

7449

2012/2013 MULTI-YEAR BUDGET PROCESS PLAN AND TIMETABLE

This report served before the Financial Services Portfolio Committee on 16 August 2011. The recommendations were supported.

PURPOSE

To submit the 2012/2013 Multi-year budget process plan and timetable in order to comply with the requirements of the Municipal Finance Management Act, 2003 (No 56 of 2003).

IDP STRATEGY AND OBJECTIVES

DEVELOPMENT STRATEGY 5: SOUND FINANCIAL MANAGEMENT

Aim

- To ensure a healthy municipal revenue base that is aligned with the IDP, in order to ensure efficient, effective and sustainable service delivery and meeting the needs of the City's inhabitants

Goals

- Ensure that Financial Planning, Budgeting and Expenditure aligns with the IDP
- Increase the Municipal Revenue Base
- Maintain high levels of Debt Control
- Implement Revenue Enhancement measures

BACKGROUND

Section 21(1) of the Municipal Finance Management Act, 2003 (No 56 of 2003) prescribes the following: -

“The Mayor of a municipality must –

- (a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality’s integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;*
- (b) at least 10 months before the start of the budget year, table in the municipal Council a time schedule outlining key deadlines for –*
 - (i) the preparation, tabling and approval of the annual budget;*
 - (ii) the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act and the budget-related policies;*
 - (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and*
 - (iv) any consultative processes forming part of the processes referred to in paragraph (i), (ii) and (iii).”*

Furthermore, the Accounting Officer is tasked by Section 68 of the Municipal Finance Management Act, 2003 (No 56 of 2003) with assisting the Mayor in developing and implementing the budgetary process. This process should provide for both internal (within municipality) and external (local community and other stakeholder) consultations.

In addition to the above the budget process will have to comply with the Municipal Budget and Reporting Regulations as published in Government Gazette No 32141 dated 17 April 2009 - DMS 605152, 605154, 605178 and 605180.

DISCUSSION

The 2012/2013 Medium Term Revenue and Expenditure Framework (MTREF) process plan and timetable (**DMS 741741**) is included as Annexure "A" on pages 129 to 136 of the Addendum.

Adequate planning for the budget process is essential to ensure that Council's 2012/2013 Medium Term Revenue and Expenditure Framework (MTREF) is tabled timeously in order to comply with the MFMA. The Mayor must early on in the budget process co-ordinate a schedule of key deadlines for all of the required meetings, community forums, etc. This schedule should also be made public to ensure that those being consulted are aware of their opportunities for input into the IDP and budget process.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications.

FINANCIAL IMPLICATIONS

This report relates only to the submission and acceptance by Council of the 2012/2013 Medium Term Revenue and Expenditure Framework (MTREF) process plan and timetable.

LEGAL IMPLICATIONS

The Mayor of a Municipality must upon becoming aware of any impending non-compliance with the provisions of the MFMA especially Chapter 4 (Municipal Budgets), inform the MEC for Finance in the province in writing.

COMMENTS OF THE CHIEF FINANCIAL OFFICER

The recommendations are supported.

RECOMMENDED THAT:

1. the 2012/2013 Medium Term Revenue and Expenditure Framework (MTREF) process plan and timetable (**DMS 741741**) be noted and accepted by Council;
2. the 2011/2012 Final Draft Integrated Development Plan (IDP) Review (RPT 149827) approved on 10 May 2011 in accordance with Council Resolution 7267 be used to inform the 2012/2013 Multi-year budget process plan and timetable (**DMS 741741**);
3. budget requests from Councillors/Ward Committees, fully supported within the Integrated Development Planning document, be submitted to the Municipal Manager by no later than **26 October 2011** in order for the relevant Deputy Municipal Managers to determine the financial and operational impacts of such requests;
4. the 2012/2013 budget guideline document be submitted to Council prior to being rolled-out to the departments; and
5. all consultative processes during the budget process be adequately published in the media.