



ADJUSTMENT BUDGET OF

GREATER GIYANI MUNICIPALITY

**2023/24 TO 2025/26
MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS**

Approved by council on 28 FEBRUARY 2024

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- **All public libraries within the municipality**
 - **At www.greatergiyani.gov.za**

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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 2023/2024 budget is adjusted as follows:

	Original Budget	Special Adjustment Budget	Adjustment Budget	Reasons
Income	R640,857,124	R644,357,124	R634,968,911	This is due to under collection of own revenue in the first six months of the financial year.
Operational Expenditure	R 548,343,584	R 551 843 584	R 633,763,891	

The Capital Budget for 2023/2024 is adjusted as follows:

Description	Original Budget	Special Adjustment Budget	Adjusted Budget
Waste Disposal Site Development	5,300,000.00	5,300,000.00	5,300,000.00
Upgrading of Nkhensani Access	900,000.00	900,000.00	-
Mavalani Indoor Sports Centre	16,313,679.00	16,313,679.00	12,313,679.00
Jim-Nghalalume Community Hall	14,309,409.79	14,309,409.79	14,842,432.34
Refurbishment of Sporting Facilities (Gawula)	2,000,000.00	2,000,000.00	250,000.00
Upgrading of Parking Lot	1,300,000.00	1,300,000.00	1,300,000.00
Section E Sports Centre	1,500,000.00	1,500,000.00	250,000.00
Homu14B Sports centre	900,000.00	900,000.00	3,053,276.39
Golf Course Development	1,000,000.00	1,000,000.00	500,000.00
Automated PMS System	1,000,000.00	1,000,000.00	-
Refurbishment of Giyani Stadium & Section A Tennis Court	2,000,000.00	2,000,000.00	-
Alternative Road to Giyani from R81	50,000.00	50,000.00	-
Servicing of 539 sites	1,000,000.00	1,000,000.00	750,000.00
Leased Assets: Computer Equipment (Tablets and printers)	600,000.00	600,000.00	300,000.00
Siyandhani Ring Road	32,070,764.00	32,070,764.00	40,790,764.00

Makosha phase 2 upgrading from gravel to paving	1,500,000.00	1,500,000.00	1,500,000.00
Alternative route from Elim Road R578 to Giyani via Siyandhani	50,000.00	50,000.00	-
Selawa upgrading of roads from gravel to paving	8,500,450.00	8,500,450.00	9,025,691.48
Hlomela upgrading from Gravel to Paving	2,577,159.41	2,577,159.41	1,027,159.41
Shikhumba Upgrading from gravel to paving	23,391,087.80	23,391,087.80	24,253,729.53
Shawela Upgrading from gravel to paving	1,000,000.00	1,000,000.00	1,000,000.00
Section E upgrading of 13km from gravel to paving	500,000.00	500,000.00	-
Electrification of loloka Village (150 units /stands)	230,000.00	230,000.00	230,000.00
Electrification of Mageva Village (150 units /stands)	230,000.00	230,000.00	230,000.00
Electrification of Mahlathi Village (150 units /stands)	230,000.00	230,000.00	230,000.00
Electrification of Matsotsosela Village (150 units /stands)	230,000.00	230,000.00	230,000.00
Electrification of Mbhedhe Village (150 units /stands)	230,000.00	230,000.00	230,000.00
Electrification of Mnghonghoma Village (200 units /stands)	290,000.00	290,000.00	290,000.00
Electrification of Shivulani village (200 units /stands)	4,100,000.00	4,100,000.00	4,100,000.00
Electrification Mninginisi block 3 (184 units /stands)	3,780,000.00	3,780,000.00	3,780,000.00
Electrification of Homu 14A extension (150 units /stands)	3,100,000.00	3,100,000.00	3,100,000.00
Electrification of Bode extension (200 units / stands)	4,100,000.00	4,100,000.00	4,100,000.00
Electrification of Sikhunyani village (100 units / stands)	2,100,000.00	2,100,000.00	2,100,000.00
Electrification of Mapayeni village (150 units / stands)	3,100,000.00	3,100,000.00	3,100,000.00
Electrification of Daniel Rabalela village (432 units / stands)	2,500,000.00	2,500,000.00	5,592,480.00
Electrification of Homu 14B extension (150 units /stands)	3,100,000.00	3,100,000.00	3,100,000.00
Electrification of Gawula Village (150 units /stands)	3,100,000.00	3,100,000.00	3,100,000.00
Electrification of Khakhala Village (150 units /stands)	3,100,000.00	3,100,000.00	3,100,000.00
Acquisitions (Firearms)	100,000.00	100,000.00	-

