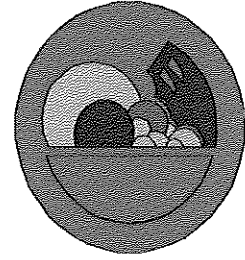


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BUDGET STEERING COMMITTEE MEETING

NOTICE IS HEREBY GIVEN OF A MEETING OF THE ABOVEMENTIONED COMMITTEE WHICH WILL BE HELD ON WEDNESDAY, 10 JANUARY 2018 AT 10H00 IN THE MAIN BOARDROOM (ENTERTAINMENT HALL), CIVIC CENTRE, MUNICIPAL OFFICES, AGATHA STREET, TZANEEN.

MR W SHIBAMBA
DIRECTOR CORPORATE SERVICES

AGENDA

1. OPENING AND WELCOME
2. ATTENDANCE REGISTER AND APOLOGIES
3. NEW MATTERS
 - 3.1 MFMA Municipal Budget Circular No. 89
 - Budget Dates
 - Budget Risks
 - Adjustment Budget
 - Inflation Forecast
 - Increase in Salaries
 - Overtime Budget
 - Increase in Councillors Allowance
 - DORA: Grant Allocations

- Increase in Tariffs:
 - Property Rates
 - Refuse Removal
 - Electricity
 - Water (Mopani District Municipality)
 - Sewer (Mopani District Municipality)
 - Indigent

- Service Level Standards

3.2 Amount to be allocated for Capital

3.3 Funding of Capital Projects

3.4 Operational Budget Requests

- Increase in Electricity Bulk Purchase
- Electricity Tariff Structure to NERSA

- Repairs and Maintenance
 - R & M Renewal
 - R & M Routine

- Budget Employee related cost
 - New Positions
 - Current Vacant positions

3.5 Other

- Past Performances
- Budget Information
- Sundry Tariffs
- Budget Schedules by Departments

3.6 Adjustment Budget

- Adjustment Budget Meetings

3.7 Approval of the 2018/2019 Budget

- Date IDP Projects must be finalized
- Date other reports must be finalized
 - Adjustment Budget - 28 February 2018
 - Draft IDP - ... March 2018
 - Draft Budget - ... March 2018
 - Final IDP - ... May 2018
 - Final Budget - ... May 2018

3.8 GTEDA Budget

- GTEDA to be included in the Budget as a Municipal Entity.
- All Budget information to be obtained from GTEDA.
- Increase on GTEDA allocation

3.9 Mopani District Municipality

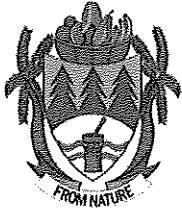
- Information at our disposal to be used.
- Approval of Mopani District Municipality Budget
 - Previous Budgets
 - 2018/2019 Budget

4. – MSCOA READINESS

- GTM
- GTEDA
- How Budget must be prepared and tabled.

5. Review of the Council Administration Structure

6. CLOSURE

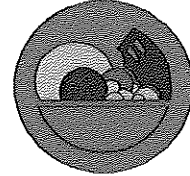


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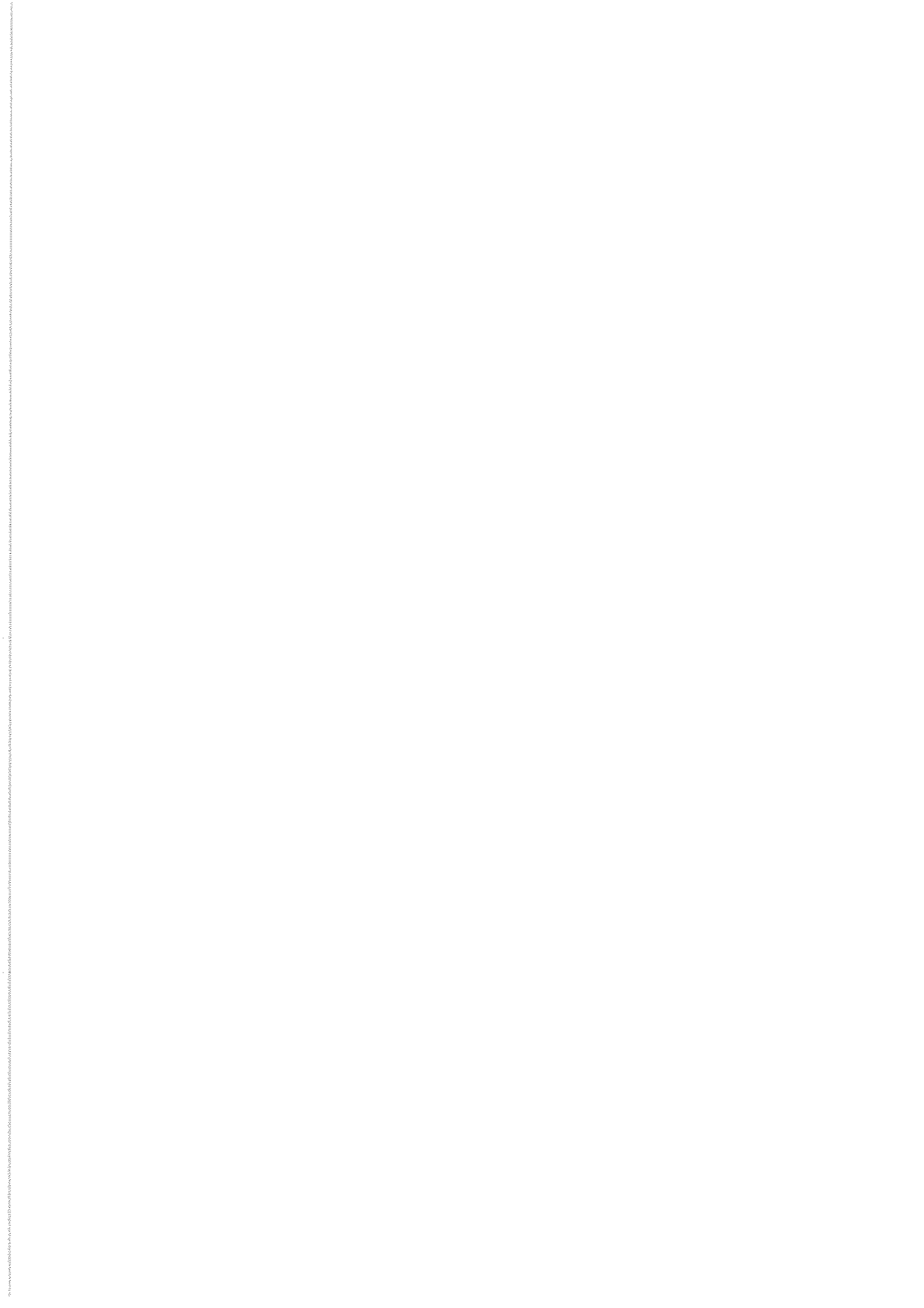
BUDGET STEERING COMMITTEE MEETING

