



**SPECIAL ADJUSTMENT BUDGET OF**

# **GREATER GIYANI MUNICIPALITY**

**2022/23 TO 2024/25  
MEDIUM TERM REVENUE AND EXPENDITURE  
FORECASTS**

**Approved by council on 26 May 2023**

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- **At the receptions of all municipal buildings**
- **All public libraries within the municipality**
  - **At [www.greatergiyani.gov.za](http://www.greatergiyani.gov.za)**

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## Part 1 – Special Adjustments Budget

### 1.1 Mayor's Report

#### 1. INTRODUCTION

According to Local Government: Municipal Finance Management Act no 56 of 2003 Section 28,

(1) A municipality may revise an approved annual budget through an adjustments budget.

(2) 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 toward 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 in the annual budget: and

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

Furthermore in terms of Section 23(3) of the Municipal Budget and Reporting Regulation, If a national or provincial adjustments budget allocates additional revenue to a municipality, the mayor of the municipality must ,at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustment budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

The following are the major items that contributed to the upward special adjustment budget for 2022 2023 financial year.

- An amount of R15 000 000 was received from National Treasury as an addition or bonus to the Integrated Electrification Grant on the 30th March 2023 due to exceptional performance on electrification projects.
- The total allocation for INEG after the bonus received will be R37 228 640.31.
- An amount of R2 500 000 was withheld by National Treasury for MIG projects due to poor performance for the first six months of the financial year.

- The total allocation for MIG went down from R78 211 604 to R75 711 604.

### SPECIAL ADJUSTMENT BUDGET

The 2022/2023 budget is adjusted as follows:

	Original Budget	Adjustment Budget	Special Adjustment Budget	Reason
<b>Income</b>	<b>R600,163,401</b>	<b>R599,794,669</b>	<b>R612,294,669</b>	

An amount of R15 000 000 was received from National Treasury as bonus of INEG as per the letter sent by Department of Energy on the 29 March 2023.

An amount of R2 500 000 was withheld by National Treasury for MIG projects due to poor performance for the first six months of the financial year.

The Capital Budget for 2022/2023 is adjusted as follows:

PROJECTS			
	Original	Adjustment	Special
	Budget	Budget	Adjustment
			Budget
<b>MIG Allocation</b>			
Mavalani indoor sports centre	21,457,650.00	11,726,503.62	10,343,971.00
Jim nghalalume community hall	28,243,481.81	13,715,573.28	13,215,573.29
Nwadzekudzeku community hall	11,897,934.00	11,897,934.00	11,709,257.51
Selawa upgrading of roads from gravel to paving	3,937,908.00	15,300,000.00	8,300,000.00
Siyandhani ring road	-	6,520,236.00	11,020,236.00
Shikhumba Upgrading from gravel to paving	-	6,698,486.08	8,769,695.18
<b>Totals MIG PROJECTS</b>	<b>65,536,973.81</b>	<b>65,858,732.98</b>	<b>63,358,732.98</b>
<b>MIG ROLL OVER ALLOCATION</b>			
Ndhambi Taxi Rank		6,194,766.00	6,194,766.00
Shimange Upgrading from gravel to paving		2,755,838.00	2,755,838.00
<b>Total MIG ROLL OVER PROJECTS</b>	<b>-</b>	<b>8,950,604.00</b>	<b>8,950,604.00</b>

<b>OWN FUNDING ALLOCATION</b>			
Civic Centre Building Phase 3 and 4	18,543,540.59	14,339,275.23	14,339,275.23
Upgrading of Nkhensani Access	4,000,000.00	50,000.00	50,000.00
Mageva Sports Centre	1,000,000.00	-	-
Refurbishment of Sporting Facilities (Gawula)	2,500,000.00	-	-
Refurbishment of Shivulani Sports Centre	500,000.00	3,454,255.00	3,454,255.00
Section E Sports Centre	1,000,000.00	50,000.00	50,000.00
Homu14B Sports centre	4,500,000.00	7,000,000.00	10,012,521.00
Golf Course Development	600,000.00	300,000.00	300,000.00
Refurbishment of Giyani Stadium & Section A Tennis Court	1,000,000.00	50,000.00	50,000.00
Nwazekudzeku community hall	-	-	3,702,619.00
Giyani Section E Upgrading from Gravel to Paving (Voningani)	20,141,714.00	16,500,000.00	16,500,000.00
Alternative Road to Giyani from R81	1,800,000.00	1,800,000.00	1,800,000.00
Servicing of 539 sites	1,500,000.00	-	-
Siyandhani Ring Road	1,000,000.00	-	-
Makosha phase 2 upgrading from gravel to paving	1,000,000.00	500,000.00	500,000.00
Alternative route from Elim Road R578 to Giyani via Siyandhani	1,500,000.00	-	-
Hlomela upgrading from Gravel to Paving	1,500,000.00	500,000.00	500,000.00
Shikhumba Upgrading from gravel to paving	1,000,000.00	-	-
Shawela Upgrading from gravel to paving	1,000,000.00	500,000.00	500,000.00
Section E upgrading of 13km from gravel to paving	500,000.00	50,000.00	50,000.00
Construction of car pots (Civic centre ,Unigaz ,Testing Station and brick yard)	500,000.00	-	-
<b>TOTAL OWN FUNDED PROJECTS</b>	<b>65,085,254.59</b>	<b>45,093,530.23</b>	<b>51,808,670.23</b>
<b>OWN FUNDING CAPITAL ASSETS</b>			
Purchase of Generator	1,500,000.00	5,000.00	705,000.00
Cost Model:Computer Equipment	1,500,000.00	300,000.00	300,000.00
Leased Assets:Computer Equipment(Tablets and printers)	500,000.00	300,000.00	300,000.00
Help Desk Software	300,000.00	300,000.00	300,000.00
Development of Bylaws	100,000.00	100,000.00	100,000.00
Purchase of Furniture and Office Equipment	1,000,000.00	1,000,000.00	1,000,000.00
Purchase of Machinery and Equipment	7,500,000.00	12,000,000.00	12,000,000.00