_LIM331_6108_By-Law Development	110,000.00	110,000.00	100,000.00
Construction of car pots (Civic centre, Unigaz, Testing Station and brick yard) and Market stalls	500,000.00	500,000.00	-
Babangu Internal Streets Upgrading from gravel to paving	500,000.00	500,000.00	-
Upgrading from gravel to paving Ngove to Sikhunyani Road	500,000.00	500,000.00	-
Upgrading from gravel to paving Giyani Section F via Golele to risinga view to Bright star primary school junction	500,000.00	500,000.00	-
Upgrading from gravel to paving Nwamankena	500,000.00	500,000.00	500,000.00
Risk Management System	500,000.00	500,000.00	-
_LIM331_6105_Help Desk S	500,000.00	500,000.00	-
Acquisitions (Installation of cameras & monitor)	500,000.00	500,000.00	-
Acquisitions (Law enforcement equipment)	500,000.00	500,000.00	300,000.00
Internal Audit System	550,000.00	550,000.00	-
Acquisitions (Patrol management system (Clocking System)	600,000.00	600,000.00	-
Acquisitions (Laptops & printers)	665,000.40	665,000.40	315,000.00
Electrification of Section F (539 units /stands)	1,000,000.00	1,000,000.00	1,000,000.00
Installation of Solar Roof Top in municipal buildings	1,000,000.00	1,000,000.00	-
Acquisitions (Furniture & Fittings)	1,200,000.00	1,200,000.00	1,000,000.00
Acquisitions (walk through metal detector & exray machine)	1,000,000.00	1,000,000.00	-
Acquisitions (Generator)	1,950,000.00	1,950,000.00	-
Mageva Sports centre (Extension of soccer pitch)	2,000,000.00	2,000,000.00	250,000.00
_LIM331_6105_Leased Comp	2,000,000.00	2,000,000.00	1,000,000.00
Acquisitions (Vehicles)	2,000,000.00	2,000,000.00	-
Acquisitions (Purchase of bins)	2,000,000.00	2,000,000.00	2,900,000.00
Acquisitions (Air conditioners)	2,000,000.00	2,000,000.00	1,000,000.00
Installation of High mast lights in Greater Giyani	2,500,000.00	2,500,000.00	2,500,000.00
Electrification of Siyandhani village (450 units /stands)	5,032,989.00	5,032,989.00	5,032,989.00
Installation of energy saving streetlights	5,500,000.00	5,500,000.00	5,500,000.00
Civic Centre Building Phase 4	6,000,000.00	6,000,000.00	22,576,087.95
4.9km Section F Upgrading of stormwater Phase 1	10,000,000.00	10,000,000.00	-

Acquisitions (Machinery & equipment)	12,000,000.00	12,000,000.00	22,440,000.00
TOTALS	214,990,539.40	214,990,539.40	219,483,289.10

It is now my honour to formally table, the Adjusted **2023/2024 MTREF BUDGET** for Adoption by Council.

1.2 Budget Resolutions

RESOLUTION FOR THE ADOPTION OF THE MID YEAR ADJUSTMENT BUDGET: COUNCIL RESOLUTION CR 148 -28/02/2024 SP

In the full council meeting on 28 February 2024, the Council of Greater Giyani Municipality resolved that the adjusted MTREF Budget for the financial year 2023/2024 and the medium-term period to 2025/2026 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 /02/2024

CLLR A E MBOWENI

DATE

MAYOR

28/02/2024

CLLR T ZITHA

DATE

COUNCILLOR FOR FINANCE

28/02/2024

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 2024.

The revenue sources to fund both operating and capital expenditure for 2023/2024 financial year are as follows:

	Original Budget	Special Adjustment budget	Adjustment budget	Reasons
Grants and Subsidies	R486 901 000	R490 401 000	R489 862 000	This is due to the reduction of Mig and EPWP grant and increase in MDRG grant.
Accumulated Funds [own/other income]	R153 956 124	R153 956 124	R145 106 911	This is due to under collection in the first six month of the financial year.
External Borrowings	Nil			

TOTAL BUDGET	R640 857 124	R644 357 124	R634 968 911	
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The operating budget for 2023/2024 is subdivided as follows:

	Budget	Special Adjustment Budget	Adjustment Budget	Reasons
Employee related costs	200,327,289.00	200,327,289.00	178,495,308.00	Vacant posts catered for during original budget not yet appointed.
Councillors remuneration	24,915,963.00	24,915,963.00	25,884,751.00	This is due to the back pay which was paid during the current year.
Inventory Consumed	13,150,000.00	13,150,000.00	12,800,000.00	
Contracted services	105,316,500.00	108,816,500	111,132,016.00	Mushrooming of units during the implementation of Electrification projects, maintenance of roads due to heavy rains.
Depreciation	95,000,000.00	95,000,000.00	96,000,000.00	This item was increased after checking the previous audit actuals on the audited AFS.
Bad Debts	29,000,000.00	29,000,000.00	122,278,267.00	This item was increased after checking the previous audit actuals on the audited AFS.
Transfer and Subsidies	1,500,000.00	1,500,000.00	1,500,000.00	
General Expenditure	79,133,832.00	79,133,832.00	85,673,549.00	
Total Operating Expenditure	548,343,584.00	551,843,584.00	633,763,891.00	

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 2023 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 R486 901 000, and it has increased to R489 862 000 due to R4 500 000 received for Municipal Disaster Relief Grant, R4 250 116.79 decrease in Mig funding and reduction of R176 000 for EPWP. The projects for electricity grant will be funded by grant of 32,2m and own funding of 18,4m. 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 500,000 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 R200,327,289.00 to R178,495,308.00 because of the budgeted vacant positions that have not yet appointed.

For councillors allowances the budget will increase from R24,915,963 to R25,884,751 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 R214,9 million to R219,4 million because of the own funded projects that was increased 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, **KHOZA VUSI DUNCAN**, 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.

KHOZA VD
Municipal Manager:
Greater Giyani Municipality
LIM 331

Date