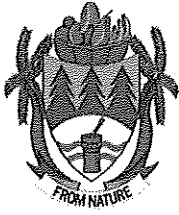
NOTICE IS HEREBY GIVEN OF A MEETING OF THE ABOVEMENTIONED COMMITTEE WHICH WILL BE HELD ON WEDNESDAY, 14TH FEBRUARY 2018 AT 08H00 IN THE MAIN BOARDROOM, CIVIC CENTRE, MUNICIPAL OFFICES, AGATHA STREET, TZANEEN.

**MR W SHIBAMBA
DIRECTOR CORPORATE SERVICES**

AGENDA

1. OPENING AND WELCOME
2. ATTENDANCE REGISTER AND APOLOGIES
3. CONFIRMATION OF THE PREVIOUS MINUTES
4. MATTERS ARISING FROM THE MINUTES
5. NEW MATTERS
 - Finalise Adjustment Budget
 - Outstanding issues on 2018/19 budget
 - Cash requirement on the 2018/29 budget
6. WAY FORWARD
7. CLOSURE



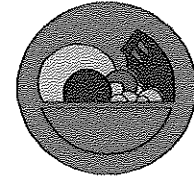


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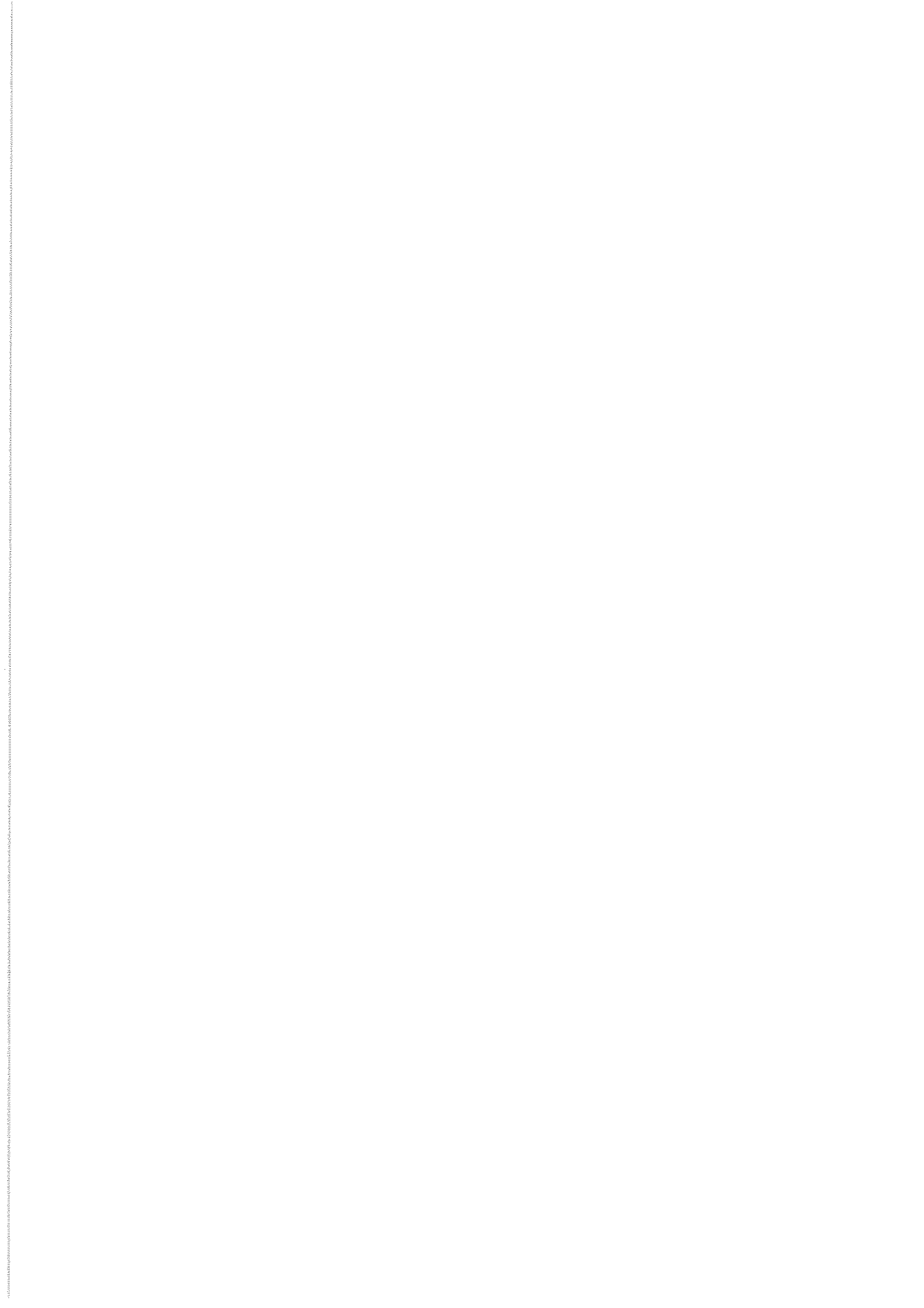
BUDGET STEERING COMMITTEE MEETING

