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PART 1 – DRAFT ANNUAL BUDGET

1.1 MAYOR'S REPORT

1.2 COUNCIL RECOMMENDATIONS

CITY OF MATLOSANA, DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) 2014 - 2017

RECOMMENDATION

1. That Council takes cognizance of the Draft Budget as set-out in the Draft Budget Document. Document for the financial year 2014/15; and indicative allocations for the two outer years 2015/16 and 2016/17 as tabled in accordance with section 16(2) of the Municipal Finance Management Act 56 of 2003**:**

- NT tables, schedule A indicating operating revenue by source and operating expenditure by vote and capital funding by source document for the 2014/2015 and two outer years 2015/16 and 2016/17.

2. That Council takes cognizance of the draft property rates tariff for the budget year 2014/15 reflected in the draft budget document. The new proposed increase on property rates is 6.0%.

3. That Council takes cognizance of other draft tariffs and charges for the 2014/2015 year, reflected in the Draft Budget document.

4. That Council takes cognizance that the revised draft budget related policies that form part of the 2014 – 2017 Draft Budget document which will be work shopped and subsequently submitted to Council in May 2014.

5. That the Budget consultation process with stakeholders will be done in consultation with Ward Councilors as indicated in the Executive Summary.

Submitted for consideration

1.3 **EXECUTIVE SUMMARY**

The application of sound financial management principles for the compilation of the City of Matlosana's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably; economically and equitably to all communities within Matlosana.

The City'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 programs so as to maintain sound financial stewardship. The current financial challenges that the municipality is facing necessitated a critical review and analysis of the tariffs charged for services as well expenditure. A benchmark exercise was also undertaken to further ensure that our budget is well informed by best practices where all applicable. These adjustments were necessary to ensure that municipality becomes financially stable.

The City has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and debt collectors were appointed.

National Treasury's MFMA circular No. 70 & 72 as well as budget regulations was used to guide the compilation of the 2014 - 2017 MTREF.

The challenges experienced during the compilation of the 2014 - 2017 MTREF can be summarized as follows:

- The ongoing difficulties in the international; national and most importantly in local economy.
- Ageing and poorly maintained water; roads and electricity infrastructure.
- The need to prioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality.
- The increase cost to bulk water and electricity (due to tariff increases from Midvaal and Eskom); which is placing upward pressure on service tariffs to residents.
- Wage increases for municipal staff that continues to exceed consumer inflation; as well as the need to fill critical vacancies.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- Intermediate service delivery standards were used to inform the measurable objectives; targets and backlog eradication goals.
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI currently forecast at 6.2%; except where there are price increases in the inputs of services that are beyond the control of Council; for instance the cost of bulk water and electricity. Furthermore; tariffs need to remain or move towards being cost reflective; and should take into account the need to address infrastructure backlogs.
- There will be no additional budget allocated by national and provincial government for funds unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the Division of Revenue Act.

In view of the aforementioned; the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 MTREF

R Thousand	**Original Budget 2013/14**	**Budget Year 2014/15**	**Budget Year +1 2015/16**	**Budget Year+2 2016/17**
Total Operating Revenue	1 796 036	1 802 874	2 103 149	2 200 337
Total Operating Expenditure	1 789 036	1 800 338	2 072 899	2 159 896
Surplus/(Deficit) for the year	6 646	2 536	30 249	40 440
Total Capital Expenditure	123 546	114 856	105 348	116 019

Total operating revenue will increase by R 6.8 million for the 2014/15 financial year when compared to 2013/14 Budget. For the two outer years; operational revenue will increase by 5.9 and 5.5 per cent respectively.

Total operating expenditure for the 2014/15 financial year has been appropriated at R 1.800 billion and translates into a budgeted surplus of R 2.5 million. When compared to the 2013/14 Budget; operational expenditure has grown by R 11 m.

The capital budget of R 114 million for 2014/15 is less than the adjusted budget of R 123 million. Council does not intend to source more borrowing for capital expenditure in the coming financial year.

1.4 OPERATING REVENUE FRAMEWORK

For the City of Matlosana to continue improving the quality of services to its citizens; it needs to generate the required revenue. In these tough economic times; strong revenue management is fundamental to the financial sustainability. 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 and macroeconomic policy.
- Growth in the City and continued economic development.
- Efficient revenue management which aims to ensure maximum annual collection rate for property rates and other key service charges.
- Electricity tariff increases as approved by National Electricity Regulator of South Africa.
- Achievement of full cost recovery of specific user charges especially in relation to trading services.
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act; 2004 (Act 6 of 2004) (MPRA).
- Increased ability to extend new services and recover costs.

