

# HOW MUNICIPAL BUDGETS ARE MADE AND SPENT

YOUR MONEY.  
YOUR MUNICIPALITY.  
YOUR FUTURE.



REVENUE



PLANNING



APPROVAL



SPENDING



ACCOUNTABILITY

# UNDERSTANDING MUNICIPAL BUDGETS

A municipal budget is the “money plan” of your local government.



## REVENUE

How money is collected.



## EXPENDITURE

How money is used.



## WHY BUDGETS MATTER

Budgets decide whether you get clean water, working streetlights, safe roads, and decent housing.



## MONEY IN, MONEY OUT

### MONEY IN



Collected from different sources (revenue).



### MONEY OUT



Used to provide services and build better communities.



# WHERE THE MONEY COMES FROM

Municipalities collect money from different sources to provide services and build better communities.



**HEALTHY REVENUE,  
STRONG COMMUNITIES**

When revenue is collected properly, everyone benefits.

## 1. NATIONAL GOVERNMENT TRANSFERS



- **The equitable share:** money given to every municipality so they can provide basic services, especially to poor households.
- **Conditional grants:** funds given for a specific purpose, like building houses or improving water systems.

## 2. RATES AND TAXES



- **Property rates:** money collected from property owners.
- **Service charges:** fees for using water, electricity, refuse removal, and sanitation.

## 3. OTHER INCOME



- **Fines:** traffic fines, by-law violations.
- **Licenses:** trading permits, business registrations.
- **Rental fees and other local charges.**

## WHERE IT ALL STARTS



People pay rates and service bills



Municipality collects the money



Money is managed responsibly



Services are delivered to communities

# HOW THE BUDGET IS DEVELOPED

Creating a municipal budget is not a secret.  
By law, it must be transparent and involve the community.



## YOUR VOICE. YOUR COMMUNITY.

Your input helps shape your municipality's priorities.

1.



### DRAFTING THE BUDGET

The municipal finance team, led by the chief financial officer (cfo), drafts the budget.

- The mayor and executive committee review and set priorities.

2.



### PUBLIC CONSULTATION

Draft budgets are shared with communities in meetings, imbizos, or online.

- Citizens can suggest what should be prioritised – e.g. fixing water pipes instead of building a luxury office.

3.



### COUNCIL APPROVAL

After consultation, the final budget goes to the full council.

- Councillors debate and vote to adopt it.

4.



### IMPLEMENTATION

Municipal officials (the administration) carry out the budget once it's approved.

- This is where plans become action and services are delivered to communities.



### WHY THIS MATTERS

You have the right to attend budget consultations and demand that your community's needs are included in the final budget.





# WHERE THE MONEY IS SPENT

The municipal budget is used to provide services and improve the quality of life for everyone in our community.



## DID YOU KNOW?

Municipal services affect your daily life in more ways than you might think.

## MAIN AREAS OF SPENDING

1.



### BASIC SERVICES

Water, sanitation, electricity, refuse removal, and sewerage services.

2.



### INFRASTRUCTURE DEVELOPMENT

Building and maintaining roads, stormwater drains, bridges, and sidewalks.

3.



### COMMUNITY SERVICES

Parks, libraries, sports facilities, community halls, and social development.

4.



### PUBLIC SAFETY

Disaster management, traffic control, fire services, and by-law enforcement.

5.



### ECONOMIC DEVELOPMENT

Supporting local businesses, job creation, tourism, and investment in our area.

6.



### ADMINISTRATION

Salaries of municipal staff, office operations, and governance.



## BALANCING NEEDS AND RESOURCES

Municipalities must balance many needs with the money available.



That's why your input is important – it helps set the right priorities.



## WHY THIS MATTERS

Knowing where the money goes helps you hold your municipality accountable and ensure fair spending.



# YOUR VOICE, YOUR COMMUNITY

A municipal budget is more than numbers.  
It reflects the needs and priorities of the community.  
Your participation helps ensure public money  
is spent where it matters most.



**SPEAK UP.  
BE HEARD.**

Your participation  
helps shape  
decisions that  
affect your life.

## HOW YOU CAN GET INVOLVED



**1**

### ATTEND MEETINGS

Join public consultations,  
ward meetings, and  
budget presentations  
in your area.



**2**

### SHARE YOUR VIEWS

Provide feedback online,  
by email, or in writing  
during the consultation  
period.



**3**

### PARTICIPATE IN SURVEYS

Surveys help us  
understand community  
needs and set  
the right priorities.



**4**

### WORK TOGETHER

Partner with your  
community and  
municipality to  
create solutions.



## WHY THIS MATTERS

Budgets are public documents. By participating,  
asking questions, and comparing promises  
with spending, you help ensure that public  
money is used where it is needed most.



Funded by  
the European Union



SOCIAL CHANGE  
ASSISTANCE TRUST



TRANSPARENCY  
INTERNATIONAL  
the global coalition against corruption