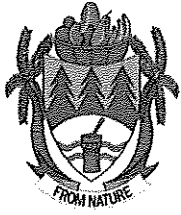
NOTICE IS HEREBY GIVEN OF A MEETING OF THE ABOVEMENTIONED COMMITTEE WHICH WILL BE HELD ON WEDNESDAY, 05TH FEBRUARY 2018 AT 09H00 IN THE COUNCIL CHAMBER, CIVIC CENTRE, MUNICIPAL OFFICES, AGATHA STREET, TZANEEN.

**MR W SHIBAMBA
DIRECTOR CORPORATE SERVICES**

AGENDA

1. OPENING AND WELCOME
2. ATTENDANCE REGISTER AND APOLOGIES
3. CONFIRMATION OF THE PREVIOUS MINUTES
4. MATTERS ARISING FROM THE MINUTES
5. NEW MATTERS
 - Discussion on the Adjustment Budget
 - Outstanding Matters
6. WAY FORWARD
7. CLOSURE





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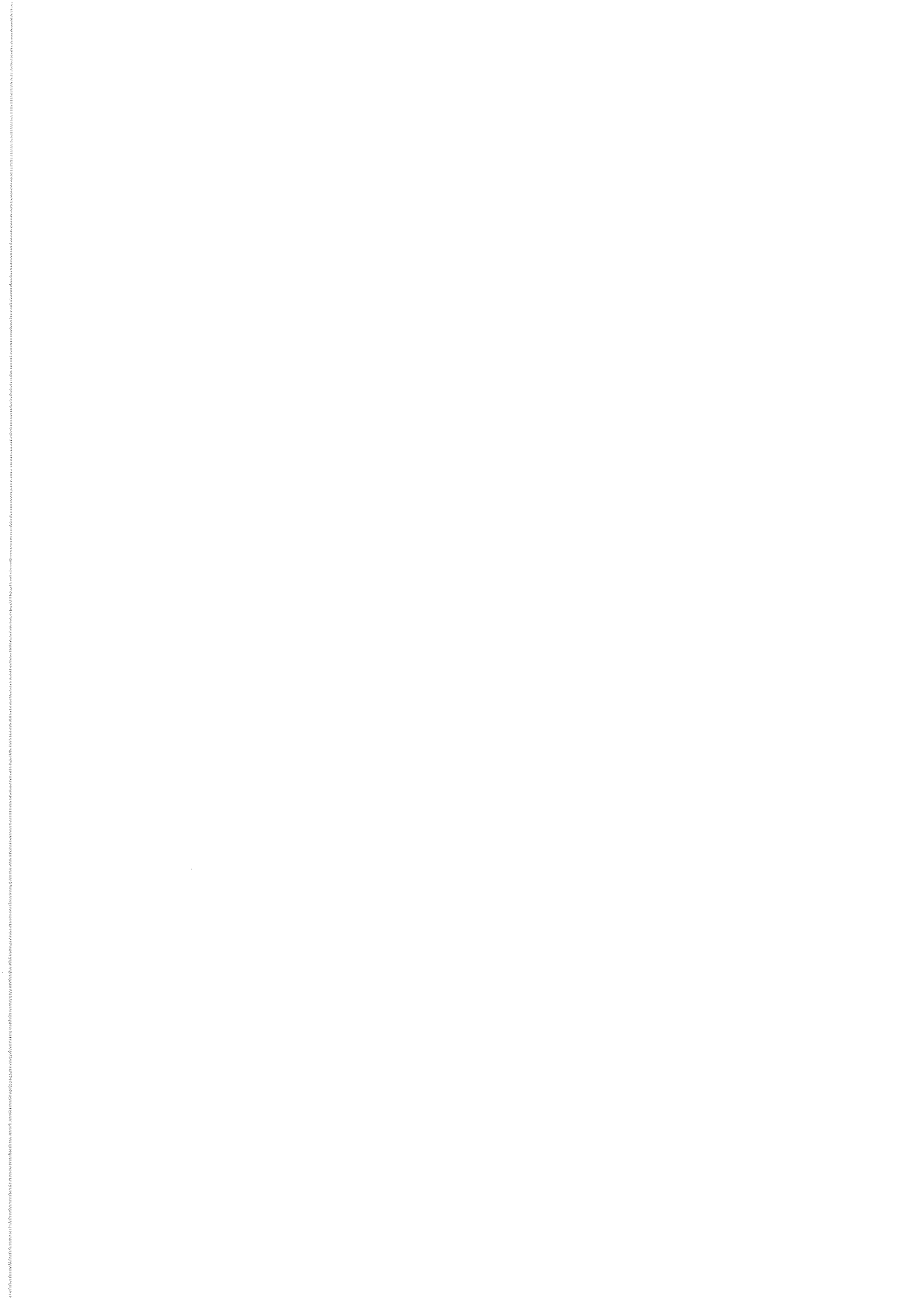
BUDGET STEERING COMMITTEE MEETING

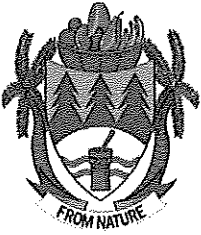
NOTICE IS HEREBY GIVEN OF A MEETING OF THE ABOVEMENTIONED COMMITTEE WHICH WILL BE HELD ON WEDNESDAY, 26TH MARCH 2018 AT 08H00 IN THE MAIN BOARDROOM, CIVIC CENTRE, MUNICIPAL OFFICES, AGATHA STREET, TZANEEN.

