



# IDP & BUDGET PROCESS PLAN 2017-2018

## **VISION**

*By 2020 Maluti-A-Phofung will be technologically advanced and have unlocked the indigenous entrepreneurial spirit of all of her people within an equitable, sustainable, healthy, crime-free and moral society. Based in the most beautiful part of the world, where unemployment and poverty will be unheard of and the rest of the world will discover our unique African cultural heritage.*

## **MISSION**

*The municipality will strive towards the attainment of the vision through the following mission objectives statements:*

- ❖ Encouraging self-reliance*
- ❖ Ensuring co-ordination and collaboration of various stakeholders in the delivering of development in an integrated and sustainable manner*
- ❖ Promoting a healthy and vibrant community with high moral standards*
- ❖ Unlocking the development potential of the area, particularly tourism and indigenous knowledge and mobilizing investment because of our uniqueness.*
- ❖ Ensuring that everyone will be active in the economy and utilize technology to our advantage.*
- ❖ Utilizing our highly skilled workforce and ensuring that literacy and numeracy levels are above average.*
- ❖ Enabling all communities to have access to basic services and land.*
- ❖ Ensuring a safe, healthy and secure environment,*
- ❖ Caring for our disabled and aged to be independent*
- ❖ Promoting gender equity and developing our youth as our future asset and*
- ❖ Being an accountable government to its entire people.*

## Developmental Objectives and Priorities

Following an extensive and iterative consultation processes between the elected leaders, municipal administration, communities and stakeholders the municipality has agreed to the following developmental priorities that should be achieved in the next three years. These development priorities are steeped within the overall cluster system of government.

SUSTAINABLE INFRASTRUCTURE AND SERVICES	ECONOMIC DEVELOPMENT AND JOB CREATION
Water Sanitation Electricity Waste management Roads, streets, storm- water Housing Cemeteries Land development	Agricultural development Tourism development Land reform Industrial development Skills development SMME development
SOCIAL DEVELOPMENT AND COMMUNITY SERVICES	GOOD GOVERNANCE AND PUBLIC PARTICIPATION
Health services Environmental management Education and training Parks , Sports and recreation services Library services Transport	Increased revenue base from rates and taxes Corporate governance Institutional transformation Community-based planning
PUBLIC SAFETY	
Disaster Management Safety and Security Traffic Control Emergency services	

## 1. IDP PREPARATION PROCESS

### ❖ Integrated Development Planning Processes

In terms of Section 28(1) of the Municipal Systems Act (Act 32 of 2000), the Municipal Council needs to adopt a process set out in writing to guide the planning, drafting, adoption of their Integrated Development Plan. The Process Plan fulfills the function of assessing the functioning of a business plan or an operational plan during the IDP processes. Section 34 of the MSA embodies and relates to the essence and objectives of the process plan, i.e. assessing the Municipality's performance against organisation objectives as well as implementation of projects and programmes of municipality, and also taking cognisance of new information and changed circumstances.

Municipal Systems Act (Act 32 of 2000) defines Integrated Development Planning as a process through which Municipalities prepare a strategic development plan for a five year period. Every new Council that assumes power into municipal Council must after elections prepare its own IDP which will guide them for their five year term of office. The IDP is a principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making in a municipality. It has a legal status and supersedes all other plans that guide development at Local Government level. Integrated development planning is an interactive and participatory process which requires involvement of all municipal stakeholders. The IDP processes do, however, inform other components of the Municipal business process including institutional and financial planning and budgeting.

The Municipal Systems Act (MSA), Section 25 provides that:

- (1) *Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which—*
  - (a) *links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;*
  - (b) *aligns the resources and capacity of the municipality with the implementation of the plan;*
  - (c) *forms the policy framework and general basis on which annual budgets must be based;*
  - (d) *complies with the provisions of this Chapter; and*

*(e) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.*

**The IDP will primarily deal with the following:**

❖ During compilation of an IDP, the following activities have been embarked upon:-

- Distribution of Roles and Responsibilities
- Organisational Arrangements
- Mechanisms and Procedures for Community and Stakeholder Participation
- Action Programme with Timeframe and Resource Requirements
- Mechanisms and Procedures for Alignment
- National and Provincial Binding Legislation and Planning Requirements
- Budget Implications

