



**ADJUSTMENT BUDGET OF**

# **GREATER GIYANI MUNICIPALITY**

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

**Approved by council on 28 FEBRUARY 2023**

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## Table of Contents

ANNEXURE.....	1
<b>PART 1 – ADJUSTMENTS BUDGET.....</b>	<b>3</b>
1.1 Mayors Report .....	3
1.2 Budget Resolutions.....	7
1.3 Executive Summary.....	8
1.4 Adjustment Budget Tables.....	10
<b>PART 2 – SUPPORTING DOCUMENTATION.....</b>	<b>11</b>
2.1. Adjustments to budget assumptions.....	11
2.2. Adjustments to budget funding.....	11
2.3. Adjustments to expenditure on allocations & grant programmes.....	11
2.4. Adjustments to allocations and grants made by the municipality.....	11
2.5. Adjustments to councillors’ allowances & employee’s benefits.....	12
2.6. Adjustments to service delivery & budget implementation plan.....	12
2.7. Adjustment to capital expenditure.....	12
2.8. Other supporting documents.....	13
2.9. Municipal Manager’s quality certification.....	14

## Part 1 – 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.

**ADJUSTMENT BUDGET**

The 2022/2023 budget is adjusted as follows:

	Original Budget	Adjustment Budget	Reasons
<b>Income</b>	R600 163 402	R599 794 669	Property rate, refuse revenue, rental of facilities, traffic fines, license and permits and other revenue has decreased to R10 963 977.
<b>Operational Expenditure</b>	R548 610 975	R554 667 725	

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

Project Description	Original Budget	Adjusted Budget
Civic Centre Building Phase 3 and 4	18,543,540.59	14,339,275.23
Ndhambi Taxi Rank		6,194,766.00
Upgrading of Nkhensani Access	4,000,000.00	50,000.00
Mavalani Indoor Sports Centre	21,457,650.00	11,726,503.62
Jim-Nghalalume Community Hall	28,243,481.81	13,715,573.28
N'wadzekudzeku Community Hall	11,897,934.00	11,897,934.00
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
Section E Sports Centre	1,000,000.00	50,000.00
Homu14B Sports centre	4,500,000.00	7,000,000.00
Golf Course Development	600,000.00	300,000.00
Refurbishment of Giyani Stadium & Section A Tennis Court	1,000,000.00	50,000.00

Giyani Section E Upgrading from Gravel to Paving (Voningani)	20,141,714.00	16,500,000.00
Alternative Road to Giyani from R81	1,800,000.00	1,800,000.00
Shimange Upgrading from gravel to paving		2,755,838.00
Servicing of 539 sites	1,500,000.00	-
Purchase of Generator	1,500,000.00	5,000.00
Cost Model:Computer Equipment	1,500,000.00	300,000.00
Leased Assets:Computer Equipment(Tablets and printers	500,000.00	300,000.00
Help Desk Software	300,000.00	300,000.00
Development of Bylaws	100,000.00	100,000.00
Purchase of Furniture and Office Equipment	1,000,000.00	1,000,000.00
Purchase of Machinery and Equipment	7,500,000.00	12,000,000.00
Purchase of Motor Vehicles	2,500,000.00	2,000,000.00
Purchase of Camera & Monitor	500,000.00	500,000.00
Purchase of Walk Through metal detector	300,000.00	300,000.00
Purchase of Skip and Street Bins	250,000.00	350,000.00
Fire Arms	300,000.00	450,000.00
Law Enforcement	300,000.00	300,000.00
Purchase of Air Conditioners	1,000,000.00	400,000.00
Siyandhani Ring Road	1,000,000.00	6,520,236.00
Makosha phase 2 upgrading from gravel to paving	1,000,000.00	500,000.00
Alternative route from Elim Road R578 to Giyani via Siyandhani	1,500,000.00	-
Selawa upgrading of roads from gravel to paving	3,937,908.00	15,300,000.00
Hlomela upgrading from Gravel to Paving	1,500,000.00	500,000.00
Shikhumba Upgrading from gravel to paving	1,000,000.00	6,698,486.08