**MR W SHIBAMBA
DIRECTOR CORPORATE SERVICES**

AGENDA

1. OPENING AND WELCOME
2. ATTENDANCE REGISTER AND APOLOGIES
3. NEW MATTERS
 - 2018/2019 Draft Budget
 - 2018/2019 Draft IDP
4. WAY FORWARD
5. CLOSURE



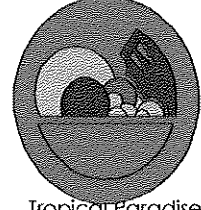


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BUDGET STEERING COMMITTEE MEETING

MINUTES OF THE ABOVEMENTIONED COMMITTEE MEETING WHICH WAS HELD ON MONDAY THE 14TH MARCH 2018 AT 09H00 IN THE MAIN BOARDROOM, MUNICIPAL OFFICES, AGATHA STREET, TZANEEN

1. OPENING AND WELCOME

The Mayor, Councillor M. Mangena declared the meeting officially opened and welcome everyone present.

The Mayor, Councillor M. Mangena congratulated the Mr B Mathebula for being appointed as the Director Planning and Economic Development.

2. ATTENDANCE REGISTER AND APOLOGIES

PRESENT: - As per the attendance Register (See Annexure "A")

APOLOGIES: -

- The Speaker, Councillor DJ Mmetle
- The Manager in the Mayor's Office, Ms S Ngobeni
- The CEO of GTEDA, Mr Maphoto

3. NEW MATTERS

3.1 2018/2019 Draft Budget

The Manager Financial Services, Mr J Biewenga indicated that he did not receive all information yet.

The Manager Financial Services, Mr J Biewenga further indicated that new requests were submitted from department to the amount of R43m.

GTEDA REQUEST

The Manager Financial Services, Mr J Biewenga highlighted the challenges and indicated that the GTEDA budget will not be increased more than 10%.

The Manager Financial Services, Mr J Biewenga indicated that he received the GTEDA information yesterday with 48% increase.

- R3m to accommodate 12 Employees
- R1m for Sebata MSCOA
- R1m for Projects

The Gteda indicated that the request will be for the review of the GTEDA Organogram to increase the staff and the current staff to have benefit. e.g. Medical Aid and Pension.

Resolved

That a time frame be set for GTEDA to be self-sustainable.

Critical Capital Projects requirements

The Manager Financial Services, Mr J Biewenga indicated that the 2018/2018, 2019/2020 projects have been registered with COGHSTA.

Resolved

That the CFO, IDP Officer, PMU must sit align the projects.

That the MIG projects be revised.

DBSA LOAN

The Manager Financial Services, Mr J Biewenga indicated that an application was done with Electricity projects of R90m.

The Manager Electrical was requested to make sure that employees do their work in vegetation control.

Draft preliminary Budget

The Manager Financial Services, Mr J Biewenga highlighted that the preliminary budget as follows:

- R30m for capital
- R92m for MIC Projects

R18m Final
R15m own sources

The Manager Financial Services, Mr J Biewenga indicated that there is a short R7m.

The Manager Financial Services, Mr J Biewenga indicated that R42m request from the department will not be accommodated.

The Acting CFO indicated that they have applied additional finding R60m bond and it is approved

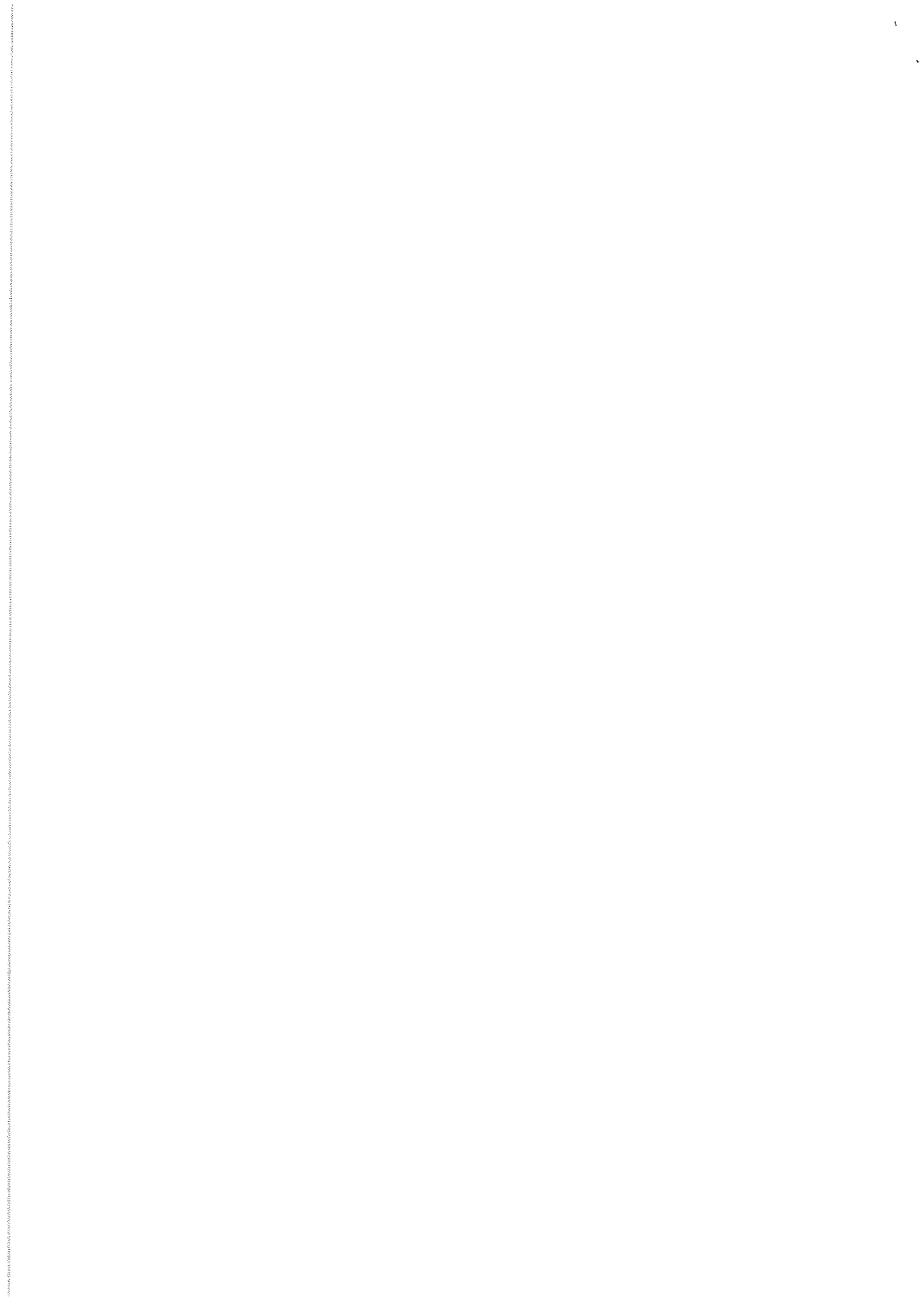
That the breakdown of the R60m be accommodated in the IDP and reported in the next Steering Committee.