❖ **Process Plan Committee and Steering Committee**

The Council should appoint a Section 80 Committee which will be known as the Process Plan Committee to continue with the preparation of the Process Plan. This committee comprises of the following members:

**Councillors:**

Executive Mayor

MMC Public Safety, Roads & Transport

MMC Special Programmes

MMC LED & Tourism

MMC Community Services

MMC Finance

MMC Electricity, Waste and Environmental Management

MMC Corporate Services

MMC Human Settlement and Spatial Development Planning

MMC Sports, Arts & Culture

**Officials:**

Municipal Manager

Director LED & Tourism

Director Infrastructure

Director Corporate Services

Director Public, Safety and Transport

Director Sport, Arts & Culture  
Director Community Services  
Dir. Human Settlement, Spatial Development Planning  
Chief Financial Officer  
Manager IDP and Performance Management Systems  
Senior Internal Auditor  
Senior Manager Budget & Revenue  
Manager Risk

### ❖ **Roles and Responsibilities**

The Mayoral Committee clarifies the roles which external role players will play in the IDP Process and this is in line with Section 84 of the Municipal Structures Act.

### ❖ **External role players will have the following roles and responsibilities:**

#### ➤ **Civil Society**

Apart from the Ward Committee representatives (see Chapter 5) it is also imperative to engage other legitimate civil society structures to form part of the IDP Process that will represent different civil society groups. It can be announced that not all individuals and groups will participate in the Ward Committee system and it is therefore essential to provide mechanisms for other civil structures and interest groups to participate during the IDP Process. To ensure legitimacy of the process it is therefore essential to engage with existing non-governmental organisations (NGOs), community based organisations (CBOs) and faith based organisations (FBOs) in each of the concerned towns in the area of jurisdiction. The basis of understanding is that all existing organisations will be invited to participate during the process. The civil society is responsible to represent interests and contribute knowledge in the planning process by:

- participating in the IDP Representative Forum to:
- inform interest groups on relevant planning activities and their outcomes,
- analyse issues, determine priorities, negotiate and reach consensus,
- participate in the designing of project proposals and assess them,
- discuss and comment on the draft IDP,
- ensure that annual business plans and budgets are based on and linked to the IDP

### ❖ **District Municipality**

The District Municipality will be responsible to:

- ensure horizontal alignment with the IDP process of the Municipality,
- ensure vertical alignment between district and local planning,
- facilitate vertical alignment with other spheres of government and sector departments and to
- Prepare joint strategy workshops with the Local Municipality.

### ❖ **Provincial Government and Corporate Service Providers**

Although it is not compulsory to engage government departments throughout the process, it is advisable that government departments that are active in the area of jurisdiction should be consulted throughout the process.

- It is essential in order to comply with the principle of integrated planning and also considering that the budget for potential projects rest with provincial and national government departments.
- It is also imperative that national and provincial priorities and policies are applied at local level and the respective departments will be able to provide the linkage between national and local priorities.

The roles and responsibilities of the departments and service providers are as follows:

- Ensuring vertical / sector alignment between provincial sector departments / provincial strategic plans and the IDP Process at local level by:
  - guiding the provincial sector departments' participation in and their required contribution to the Municipal planning process and
- Guiding them in assessing the draft IDP and alignment of sectoral programmes with the IDP.
- Efficient financial management of provincial IDP grants.
- Monitoring the progress of the IDP Process.
- Facilitation and resolution of disputes related to the IDP Process of the Municipality.
- Assist the Municipality in the IDP where required.
- Co-ordinate and manage the MEC's assessment of the IDPs.
- Contribute relevant information on the provincial and national departmental plans, programmes, budgets, objectives, strategies and projects in a concise and accessible manner.

- Contribute sector expertise and technical knowledge to the formulation of the Municipal strategies and projects.
- Engage in a process of alignment with the District Municipality.

### ❖ **Municipal Council**

This is the ultimate political decision-making body of the Municipality. The Municipal Council should adopt and approve the Process Plan.

- The Council should monitor the overall management and co-ordination of the planning process which includes ensuring that:
  - all relevant actors are appropriately involved,
  - appropriate mechanisms and procedures for public consultation and participation are applied,
  - the planning events are undertaken in accordance with the time schedule.
  - the planning process is related to the real burning issues in the Municipality,
  - it is a strategic and implementation-oriented process ;
  - the sector planning requirements are satisfied and
  - adopt and approve the IDP, ensure that the annual business plans, budget and land use management decisions are linked to and based on the IDP.

