-	(406)	(406)	204 374	227 361	226 914
Employee costs	86 453	86 453	-	-	-	-	(1 333)	(1 333)	85 120	89 941	93 631
Remuneration of councillors	11 901	11 901	-	-	-	-	-	-	11 901	12 401	12 947
Depreciation & asset impairment	49 362	49 362	-	-	-	-	(11 641)	(11 641)	37 721	58 394	54 699
Finance charges	303	303	-	-	-	-	(100)	(100)	203	316	329
Materials and bulk purchases	4 090	4 090	-	-	-	-	414	414	4 504	4 262	4 448
Transfers and grants	2 068	2 068	-	-	-	-	(432)	(432)	1 636	2 155	2 250
Other expenditure	85 050	85 050	-	-	-	-	12 137	12 137	97 188	84 285	87 987
Total Expenditure	239 228	239 228	-	-	-	-	(955)	(955)	238 273	251 753	256 290
Surplus/(Deficit)	(34 447)	(34 447)	-	-	-	-	549	549	(33 899)	(24 391)	(29 376)
Transfers recognised - capital	36 508	36 508	-	-	-	-	-	-	36 508	30 558	31 783
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2 061	2 061	-	-	-	-	549	549	2 609	6 167	2 407
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	2 061	2 061	-	-	-	-	549	549	2 609	6 167	2 407
Capital expenditure & funds sources											
Capital expenditure	92 800	92 800	-	-	-	-	(1 488)	(1 488)	91 311	87 495	91 225
Transfers recognised - capital	36 508	36 508	-	-	-	-	375	375	36 883	30 558	31 783
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	56 292	56 292	-	-	-	-	(1 863)	(1 863)	54 428	56 937	59 442
Total sources of capital funds	92 800	92 800	-	-	-	-	(1 488)	(1 488)	91 311	87 495	91 225

Table B1 Cont....

Financial position												
Total current assets	172 970	172 970	-	-	-	-	20 624	20 624	193 594	193 081	192 948	
Total non current assets	551 313	551 313	-	-	-	-	(34 155)	(34 155)	517 158	589 600	631 917	
Total current liabilities	70 440	70 440	-	-	-	-	13 191	13 191	83 631	119 297	162 900	
Total non current liabilities	20 554	20 554	-	-	-	-	(3 443)	(3 443)	17 111	20 554	20 554	
Community wealth/Equity	633 288	633 288	-	-	-	-	(23 279)	(23 279)	610 010	642 830	641 410	
Cash flows												
Net cash from (used) operating	81 165	81 165	-	-	-	-	(8 026)	(8 026)	73 140	83 897	79 053	
Net cash from (used) investing	(83 170)	(83 170)	-	-	-	-	1 488	1 488	(81 681)	(72 545)	(76 057)	
Net cash from (used) financing	(3)	(3)	-	-	-	-	3	3	-	(20)	(20)	
Cash/cash equivalents at the year end	123 415	123 415	-	-	-	-	27 220	27 220	150 634	161 967	164 943	
Cash backing/surplus reconciliation												
Cash and investments available	123 418	123 418	-	-	-	-	27 216	27 216	150 634	146 908	149 150	
Application of cash and investments	26 673	26 673	-	-	-	-	15 339	15 339	42 012	75 606	118 478	
Balance - surplus (shortfall)	96 745	96 745	-	-	-	-	11 877	11 877	108 622	71 302	30 672	
Asset Management												
Asset register summary (WDV)	551 313	551 313	-	-	-	-	(34 155)	(34 155)	517 158	589 600	631 917	
Depreciation & asset impairment	49 362	49 362	-	-	-	-	(11 641)	(11 641)	37 721	58 394	54 699	
Renewal of Existing Assets	10 000	7 500	-	-	-	-	2 569	2 569	10 069	10 420	10 878	
Repairs and Maintenance	8 708	8 708	-	-	-	-	6 672	6 672	15 380	8 657	9 037	
Free services												
Cost of Free Basic Services provided	259	259	-	-	-	-	-	-	-	270	282	
Revenue cost of free services provided	(18 519)	(18 519)	-	-	-	-	-	-	(18 519)	(19 296)	(20 145)	
Households below minimum service level												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	
Energy:	99	99	-	-	-	-	-	-	99	99	99	
Refuse:	-	-	-	-	-	-	-	-	-	-	-	

Table B2 Adjustment Budget Financial Performance (Functional Classification)
This table below provides information on the adjustment of revenue and expenditure by functional classification.

KZN436 Dr Nkosazana Dlamini Zuma - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget
R thousands	1,4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	
Revenue - Functional											
Governance and administration		192 881	192 881	-	-	-	-	(887)	(887)	191 994	217 383
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		192 881	192 881	-	-	-	-	(887)	(887)	191 994	217 383
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		5 284	5 284	-	-	-	-	151	151	5 435	5 506
Community and social services		3 973	3 973	-	-	-	-	7	7	3 980	4 140
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		1 311	1 311	-	-	-	-	144	144	1 455	1 366
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		39 079	39 079	-	-	-	-	330	330	39 408	30 816
Planning and development		248	248	-	-	-	-	330	330	577	258
Road transport		38 831	38 831	-	-	-	-	-	-	38 831	30 558
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		4 045	4 045	-	-	-	-	-	-	4 045	4 215
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		4 045	4 045	-	-	-	-	-	-	4 045	4 215
Other		-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	241 288	241 288	-	-	-	-	(406)	(406)	240 882	257 919
Expenditure - Functional											
Governance and administration		150 132	150 132	-	-	-	-	(9 011)	(9 011)	141 121	163 253
Executive and council		23 513	23 513	-	-	-	-	1 289	1 289	24 802	24 500
Finance and administration		124 749	124 749	-	-	-	-	(11 584)	(11 584)	113 165	137 045
Internal audit		1 870	1 870	-	-	-	-	1 284	1 284	3 154	1 708
Community and public safety		33 341	33 341	-	-	-	-	1 191	1 191	34 531	34 699
Community and social services		17 045	17 045	-	-	-	-	1 230	1 230	18 275	17 761
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		15 641	15 641	-	-	-	-	(34)	(34)	15 607	16 256
Housing		655	655	-	-	-	-	(5)	(5)	650	682
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		40 427	40 427	-	-	-	-	8 606	8 606	49 033	39 705
Planning and development		16 680	16 680	-	-	-	-	1 850	1 850	18 530	17 380
Road transport		23 747	23 747	-	-	-	-	6 756	6 756	30 503	22 325
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		11 189	11 189	-	-	-	-	(1 640)	(1 640)	9 549	9 784
Energy sources		1 000	1 000	-	-	-	-	(1 000)	(1 000)	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		10 189	10 189	-	-	-	-	(640)	(640)	9 549	9 784
Other		4 138	4 138	-	-	-	-	(100)	(100)	4 038	4 312
Total Expenditure - Functional	3	239 228	239 228	-	-	-	-	(955)	(955)	238 273	251 753
Surplus/ (Deficit) for the year		2 061	2 061	-	-	-	-	549	549	2 609	6 167

Table B3 presents the same information on the revenue and expenditure as the table above, the difference being that it's by Municipal vote.