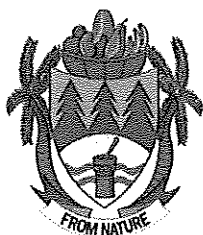
4. Announcement

The Acting Municipal Manager, Mr W Shibamba requested all to have tea after the meeting.

5. CLOSURE

The Mayor, Councillor M. Mangena thanked the administration for the preparations. The meeting adjourned at 11H30.



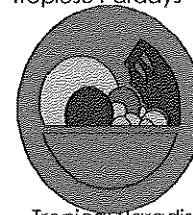


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BUDGET STEERING COMMITTEE MEETING

MINUTES OF THE ABOVEMENTIONED COMMITTEE MEETING WHICH WAS HELD ON WEDNESDAY THE 14TH FEBRUARY 2018 AT 08H00 IN THE ENTERTAINMENT HALL, MUNICIPAL OFFICES, AGATHA STREET, TZANEEN

1. OPENING AND WELCOME

The Manager HR, Mrs. NH Maake opened a meeting with a prayer and the Mayor, Councillor M. Mangena welcome everyone present.

The Mayor, Councillor M. Mangena expressed his appreciation for a successful Lokgotla.

The Mayor, Councillor M. Mangena indicated that matters of compliance must be attended to and not be compromised.

The Mayor, Councillor M. Mangena indicated that the Political Management Team (PMT) will have a meeting after the Budget Steering Committee to discuss the Public Participation issues. He further indicated that the Public Participation personnel held a meeting with the Speaker regarding the overtime.

2. ATTENDANCE REGISTER AND APOLOGIES

PRESENT: - As per the attendance Register (See Annexure "A")

APOLOGIES: -

- The Speaker, Councillor DJ Mmetle
- The Director Electrical Engineering, Mr. S Lelope
- The Risk Manager, Mrs. M Mpyana

3. CONFIRMATION OF THE MINUTES

Resolved

That the minutes of the Budget Steering Committee Meeting held on the 05th February 2018 be approved and confirmed with the following corrections:

Under - **OPENING AND WELCOME**

That the following word be corrected: Mr W S

*To read as: Mr W **Shibamba**.*

4. MATTERS ARISING FROM THE MINUTES

The Manager Financial Services, Mr J Biewenga indicated that the Budget Steering Committee Minutes and Agenda must be signed by the Mayor.

That Mopani District Municipality must pay all their debts to Tzaneen.

5. NEW MATTERS

5.1 Finalisation of the Adjustment budget

The Manager Financial Services, Mr J Biewenga indicated that the adjustment budget is only on the Legal Fees, the insurance issues and the R61million roll over projects.

The Manager Financial Services, Mr J Biewenga made a presentation on the Budget Adjustment report during the meeting and highlighted the Adjustment Budget Related Resolution from page 10 to 12 of the reports.

The Manager Financial Services, Mr J Biewenga indicated that the Mayors report/ speech will be required to be part of the report under Section 3.

The Manager Financial Services, Mr J Biewenga informed that the Adjustment Budget report will be circulated to all Directors for comments.

Resolved

That a recommendation be added on the Marumofase low level bridge.

That the MSCOA be aligned to the Adjustment Budget.

IDP Matters

The IDP Officer, Mr H Mkhari indicated that the IDP resolutions will be in the same format of the Adjustment Budget.

That the IDP rep-forum will be held on the 23rd February 2018 and the Public Participation will be held before Council sitting on the 28th February 2018.

Resolved

That the Water Tankers be reduced and the Ward Councillors be informed on water challenges.

That a report be prepared with all water related issues and the amount owed by Mopani District Municipality and it be submitted to the Minister of Water.

5.2 Outstanding Matters

The Manager Financial Services, Mr J Biewenga indicated that all Directors must hold a meeting with him to check the information submitted and finalise the report.

The Departments agreed to meet with the Budget and Treasury Office as follows:

Date: 14 February 2018

- *From 10H15 – Engineering Services*
- *From 10H30 – PED*
- *From 11H00 – Electrical Engineering*
- *From 14H00 – Corporate Services and Municipal Managers*

Date: 15 February 2018

- *From 08H00 – Community Services*

5.3 Cash Requirement 2018/2019 Budget

The Manager Financial Services, Mr J Biewenga indicated that 3 months cash back is needed in the bank as per the National Treasury requirements.

