



REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL

IDP AND BUDGET PROCESS PLAN FOR 2020/21 FINANCIAL YEAR

1. EXECUTIVE SUMMARY

The purpose of this report is to obtain approval for IDP and Budget Process Plan for 2020/21 financial year.

2. BUSINESS PLAN

IDP and Budget Process Plan

3. COMPLIANCE WITH STRATEGIC OBJECTIVE

To ensure compliance to budgetary processes.

4. DELEGATED AUTHORITY

Delegated powers vest with the Council

5. ANNEXURES

‘A’ - IDP and Budget Process Plan 2020/21

‘B’ - Implementation plan 2020/21

6. POLICY

Budget Policy

7. LEGAL REQUIREMENTS

Municipal Systems Act 32 of 2000 (28 (1)

Municipal Finance Management Act No. 56 of 2003 (Section 21(1)(b)

Regulation No. 32141, 11 April 2009

8. BACKGROUND AND DISCUSSION

In terms of the Municipal Systems Act 32 of 2000 each Municipal Council, within a prescribed period after the start period of its elected term and every financial year must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.



Local Municipality • Mjesno općinsko vijeće • Porečka Općina

In terms of the Municipal Finance Management Act, No.56 of 2003, section 21(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 –
 - (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - (bb) 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 subparagraphs (i),(ii) and (iii).

9. FINANCIAL IMPLICATIONS

No direct financial implication(s)

10. STAFF IMPLICATIONS

The exercise shall be handled by internal staff

11. COMMENTS FROM OTHER DIRECTORS

No comments

12. RECOMMENDATIONS

It is recommended that:

- Council adopts the 2020/21 IDP and Budget Process Plan for implementation.
- Council adheres to process plan time frames.

.....
SUBMITTED BY:
EXECUTIVE MAYOR

.....
DATE



Local Municipality • Mmusosepele wa setheke • Phasika Municipality

ANNEXURE A



IDP & BUDGET PROCESS PLAN 2020-2021



Local Municipality • Międzygrodzie wiejskie • Powiatka Międzygrodzka

VISION

To be a sustainable, service oriented, tourist destination of choice

MISSION

To collectively provide sustainable and quality municipal services

STRATEGIC GOALS AND OBJECTIVES

- To ensure the provision of Infrastructure development and service delivery
- To promote local economic development
- To ensure spatial planning
- To ensure good corporate governance and public participation
- To ensure municipal transformation and organisational development
- To ensure municipal financial viability

CORE VALUES

- Professionalism
- Teamwork
- Accountability
- Integrity



Local Municipality • Mtaa/ward ya ulimwengu • Pwani Municipal

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	



Local Municipality • Keskikunta • Pori • Pori Municipality

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;*



Local Municipality • Mmasipetso wa sechaba • Phasika Municipality

(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 implementation of the Process Plan. This committee should comprise 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
Senior Manager 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.



Local Municipality • Metropolis wá setshelo • Phasika Municipality

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.



Local Municipality • Mmusogaba wa sechaba • Phasika Municipality

❖ **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,



Local Municipality • Mmasepala wa sechaba • Phasika Municipality

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



Local Municipality • Metsiapofo wa setshaba • Poriwe Municipality

- 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 and Budget Steering Committee**

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

- co-ordinate and integrate the IDP and Budget 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,



Local Municipality • Mestoopština na selo • Posaška Municipality

- 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 5 of Municipal System Act No 32 of 2000 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.



Local Municipality • Mjesnopolje na selah • Porečka Mjesnopolje

❖ **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.



Local Municipality • Metsiapofo wa setshaba • Phasika Municipality

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 Co-operative Governance and Traditional Affairs together with the approved Process Plan.

❖ **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.



Local Municipality • Maseru Local Municipality • Peka Local Municipality

❖ **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 and Budget 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



Local Municipality • Mmesipoliso wa sechaba • Phasika Municipality

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 1st of July and must be completed by no later than 31st 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 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 each year.

- ❖ The Mayor shall establish an IDP and 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 IDP and 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;
 - Heads of the Departments of the municipality / Senior Managers.



Local Municipality • Munisipaliteit • Port Elizabeth

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.



Local Municipality • Międzygrodzie wieśsiotwo • Powiatka Międzygrodzie

- ❖ 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.



Local Municipality • Metropolis by choice • Province Municipality

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)



Local Municipality • Międzygrodzie wsi wiejskich • Powiatka Międzygrodzie

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.



Local Municipality • Metsiapofo wa sechaba • Phoshele Municipality

PROCESS PLAN SCHEDULE FOR 2020/21

IDP & BUDGET PHASES	INPUTS AND PROCESS	RESPONSIBLE PERSON	DATES
PREPARATORY JULY-AUGUST	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	30 August 2019
	Submission of IDP and Budget Process Plan to Thabo Mofutsanyana District Municipality, National and Provincial Treasuries.	Municipal Manager	06 September 2019
	Advertisement of IDP and Budget Process Plan.	Municipal Manager	09 September 2019
ANALYSIS AUGUST-SEPTEMBER	Assessment of the current status quo of development and analysis of opportunities and priority issues.	Municipal Manager	12 September 2019
	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 (2016/17, 2017/18 and 2018/2019) financial and non-financial performance.	Finance Portfolio Committee	16 September 2019
	Initiate Public Participation to consolidate community needs.	Office of the Speaker and Municipal Manager	19 September 2019 – 12 October 2019
STRATEGIES SEPTEMBER-OCTOBER	Executive Mayor establishes a budget steering committee in terms of Budget Regulations.	Executive Mayor	09 September – October 2019
	Analyse, review and refine municipal Strategies, Objectives, and KP'Is to influence the budget.	Executive Mayor	21 October 2019
	Consultation with senior managers	Municipal Manager	24 October 2019