KZN436 Dr Nkosazana Dlamini Zuma - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		192 777	192 777	-	-	-	-	(835)	(835)	191 942	217 274	216 384
Vote 3 - Corporate Services		105	105	-	-	-	-	(52)	(52)	52	109	114
Vote 4 - Community Services		9 329	9 329	-	-	-	-	151	151	9 480	9 721	10 147
Vote 5 - Public Works and Basic Services		38 831	38 831	-	-	-	-	-	-	38 831	30 558	31 783
Vote 6 - Planning and Development		248	248	-	-	-	-	330	330	577	258	269
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	241 288	241 288	-	-	-	-	(406)	(406)	240 882	257 919	258 697
Expenditure by Vote	1											
Vote 1 - Executive and Council		25 383	25 383	-	-	-	-	2 573	2 573	27 956	26 208	27 361
Vote 2 - Budget and Treasury		99 593	99 593	-	-	-	-	(18 147)	(18 147)	81 446	110 832	109 182
Vote 3 - Corporate Services		25 056	25 056	-	-	-	-	6 573	6 573	31 629	26 108	27 257
Vote 4 - Community Services		40 929	40 929	-	-	-	-	1 584	1 584	42 513	42 606	44 469
Vote 5 - Public Works and Basic Services		41 702	41 702	-	-	-	-	6 463	6 463	48 165	39 158	40 880
Vote 6 - Planning and Development		6 564	6 564	-	-	-	-	-	-	6 564	6 840	7 141
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	239 228	239 228	-	-	-	-	(955)	(955)	238 273	251 753	256 290
Surplus/ (Deficit) for the year	2	2 061	2 061	-	-	-	-	549	549	2 609	6 167	2 407

The table above show the difference between revenue and expenditure by municipal vote when comparing the original budget and adjustment budget by municipal vote. The total revenue by vote decreased from R 241 ,2million to R 240 ,8million and total expenditure by vote decreased from R 239 ,2million to R 238, 2million when compared to the original budget.

TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

This table below provides information on the adjustment revenue by source and adjustment operational expenditures by type.

KZN436 Dr Nkosazana Dlamini Zuma - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	+1 2022/23	+2 2023/24
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	36 226	36 226	-	-	-	-	-	-	36 226	37 748	39 409
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	4 045	4 045	-	-	-	-	-	-	4 045	4 215	4 400
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		864	864	-	-	-	-	28	28	892	900	940
Interest earned - external investments		6 338	6 338	-	-	-	-	(1 000)	(1 000)	5 338	6 604	8 983
Interest earned - outstanding debtors		6 193	6 193	-	-	-	-	(343)	(343)	5 850	6 453	6 737
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		418	418	-	-	-	-	327	327	745	435	455
Licences and permits		664	664	-	-	-	-	(186)	(186)	478	692	721
Agency services		340	340	-	-	-	-	190	190	529	354	370
Transfers and subsidies		147 721	147 721	-	-	-	-	509	509	148 230	152 252	148 940
Other revenue	2	729	729	-	-	-	-	68	68	797	759	793
Gains		1 244	1 244	-	-	-	-	-	-	1 244	14 950	15 168
Total Revenue (excluding capital transfers and contributions)		204 780	204 780	-	-	-	-	(406)	(406)	204 374	227 361	226 914
Expenditure By Type												
Employee related costs		86 453	86 453	-	-	-	-	(1 333)	(1 333)	85 120	89 941	93 631
Remuneration of councillors		11 901	11 901	-	-	-	-	-	-	11 901	12 401	12 947
Debt impairment		20 059	20 059	-	-	-	-	(4 435)	(4 435)	15 623	20 901	21 821
Depreciation & asset impairment		49 362	49 362	-	-	-	-	(11 641)	(11 641)	37 721	58 394	54 699
Finance charges		303	303	-	-	-	-	(100)	(100)	203	316	329
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed		4 090	4 090	-	-	-	-	444	444	4 534	4 262	4 448
Contracted services		36 858	36 858	-	-	-	-	10 156	10 156	47 014	36 531	38 135
Transfers and subsidies		2 068	2 068	-	-	-	-	(432)	(432)	1 636	2 155	2 250
Other expenditure		28 134	28 134	-	-	-	-	6 386	6 386	34 520	26 853	28 032
Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		239 228	239 228	-	-	-	-	(955)	(955)	238 273	251 753	256 290
Surplus/(Deficit)		(34 447)	(34 447)	-	-	-	-	549	549	(33 899)	(24 391)	(29 376)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		36 508	36 508	-	-	-	-	-	-	36 508	30 558	31 783
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)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		2 061	2 061	-	-	-	-	549	549	2 609	6 167	2 407
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		2 061	2 061	-	-	-	-	549	549	2 609	6 167	2 407
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		2 061	2 061	-	-	-	-	549	549	2 609	6 167	2 407
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		2 061	2 061	-	-	-	-	549	549	2 609	6 167	2 407

Operating Revenue

The revenue of the municipality has decreased from R241 ,2million to R240 ,8million in the adjustment budget and that is R406 983 decrease when compared to the original budget. The contributing factors to this decrease is the decrease in revenue sources such as interest on external investments and penalties on property rates.

Property Rates

Property rates have not been adjusted, they were sitting at 48% on the first half of the financial year even though it was slightly lower than the straight line projection.

Service Charges

Service charges was not adjusted, the revenue collected was in line with the revenue projected.

Rental of facilities

Rental of facilities has been adjusted upwards from R 850 781 to R 865 660 when compared to original budget, the budget for ad-hoc rentals was underestimated due to unpredicted changes on national lockdown levels.