The Mayor, Councillor M. Mangena indicated that a credible budget must be presented.

The Mayor, Councillor M. Mangena further indicated that Councillor A Masila must engage with Finance department on the Cash back issues.

Resolved

That a provision be made in the budget for R60million for one month cash back.

That the cash back be done in phases for 3 years.

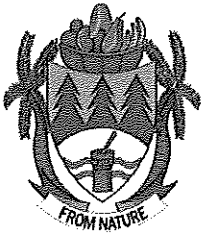
That an arrangement be made before the 23rd February 2018 to brief all Councillors on the matter. That the Engineering Services must manage their budget allocation.

4. ANNOUNCEMENT

None.

5. CLOSURE

The meeting adjourned at 10H04.

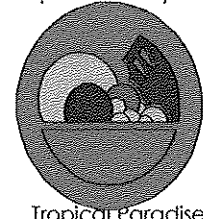


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BUDGET STEERING COMMITTEE MEETING

MINUTES OF THE ABOVEMENTIONED COMMITTEE MEETING WHICH WAS HELD ON WEDNESDAY THE 10TH JANUARY 2018 AT 14H00 IN THE MAIN BOARDROOM, MUNICIPAL OFFICES, AGATHA STREET, TZANEEN

1. OPENING AND WELCOME

The Mayor, Councillor M. Mangena declared the meeting officially opened and welcome everyone present.

2. ATTENDANCE REGISTER AND APOLOGIES

PRESENT: - As per the attendance Register (See Annexure "A")

APOLOGIES : -

- The Speaker, Councillor DJ Mmetle
- The Head of the Budget and Treasury Committee, Councillor TT Maunatlala
- The Acting Director PED, Mr. M Mathye
- The CEO of GTEDA, Mr Maphoto

3. NEW MATTERS

3.1 MFMA Municipal Budget Circular 89.

The Manager Financial Services, Mr J Biewenga advised that the Budget Circular no. 89 must be taken note off and all the requirements by National Treasury must be adhered to. The Manager Financial Services, Mr J Biewenga then highlighted the following requirements of the Circular:

BUDGET INFORMATION

“National Treasury, together with the Provincial Treasuries, will undertake a compliance check and, where Municipalities have not provided complete budget information, the Municipal budget will be returned to the Mayors and Municipal Managers of the affected Municipalities for the necessary corrections.

The National Treasury would like to emphasise that where Municipalities have not adhered to the Municipal Budget and Reporting Regulations, they will be required to go back to the Municipal Council and table a complete budget document aligned to the requirement of the Municipal budget and Reporting Regulations. In addition, where Municipalities have adopted an unfunded budget, they will be required to correct the budget to ensure it adopt and implement a funded budget.”

INFLATION PROJECTIONS

The following Macro-Economic forecast must be considered when preparing the 2018/2019 MTREF Municipal Budgets.

<i>“CPI inflation:</i>	<i>2016/2017 Actual</i>	<i>6,3%</i>
	<i>2017/2018 Estimate</i>	<i>5,4%</i>
	<i>2018/2019 Forecast</i>	<i>5,2%</i>
	<i>2019/2020 Forecast</i>	<i>5.5%</i>
	<i>2020/2021 Forecast</i>	<i>5.5%”</i>

GRANTS TO LOCAL GOVERNMENT

“The Presidency announced in a press statement on 27 November 2017 that, “President Jacob Zuma has directed the Minister of Finance, to identify and finalise proposals for cuts in expenditure amounting to about R25 billion. Municipalities should be aware in their planning that these changes could include substantial reductions to grants to Local Government. The details of any cuts to expenditure will be announced when the 2018 Budget is tabled on 21 February 2018.”

REVENUE BUDGET

“There is a need for Municipalities to focus on collecting revenues owed to them, and eliminate wasteful and non-core spending. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.”

WATER CONSERVATION AND WATER DEMAND MANAGEMENT (WCWDM)

“Water Conservation and Water Demand Management has been identified as a key intervention to balance available municipal supply against projected future needs. In this regard Municipalities must actively implement WCWDM.”

TABLING OF FUNDED BUDGETS

“The importance of tabling funded budgets is highlighted in MFMA Circular no. 74. This is one of the game changers in Local Government to ensure financial sustainability. As an initiative to support Municipalities in this regard, the National and Provincial Treasuries are assessing tabled budgets and assisting Municipalities in effecting the required changes to ensure that they adopt funded budgets.”

BUDGET – DATES

The Manager Financial Services, Mr J Biewenga indicated that the dates for the Draft Budget and the IDP, PMS process plan is attached to the agenda for easy reference.

He also presented the budget process documents which was distributed to all departments.

BUDGET – RISKS

- Tariffs to be approved before 1 July 2018.
- Budget (2018/2019) to be tabled to Council before the end of May 2018.
- Budget to be approved before start of the financial year by the 30 June 2018.

ADJUSTMENT BUDGET

The Manager, Financial Services, Mr J Biewenga indicated that only one main Adjustment budget is allowed, after January 2018 not later than the end of February 2018.

INFLATING FORECAST

The Macro-Economic Forecast by National Treasury are as follows:

2018/2019	-	5,2%	Item 1 and Item 3
2019/2020	-	5.5%	Item 1
2020/2021	-	5,5%	Item 1

INCREASE IN SALARIES FOR 3 YEAR AGREEMENT

Resolved to budget for a 6,5% increase.

2018/2019 - Budget for a 7% increase

2019/2020 - Budget for a 7% increase

Should the increase be approved for 6,2% the additional funds will be utilized towards Critical positions.