Shawela Upgrading from gravel to paving	1,000,000.00	500,000.00
Section E upgrading of 13km from gravel to paving	500,000.00	50,000.00
Construction of car pots (Civic centre ,Unigaz ,Testing Station and brick yard)	500,000.00	-
<b>TOTALS</b>	<b>148,172,228.40</b>	<b>138,207,867.21</b>

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

## 1.2 Budget Resolutions

### RESOLUTION FOR THE ADOPTION OF THE MID YEAR ADJUSTMENT BUDGET: COUNCIL RESOLUTION CR 66-28/02/23 SP

In the full council meeting on 28 February 2023, the Council of Greater Giyani Municipality resolved that the 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**

**28 /02/2023**

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

\_\_\_\_\_  
**DATE**

**MAYOR**

**28/02/2023**

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

\_\_\_\_\_  
**DATE**

**COUNCILLOR FOR FINANCE**

**28/02/2023**

\_\_\_\_\_  
**CLLR NHP NDABA**

\_\_\_\_\_  
**DATE**

### 1.3 Executive Summary

After the assessment of the performance of the municipality during the first six months 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 six months of the financial year,
- (ii) The municipality's service delivery performance during the first six months 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 adjustment budget has been approved by council on 28 February 2023.

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

	Original Budget	Adjustment budget	Reasons
Grants and Subsidies	R448 793 000	R459 388 244	Roll over from the previous financial year that was Approved by National Treasury.
Accumulated Funds [own/other income]	R151 370 402	R140 406 425	Property rates, Refuse revenue, rental of facilities, traffic fines, license and permits and other revenue has decreased to R10 963 977.
External Borrowings	Nil		



<b>TOTAL BUDGET</b>	<b>R600 163 402</b>	<b>R599 794 669</b>	
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The operating budget for 2022/2023 is subdivided as follows:

	<b>Budget</b>	<b>Adjustment budget</b>	<b>Reasons</b>
Employee related costs	189,700,725.00	165,941,148.00	Vacant posts catered for during Original budget not yet appointed.
Councillors remuneration	24,024,710.00	24,932,744.00	This is due to the back pay which was paid during the current year.
Inventory Consumed	10,500,000.00	11,150,000.00	
Contracted services	137,393,056.00	166,944,586.00	Mushrooming of units during the implementation of Electrification projects, maintenance of roads due to heavy rains.
Depreciation	91,000,000.00	91,000,000.0	
Bad Debts	29,000,000.00	29,000,000.00	
Transfer and Subsidies	1,000,000.00	1,200,000.00	
General Expenditure	65,992,484.00	64,499,247.00	
<b>Total operating expenditure</b>	<b>R548,610,975.00</b>	<b>R554,667,725.00</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 at 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 R379,532,000 and it has increased to R381 176 640 due to the roll over for INEG which was approved, and the capital grants also increased from R69 261 000 to R78 211 604 due to MIG roll over approved. The projects for electricity grant will be funded by grant of 22,2m and own funding of 19,9m. 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; it only supports the small business around the municipal areas which is budgeted for R1 200,000 in the current financial year.

## **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.

For employee related costs it decreases from R189,700,725.00 to R165,941,148.00 because of the budgeted vacant positions that have not yet appointed.

For councillors allowances the budget will increase from R24,024,710 to R24,932,744 due to the back pays paid to councillors in the first six months of the financial year.

## **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 decreases from R148,2 million to R138,2 million because of the own funded projects that was decreased during the Adjustment budget. 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 ADJUSTMENT MTREF BUDGET**

I, **SITHOLE KHENSANI VERONICA**, Acting Municipal Manager of **GREATER GIYANI MUNICIPALITY**, hereby certify that the 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 adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

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**K V SITHOLE**  
Acting Municipal Manager:  
**Greater Giyani Municipality**  
LIM 331

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