### ❖ **Ward Councilors**

Ward Committees are instituted in accordance with the Municipal Structures Act as democratic representative bodies. Ward Committees need to be instituted according to the prescribed legal framework to represent the views, needs and aspirations of the demarcated ward, as determined by the Municipal Demarcation Board. Each ward is represented by ward Councillors and the Ward Committee system will be a critical element of the IDP participation process. Ward councilors are the major link between the Municipal Government and the residents. Their role will therefore be to:

- link the planning process to their constituencies and / or wards,
- be responsible for organising public consultation and participation



### ❖ **Mayoral Committee**

As the senior governing body of the Municipality, the Executive Committee:

- submit the Process Plan of the IDP to the Municipal Council for adoption,
- is responsible for the overall management, co-ordination and monitoring of the process and drafting of the IDP together with the Municipal Manager,
- has to approve nominated persons to be in charge of the different roles, activities and responsibilities of the process and drafting and
- Submit the draft IDP to the Municipal Council for adoption.

### ❖ **IDP Manager**

The IDP Manager will manage and co-ordinate the IDP Process. Responsibilities of the IDP Manager are as follows:-

- ensure the preparation of the Process Plan,
- undertake the overall management and co-ordination of the planning process,
- ensure that all relevant actors are appropriately involved,
- nominate persons in charge of different roles,
- be responsible for the day-to-day management of the drafting process,
- ensure that the planning process is participatory, strategic and implementation orientated and is aligned with and satisfies sector planning requirements,
- ensure proper documentation of the results of the planning of the IDP document and
- adjust the current IDP in accordance with the MEC for Local Government's proposals.

### ❖ **Heads of Departments and other Key Officials**

As the persons in charge for implementing the IDP of the Municipality, the officials will be fully involved in the planning process to:

- provide relevant technical, sector and financial information for analysis to determine
- priority issues,
- contribute technical expertise in the consideration and finalisation of strategies and identification of projects,
- provide departmental operational and capital budgetary information,
- be responsible for the preparation of project proposals, the integration of projects and sector programmes.

### ❖ **IDP Steering Committee**

The composition of the IDP Steering Committee is explained in Chapter 6 as part of the Public Participation Plan. The terms of reference for the IDP Steering Committee includes to:

- co-ordinate and integrate the IDP Process,
- ensure that key deliverables are completed within the time frames,
- provide guidance and support to the process,
- co-ordinate departmental responsibilities within the local government,
- oversee the implementation of key aspects of the IDP formulation and revision process including the participation, communication and empowerment strategy as outlined in the Process Plan,
- refer IDP disputes for mediation and arbitration to the Council,
- provide terms of reference for the various planning activities,
- commission research studies,
- consider and comment on:
  - inputs from sub-committee/s and study teams
  - inputs from provincial sector departments and support providers
  - process, summarise and document outputs,
  - make content recommendations,
  - prepare, facilitate and document meetings,
  - consult and establish sub-committees for specific activities and outputs which should include additional persons outside the Steering Committee.

### ❖ **IDP Representative Forum**

The IDP Representative Forum is the structure, which institutionalises and guarantees representative participation in the IDP Process. The composition of the IDP Representative Forum is explained in Chapter 6 as part of the Public Participation Plan. The terms of reference for the IDP Representative Forum includes to:

- represent the interests of their constituents in the IDP Process,
- provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders including the Municipal Council,
- ensure communication between all the stakeholder representatives including the Municipal Council and
- monitor the performance of the planning and implementation process.

The code of conduct for the IDP Representative Forum will regulate the following issues:

- meeting schedule (frequency and attendance),
- agenda, facilitation and documentation of meetings,
- understanding by members of their role as representatives of their constituencies,
- feed back to constituents,
- Majority for approval.

#### ❖ **Public Participation Plan & Methodology**

Since the IDP Process involves participation of a number of stakeholders, it is crucial for the Municipality to adopt an appropriate approach and also put in place appropriate structures to ensure effective participation. One of the main features about the Integrated Development Planning Process is the involvement of the community and stakeholders. Participation of affected and interested parties ensures that the IDP addresses the real issues that are experienced by the communities of the Municipality.