OVERTIME BUDGET

The Manager Financial Services, Mr J Biewenga indicated that no indication of overtime allocation is provided in Circular 89, it is therefore recommended that a 10% of the salary budget, the same as the previous year, be provided.

INCREASE IN COUNCILLORS ALLOWANCES

The Manager Financial Services, Mr J Biewenga indicated that the budget Circular 89 does not provide any allocation on Councillors allowances. It is therefore recommended that the same increase (6,5%) as provided for Officials be provided for on the budget.

DORA

The Manager Financial Services, Mr J Biewenga indicated that National Treasury advised that Municipalities to reflect all their grant allocations in accordance with the Division of Finance Bill to be published in February 2018 after the budget speech by the Minister of Finance, and plan effectively to utilise these allocations appropriately so that requests for roll-overs of conditional grants are avoided.

He also indicated that Municipalities are advised to use the indicative numbers presented in the 2017 Division of Revenue Act to compile their Draft 2018/2019 MTREF. In terms of the outer year allocations it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2017 Division of Revenue Act for 2018/19.

INCREASE IN TARIFFS

National Treasury Circular 89 provides for the following increases in tariffs:

The circular provided that increase be limited to the inflation forecast and if necessary to increase above inflation forecast, those increases be justified to National Treasury.

The following increases are approved:

- Property Rates 5,2%
- Refuse Removal 5,2%
- Electricity To be determined
- Water 5,2%
- Sewer 5,2%
- Indigent That the indigent acc be increased from R 100 to R130 per month.

SERVICE LEVEL STANDARDS

The Manager Financial Services, Mr J Biewenga indicated that all Municipalities must formulate Service Level Standards which must form part of their 2018/2019 MTREF.

The Service Level Standards submitted in the previous financial year must be updated.

3.2 CAPITAL ALLOCATION

The Manager Financial Services, Mr J Biewenga indicated that the amount to be allocated for Capital Projects must be based on the rollover projects from the 2017/2018 financial year. Rollover projects are almost never cash backed and provision therefore must be taken into account with the provision of new projects.

He also indicated that if the prioritisation of Capital Projects is not given special attention, it will, like previous years, be finalised late which may result in non-compliance with legislation requirements.

The following items have an effect on the amount to be allocated to Capital Projects:

- Increase in operational budget.
- Repair and Maintenance
- Depreciation
- Interest and Redemption

The amount to be allocated to Capital projects will be determined after the Committee has decided on the increase in operating expenses.

3.3 FUNDING OF CAPITAL PROJECTS

The Manager Financial Services, Mr J Biewenga indicated that it is recommended that a loan of R30 million should be taken up to finance electricity capital projects. To be finalised during the next meeting.

3.4 OPERATING BUDGET REQUESTS

Increase in electrical Bulk Purchases – Not yet approved. Provide for 8% subject to change.

ELECTRICITY TARIFF STRUCTURE

That the Electricity Department ensures that the tariff structure is in line with the structure required by NERSA / ESKOM.

The Manager Financial Services, Mr J Biewenga also indicated that the directors must budget for the following:

Repairs and maintenance = R + M Renewal
= R + M Routine

The Repairs and Maintenance renewal will be assessed by Provincial Treasury and Departments must make sure that sufficient provision for this item is provided.

BUDGET EMPLOYEE RELATED COST NEW POSITIONS

It is recommended that provision be made on the Budget for the following positions:

- That the provision for new position be submitted to the Municipal Manager to be budgeted for. Approval by Municipal Manager before 30 January 2018.
- That these new positions be determined during a Management meeting.
- That provision be made for positions that became vacant during the past 6 months.

3.5 OTHER

- Past Performances
- Budget Information
- Sundry Tariffs – the limit is 6%
- Budget Schedules by Departments

That the above mentioned information be submitted to the Budget Office not later than 30 January 2018 and that any late submission be motivated to the CFO and Municipal Manager. That a report in this regard be tabled in the next Budget Steering Committee Meeting.

3.6 ADJUSTMENT BUDGET

That the Adjustment Budget meeting be held on 16, 17 and 18 January 2018 to request inputs from the departments to ensure approval by 28th February 2018 during Council Meeting.

That the Final Adjustments to the 2017/2018 Budget be confirmed by management on the 2nd of February 2018 and that Final Adjustment be presented to the Budget Steering Committee not later than the 6th of February 2018, as per the IDP, Budget and PMS time Table.

That the requests from the Politicians must be tabled in the next Budget Steering Committee Meeting.

3.7 APPROVAL OF THE 2018/2019 IDP AND BUDGET

As per dates on Agenda

3.8 GTEDA

- GTEDA to provide Budget and Adjustment Budget information on or before 30 January 2018.
- The increase in GTEDA allocation for the 2018/19 budget be limited to a 10% increase on the current budget.

3.9 MOPANI DISTRICT MUNICIPALITY

That the legislative requirements i.e Tariff increases be adhered to with the preparation of the 2018/2019 Water and Sewer Budgets.

Mopani Debt - Mayor instructed that a special effort must be made to recover the money owed by Mopani District Municipality.

4. MSCOA

The Manager Financial Services, Mr J Biewenga indicated that *m*SCOA Regulations apply to all Municipalities from 1 July 2017. In summary, compliance to *m*SCOA by 1 July 2017 requires that municipalities have the following in place:

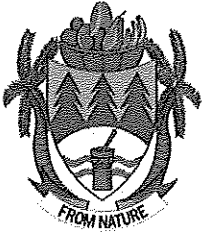
- System-Integrated Development Plan (IDP)
- System-Integrated Budget module; and

- System that enable transacting across the seven segments of *m*SCOA with subsystems seamlessly integrating to the core system.