Licences and Permits

Licences and permit has decrease form R 663 750 to R 477 958 when compared to the original budget due to low demand in bookings for Learners Licenses due to Covid-19.

Agency Services

Agency services has increased from R339 753 to R 529 498 when compared to the original budget, agency services were underestimated in the original budget.

Other Revenue

Other revenue sources have increased from R 728 538 to R 796 815 or by 9% due to increase in insurance refund received other than used for set-off against replacement of movable assets.

Interest Earned on External Investment

Interest earned on external investments has decreased from R 6 ,3million to R 5 ,3 million when compared to the original budget this is caused by the Covid-19 pandemic as the economy has declined and repo rate has decreased.

Operating Expenditure

The overall operating expenditure has decreased from R 239 ,2million to R238 ,2 million in the adjustment budget and that is 1% decrease when compared to the original budget, when checking per line items that decreased. The contributing factors are as follows:

Employee Related Costs

Employee related costs has not been adjusted because the recruitment process for certain vacant positions would take place after the adjustment budget is approved.

Councilors Remuneration

It has not been adjusted as the Gazette on the determination of upper limits on remuneration of municipal councillors has not been published as when the adjustment budget was prepared.

Other Materials

An upward adjustment has been made to other materials as they increased from R4 million to R4, 5million when comparing to the original budget.

Contracted Services

Contracted services have increased from R36, 8million to R47 million and that is 22% or R10 ,1million increase when compared to the original budget. The increase is as a result in the increase in items such as security services due to the demand in provision of security services to municipal properties and municipal council. Business continuity and disaster recovery plan project and co-sourced internal audit fees, the projects were not budgeted for in the original budget.

Transfers and Subsidies

Transfers and subsidies decreased from R 2 million to R 1 ,6million when compared to original budget due to low in numbers of indigents purchasing electricity.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality, an upward adjustment of an amount of R6 ,3million was made due to the increase in operations. Operating expenditure increased from R 28, 1million to R34, 5million when compared to the original budget.

Depreciation and Asset Impairment

A downward adjustment has been made, the budget decreased from R49, 3million to R37, 7million when compared to the original budget as a result of a delay in completion of projects that were supposed to be completed in the last financial year, the completion date has been revised to current.

Finance charges

Finance charges – a downward adjustment has been made from R302 857 to R202 857 as per the original budget, the ongoing control measures that were introduced to avoid interest on late payments are being monitored and the lease agreement for printing machinery has come into end, the municipality is currently in a process to get into a new contract which will be finalized before the end of the financial year.

TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING

Table B5 below reports on the adjusted capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

Capital Expenditure has decreased from R 92 ,8million to R91 ,3million or by 2% when compared to the original budget because of the projects that were deferred to next financial year.

Dr Nkosazana Dlamini Zuma Municipality Adjustment Budget 2021/22

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23 Adjusted Budget	+2 2023/24 Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Works and Basic Services		20 023	19 673	-	-	-	-	(6 524)	(6 524)	13 149	13 562	14 158
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	20 023	19 673	-	-	-	-	(6 524)	(6 524)	13 149	13 562	14 158
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		151	151	-	-	-	-	80	80	231	158	165
Vote 2 - Budget and Treasury		803	803	-	-	-	-	1 400	1 400	2 203	837	874
Vote 3 - Corporate Services		1 708	1 708	-	-	-	-	367	367	2 075	1 103	1 151
Vote 4 - Community Services		11 147	11 147	-	-	-	-	1 812	1 812	12 959	11 615	12 126
Vote 5 - Public Works and Basic Services		58 807	59 157	-	-	-	-	1 376	1 376	60 533	60 054	62 577
Vote 6 - Planning and Development		160	160	-	-	-	-	-	-	160	167	174
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		72 777	73 127	-	-	-	-	5 036	5 036	78 162	73 933	77 066
Total Capital Expenditure - Vote		92 800	92 800	-	-	-	-	(1 488)	(1 488)	91 311	87 495	91 225
Capital Expenditure - Functional												
Governance and administration		3 213	3 213	-	-	-	-	1 847	1 847	5 060	2 670	2 788
Executive and council		151	151	-	-	-	-	80	80	231	158	165
Finance and administration		3 061	3 061	-	-	-	-	1 767	1 767	4 828	2 512	2 623
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		11 347	11 347	-	-	-	-	1 967	1 967	13 314	11 824	12 344
Community and social services		4 049	4 049	-	-	-	-	(1 886)	(1 886)	2 163	4 219	4 404
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		7 298	7 298	-	-	-	-	3 853	3 853	11 152	7 605	7 939
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		74 740	74 740	-	-	-	-	(6 818)	(6 818)	67 922	69 354	72 286
Planning and development		72 153	69 653	-	-	-	-	(9 068)	(9 068)	60 585	66 658	69 471
Road transport		2 587	5 087	-	-	-	-	2 250	2 250	7 337	2 696	2 814
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		3 500	3 500	-	-	-	-	1 515	1 515	5 015	3 647	3 807
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		1 000	1 000	-	-	-	-	-	-	1 000	1 042	1 088
Waste management		2 500	2 500	-	-	-	-	1 515	1 515	4 015	2 605	2 720
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	92 800	92 800	-	-	-	-	(1 488)	(1 488)	91 311	87 495	91 225
Funded by:												
National Government		36 508	36 508	-	-	-	-	-	-	36 508	30 558	31 783
Provincial Government		-	-	-	-	-	-	375	375	375	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	36 508	36 508	-	-	-	-	375	375	36 883	30 558	31 783
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		56 292	56 292	-	-	-	-	(1 863)	(1 863)	54 428	56 937	59 442
Total Capital Funding		92 800	92 800	-	-	-	-	(1 488)	(1 488)	91 311	87 495	91 225

Table B6 - Budgeted Financial Position

The table below gives an over view of the financial position of the Municipality in the adjustment budget

KZN436 Dr Nkosazana Dlamini Zuma - Table B6 Adjustments Budget Financial Position - 28/08/2022

Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		39 734	39 734	-	-	-	-	61 902	61 902	101 636	63 224	65 465
Call investment deposits	1	83 684	83 684	-	-	-	-	(34 686)	(34 686)	48 998	83 684	83 684
Consumer debtors	1	45 040	45 040	-	-	-	-	(7 537)	(7 537)	37 503	41 928	39 860
Other debtors		4 311	4 311	-	-	-	-	1 360	1 360	5 671	4 036	3 720
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		200	200	-	-	-	-	(414)	(414)	(214)	208	218
Total current assets		172 970	172 970	-	-	-	-	20 624	20 624	193 594	193 081	192 948
Non current assets												
Long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		20 411	20 411	-	-	-	-	-	-	20 411	20 411	20 411
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	530 486	530 486	-	-	-	-	(34 306)	(34 306)	496 180	568 479	610 490
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		416	416	-	-	-	-	151	151	567	710	1 017
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		551 313	551 313	-	-	-	-	(34 155)	(34 155)	517 158	589 600	631 917
TOTAL ASSETS		724 282	724 282	-	-	-	-	(13 530)	(13 530)	710 752	782 681	824 865
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		(171)	(171)	-	-	-	-	341	341	171	(171)	(171)
Consumer deposits		(20)	(20)	-	-	-	-	22	22	2	(20)	(20)
Trade and other payables		61 013	61 013	-	-	-	-	12 842	12 842	73 855	106 786	147 433
Provisions		9 618	9 618	-	-	-	-	(14)	(14)	9 604	12 702	15 658
Total current liabilities		70 440	70 440	-	-	-	-	13 191	13 191	83 631	119 297	162 900
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	20 554	20 554	-	-	-	-	(3 443)	(3 443)	17 111	20 554	20 554
Total non current liabilities		20 554	20 554	-	-	-	-	(3 443)	(3 443)	17 111	20 554	20 554
TOTAL LIABILITIES		90 994	90 994	-	-	-	-	9 748	9 748	100 743	139 851	183 455
NET ASSETS	2	633 288	633 288	-	-	-	-	(23 279)	(23 279)	610 010	642 830	641 410
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		628 049	628 049	-	-	-	-	(23 533)	(23 533)	604 516	637 591	636 171
Reserves		5 239	5 239	-	-	-	-	254	254	5 493	5 239	5 239
TOTAL COMMUNITY WEALTH/EQUITY		633 288	633 288	-	-	-	-	(23 279)	(23 279)	610 010	642 830	641 410

Table B7- Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

KZN436 Dr Nkosazana Dlamini Zuma - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		26 021	26 021	-	-	-	-	-	-	26 021	27 114	28 307
Service charges		2 911	2 911	-	-	-	-	-	-	2 911	3 039	3 176
Other revenue		17 290	17 290	-	-	-	-	86	86	17 376	18 016	18 808
Government - operating	1	160 441	160 441	-	-	-	-	-	-	160 441	161 252	159 940
Government - capital	1	36 508	36 508	-	-	-	-	-	-	36 508	30 558	31 783
Interest		10 786	10 786	-	-	-	-	(1 000)	(1 000)	9 786	13 239	13 822
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(170 421)	(170 421)	-	-	-	-	(7 643)	(7 643)	(178 064)	(166 851)	(174 204)
Finance charges		(303)	(303)	-	-	-	-	100	100	(203)	(316)	(329)
Transfers and Grants	1	(2 068)	(2 068)	-	-	-	-	432	432	(1 636)	(2 155)	(2 250)
NET CASH FROM/(USED) OPERATING ACTIVITIES		81 165	81 165	-	-	-	-	(8 026)	(8 026)	73 140	83 897	79 053
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		9 630	9 630	-	-	-	-	-	-	9 630	14 950	15 168
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		-	(92 800)	-	-	-	-	1 488	1 488	(91 311)	(87 495)	(91 225)
NET CASH FROM/(USED) INVESTING ACTIVITIES		9 630	(83 170)	-	-	-	-	1 488	1 488	(81 681)	(72 545)	(76 057)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(20)	(20)	-	-	-	-	20	20	-	(20)	(20)
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(20)	(20)	-	-	-	-	20	20	-	(20)	(20)
NET INCREASE/ (DECREASE) IN CASH HELD		90 775	(2 024)	-	-	-	-	(6 517)	(6 517)	(8 541)	11 332	2 976
Cash/cash equivalents at the year begin:	2	125 422	125 422	-	-	-	-	33 753	33 753	159 176	104 997	114 370
Cash/cash equivalents at the year end:	2	216 198	123 398	-	-	-	-	27 236	27 236	150 634	116 330	117 347

Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	216 198	123 398	-	-	-	-	27 236	27 236	150 634	116 330	117 347
Other current investments > 90 days		(92 780)	20	-	-	-	-	(20)	(20)	-	30 578	31 803
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		123 418	123 418	-	-	-	-	27 216	27 216	150 634	146 908	149 150
Applications of cash and investments												
Unspent conditional transfers		5 707	5 707	-	-	-	-	197	197	5 904	5 707	5 707
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(4 827)	(4 827)	-	-	-	-	18 331	18 331	13 504	44 105	86 977
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		25 793	25 793	-	-	-	-	(3 189)	(3 189)	22 604	25 793	25 793
Total Application of cash and investments:		26 673	26 673	-	-	-	-	15 339	15 339	42 012	75 606	118 478
Surplus(shortfall)		96 745	96 745	-	-	-	-	11 877	11 877	108 622	71 302	30 672
Reserves to be backed by cash/investments												
Housing Development Fund		5 239	5 239	-	-	-	-	254	254	5 493	5 239	5 239
Capital replacement		-	-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-	-
Compensation for Occupational Injuries and Diseases		-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Reserve		-	-	-	-	-	-	-	-	-	-	-
Non-current Provisions Reserve		20 554	20 554	-	-	-	-	(3 443)	(3 443)	17 111	20 554	20 554
Valuation Reserve		-	-	-	-	-	-	-	-	-	-	-
Investment in associate account		-	-	-	-	-	-	-	-	-	-	-
Capitalisation Reserve		-	-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-	-
		25 793	25 793	-	-	-	-	(3 189)	(3 189)	22 604	25 793	25 793