#### ❖ **Principles of Public Participation**

- The elected Council is the ultimate decision-making forum on IDPs.
- The role of participatory democracy is to inform and negotiate with stakeholders and to give the opportunity to provide input on the decisions taken by the Council.
- In order to ensure public participation, the legislation requires the Municipality to create appropriate conditions that will enable participation as a minimum requirement.
- Community and stakeholder groups will be encouraged to get involved.

#### ❖ **Conditions for Public Participation**

- The residents and stakeholders will be informed on the Municipality's intention to embark on the IDP Process.
- Appropriate forms of media will be utilised in order to reach as many people as possible.
- All relevant community and stakeholder organisations will be invited to register as members of the IDP Representative Forum.

- An appropriate language and accessible venue will be used to allow all stakeholders to freely participate.
- The IDP Representative Forum meetings will be scheduled to accommodate the majority of the members.
- The community and stakeholder representatives will be given adequate time to conduct meetings or workshops with the groups, they represent.
- Copies of the IDP documents will be accessible for all communities and stakeholders and adequate time provided for comment.
- The Council meeting regarding the approval of the IDP will be open to the public.

❖ **Public Participation Plan and IDP Process Methodology:**

In considering an appropriate structure that will ensure effective participation, the following issues need to be considered:

- The plan and programme for the municipality should be informed by local communities and a detailed research and study.
- That the principle of representation should be applied to ensure effective planning.
- Ensure that feedback is provided to the broader community.

It is essential to apply mechanisms that will consider the above issues and allow for the representative views of the communities but at the same time are able to progress with the formulation of the IDP. Due to the large geographical area of the Municipality it is essential to provide mechanisms whereby all communities will be able to provide input to the IDP.

❖ **Approval:**

An advertisement will be published to give notice of the IDP to provide opportunity for comments by the community. The IDP will also be circulated to the Governmental departments and service providers for comment. Once all comments received have been evaluated and amendments made accordingly, the IDP will be adopted by the Council. The approved and revised IDP will then be submitted to the MEC for Local Government and Housing together with the approved Process Plan.

#### ❖ **Conflict Resolution:**

If an agreement cannot be reached within the IDP Steering Committee regarding certain planning and review issues, conflict will have to be resolved by means of a decision within the formal Council. The Council decision regarding the outcome will be conveyed to the Steering Committee for implementation. In severe conflict situations, irrespective of the structure (Council, Steering Committee or Representative Forum) special mediation measures will have to be implemented, utilising an external person or body as a mediator.

#### ❖ **Alignment Procedures**

Alignment is the instrument to synthesise and integrate the top-down and bottom-up planning process between different spheres of government. The alignment procedures and mechanisms will be arrived at between the Local Municipality and the District Municipality and all parties involved in the alignment will be informed.

#### ❖ **Principles for Alignment**

- Alignment requirements should be minimised to keep the co-ordination requirements on a manageable level.
- Different alignment mechanisms will be suitable for the different alignment needs and at different stages.
- This implies with regard to alignment mechanisms to keep the number of alignment events (such as workshops/meetings) to a minimum due to the financial and time resources required
- Events with numerous participants from different sectors and spheres will require a competent facilitator. Alignment with Provincial Departments can also be achieved through provincial visits to the District.
- The Municipality may have to align on a bilateral basis with neighbour Municipalities for issues that affect both.

#### ❖ **Alignment with Government Organisations**

It will be evident to receive contributions from the different identified NGOs through the process. Consultation will thus occur on a continuous base with relevant Departments which in some instances may also serve on the IDP Steering Committee. Governmental Organisations will be invited on national and provincial level that will attend these sessions or send regional office representatives.

## 2. BUDGET PROCESSES

### 2.1 BUDGET PREPARATION PROCESS

The budget preparation process will commence about 10 months before the start of the budget year. It is considered that a well-run budget preparation process that incorporates the IDP review will facilitate community input and encourage discussions.

#### Six steps to preparing a budget

The following table sets out six distinct steps to the preparation of a budget.

