

15660

## 2023/2024 - MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK PLAN (MTREF) PROCESS PLAN AND TIME TABLE

*This report is submitted simultaneously to the Financial Services Portfolio, Executive Committee and Council.*

### PURPOSE

To submit the 2023/2024 Medium Term Revenue and Expenditure Framework Plan (MTREF) 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

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
GOALS	OBJECTIVES	STRATEGIES
5.1 Sound Financial And Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliance
		5.1.1.2 mSCOA compliant
		5.1.1.3 Review of all financial related policies
		5.1.1.4 Compliance with all MFMA and related local government financial legislation
	5.2.1 Sustainable Financial and supply chain Management	5.2.1.1 Provide continuous Internal Communication on Budget and Financial Management matters
		5.2.1.2 Asset Accounting Management
		5.2.1.3 Accurate and timeous billing and receipting of revenue
		5.2.1.4 Apply Adequate Internal controls
		5.2.1.5 Demand and acquisition management
		5.2.1.6 Contracts and Logistics management
		5.2.1.7 Apply adequate financial management methodologies

### 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**

Please refer to the following Annexures:

1. The Medium Term Revenue and Expenditure Framework (MTREF) Process Plan and Timetable - 2023/2024 (**DMS 1542201**).

Adequate planning for the budget process is essential to ensure that Council's 2023/24 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.

2. The Budget requests 2023/2024 from Councillors / Ward Committees (**DMS 1542202**).

This budget Request Form is to be submitted directly to the Municipal Manager and a copy to the relevant Deputy Municipal Manager and to the Budget Office for attention and record purposes respectively by no later than **28 October 2022**.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications.

## **FINANCIAL IMPLICATIONS**

This report relates only to the submission and acceptance by Council of the 2023/24 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 in writing the Provincial MEC for Finance.

## **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

The recommendations are supported.

## RECOMMENDED THAT:

1. the 2023/2024 Medium Term Revenue and Expenditure Framework (MTREF) Process Plan and Timetable (**DMS 1542201**) be noted and accepted by Council;
2. the budget requests form 2023/2024 from Councillors/ Ward Committees (**DMS 1542202**), fully supported within the Integrated Development Planning document, be submitted to the Municipal Manager by no later than 28 October 2022 in order for the relevant Deputy Municipal Managers to determine the financial and operational impacts of such requests;
3. the 2022/2023 Integrated Development Plan Review (**RPT 173178**) approved on 25 May 2022 in accordance with Council Resolution 15424 be used to inform the 2023/2024 Medium Term Revenue and Expenditure Framework (MTREF) Process Plan and Timetable (**DMS 1542201**); and
4. all consultative processes during the budget process be adequately published in the media.