Table B9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

KZN436 Dr Nkosazana Dlamini Zuma - Table B9 Asset Management -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	7	8	9	10	11	12	13	14		
R thousands												
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	67 300	70 150	-	-	-	-	772	772	70 922	61 601	64 192
Roads Infrastructure		16 500	16 150	-	-	-	-	(5 570)	(5 570)	10 580	40 978	42 661
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		500	500	-	-	-	-	-	-	500	521	544
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1 600	1 600	-	-	-	-	500	500	2 100	1 667	1 741
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		18 600	18 250	-	-	-	-	(5 070)	(5 070)	13 180	43 166	44 946
Community Facilities		24 388	24 388	-	-	-	-	(2 377)	(2 377)	22 011	1 438	1 501
Sport and Recreation Facilities		8 000	8 000	-	-	-	-	310	310	8 310	-	-
Community Assets		32 388	32 388	-	-	-	-	(2 067)	(2 067)	30 321	1 438	1 501
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		11 450	11 450	-	-	-	-	1 903	1 903	13 353	11 931	12 456
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	11 450	11 450	-	-	-	-	1 903	1 903	13 353	11 931	12 456
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		499	499	-	-	-	-	(10)	(10)	489	520	543
Intangible Assets		499	499	-	-	-	-	(10)	(10)	489	520	543
Computer Equipment		660	660	-	-	-	-	55	55	715	688	718
Furniture and Office Equipment		981	981	-	-	-	-	862	862	1 843	1 022	1 067
Machinery and Equipment		2 722	5 922	-	-	-	-	(1 601)	(1 601)	4 321	2 836	2 961
Transport Assets		-	-	-	-	-	-	6 700	6 700	6 700	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	10 000	7 500	-	-	-	-	2 569	2 569	10 069	10 420	10 878
Roads Infrastructure		10 000	7 500	-	-	-	-	2 569	2 569	10 069	10 420	10 878
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		10 000	7 500	-	-	-	-	2 569	2 569	10 069	10 420	10 878
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-

Table B9 Cont....

Total Upgrading of Existing Assets to be adjusted	2a	15 500	15 150	-	-	-	-	(4 829)	(4 829)	10 321	15 474	16 155
<i>Roads Infrastructure</i>		13 000	12 650	-	-	-	-	(4 319)	(4 319)	8 331	13 546	14 142
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		600	600	-	-	-	-	(60)	(60)	540	625	653
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		13 600	13 250	-	-	-	-	(4 379)	(4 379)	8 871	14 171	14 795
Community Facilities		250	250	-	-	-	-	-	-	250	261	272
Sport and Recreation Facilities		1 000	1 000	-	-	-	-	(400)	(400)	600	1 042	1 088
Community Assets		1 250	1 250	-	-	-	-	(400)	(400)	850	1 303	1 360
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		650	650	-	-	-	-	(50)	(50)	600	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	39 500	36 300	-	-	-	-	(7 320)	(7 320)	28 980	64 944	67 682
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		500	500	-	-	-	-	-	-	500	521	544
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		2 200	2 200	-	-	-	-	440	440	2 640	2 292	2 393
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		42 200	39 000	-	-	-	-	(6 880)	(6 880)	32 120	67 757	70 619
Community Facilities		24 638	24 638	-	-	-	-	(2 377)	(2 377)	22 261	1 698	1 773
Sport and Recreation Facilities		9 000	9 000	-	-	-	-	(90)	(90)	8 910	1 042	1 088
Community Assets		33 638	33 638	-	-	-	-	(2 467)	(2 467)	31 171	2 740	2 861
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		11 450	11 450	-	-	-	-	1 903	1 903	13 353	11 931	12 456
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		11 450	11 450	-	-	-	-	1 903	1 903	13 353	11 931	12 456
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		499	499	-	-	-	-	(10)	(10)	489	520	543
Intangible Assets		499	499	-	-	-	-	(10)	(10)	489	520	543
Computer Equipment		660	660	-	-	-	-	55	55	715	688	718
Furniture and Office Equipment		1 631	1 631	-	-	-	-	812	812	2 443	1 022	1 067
Machinery and Equipment		2 722	5 922	-	-	-	-	(1 601)	(1 601)	4 321	2 836	2 961
Transport Assets		-	-	-	-	-	-	6 700	6 700	6 700	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	92 800	92 800	-	-	-	-	(1 488)	(1 488)	91 311	87 495	91 225

Table B9 Cont....

ASSET REGISTER SUMMARY - PPE (WDV)	5												
<i>Roads Infrastructure</i>		200 521	197 321	-	-	-	-	(14 761)	(14 761)	182 560	218 877	249 133	
<i>Storm water Infrastructure</i>		1 000	1 000	-	-	-	-	-	-	1 000	1 042	1 088	
<i>Electrical Infrastructure</i>		500	500	-	-	-	-	-	-	500	521	544	
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Solid Waste Infrastructure</i>		2 500	2 500	-	-	-	-	1 140	1 140	3 640	2 605	2 720	
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		204 521	201 321	-	-	-	-	(13 621)	(13 621)	187 700	223 045	253 485	
Community Assets		216 394	216 394	-	-	-	-	(340)	(340)	216 054	217 852	219 374	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		20 411	20 411	-	-	-	-	-	-	20 411	20 411	20 411	
Other Assets		78 359	78 359	-	-	-	-	(19 144)	(19 144)	59 216	89 665	101 468	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		416	416	-	-	-	-	151	151	567	710	1 017	
Computer Equipment		3 126	3 126	-	-	-	-	(827)	(827)	2 299	3 063	2 997	
Furniture and Office Equipment		5 756	5 756	-	-	-	-	(1 613)	(1 613)	4 143	5 638	5 422	
Machinery and Equipment		14 844	18 044	-	-	-	-	(7 304)	(7 304)	10 740	15 873	17 039	
Transport Assets		15 871	15 871	-	-	-	-	8 543	8 543	24 413	13 343	10 705	
Land		(8 386)	(8 386)	-	-	-	-	-	-	(8 386)	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	551 313	551 313	-	-	-	-	(34 155)	(34 155)	517 158	589 600	631 917	
EXPENDITURE OTHER ITEMS													
Depreciation & asset impairment		49 362	49 362	-	-	-	-	(11 641)	(11 641)	37 721	58 394	54 699	
Repairs and Maintenance by asset class	3	8 708	8 708	-	-	-	-	6 672	6 672	15 380	8 657	9 037	
<i>Roads Infrastructure</i>		3 000	3 000	-	-	-	-	4 000	4 000	7 000	3 127	3 264	
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		3 000	3 000	-	-	-	-	4 000	4 000	7 000	3 127	3 264	
Community Facilities		2 400	2 400	-	-	-	-	952	952	3 352	2 084	2 176	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	
Community Assets		2 400	2 400	-	-	-	-	952	952	3 352	2 084	2 176	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		900	900	-	-	-	-	300	300	1 200	938	979	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets		900	900	-	-	-	-	300	300	1 200	938	979	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		39	39	-	-	-	-	-	-	39	41	42	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		443	443	-	-	-	-	(30)	(30)	413	461	482	
Transport Assets		1 926	1 926	-	-	-	-	1 450	1 450	3 376	2 007	2 095	
Land		-	-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		58 070	58 070	-	-	-	-	(4 969)	(4 969)	53 101	67 051	63 736	
Renewal and upgrading of Existing Assets as % of total capex		27,5%	24,4%							22,3%	29,6%	29,6%	
Renewal and upgrading of Existing Assets as % of deprecn"		51,7%	45,9%							54,1%	44,3%	49,4%	
R&M as a % of PPE		1,6%	1,6%							3,0%	1,5%	1,4%	
Renewal and upgrading and R&M as a % of PPE		6,2%	5,7%							6,9%	5,9%	5,7%	