Purchase of Motor Vehicles	2,500,000.00	2,000,000.00	2,000,000.00
Purchase of Camera & Monitor	500,000.00	500,000.00	500,000.00
Purchase of Walk Through metal detector	300,000.00	300,000.00	300,000.00
Purchase of Skip and Street Bins	250,000.00	350,000.00	350,000.00
Fire Arms	300,000.00	450,000.00	450,000.00
Law Enforcement	300,000.00	300,000.00	300,000.00
Purchase of Air Conditioners	1,000,000.00	400,000.00	400,000.00
<b>TOTAL CAPITAL ASSETS</b>	<b>17,550,000.00</b>	<b>18,305,000.00</b>	<b>19,005,000.00</b>
<b>TOTAL CAPITAL BUDGET</b>	<b>148,172,228.40</b>	<b>138,207,867.21</b>	<b>143,123,007.21</b>

It is now my honour to formally table the **Special Adjusted 2022/2023 MTREF BUDGET for Adoption** by Council.

## 1.2 Budget Resolutions

### RESOLUTION FOR THE ADOPTION OF THE SPECIAL ADJUSTMENT BUDGET: COUNCIL RESOLUTION CR 96-26/05/23SP.

In the virtual meeting held on 26 May 2023, the Council of Greater Giyani Municipality resolved that the special adjusted MTREF Budget for the financial year 2022/2023 and the medium-term period to 2024/2025 be adopted as set out in the following tables—

Table B1 - Budget Summary.

Table B2 - Budgeted Financial Performance (Revenue and Expenditure by Standard Classification).

Table B3 - Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote).

Table B4 - Budgeted Financial Performance (Revenue and Expenditure).

Table B5 - Budgeted Capital Expenditure by Vote, Standard Classification and Funding.

Table B6 - Budgeted Financial Position.

Table B7 - Budgeted Cash flows.

Table B8 - Cash backed Reserves/ Accumulated Surplus Reconciliation.

Table B9 – Asset Management

### SIGNED FOR AND ON BEHALF OF THE GREATER GIYANI MUNICIPAL COUNCIL

#### SPEAKER

26/05/2023

\_\_\_\_\_  
CLLR A E MBOWENI

\_\_\_\_\_  
DATE

#### MAYOR

26/05/2023

\_\_\_\_\_  
CLLR T ZITHA

\_\_\_\_\_  
DATE

#### COUNCILLOR FOR FINANCE

26/05/2023

\_\_\_\_\_  
CLLR N H P NDABA

\_\_\_\_\_  
DATE

### 1.3 Executive Summary

After the assessment of the performance of the municipality during the first half of the financial year, in terms of section 72 of the MFMA taking into consideration-

- (i) The monthly statements referred to in section 71 for the first half of the financial year,
- (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan,
- (iii) The past year's annual report, and progress on resolving problems identified in the annual report,
- (iv) The budget of the municipality was adjusted in terms of section 28 of the MFMA as follows.
- (v) The Special adjustment budget has been approved by council on 26 May 2023.