	Step	Process
1	Planning	Schedule key dates, establish consultation forums, review previous processes
2	Strategising	Review IDP, set service delivery and objectives for next 3 years, consult on tariffs, indigent, credit control, free basic services, etc and consider local, provincial and national issues, previous years performance and current economic and demographic trends etc
3	Preparing	Prepare budget, revenue and expenditure projections, draft budget policies, consult and consider local, provincial and national priorities
4	Tabling	Table draft budget, IDP and budget related policies before council, consult and consider formal local, provincial and national inputs or responses
5	Approving	Council approves budget and related policies
6	Finalising	Publish and approve SDBIP and annual performance agreements and indicators

#### STEP 1: PLANNING

The Mayor will lead a review of the previous budget process and incorporate findings into planning the next budget process.

This step commences at the latest on the 1<sup>st</sup> of July and must be completed by no later than 31<sup>st</sup> of August with the tabling of the schedule of key deadlines.

- ❖ The Chief Financial Officer and the Manager responsible for IDP shall draft the IDP process plan as well as the Budget timetable for the municipality for the ensuing financial year for tabling by the Mayor by **31 August** each year for approval.

- ❖ Both the Budget timetable and the IDP process plan and shall indicate the key deadlines for the preparation and approval of the annual budget and review of the IDP. Such target dates shall follow the prescriptions of the Municipal Finance Management Act, Municipal Budget and Reporting Regulations as well as any guidelines set by the National Treasury.

## **STEP 2: STRATEGISING**

This step involves the review of the Integrated Development Plan and budget related policies through internal and external consultations. Internal consultation means consultation with staff within the municipality. External consultation means consultation with the community and other stakeholders.

This step commences early in the process and carries on until November.

- ❖ The Mayor shall establish a budget steering committee to provide technical assistance to the mayor in discharging his responsibilities as set out in section 53 of Municipal Finance Management Act.
  - The budget steering committee shall **consist of the following persons:**
    - the Councillor responsible for financial matters;
    - the Accounting Officer (Municipal Manager);
    - the Chief Financial Officer;
    - the manager responsible for budgeting;
    - the manager responsible for planning;
    - any technical expert on infrastructure; and
    - heads of the Departments of the municipality / Senior Managers.

## **STEP 3: PREPARING**

The preparation of the budget is a lengthy process spanning many months. It can be said to start in August at the time the mayor tables the schedule of key deadlines and concludes when the mayor approves the Service Delivery and Budget Implementation Plan and annual performance agreements with senior managers.

- ❖ Without derogating in any way from the legal responsibilities of the municipal manager as accounting officer, the chief financial officer shall be responsible for preparing the draft annual capital and operating budgets (including the budget components required for the ensuing financial years), any required adjustments budgets, the projections of revenues and expenses for the service

delivery and budget implementation plan (including the alignment of such projections with the cash management programme prepared in terms of the banking and investments policy), and shall be accountable to the municipal manager in regard to the performance of these functions.

- ❖ The municipal manager shall ensure that all heads of departments provide the inputs required by the chief financial officer into these budget processes.
- ❖ The chief financial officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the mayor on the revision of the IDP and the budget-related policies where these are indicated.

#### **STEP 4: TABLING**

The MFMA stipulates that the budget and revised Integrated Development Plan must be tabled together 90 days before the start of the budget year, together with the draft resolutions and budget related policies.

This step may commence as early as January and must be completed no later than 31 March.

- ❖ An annual budget and supporting documentation tabled in council shall be in a prescribed format in terms of Municipal Budgeting and Reporting Regulations, 2008 and be credible and realistic such that it is capable of being approved and implemented as tabled.
- ❖ The Mayor shall table the draft budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies.



## Public participation and submission of draft budget for consultation

- Immediately after the draft annual budget has been tabled to council, the municipality must convene hearings on the draft budget and **invite the public, and stakeholder organizations to make representation at the council hearings and to submit comments in response to the draft budget.**
- The Municipal Manager or his/ her delegate shall publicize, in terms of section 21A of Municipal Systems Act, summaries of the annual budget and supporting documentation in alternate languages dominant in the community information relevant to each ward of the municipality.
- The Municipal Manager or his/ her delegate shall **submit to the National Treasury and the Provincial Treasury the tabled budget** together with other supporting documents in both print and electronic versions.
- After considering all budget submissions, the council shall **give the Mayor an opportunity to respond to the submissions.**

### STEP 5: APPROVING

After the mayor has responded to the recommendations and made amendments to the tabled budget, the full council must meet to consider the budget for approval not later than 31 May (30 days before the start of the budget year).