- The municipality's Indigent Policy and rendering of free basic services.
- Tariff Policies of the City.
- Enforcement of the credit control and debt collection policy

The following is a summary of the 2014 - 2017 MTREF (Classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source.
Budget Table A4

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 City of Matlosana.

Property rates are the third largest revenue source totaling 11.2 per cent or R 201 million rand and increases to R 225 million by 2016/17.

Operating grants and transfers totals R 334 million in 2014/15 financial year and increases to R 345 million by 2016/17.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts.
Budget Table SA 18

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates; tariffs and other charges were revised; local economic conditions; input costs and the affordability of services were taken into account to ensure the financial sustainability of the City.

National Treasury continues to encourage municipalities to keep increases in rates; tariffs and other charges as low as possible. Excessive increases are likely to be counterproductive; resulting in higher levels of non-payment. Municipalities are required to justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target.

The percentage increases of both Eskom and Midvaal bulk tariffs are far beyond the mentioned inflation target. Given these tariffs are determined by external agencies; the impact they have on the Council's electricity and in these tariffs are largely outside the control of the City. Discounting the impact of these price increases in lower consumer tariffs will erode the City's future financial position and viability.

Repair and maintenance will increase with 15.8% to bring it in line with the NT guideline of between 5 to 10% of the total expenditure budget. Employment related cost would increase by 6.95% as per guideline from MFMA circular 70. General expenditure will decrease with 14% mainly due to the reduction of certain non - priority expenditure. Contracted services will decrease by 12%.

It must be emphasised that the consumer price index; as measured by CPI; is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items like food; petrol and medical services; whereas items such as the cost of remuneration inform the cost drivers of municipalities;

bulk purchases of electricity and water & fuel. The current challenge facing the City is managing the gap between cost drivers and tariffs levied; as any shortfall must be made up by either operational gains or service level reductions. Within this framework, the City has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The municipality may award a 100 per cent grant-in-aid on the assessment rates of rateable properties of certain classes such as registered welfare organisations; institutions or organisations performing charitable work; sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed form for such a grant.

It must be noted that Council is in the process of compiling a new valuation roll that can have a impact on the budgeted outcome of the provision for property rates.

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa is faced with a serious water shortage like electricity; National Treasury urges municipalities; as per MFMA circular No. 70 and 72 to review the level and structure of their water tariffs carefully; with a view to ensure:

- That water tariffs are fully cost-effective – including the cost of maintenance and renewal of purification plants and water networks; and the cost of new infrastructure.
- That water tariffs are structured to protect basic levels of service.
- That water tariffs are designed to encourage efficient and sustainable consumption (e.g. through increasing block tariffs).

Midvaal Water Company has increased its bulk tariffs by 10 percent.

The tariff structure is designed to charge higher levels of consumption at a higher rate.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 8 percent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

Furthermore, it should be noted that given the magnitude of the tariff increase; it is expected to suppress growth in electricity consumption; which will have a negative impact on the municipality's revenue from electricity.

All registered indigents will again be granted 50 Kwh free of charge.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the City. Most of the suburbs and inner city reticulation network still need to be strengthened. The upgrading of the City's electricity network has therefore become a strategic priority; especially the substations and transmission lines.

.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2014 is proposed. This is based on the CPI inflation target and on the input cost assumptions related to water.

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling house:

1.4.5 Waste Removal and Impact of Tariff Increase

A 6 per cent increase in the waste removal tariffs are propose from 1 July 2014 to keep the service sustainable.

1.4.6 Overall impact of tariff increases on households.

The table SA14 in Schedule A shows the overall expected impact of the tariff increases on a large and small household; as well as indigent household receiving free basic services.

1.5 Operating Expenditure Framework

The City's expenditure framework for the 2014/15 budget and MTREF were informed by the following:

- The balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- The repairs and maintenance plan.
- Funding of the budget over the medium-term as informed by section 18 and 19 of MFMA.
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The budget allocation for employee related costs (including remuneration of councillors) for the 2014/15 financial year totals R 538 million; which is 30 percent of the total operating expenditure. Based on NT circular 70 guideline salaries will increase by 6.79% in the 2014/2015 year.