The revenue sources to fund both operating and capital expenditure for 2022/2023 financial year are as follows:

	<b>Budget</b>	<b>Adjustment budget</b>	<b>Special Adjustment Budget</b>	<b>Reasons</b>
Grants and Subsidies	R448,793,000.00	R459,388,244.31	R484,388,244.31	An amount of R15 million was received from National Treasury as bonus of INEP as per the letter sent by Department of Energy on the 29 March 2023. An amount of R2,5 million was withheld by National Treasury due to poor performance for the first six months of the financial year on MIG.
Accumulated Funds [own/other income]	R151,370,401.38	R140,406,424.78	R127,906,424.78	
External Borrowings	Nil	Nil	Nil	
<b>TOTAL BUDGET</b>	<b>R600,163,401.38</b>	<b>R599,794,669.09</b>	<b>R612,294,669.09</b>	



The operating budget for 2022/2023 is subdivided as follows:

	Budget	Adjustment budget	Special Adjustment Budget
Employee Related Costs	189,700,725.00	166,141,150.72	166,141,150.72
Councillors Remuneration	24,024,710.00	24,932,744.00	24,932,744.00
Other Materials	10,500,000.00	11,150,000.00	11,150,000.00
Contracted Services	137,393,056.00	166,944,586.00	174,529,448.00
Depreciation	91,000,000	91,000,000	91,000,000
Bad Debts	29,000,000.00	29,000,000.00	29,000,000.00
General Expenditure	66,992,484.00	65,699,247.00	65,699,247.00
<b>TOTAL</b>	<b>548,610,975.00</b>	<b>554,867,727.72</b>	<b>562,452,589.72</b>

## 1.4. Adjustment Budget Tables

The adjustment budget is laid out in the following budget tables:

Table B1- Adjustments Budget Summary

Table B2- Adjustments Budget Financial Performance (Standard Classification)

Table B3- Adjustments Budget Financial Performance (Revenue and Expenditure by Municipal Vote)

Table B4- Adjustments Budget Financial Performance (Revenue and Expenditure)

Table B5- Adjustments Capital Expenditure Budget by Vote and Funding

Table B6- Adjustments Budget Financial Position

Table B7 - Adjustments Budget Cash Flows

Table B8- Cash-backed Reserves/ Accumulated Surplus Reconciliation

Table B9- Asset Management

Table B10- Basic Service Delivery Measurement

The Adjustment Budget tables are attached in Annexure A.

## **2. SUPPORTING DOCUMENTATIONS**

### **2.1. ADJUSTMENTS TO BUDGET ASSUMPTIONS**

The municipality takes into consideration the six months actual expenditure while preparing the adjustment budget.

### **2.2. ADJUSTMENTS TO BUDGET FUNDING**

The balance of cash and cash equivalents on hand as of 31 December 2022 has been taken into account. The anticipated revenue from municipal tariffs and current collection rate justifies the anticipated revenue targets.

Only gazetted grants and transfers from national government were factored into the funding envelope. For operational grants on the original budget, it was R381 177 000, and increase to R396 177 000 on the Special Adjustment budget because of the bonus received from National Treasury. The capital grants decreased from R78 211 604 to R75 711 604 due to R2 500 000 that was withheld by National Treasury due to poor performance on the first six months of the Financial Year. This is to ensure that the budget is based on realistically anticipated revenue.

### **2.3. ADJUSTMENTS TO EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES**

Specific purpose transfers received by the municipality are allocated to capital programmes implemented by the municipality in accordance with grant conditions. The other grants, including LGES, are allocated to operational programmes, such as the provision of free basic services, and operating costs.

### **2.4. ADJUSTMENTS TO ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY**

The municipality makes no transfers in the form grants to other institutions.

### **2.5. ADJUSTMENTS TO COUNCILLORS' ALLOWANCES AND EMPLOYEE BENEFITS**

Employment costs of S71 Managers, Officials and Councillors are budgeted for in line with CPIX, SALGBC agreements and upper limits of Public Office Bearers promulgated by the Minister of CoGTA.

## **2.6. ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

As already mentioned in the introduction and further highlighted under the executive summary, this budget does not introduce new priorities only improves the alignment of priorities with anticipated funding.

## **2.7. ADJUSTMENTS TO CAPITAL EXPENDITURE**

The capital expenditure increases because of the internal generated funds savings after receiving the bonus of INEG from National Treasury. Grants received from other spheres of government provided funding for capital expenditure.

**2.8. OTHER SUPPORTING DOCUMENTS**

The budget is accompanied by supporting documents in terms of section 17(3) of the MFMA.

**See the supporting tables SB1- SB20 in Annexure B**

**2.9. MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

**To:** Provincial Treasury, Limpopo

National Treasury, South Africa

**QUALITY CERTIFICATE ON THE SPECIAL ADJUSTMENT MTREF BUDGET**

I, **KHOZA VUSI DUNCAN**, Municipal Manager of **GREATER GIYANI MUNICIPALITY**, hereby certify that the special adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act (Act No 56 of 2003) and the regulations made under the Act, and the special adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

\_\_\_\_\_  
**VD Khoza**  
Municipal Manager:  
**Greater Giyani Municipality**  
LIM 331

\_\_\_\_\_  
**Date**