Table B10 - Basic Service Delivery Measurement

KZN436 Dr Nkosazana Dlamini Zuma - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		2 852									2 852	2 852
Piped water inside yard (but not in dwelling)		26 767									26 767	26 767
Using public tap (at least min.service level)	2											
Other water supply (at least min.service level)												
<i>Minimum Service Level and Above sub-total</i>		30									30	30
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5	30									30	30
Sanitation/sewerage:												
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>												
Total number of households	5											
Energy:												
Electricity (at least min. service level)												
Electricity - prepaid (> min.service level)		98 658									98 658	98 658
<i>Minimum Service Level and Above sub-total</i>		98 658									98 658	98 658
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5	98 658									98 658	98 658
Refuse:												
Removed at least once a week (min. service)		2 927									3 050	3 185
<i>Minimum Service Level and Above sub-total</i>		2 927									3 050	3 185
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>												
Total number of households	5	2 927									3 050	3 185
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)												
Sanitation (free minimum level service)												
Electricity/other energy (50kwh per household per month)		172 333									179 571	187 742
Refuse (removed at least once a week)		86 853									90 219	94 189
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)												
Sanitation (free sanitation service)												
Electricity/other energy (50kwh per household per month)		172									180	188
Refuse (removed once a week)		87									90	94
Total cost of FBS provided (minimum social package)		259									270	282
Highest level of free service provided												
Property rates (R'000 value threshold)												
Water (kilolitres per household per month)												
Sanitation (kilolitres per household per month)												
Sanitation (Rand per household per month)												
Electricity (kw per household per month)												
Refuse (average litres per week)		3 085									3 215	3 356
Revenue cost of free services provided (R'000)	17											
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)		18 519									19 296	20 145
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)												
Municipal Housing - rental rebates												
Housing - top structure subsidies												
Other												
Total revenue cost of subsidised services provided	6	18 519									19 296	20 145

PART 2 – SUPPORTING DOCUMENTATION

2.1 ADJUSTMENTS TO BUDGET ASSUMPTIONS

Adjustment Budget on Financial Performance (Revenue and Expenditure)

Table below provides a brief summary of the budget adjustment of the municipality in the revenue, operating and capital expenditure. The revenue of the municipality has decreased from R241, 2million to R240, 8million in the adjustment budget and that is 1% increase when compared to the original budget. The contributing factor to this is the decrease in external investments and interest charged on property rates.

Operational expenditure has decreased from R239 ,2million to R238 ,2million in the adjustment budget and that is 1% decrease when compared to the original budget. The overall operating deficit after expenditure is R -33,899million.

The table below shows the budget performance of the Municipality

SUMMARY STATEMENT OF FINAL BUDGET					
DESCRIPTION	2020/2021 Original Budget	Adjustments	2021/22 Adjustment Budget	2022/23 Budget Year	2023/24 Budget Year
Total Operating Revenue	- 204 780 418,00	406 000,00	-204 374 418	-227 361 490	-226 913 881
Total Capital Revenue	- 36 508 000,00	-	-36 508 000	-30 558 000	-31 783 000
Operating Expenditure	239 227 632,00	- 954 676,00	238 272 956	251 752 944	256 290 115
Surplus/(Defecit Before Capital)	- 2 060 786,00	- 548 676,00	-2 609 462	-6 166 546	-2 406 766
Capital Expenditue	92 799 601,00	- 1 488 432,00	91 311 169	87 494 549	91 224 757
Other Grants					
DESCRIPTION	2020/2021 Original Budget	Adjustments	2020/21 Adjustment Budget	2022/23 Budget Year	2023/24 Budget Year
Other Grants					
INEP Grant	12 720 000,00	-	12 720 000	9 000 000	11 000 000
Bhidla Housing Grant	-	311 024	311 024	-	-

2.2 ADJUSTMENTS TO BUDGET FUNDING

For Dr Nkosazana Dlamini Zuma Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times, strong revenue and expenditure management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with developed backlogs poverty and high rate of unemployment.

The expenditure to be incurred to address these challenges will inevitably always exceed available funding, hence difficult choices must be made in relation to tariff increase and balancing expenditure against realistically anticipated revenue.

The operational and capital budget is typically funded by Grants as the municipality is grant dependent and less of the revenue generated by the Municipality. The municipality has a total revenue budget of R 240 ,8million. That revenue will be used to fund the operational expenditure of R238 ,2million, Capital expenditure of R91, 3million. The municipality has also used its own reserves to fund the expenditure difference.

KZN436 Dr Nkosazana Dlamini Zuma - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	216 198	123 398	-	-	-	-	27 236	27 236	150 634	116 330	117 347
Other current investments > 90 days		(92 780)	20	-	-	-	-	(20)	(20)	-	30 578	31 803
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		123 418	123 418	-	-	-	-	27 216	27 216	150 634	146 908	149 150
Applications of cash and investments												
Unspent conditional transfers		5 707	5 707	-	-	-	-	197	197	5 904	5 707	5 707
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(4 827)	(4 827)	-	-	-	-	18 331	18 331	13 504	44 105	86 977
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		25 793	25 793	-	-	-	-	(3 189)	(3 189)	22 604	25 793	25 793
Total Application of cash and investments:		26 673	26 673	-	-	-	-	15 339	15 339	42 012	75 606	118 478
Surplus(shortfall)		96 745	96 745	-	-	-	-	11 877	11 877	108 622	71 302	30 672