The provision of debt impairment was determined based on an expected collection rate. The debt collection policy is monitored continuously through the year.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R 439 million for the 2014/15 financial year and equates to 8 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges amounts to R 12, 5 million of operating expenditure. The budget provision in this regard is steadily decreasing as the outstanding loans decreases.

Bulk purchases are directly informed by the purchases of electricity from Eskom and water from Midvaal. The cost of incurred to provide those services have been factored into the budget appropriations and directly inform the revenue provisions.

1.5.1 Priority given to Repairs and Maintenance.

Aligned to the priority given to preserving and maintaining the City's current infrastructure; the 2014/15 budget and MTREF provided for extensive growth in the area of asset maintenance; as informed by asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations; operational repairs and maintenance are not considered a direct expenditure driver but an outcome of certain other expenditures; such as remuneration; purchases of materials and contracted services.

1.5.2 Free Basic Services: Basic Social Services Package.

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive the free services the households are required to register in terms of the City's Indigent Policy.

The cost of the social package of the registered indigent households is financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

For 2014/15, an amount of R 114 m is being appropriated for the development of infrastructure.

1.6 Draft Annual Budget Tables.

PART 2 – SUPPORTING DOCUMENTATION

2.1 Overview of the Annual Budget Process

Section 53 of the MFMA requires the Executive Mayor to provide general political guidance in the budget process and setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee of the City of Matlosana consists of the Executive Mayor; MMC's; Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Executive Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices.
- That there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget; taking into account the need to protect the financial sustainability of the municipality.
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available.
- That the various spending priorities of the different municipal departments is properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Review

In terms of section, 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 30 August 2013.

Key dates applicable to the process were:

- 11 March 2014 - Consultation with departments.
- 10 April 2014 - Draft Budget to Steering Committee.
- 15 April 2014 – Tabling of Draft Budget to Council.
- 23 April – 5 May 2014 – Public Participation.
- May 2014 – Policy/Tariff Workshop.
- 30 May 2014 – Council Approves the Final Budget.
- 13 June 2014 – Submit Budget to National Treasury and Provincial Treasury.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The City's IDP is it's principal strategic planning instrument; which directly guides and informs its planning; budget; management and development actions. This framework is rolled out into objectives; key performance indicators and targets for implementation, which directly inform the Service Delivery and Budget Implementation Plan.
The process plan included the following key IDP processes and deliverables:

- Registration of community needs.
- Compilation of departmental business plans including key performance indicators and targets.
- Financial planning and budgeting process.

- Public participation process.
- Compilation of the SDBIP.
- The review of the performance management and monitoring processes.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2014/17 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 2014/17 MTREF:

- Growth of the City.
- Policy priorities and strategic objectives.
- Asset maintenance.
- Economic climate and trends.
- Performance trends.
- 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.

Furthermore, the strategic guidance given in National Treasury's MFMA Circular 70 & 72 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation.

Council will go through an extensive public participation process immediately after the draft 2014 – 2017 MTREF has been tabled and been approved by Council on 15 April 2014.

2.2 Overview of Alignment of Annual Budget with IDP

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

The IDP provides a five year strategic programme of action aimed at setting short; medium and long term strategic 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 Council 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 the municipality to make the best use of scarce resources and speed up service delivery.

IDP is an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development.

The IDP developed by Council must 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 the area. Applied to the City; issues of national and provincial importance should be reflected in the IDP of the City. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

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).
- The National Priority Outcome.

2.3 Measurable Performance Objectives and Indicators

Performance Management is a system intended to manage and monitor service delivery progress against identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by National Framework for Managing Programme Performance Information; the City has developed and implemented a performance management system which is constantly refined as the integrated planning process unfolds. The municipality targets; monitors; assesses and reviews organisational performance, which is currently not directly linked to individual employees' performance. The City is in the process of linking performance to individual employees.

2.4 Overview of Budget related-policies.

The City's budgeting process is guided and governed by relevant legislation; frameworks; strategies and related policies.

2.4.1 Review of Customer Care; Credit Control and Debt Collection Policies.

This policy has been reviewed; among others; in order to achieve a higher collection rate.

2.4.2 Review of Indigent Relief Policy.

The indigent relief policy has been reviewed; among others.

2.4.3 Review of Tariff Policy

The Tariff policy has been reviewed.

2.4.4 Supply Chain Management Policy

The Tariff policy has been reviewed.

