JOE MOROLONG LOCAL MUNICIPALITY

RE UNGWELWA ROTLHE

BUDGET POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Accounting Officer: means the municipal manager;

Allocation, means-

a) A municipality's share of the local governments equitable share referred to in section 214(i) (a) of the constitution;

b) An allocation of money to a municipality in terms of section 214 (1) (c) of the constitution;

c) An allocation of money to a municipality in terms of a provincial budget; or

d) Any other allocation of money to a municipality by a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

Annual Division of Revenue act: means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the constitution;

Approved budget: means an annual budget- Approved by a municipal council, or includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

Basic Municipal Services: means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided would endanger public health or safety or the environment;

Budget related policy means a policy of a municipality affecting or affected by an annual budget of the municipality, including-

a) The tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

b) The rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or

c) The credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

Budget transfer means transfer of funding within a function/ vote.

Budget year means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA.

Business Plan means narrative reports containing information on the objectives of the organisation or programme, how objectives intend to be achieved through action plans, target dates for implementation, resources required, people responsible for implementation plans, and how success in implementing action plans will be measured.

Chief Financial Officer means a person designated in terms of section 80(2) of the MFMA.

Councillor means a member of a municipal council;

Creditor, means a person to whom money is owed by the municipality;

Current year means financial year, which has already commenced, but not yet ended;

Delegations in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

Financial recovery plan means a plan prepared in terms of section 141 of the MFMA

Financial statements, means statements consisting of at least-

a) A statement of financial position;

b) A statement of financial performance;

c) A cash flow statement;

d) Any other statement that may be prescribed; and

e) Any notes to these statements;

Financial year means a twelve months period commencing on 1 July and ending on 30 June each year.

Financing agreement includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long term debt over a period of time;

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

Incremental Budgeting means a method of preparing the budget in local authorities. The budget for the next financial year is based on the actual revenue and expenditure of the previous financial adjusted for expected price increases.

Inflation means a persistent rise in the level of prices and wages throughout a country's economy thereby decreasing the value of the country's currency. If the inflation rate increases from one year to another, it means that consumers get less value for the same amount of money compared to previous years.

Integrated Development Plan means this is a plan that every local authority is required to prepare in terms of legislation. The plan should set out the economic and social development that is required in a local authority to develop and integrate communities. The plan should be based on community needs.

Interest means in the financial world whenever someone borrows money, that person will have to repay more than they actually borrowed. This additional amount is called interest and is the profit that the lender makes from lending money to someone else.

Irregular expenditure means-

a) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;

b) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems act, and which has not been condoned in terms of that Act;

c) Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office Bearers Act, 1998 (Act No.20 of 1998); or

d) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy. And expenditure by a municipality which falls within the definition of unauthorised expenditure;

Investment in relation to funds of municipality, means-

a) The placing on deposit of funds of a municipality with a financial institution; or

b) The acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

Lender means a person who provides debt finance to a municipality;
Local community has the meaning assigned to it in section 1 0f the Municipal Systems Act

Municipal Structures Act means the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998);
Municipal Systems Act means Local Government: Municipal Systems Act, 2000 (Act No, 32 of 2000)
Long term debt means debt repayable over a period exceeding one year;
Mayor means the councillor in terms of the Municipal Structures Act;
Municipal Council or **council** means the council of a municipality referred to in section 18 of the Municipal Structures Act;
Municipal debt instrument means any note, bond; debenture or other evidence of indebtedness intended to be used in trade;
Municipal entity has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

Municipality

a) When referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

b) When referred to as a geographic area, means a municipal area in terms of the Local Government: Municipal Demarcation Act, 1998(Act No.27 of 1998);

Municipal service has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to MSA for definition)
Municipal tariff means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;
Municipal tax means property rates or other taxes, levies or duties that a municipality may impose;
National treasury means the national treasury established by section 5 of the Public Finance Management Act;
Official, means-
An employee of a municipality or municipal entity;

a) A person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or

b) A person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

Overspending

a) Means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

c) In relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in sub section (5) of this section;

Past financial year means the financial preceding the current year;
Programme budgeting means activities performed by strategic units/departments are classified as programmes that describe what the strategic units/departments are going to achieve. Budgets are prepared for each programme rather than for each strategic unit/department.