Table SB7 below provides details of the Government Grants and Subsidies differentiated between National & Provincial Governments.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -									
Description	Budget Year 2021/22							Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7 A1	8 B	9 C	10 D	11 E	12 F		
RECEIPTS:									
Operating Transfers and Grants									
National Government:	156 469	156 469	-	-	-	-	156 469	157 113	155 619
Operational Revenue:General Revenue:Equitable Share	139 476	139 476	-	-	-	-	139 476	146 163	142 669
Community Library	-	-	-	-	-	-	-	-	-
Department of Environmental Affairs	-	-	-	-	-	-	-	-	-
Department of Tourism	-	-	-	-	-	-	-	-	-
Department of Water Affairs and Sanitation Masibambane	-	-	-	-	-	-	-	-	-
Emergency Medical Service	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 323	2 323	-	-	-	-	2 323	-	-
HIV and Aids	-	-	-	-	-	-	-	-	-
Housing Accreditation	-	-	-	-	-	-	-	-	-
Housing Top structure	-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Integrated City Development Grant	-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	1 950	1 950	-	-	-	-	1 950	1 950	1 950
Street Lighting	-	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizon	-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	12 720	12 720	-	-	-	-	12 720	9 000	11 000
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	3 972	3 972	-	-	-	-	3 972	4 139	4 321
Capacity Building	-	-	-	-	-	-	-	-	-
Provincialisation of Libraries	2 806	2 806	-	-	-	-	2 806	2 924	3 053
Community Library Service Grant	1 166	1 166	-	-	-	-	1 166	1 215	1 268
Disaster and Emergency Services	-	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	160 441	160 441	-	-	-	-	160 441	161 252	159 940
Capital Transfers and Grants									
National Government:	36 508	36 508	-	-	-	-	36 508	30 558	31 783
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	36 508	36 508	-	-	-	-	36 508	30 558	31 783
Transfer from Operational Revenue	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	36 508	36 508	-	-	-	-	36 508	30 558	31 783
TOTAL RECEIPTS OF TRANSFERS & GRANTS	196 949	196 949	-	-	-	-	196 949	191 810	191 723

2.3 ADJUSTMENTS TO EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

The following table indicates the municipality’s adjustment on allocation and grants programmes.

Description	Budget Year 2021/22							Budget Year	Budget Year
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
	A	2 A1	3 B	4 C	5 D	6 E	7 F		
R thousands									
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:									
Operating expenditure of Transfers and Grants									
National Government:	156 469	156 469	-	-	20 343	20 343	176 812	157 113	155 619
Operational Revenue:General Revenue:Equitable Share	139 476	139 476	-	-	20 343	20 343	159 819	146 163	142 669
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-	-	-	-
Department of Tourism	-	-	-	-	-	-	-	-	-
Department of Water Affairs and Sanitation Masibambane	-	-	-	-	-	-	-	-	-
Emergency Medical Service	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 323	2 323	-	-	-	-	2 323	-	-
HIV and Aids	-	-	-	-	-	-	-	-	-
Housing Accreditation	-	-	-	-	-	-	-	-	-
Housing Top structure	-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Integrated City Development Grant	-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	1 950	1 950	-	-	-	-	1 950	1 950	1 950
Mitchell's Plain Urban Renewal	-	-	-	-	-	-	-	-	-
WFI Grant [Department of Telecommunications and Postal Services	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizon	-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant	12 720	12 720	-	-	-	-	12 720	9 000	11 000
Municipal Restructuring Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	-	-
Provincial Government:	3 972	3 972	-	-	133	133	4 105	4 139	4 321
Capacity Building	-	-	-	-	133	133	133	-	-
Provincialisation of Libraries	2 806	2 806	-	-	-	-	2 806	2 924	3 053
Community Library Service Grant	1 166	1 166	-	-	-	-	1 166	1 215	1 268
Disaster and Emergency Services	-	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-	-
Public Corporations	-	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	160 441	160 441	-	-	20 476	20 476	180 917	161 252	159 940
Capital Transfers and Grants									
National Government:	36 508	36 508	-	-	-	-	36 508	30 558	31 783
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]	36 508	36 508	-	-	-	-	36 508	30 558	31 783
Disaster and Emergency Services	-	-	-	-	-	-	-	-	-
All Grants	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	375	375	375	-	-
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	-	-	-	-	-	-	-	-
Grennest Municipality Competition	-	-	-	-	375	375	375	-	-
Households	-	-	-	-	-	-	-	-	-
Non-Profit Institutions	-	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-	-
Public Corporations	-	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	36 508	36 508	-	-	375	375	36 883	30 558	31 783
TOTAL EXPENDITURE OF TRANSFERS & GRANTS	196 949	196 949	-	-	20 851	20 851	217 800	191 810	191 723

The expenditure on transfers and grant has increased from R196 ,9million to R217 ,8million when compared to the original budget The increase of R20 ,8million in the grant expenditure is due to rollover grants.

2.4 ADJUSTMENTS TO ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The municipality does not have any grants transfers or allocations made to another municipality or institutions. The amount of R1 ,6million appearing on Table B4 as Transfers and subsidies is for Free Basic Electricity paid to Eskom for indigents.

2.5 ADJUSTMENT TO COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

The remuneration for councillors has not been adjusted as the Gazette on the determination of upper limits on remuneration of municipal councillors has not been published as when the adjustment budget was prepared.

Employee related costs has not been adjusted because the recruitment process for certain vacant positions would take place after the adjustment budget is approved.

2.6 ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

In order for the municipality to stick to its mandate of providing service delivery to its communities the municipality had to adjust its budget and targets on municipal programmes and other non-essential activities to avail budget for repairs and maintenance to use to deal with the damages caused by the heavy rains that have affected many of the municipality's infrastructure projects, especially the road networks.

The SDBIP is aligned with both the revised budget and the Integrated Development Plan (IDP) for 2021/22 financial year. All departments have revised their 2021/22 budgets and SDBIP plans as most plans were disturbed by Covid-19 pandemic and taking into consideration the importance of reporting on the strategic indicators and operational indicators to be reported and monitored at a departmental level. The revised SDBIP is the one that is going to be audited by the Auditor General. For more information, Service Delivery and Budget Implementation Plan Report will provide more details.