This step may commence as early as March and must be completed prior to the start of the budget year.

- ❖ At least 30 days before the start of the new budget year (*i.e* end of May), the Mayor shall table to Council the following documents in relation to the annual budget:
  - A report summarizing community's views on the budget;
  - Any comments on the annual budget received from the National Treasury and the Provincial Treasury;
  - Any comments on the annual budget received from any other organ of state including any affected municipality;
  - Any comments of the annual budget received from any other stakeholder.

- ❖ The council shall consider the medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
- ❖ Before approving the tabled annual budget and supporting documentations, the council shall consider full implications, financial and otherwise, of such budget and supporting documents.
- ❖ Within 10 working days after the council has approved the annual budget, the Municipal Manager or his delegate shall, in accordance with section 21A of Municipal Systems Act, publicize the approved annual budget and supporting documentation and the resolutions passed by the council in relation to the annual budget.

#### **STEP 6: FINALISING PLANS TO IMPLEMENT THE BUDGET**

This step of the budget preparation process involves the finalising of plans to implement the budget, through the approval of the Service Delivery and Budget Implementation Plan and the performance agreements for the municipal manager and other senior managers for the coming financial year.

This step may commence as early as April and should ideally be completed prior to the start of the budget year.

- ❖ The Mayor shall approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the annual budget by Council.
- ❖ The SDBIP shall include the following particulars as a minimum:
  - Monthly projections of revenue to be collected for each source;
  - Monthly projections of expenditure (operating and capital) and revenue for each vote;
  - Quarterly projections of service delivery targets and performance indicators for each vote;
  - Ward information for expenditure and service delivery; and
  - Detailed capital works plan broken down by ward over three years.

### **Submission of Approved Annual Budget and Other Documentation**

- The Municipal Manager or his/ her delegate shall submit to the National Treasury and Provincial Treasury in both printed and electronic form the following:
  - The supporting documentation within 10 days after the council has approved the annual budget;
  - The approved SDBIP within 10 days after being approved by the Mayor; and
  - Any other information as may be required by the National and / or Provincial Treasury.
- The Municipal Manager or his/ her delegate shall also submit copies of the approved budget and documentation in both printed and electronic form to:
  - Thabo Mofutsanyane District Municipality within 10 days after the council has approved the annual budget; and
  - Any other organ of state on receipt of a request from that organ of state.

## 2.2 BUDGET IMPLEMENTATION PROCESS

The budget preparation process is the first of three processes in the budget and reporting cycle. The second process deals with budget implementation.

**This process covers implementing, monitoring and amending the budget.** It is important to note that implementation, monitoring and amending are integrated, they feed into each other.

➤ **Implementation:**

- Implementation using the budget and SDBIP - Section 53(1)(c)(ii) of the MFMA

➤ **Monitoring**

- Monthly budget statements- MFMA s(71)
- Quarterly performance review- MFMA s(52)(d)
- Mid-year budget and performance assessment – MFMA s(72)

➤ **Amending:**

- Adjustments budget- MFMA s(28)

### Management of the budget

- ❖ The Municipal Manager with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and shall take reasonable steps to ensure that:
  - funds are spent in accordance with the budget;
  - expenses are reduced if expected revenues are less than projected; and
  - Revenues and expenses are properly monitored.

### Oversight

- ❖ The mayor shall ensure that the municipality approves its annual budget before the start of the budget year.
- ❖ The mayor shall provide general political guidance over the fiscal and financial affairs of the municipality by monitoring the implementation of the budget.
- ❖ Within the ambits of the MFMA, the mayor shall oversee the exercise of responsibilities assigned to the Municipal Manager and the Chief Financial Officer, but may not interfere in the exercise of those responsibilities.
- ❖ The mayor must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.
- ❖ Within 30 days of the end of each quarter, the mayor must submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

## 2.3 BUDGET EVALUATION PROCESS

The last process takes place after the end of the budget year, although planning will start earlier. It covers the following components:

- Audited Annual Financial Statements - **actual financial performance**
- Annual Report - **Council is vested with the responsibility to oversee the performance of its respective municipality**
- Oversight Report - **contains the council's comments in the annual report**
- Budget evaluation checklist.

The first three evaluate financial and service delivery performance against the promised performance in the budget and SDBIPs. The fourth (Budget evaluation checklist) evaluates the budget process itself.