Quarter means any of the following periods in a financial year:
a) 1 July to 30 September;
b) 1 October to 31 December
c) 1 January to 31 March
d) 1 April to 30 June

Service delivery and budget implementation plan means a detailed plan approved by the Mayor of a municipality in terms of section 53(1) (c) (ii) of the MFMA for implementing the municipality's service delivery of municipal services and its annual budget, and which must indicate-
Projections for each month of

a) Revenue to be collected, by source; and

b) Operational and capital expenditure, by vote;

c) Service delivery targets and performance indicators for each quarter; and

d) Any other matters that may be prescribed, and includes any revisions of each plan by the mayor in terms of section 54(1) (c) of the MFMA;

Short term debt means debt repayable over a period not exceeding one year;
Standard of generally accepted recognised accounting practice means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standard Board.

Unauthorised expenditure means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

a) Overspending of the total amount appropriated for a vote in the municipality's approved budget;

b) Overspending of the total amount appropriated for a vote in the approved budget

c) Expenditure from a vote unrelated to the department or functional area covered by the vote;

d) Expenditure of money appropriated for a specific purpose, otherwise that for that specific purpose;

e) Spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation otherwise than in accordance with any conditions of the allocation; or

f) A grant by the municipality otherwise than in accordance with the MFMA;

Vote means one of the main segment into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.

Zero Based Budgeting means as opposed to incremental budgeting, zero-based budgeting means that each year's budget is drawn up independently from that if the previous year. This means that items are not included simply because they were in the previous budget. Each item has to be justified and motivated for and the purpose of each item is considered. All items in the capital are treated on a "zero-basis"

1) INTRODUCTION

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, Subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework.

This policy framework shall be read in the context of the provisions of the following Acts, Regulations and Administrative Guidelines:

- MFMA Circulars
- Municipal Budget and Reporting Regulations, Government Gazette No 32141 dated 17 April 2009

2) OBJECTIVE

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the mayor , the accounting officer , the chief financial officer and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence Joe Morolong Municipality's IDP review and budget processes.

3) QUALITY CERTIFICATION

- Whenever an annual budget and supporting documentation, an adjustment budget and supporting documentation of an in-year report of the municipality is submitted to the mayor, tabled in the municipal council, made public or submitted to another organ of state, it must be accompanied by a quality certificate complying with Schedule A, B or C as the may be, and signed by the municipal manager.

4) **GENERAL BUDGETING PRINCIPLES**

- The Budget and Budget Preparation process shall comply with the requirements of the Municipal Finance Management Act of 2003 abs nothing contained in this policy shall contradict the said legislation.
- The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels/rate of current financial year.
- Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- Joe Morolong Local Municipality shall prepare three-year budget (medium term revenue and expenditure framework (MTREF) and that be reviewed annually and approved by Council.
- The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan.

5) **BUDGET PREPARATION PROCESS**

5.1) **Formulation of the budget**

- The Municipal Manager with the assistance of the Chief Financial Officer and the head of department responsible for IDP shall draft the IDP/Budget process plan as well as the budget timetable for the municipality for the ensuing financial year.

- The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).The IDP/Budget timetable shall contain key deadlines for:

    - The annual review of the IDP
    - The review of budget related policies
    - The preparation, tabling and approval of the annual budget
    - Heads of Departments shall ensure that they meet the deadline as set out in the IDP/Budget timetable.

- The IDP/Budget steering Committee shall give general direction to the IDP/Budget process and indicate affordable budget growth and envisaged tariffs increases as the baseline of the budget process.
- The mayor shall convene a strategic workshop with the executive committee and senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial pressure facing the municipality. The mayor shall table the IDP priorities with the draft budget to Council.

- The Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolution and budget related policies (policies on tariff setting , credit control, debt collection, indigents, investment and cash management borrowing, etc.).