Local Municipality • Metsiengabo na sechaba • Phasika Municipality

IDP & BUDGET PHASES	INPUTS AND PROCESS	RESPONSIBLE PERSON	DATES
	IDP Steering Committee to prioritise IDP projects;	Executive Mayor	29 October 2019
	IDP Priorities to be confirmed by MAYCO; IDP Multi-year Scorecard Revised and presented to MAYCO;	Municipal Manager	30 October 2019
	Municipal objective, strategies, KPIs and targets to be approved by MAYCO;	Municipal Manager	30 October 2019
	Quarterly SDBIP performance progress report first quarter 2019/20 financial year.	Municipal Manager	25 October 2019
	mSCOA Progress Report – 1 st quarter	Municipal Manager	25 October 2019
	Formulation of Project Proposals;	Executive Mayor	07 November 2019
PROJECTS NOVEMBER - DECEMBER	Screen, adjust, consolidate and agree on Project Proposals	Executive Mayor	13 November 2019
	Alignment with District, provincial and National;	Municipal Manager	06 December 2019
INTERGRATION JANUARY – FEBRUARY	Integration of sector plans and service plans into IDP;	Municipal Manager	09 January 2020
	Submit to the Mayor, NT and Provincial Treasury by 25 th 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	24 January 2020
	Quarterly SDBIP performance progress report for second quarter of 2019/20 financial year;	Municipal Manager	24 January 2020



Local Municipality • Metsiapofo na sechaba • Pondoke Municipality

IDP & BUDGET PHASES	INPUTS AND PROCESS	RESPONSIBLE PERSON	DATES
	mSCOA Progress Report – 2 nd quarter	Municipal Manager	24 January 2020
	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
	2019/20 Mid-year budget and performance assessment visits;	Provincial Treasury	February - March 2020
	Finance prepares indicative allocation per vote on the projected income and also provide budget guidelines for 2020/21 budget ;	Municipal Manager CFO	28 January 2020
	Where necessary, revise 2020/21 approved annual budget through an adjustment budget in the appropriate format;	Council	28 February 2020
	Table the 2020/21 adjustments budget within prescribed limitations before the 28 th February 2020;	Executive Mayor	28 February 2020
TABLING MARCH - APRIL	Heads of department to prepare and submit 2020/21 draft operating budgets inputs and draft operational plans;	Municipal Manager	28 February 2020
	The 2020/21 draft budget to be discussed by budget steering committee then after to be circulated to different portfolio committees.	Executive Mayor	06 March 2020
	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 2020/21 annual Budget and IDP at a Council meeting at least 90 days before the start of the budget year.	Executive Mayor	31 March 2020



Local Municipality • Metsiapofo na sechaba • Phoshele Municipality

IDP & BUDGET PHASES	INPUTS AND PROCESS	RESPONSIBLE PERSON	DATES
	Make public the adopted 2020/21 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 2020/21 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	03 April 2020
	Quarterly SDBIP performance progress report for third quarter of 2019/20 financial year	Municipal Manager	22 April 2020
	Submit to the mayor the draft service delivery and budget implementation plans no later than 14 days after the approval of the annual budget	Municipal Manager	22 April 2020
	mSCOA Progress Report – 3 rd quarter	Municipal Manager	22 April 2020
	Public participation on the 2020/21 Draft Budget and Draft IDP	Municipal Manager	09 - 16 April – 2020
APPROVAL MAY - JUNE	When the 2020/21 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	23 April 2020
	Budget and Benchmark Assessments	Provincial Treasury	April - May 2020
	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	30 April 2019



Local Municipality • Mjesna zajednica • Posađe Municipality

IDP & BUDGET PHASES	INPUTS AND PROCESS	RESPONSIBLE PERSON	DATES
	Approval: Council approval of the 2020/21 final IDP base on Final assessments by government departments.	Executive Mayor	29 May 2020
	Consider the approval of the 2020/21 annual budget at least 30 days before the start of budget year.	Council	29 May 2020
	Approve measurable performance objectives for revenue by source and expenditure by vote.	Council	29 May 2020
	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	29 May 2020
	Submit the approved 2020/21 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 2020/21 approved budget in accordance with s69(1)	Municipal Manager	01 July 2020
	Submit to the mayor the service delivery and budget implementation plans no later than 14 days after the approval of the annual budget	Municipal Manager	15 June 2020
	Submit to the mayor 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	12 June 2020



Local Municipality • Mtaa/ward na ulindi • Pwani Municipal

IDP & BUDGET PHASES	INPUTS AND PROCESS	RESPONSIBLE PERSON	DATES
	Approve service delivery and budget implementation plan within 28 days after the approval of the budget	Executive Mayor	08 July 2020
	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 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	Executive Mayor	within 14 days after the approval of the SDBIP
	Quarterly SDBIP performance progress report for fourth quarter of 2019/20 financial year	Municipal Manager	July 2020
	mSCOA Progress Report – 4 th quarter	Municipal Manager	July 2020