

ZULULAND DISTRICT MUNICIPALITY **FINANCIAL PLAN**

INTRODUCTION

The purpose of the financial plan is to set out details of the financial issues that need to be addressed in a financial year. It is meant to be a tool to highlight any financial shortcomings. Listed below are the issues that need to be addressed.

WEBSITE

The present service provider will be appointed to complete the website. All issues of interest to the community will be included on the website by the Planning and Community Services department. The present website will be user friendly and easy to use so that users can obtain full benefit there from.

POLICIES

All the financial policies will be revised to ensure that they comply with the most recent legislation and that they are in line with the current policies set by the Council. The following policies will be revised:-

- Subsistence and Travelling policy
- Credit control policy
- Tariff policy
- Investment and cash management policy
- Insurance policy
- Supply chain management policy
- Budget policy
- Asset management policy
- Risk management policy

The above policies should amongst other legislation, take into account the relevant sections in the Municipal Finance Management Act.

DEBTORS

All water and levy debtors are to be followed up and collected in terms of the credit control policy. It is imperative to collect debtors so as to be able to undertake service delivery. Sufficient provision will be made in the budget for the writing off of bad debts.

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INVESTMENTS

All investments are to be made and recorded in the register in terms of the investment policy.

SANITATION FUNCTION

In terms of the transfer of powers and functions from the local municipalities to the district municipalities, it is proposed to take over the sanitation function from Ulundi Municipality with effect 1 July 2005. The transfer of the sanitation services assets and liabilities will also be transferred after finalisation of the transfer process.

WATER SERVICE PROVIDER FUNCTION

In terms of the transfer of powers and functions from the local municipalities to the district municipalities, it is proposed to take over the Water Service Provider (WSP) function from Ulundi Municipality with effect 1 July 2005. The transfer of the water services assets and liabilities will also be transferred after the finalisation of the transfer process.

ANNUAL REPORT

An annual report will be compiled and issued in terms of the Municipal Finance Management Act. The report will be made available to the community and all other interested parties.

COMPUTER SYSTEM

The conversion of the VENUS computer system to a web based system will be continued to its finality. An information technology (IT) plan for the IT system will be drawn up for the next five years

GAMAP/GRAP

When the financial statements for the year ended 30 June 2006 are compiled they need to comply with GAMAP/GRAP. The GAMAP Implementation Plan will be followed to its conclusion.

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BUDGET

The annual budget will be compiled in terms of the Municipal Finance Management Act and conform to the Budget Reform format. A budget programme will be drawn up with time frames and responsible persons.

The budget will be reviewed regularly during the year and the expenditure and income will be monitored on a monthly basis. If necessary the budget will be amended during the financial year in the form of the adjustments budget.

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA)

With the introduction of the MFMA an implementation plan will be drawn up and the relevant sections in the MFMA will be highlighted and adhered to.

AUDIT COMMITTEE

A district wide Audit Committee will be established. This audit committee will be responsible for the district municipally and all the local municipalities in the district.

TARIFF INCREASES

As per the Policies section above a tariff policy will be drawn up. This policy will cater for lifeline and stepped tariffs. In addition Section 78 study will be undertaken to establish the effects on the tariffs should certain grants be curtailed. This is particularly relevant with the water tariffs.

ASSET MAINTENANCE PLAN

An asset maintenance plan in terms of fixed assets management policy will be implemented within each department of the municipality.

INTEGRATED DEVELOPMENT PLAN (IDP)

The budget will reflect the priorities in the IDP. In addition a policy will be set as regards the percentage of the total expenditure budget that will be allocated to each department/function. This percentage will be arrived at by taking into account the priorities highlighted in the IDP. Where possible monies will be obtained to carry out the outstanding projects highlighted in the IDP.

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ESTABLISHMENT AND REGIONAL LEVIES

According to the National Minister of Finance in his budget speech of 2005, establishment and services levies will be abolished with effect from 1 July 2006. It still has not been decided what will replace these levies but it has been mooted that they will not be replaced by another tax. This matter will be pursued to ensure that adequate compensation is received for the income that will be lost as a result of the abolishment of the levies.

LEGISLATIVE REQUIREMENTS

All relevant legislation will be adhered to.