All the above policies are available on the City's website; as well as all approved budget related policies.

2.5 Overview of Budget Assumptions.

2.5.1 External Factors.

Owing to the economic slowdown; financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows; which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the City's finances.

2.5.2 General Inflation Outlook and its impact on the municipal activities.

Five key factors have been taken into consideration in the compilation of the 2014 /15 MTREF.

- National Government macro-economic targets.
- The general inflationary outlook and the impact on City's residents and businesses.
- The impact of municipal cost drivers.
- The increase in prices for bulk electricity and water.

2.5.3 Credit Rating Outlook

The last credit rating outlook is Stable and Long-term security class for Matlosana is A3.za.

2.5.4 Interest Rates for Borrowing and Investment of Funds.

MFMA specifies that borrowing can only be utilized to fund capital or refinancing of borrowing in certain conditions. The City engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2014/15 MTREF were based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

2.5.5 Collection Rate for Revenue Services.

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over long term. It is also assumed that current economic conditions; and relatively controlled inflationary conditions; will continue for the forecasted term.

2.5.6 Growth or Decline in Tax Base of the Municipality.

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate; tariff/rate pricing; real growth of the City; household formation growth rate and the poor household change rate.

2.5.7 Salary Increases

A new collective agreement regarding salaries/wages was reached during the past year. National Treasury in circular 70 prescribe a salary increase of 6.79% based on the current three-year agreement.

2.5.8 Impact of National; Provincial and Local Policies.

Integration of service delivery between national; provincial and local government is critical to ensure focussed 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.
- Fighting Crime and Corruption.
- Infrastructure development.

The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national; provincial and local objectives.

2.5.9 Ability of the Municipality to Spend and Deliver on Programmes
Due to cash flow constrains it is estimated that the spending rate will be lower on operation expenditure.

2.6 Overview of Budget Funding

Tariff settings play a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water; electricity; sanitation and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges like building plan fees, licenses and permits.

The revenue strategy is a function of key components such as:

- Growth in the City and economic development.
- Revenue Management and Enhancement.
- Achievement of a higher annual collection rate for consumer revenue.
- National Treasury guidelines;
- Electricity tariff increases within the NERSA approval.
- Achievement of full cost recovery of specific user charges.
- Determining tariff escalation rate by establishing/calculating revenue requirements.
- The Property Rates Policy in terms of the MPRA.
- Ability to extend new services and obtains cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Revenue to be generated from property rates is estimates at R 201 million for the 2014/15 financial year. It remains relatively constant over the medium-term.

Service charges relating to electricity; water; sanitation and refuse removal constitutes the biggest component of the revenue basket of the City; totalling R 1.18 billion for the 2014/15 financial year. For the 2014/15 financial year service charges amounts to 52 per cent of the total revenue base. This growth can mainly be attributed to the increase in the bulk prices of water and electricity.

Operational grants and subsidies amount to R 334 million.

The MTREF provides for a budgeted surplus of R 2,5 million.

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term.

2.10 Annual Budgets and SDBIPs – Internal Departments

2.10.1 Water Service Department

The department is primarily responsible for the distribution of potable water within the municipal boundary; which include maintenance of the reticulation network and implementation of the departmental capital programme.

2.13 Legislation Compliance Status

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

2.13.1 In Year Reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor has been complied with.

2.13.2 Internship Programme

The City of Matlosana is participating in the Municipal Financial Management Internship programme, and has currently employed six interns undergoing training in various divisions of the Finance Directorate.

Eleven of the previous interns engaged since the inception of the programme have been permanently employed by the City of Matlosana.

2.13.3 Budget and Treasury Office

The Budget and Treasury Office have been established in accordance with the MFMA.

2.13.4 Audit Committee

An Audit Committee have been established and is fully functional.

2.13.5 Municipal Public Accounts Committee

An Municipal Public Accounts Committee have been established and is fully functional.

2.13.6 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised and approved with the 2014/15 MTREF in May 2014.

2.13.7 Annual Report

Annual Report have been compiled in terms of the MFMA and National Treasury requirements.

2.14 Municipal Manager's Quality Certificate

I Elie Motsemse, Municipal Manager of City of Matlosana Municipality, hereby certify that the draft budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Draft Budget and supporting documents are consistent with the Draft Integrated Development Plan of the municipality.

XXXXXXXXXXX

Acting Municipal Manager of City of Matlosana - NW403

Signature ______________________________

Date _________________