## PROCESS PLAN SCHEDULE FOR 2017/18

<b>IDP &amp; Budget Phases</b>	<b>Inputs and Process</b>	<b>Responsible Person</b>	<b>Dates</b>
<b>PREPARATORY AUGUST</b>	Executive Mayor tables in Council IDP & Budget Process Plan outlining the key deadlines for: preparing, tabling and approving the budget related policies and consultation processes at least 10 months before the start of the budget year.	Executive Mayor	31 August 2016
	Submission of IDP and Budget Process Plan to Thabo Mofutsanyana District Municipality, National and Provincial Treasuries.	Municipal Manager	6 September 2016
	Advertisement of IDP and Budget Process Plan.	Municipal Manager	09 September 2016
<b>ANALYSIS SEPTEMBER</b>	Assessment of the current status quo of development and analysis of opportunities and priority issues.	Municipal Manager	14 September 2016
	Executive Mayor begins planning for the next three-year budget in accordance with co-ordination role of budget process. Planning includes review of the past year (2015/2016) financial and non-financial performance.	Finance Portfolio Committee	18 September 2016
	Initiate Public Participation to consolidate community needs.	Office of the Speaker and Municipal Manager	19 September – October 2016
	Executive Mayor establishes a budget steering committee in terms of Budget Regulations.	Executive Mayor	08 October 2016

<b>IDP &amp; Budget Phases</b>	<b>Inputs and Process</b>	<b>Responsible Person</b>	<b>Dates</b>
<b>STRATEGIES OCTOBER</b>	Analyse, review and refine municipal Strategies, Objectives, and KP'Is to influence the budget.	Executive Mayor	27 October 2016
	Consultation with senior managers	Municipal Manager	28 October 2016
	IDP Steering Committee to prioritise IDP projects;	Executive Mayor	31 October 2016
	IDP Priorities to be confirmed by MAYCO; IDP Multi-year Scorecard Revised and presented to MAYCO;	Municipal Manager	22 October 2016
	Municipal objective, strategies, KPIs and targets to be approved by MAYCO;	Municipal Manager	27 October 2016
	Quarterly SDBIP performance progress report first quarter 2016/17 financial year.	Municipal Manager	24 October 2016
	MSCOA Progress Report	Municipal Manager	24 October 2016
<b>MSCOA PREPARATIONS AUGUST SEPTEMBER</b>	MSCOA – review of MSCOA charts for implementation by October\November 2016	Municipal Manager	25 November 2016
<b>PROJECTS NOVEMBER</b>	Formulation of Project Proposals;	Executive Mayor	08 November 2016
	Screen, adjust, consolidate and agree on Project Proposals	Executive Mayor	15 November 2016

<b>IDP &amp; Budget Phases</b>	<b>Inputs and Process</b>	<b>Responsible Person</b>	<b>Dates</b>
	Alignment with District, provincial and National;	Municipal Manager	07 December 2016
<b>INTERGRATION JANUARY - FEBRUARY</b>	Integration of sector plans and service plans into IDP;	Municipal Manager	10 January 2017
	Submit to the Mayor, NT and Provincial Treasury by 25 <sup>th</sup> January each year, a mid-year budget and performance assessment reflecting information required by s72 (1)(a)(i)(II, (iii), (iv)(b),(2) and (3).	Municipal Manager	25 January 2017
	Publicise mid-year budget and performance assessments on the municipality website within five working days after approved by Council	Municipal Manager	5 days after mid-year has been tabled
	Finance prepares indicative allocation per vote on the projected income and also provide budget guidelines for 2017/18 budget ;	Municipal Manager CFO	27 January 2017
	Quarterly SDBIP performance progress report for second quarter of 2016/17 financial year;	Municipal Manager	26 January 2017
	MSCOA Progress Report	Municipal Manager	26 January 2017
	2016/17 Mid-year budget and performance assessment visits	Provincial Treasury	February - March 2017
	Heads of department to prepare and submit 2017/18 draft operating budgets inputs and draft operational plans;	Municipal Manager	13 February 2017