All the tabled 2018/19 MTREF budget and the IDP submissions will be assessed in March 2018 for *m*SCOA compliance. National Treasury has a dedicated website to support municipalities with their *m*SCOA readiness efforts.

5. CLOSURE

The Mayor, Councillor M. Mangena thanked the administration for the preparations. The meeting adjourned at 16H00.

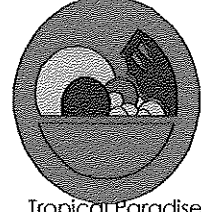


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BUDGET STEERING COMMITTEE MEETING

MINUTES OF THE ABOVEMENTIONED COMMITTEE MEETING WHICH WAS HELD ON MONDAY THE 5TH FEBRUARY 2018 AT 09H00 IN THE COUNCIL CHAMBER, MUNICIPAL OFFICES, AGATHA STREET, TZANEEN

1. OPENING AND WELCOME

The Mayor, Councillor M. Mangena declared the meeting officially opened and welcome everyone present.

The Mayor, Councillor M. Mangena congratulated the Director Corporate Services, Mr W Shibamba for being appointed as the Acting Municipal Manager.

The Mayor, Councillor M. Mangena indicated that they are going to attend the Strategic Session for Mopani District Municipality and requested the management to raise the strong issues to be discussed with Mopani at their Strategic Session.

2. ATTENDANCE REGISTER AND APOLOGIES

PRESENT: - As per the attendance Register (See Annexure "A")

APOLOGIES :-

- The Speaker, Councillor DJ Mmetle
- The Head of the Budget and Treasury Committee, Councillor TT Maunatlala
- The Acting CFO, Mr A Le Grange
- The Risk Manager, Mrs M Mpyana

3. CONFIRMATION OF THE MINUTES

Resolved

That the minutes of the Budget Steering Committee Meeting held on the 10th January 2018 be approved and confirmed.

4. MATTERS ARISING FROM THE MINUTES

The Mayor, Councillor M. Mangena indicated that the PMT and the Executive Committee members be taken on board on the budget matters.

3.9 Mopani District Municipality - Mopani Debt - Mayor instructed that a special effort must be made to recover the money owed by Mopani District Municipality.

The Acting Municipal Manager Mr W Shibamba indicated that he will attend to the matter as mentioned above.

5. NEW MATTERS

3.1 Discussion on the Budget Adjustment

The Manager Financial Services, Mr J Biewenga indicated that the adjustment budget request from department is R20 090 000m.

The Manager Financial Services, Mr J Biewenga further indicated that no department can identify a saving.

Adjustment budget request der department are as follows:

Community Servicer	R590 000.00
Electrical Engineering Services	R6 000 000.00
Planning and Economic Development	R600 000.00
Municipal Manager	R 5 000 000.00
Engineering Services	R3 300 000.00
Budget and Treasury	R4 000 000.00

The Manager Financial Services, Mr J Biewenga further indicated that there are two (2) options to deal with the adjustment allocations on Operating Expenses

Option 1

That all Departments requested overspending on adjustments and no department can identify a savings line item, it is requested that Directors manage their Budgets without any additional allocation. If Legal fees and or the requests regarding Insurance claims resulted in overspendings it be motivated to the Auditor General.

Option 2

That all Departments be forced to identify savings votes to accommodate adjustment requests which may result in some Departments overspend their Budget.

Recommendations

It is recommended that option 1 be approved.

Adjustment allocations on Capital projects

1. Upgrading of road D3766 from gravel to tar. (Standing item)

The amount of R 15 709 234.20 has been paid for standing time for which no provision was made on the Capital Budget. Council resolved that a saving be identified and that the amount be paid to the contractor.

The fact that the 2017/2018 Capital allocations are only from the MIG Grant and a loan from DBSA for electricity revenue generation projects make impossible to identify a savings vote.

To enable the CFO to motivate the overspending it will have to be investigated by MPAC.

2. Mafarana low level bridge

The low level bridge has been built without any provision on the 2017/2018 Capital Budget. An amount of R2,2 million has been spent to build the bridge.

The fact that the 2017/2018 Capital allocations are only from the MIG Grant and a loan from DBSA for electricity revenue generation projects make impossible to identify a savings vote.

To enable the CFO to motivate the overspending to the Auditor General it will have to be investigated by MPAC.

3.2 OUTSTANDING MATTERS

The Manager Financial Services, Mr J Biewenga indicated that he received the information from the following divisions:

- Revenue
- HR
- Waste Division

The Manager Financial Services, Mr J Biewenga further indicated that the Directors did not see the information submitted by the 3 division above.

The Manager Financial Services, Mr J Biewenga further indicated that the budget assessment report was done and Tzaneen we have 14 days cash back instead of 3 months Cash Back Budget operating expenditure.

Resolved

That the following departments: Corporate Services, Community Services, PED, Electrical Engineering, Engineering Services and Budget and Treasury must submit the outstanding information to the Budget and Treasury by Wednesday the 7th February 2018.

The Mayor, Councillor M. Mangena indicated that there is lack of collective work, compliance issues and deadline are not adhered to.

The Compliance Officer, Ms Xikombiso Sibisi was requested to monitor the compliance matters

4. LEKGOTLA

The Mayor, Councillor M. Mangena indicated that the PMT and Exco must meet a night before the start of Lekgotla.

That all documents must be ready and management must arrive in time.

5. Announcement

The Acting Director Community Services, Mr J Malatji announced that he attended the Greenest Municipality Competition at Polokwane, Bolivia Lodge last week Friday the 26th February 2018. He indicated that they took position 1 and received an award, certificate of attendance and a cheque of R200 000.00.

The Acting Director Community Services, Mr J Malatji indicated that they are going to enter the National Competition by the end of February 2018.

6. CLOSURE

The Mayor, Councillor M. Mangena thanked the administration for the preparations. The meeting adjourned at 11H30.