2.7 ADJUSTMENTS TO CAPITAL EXPENDITURE

Table B5 below indicates the summary of the municipality's adjustments budget on capital expenditure. The municipalities capital expenditure has been adjusted downwards by an overall of R 1,4million in the adjustment budget when compare to the original budget that was approved in May last year, that is from R92,8million to R91,3million. The adjusted funds were directed towards repairs and maintenance of infrastructure assets affected by the heavy rains within the municipal area. The municipality funded a portion of capital expenditure by accumulated surplus from 2021/22 financial year and other savings that the municipality has made from cutting down on some items in operating expenditure as the municipality's received allocation for 2021/22 financial year was not sufficient for the municipality to render services to its communities.

KZN436 Dr Nkosazana Dlamini Zuma - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2021/22								Budget Year	Budget Year	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Works and Basic Services		20 023	19 673	-	-	-	-	(6 524)	(6 524)	13 149	13 562	14 158
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	20 023	19 673	-	-	-	-	(6 524)	(6 524)	13 149	13 562	14 158
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		151	151	-	-	-	-	80	80	231	158	165
Vote 2 - Budget and Treasury		803	803	-	-	-	-	1 400	1 400	2 203	837	874
Vote 3 - Corporate Services		1 708	1 708	-	-	-	-	367	367	2 075	1 103	1 151
Vote 4 - Community Services		11 147	11 147	-	-	-	-	1 812	1 812	12 959	11 615	12 126
Vote 5 - Public Works and Basic Services		58 807	59 157	-	-	-	-	1 376	1 376	60 533	60 054	62 577
Vote 6 - Planning and Development		160	160	-	-	-	-	-	-	160	167	174
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		72 777	73 127	-	-	-	-	5 036	5 036	78 162	73 933	77 066
Total Capital Expenditure - Vote		92 800	92 800	-	-	-	-	(1 488)	(1 488)	91 311	87 495	91 225

Table 5 Cont...

Capital Expenditure - Functional												
Governance and administration		3 213	3 213	-	-	-	-	1 847	1 847	5 060	2 670	2 788
Executive and council		151	151	-	-	-	-	80	80	231	158	165
Finance and administration		3 061	3 061	-	-	-	-	1 767	1 767	4 828	2 512	2 623
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		11 347	11 347	-	-	-	-	1 967	1 967	13 314	11 824	12 344
Community and social services		4 049	4 049	-	-	-	-	(1 886)	(1 886)	2 163	4 219	4 404
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		7 298	7 298	-	-	-	-	3 853	3 853	11 152	7 605	7 939
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		74 740	74 740	-	-	-	-	(6 818)	(6 818)	67 922	69 354	72 286
Planning and development		72 153	69 653	-	-	-	-	(9 068)	(9 068)	60 585	66 658	69 471
Road transport		2 587	5 087	-	-	-	-	2 250	2 250	7 337	2 696	2 814
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		3 500	3 500	-	-	-	-	1 515	1 515	5 015	3 647	3 807
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		1 000	1 000	-	-	-	-	-	-	1 000	1 042	1 088
Waste management		2 500	2 500	-	-	-	-	1 515	1 515	4 015	2 605	2 720
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	92 800	92 800	-	-	-	-	(1 488)	(1 488)	91 311	87 495	91 225
Funded by:												
National Government		36 508	36 508	-	-	-	-	-	-	36 508	30 558	31 783
Provincial Government		-	-	-	-	-	-	375	375	375	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	36 508	36 508	-	-	-	-	375	375	36 883	30 558	31 783
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		56 292	56 292	-	-	-	-	(1 863)	(1 863)	54 428	56 937	59 442
Total Capital Funding		92 800	92 800	-	-	-	-	(1 488)	(1 488)	91 311	87 495	91 225

Integrated National Electrification Programme (INEP) R 12,7 Million

Dr Nkosazana Dlamini Zuma Municipality is acting as an agent in the capacity of Eskom as per Service Level Agreement between the Municipality and Eskom, there for the expenditure is not recorded as capital expenditure in table A5 the budgeted capital expenditure by vote. The expenditure is only recorded in table B7 the budgeted cash flows, SB7 transfers and grants receipts and SB8 expenditure on transfers and grants.

Bhidla Housing Project

Dr Nkosazana Dlamini Zuma Municipality is acting as an agent in the capacity of Department of Human Settlement as per Service Level Agreement between the Municipality and Department of Human Settlement, there for the expenditure is not recorded as capital expenditure in table A5 the budgeted capital expenditure by vote. municipality does not receive the money upfront form the department, money is deposit as the amount invoiced for the work done by service provider.

2.8 OTHER SUPPORTING DOCUMENTS

2.8.1 Operating revenue

The major contributing to the revenue of Dr NDZ Municipality are grants; the municipality has a low collection on rates, refuse, traffic fines, and other revenue. This is an indication that the municipality is highly dependent on grants, the contributing factor on this dependence is that most of Dr NDZ Municipal communities are in rural areas as a result the municipality is not generating any revenue from them. The increase in low collection is also caused by Covid-19 as some business and individuals do not have any source of income and they are unable pay rates and taxis especially those in the Tourism & Hospitality sector.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed to the municipality. Furthermore, the Municipality has undertaken various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government. Amongst other things that the municipality has done is that of strengthening the municipality's debt collection unit. The collection unit is following on customer with the collection process mostly on customers where they have been no payment to account for a number of months, which we have seen responses with customer settling their account in full and other coming forward to make arrangements. The municipality is doing everything in its powers to collect the outstanding debts from customers and to decreasing the aging debt. The municipality has appointed attorneys to assist in debt collection and is also planning to recover cash in terms of a debt collection strategy from consumers to ensure sufficient cash is available to meet daily requirements.

2.8.2 Operating Expenditure

The Municipality's expenditure framework for the 2021/22 adjustment budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan and
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

2.8.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2021/22 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2021/22 MTREF:

- Municipal growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2021/22 budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor Payment Levels
- Loan and Investment Possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and Sustainable Service Delivery

2.8.4 Overview of Alignment of Adjustment Budget with IDP and SDBIP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP.

2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, N.C Vezi Municipal Manager of Dr Nkosazana Dlamini Zuma Municipality hereby certify that the Adjustment Budget for the year 2021/22 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act. And that the Adjustment Budget and supporting documents are consistence with the Integrated Development Plan of the Municipality.

Print Name: N.C Vezi

Municipal Manager of Dr Nkosazana Dlamini Zuma Municipality, KZN436

Signature: _____

Date: _____