<b>IDP &amp; Budget Phases</b>	<b>Inputs and Process</b>	<b>Responsible Person</b>	<b>Dates</b>
	The 2017/18 draft budget to be discussed by budget steering committee then after to be circulated to different portfolio committees.	Executive Mayor	15 February 2017
<b>APPROVAL FEBRUARY - MAY</b>	Where necessary, revise approved annual budget through an adjustment budget in the appropriate format;	Council	27 February 2017
	Table the 2016/17 adjustments budget within prescribed limitations before the 28 <sup>th</sup> February 2017;	Executive Mayor	27 February 2017
	Publicise adjustment budget on municipality website and newspaper and submit to NT and Provincial treasury within 10 working days after approval;	Executive Mayor	Within 10 working days after Council approval
	Table the 2017/18 annual budget at a Council meeting at least 90 days before the start of the budget year.	Executive Mayor	31 March 2017
	Tabling of the 2017/18 Draft IDP to Council.	Executive Mayor	31 March 2017
	Make public the adopted 2017/18 draft IDP and Budget and associated documentation immediately after the tabling in Council, and invite the community to make representations;	Municipal Manager	Within ten days after it has been adopted
	Submit the 2017/18 draft budget and draft IDP as tabled in printed and electronic form to NT, the provincial treasury, MEC: COGTA and others as prescribed.	Municipal Manager	Within ten days after it has been adopted
	Approval: Advertisement for public comments on Draft IDP and Draft Budget.	Municipal Manager	07 April 2017

IDP & Budget Phases	Inputs and Process	Responsible Person	Dates
	Quarterly SDBIP performance progress report for third quarter of 2016/17 financial year	Municipal Manager	27 April 2017
	MSCOA Progress Report	Municipal Manager	27 April 2017
	Public participation on the 2017/18 Draft Budget and Draft IDP		11 April – 21 April 2017
	When the 2017/18 annual budget has been tabled in Council, consider the views of the local community, NT, the provincial treasury and other provincial and national organs of state.	Council	12 May 2017
	Budget and Benchmark Assessments	Provincial Treasury	April - May 2017
	Provide the Mayor with an opportunity to respond to budget submissions made and if necessary revise the budget and table amendments for Council consideration	Executive Mayor	16 May 2017
	Approval: Council approval of the 2017/18 final IDP base on Final assessments by government departments.	Executive Mayor	31 May 2017
	Consider the approval of the 2017/18 annual budget at least 30 days before the start of budget year.	Council	31 May 2017
	Approve measurable performance objectives for revenue by source and expenditure by vote.	Council	31 May 2017
	Approve annual budget by Council resolution, with resolutions to impose and set taxes and tariffs and changes to the IDP and budget-related policy before the start of the budget year.	Council	31 May 2017

<b>IDP &amp; Budget Phases</b>	<b>Inputs and Process</b>	<b>Responsible Person</b>	<b>Dates</b>
	Submit the approved 2017/18 annual Budget and IDP to NT, and Provincial treasury.	Municipal Manager	Within 10 days after the approval
	Accounting Officer publishes approved budget, IDP and tariffs on the local newspaper.	Municipal Manager	Within 10 days after the approval
	The approved budget and related documents be placed on the website of the municipality and local newspaper.	Municipal Manager	Within 10 days after the approval
	Implement the 2017/18 approved budget in accordance with s69(1)	Municipal Manager	01 July 2017
	Submit to the mayor a draft service delivery and budget implementation plan no later than 14 days after the approval of the annual budget	Municipal Manager	14 July 2017
	Submit to the mayor drafts of annual performance agreements for the municipal manager and senior managers no later than 14 days after the approval of the annual budget	Municipal Manager	14 July 2017
	Approve service delivery and budget implementation plan within 28 days after the approval of the budget	Executive Mayor	28 July 2017
	Ensure that revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter as set out in the service delivery and budget implementation plan are made public no later than 10 days after its approval	Executive Mayor	within 10 days after the approval of the SDBIP
	Ensure that performance agreements of the municipal manager, senior managers and	Executive Mayor	within 14 days after the approval

IDP & Budget Phases	Inputs and Process	Responsible Person	Dates
	other officials prescribed are made public no later than 14 days after the approval of the service delivery and budget implementation plan, and that copies of such performance agreements are submitted to the council and the MEC for local government in the province		of the SDBIP
	Quarterly SDBIP performance progress report for fourth quarter of 2016/17 financial year	Municipal Manager	28 July 2017
	MSCOA Progress Report	Municipal Manager	28 July 2017