- The Chief Financial Officer and senior managers undertake the technical preparation of the budget.
- The budget must be in the prescribed format, and must be divided into capital and operating budget.
- The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- The expenses reflected in the budget must be divided into items.
- The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

5.2) Public participation process

- Immediately after the draft annual budget has been tabled, the municipality must convene hearings on the draft budget in April and invite the public, stakeholder organisations, to make representations at the council hearing and to submit comments in response to the draft budget.

5.3) Approval Of Annual Budget

- Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).

- The council resolution, must contain budget policies and performance measures be adopted.
- Should the municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for finance that the budget has not been approved.
- The budget tabled to Council for approval shall include the following supporting documents:
  - ✓ Draft resolutions approving the budget and levying property rates, other taxes and tariffs for the year concerned;
  - ✓ Draft resolutions;
  - ✓ Measurable performance objectives for each budget vote, taking into account the municipality's IDP;
  - ✓ The projected cash flows for the financial year by revenue sources and expenditure votes;
  - ✓ Any proposed amendments to the IDP;
  - ✓ Any proposed amendments to the budget- related policies;
  - ✓ The cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the accounting officer, the Chief Financial Officer, and other seniors managers;
  - ✓ Particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as Non-Government Organisations , welfare institutions and so on;
  - ✓ Particulars of the municipality's investments; and

5.4) **Publication of the budget**

- Within 14 days after the draft annual budget has been tabled, the Manager Corporate services must post the budget and other budget-related documentation onto the municipal website so that it is accessible to the public as well as send hard copies to National and Provincial Treasury.

- The Municipal Manager must within 10 working days after the budget approval submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the municipal website.

5.5) Service Delivery and Budget Implementation Plan (SDBIP)

a. The mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.

b. The SDBIP shall include the following components:

1. Monthly projections of revenue to be collected for each source]
2. Monthly projections of expenditure (operating and capital) and revenue for each vote
3. Quarterly projections of service delivery targets and performance indicators for each vote
4. Ward information for expenditure and service delivery
5. Detailed capital works plan broken down by ward over five years

6) CAPITAL BUDGET

i. Expenditure of a project shall be included in the capital budget if it meets the asset definition i.e. if it results in an asset being acquired or created and its value exceeds R 1000.00 and has a useful life in excess of one year.

ii. Vehicle replacement shall be done in terms of Council's vehicle replacements policy. The budget for vehicle shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.

iii. A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.

iv. The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.

v. Before approving a capital project, the council must consider:

1. The projected cost of the project over all the ensuing financial years until the project becomes operational,
2. Future operational costs and any revenues, which may arise in respect such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).

vi. Before approving the capital budget, the council shall consider:

1. The impact on the present and future operating budgets of the municipality in relation to finance charges to be external loans,
2. Depreciation of fixed assets,
3. Maintenance of fixed assets, and
4. Any other ordinary operational expenses associated with any item on such capital budget.

vii. Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

6.1) The capital expenditure shall be funded from the following sources:

6.1.1 Revenue or Surplus

i. If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.
ii. If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.

6.1.2 External loans

i. External loans can be raised only if it is linked to the financing of an asset ;
ii. A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if can be reasonably assumed as being secured.
iii. The loan redemption period should not exceed the estimated life expectancy of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
iv. Interest payable on external loans shall be included as a cost in the revenue budget;

v. Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

7) **Capital Replacement Reserve (CRR)**

i. Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve shall be established from the following sources of revenue:

ii. Appropriate cash-backed surpluses to the extent that such surpluses are not required for operational purposes;

iii. Interest on the investments of the CRR, appropriated in terms of the investments policy;

iv. Additional amounts appropriated as contributions in each annual or

v. adjustments budget; and

vi. Sale of land and profit or loss on the sale of assets.

vii. Before any asset can be financed from the CRR the financing must be available within the reverse and available as cash as this fund must be cash backed;

viii. If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;

ix. Transfers to the CRR must be budgeted for in the cash budget;

8) **Grant Funding**

i. Must be budgeted for as part of the revenue budget ;

ii. Capital expenditure must be budgeted for in the capital budget;

iii. Interest earned on investments of Conditional Grant Funding shall be capitalised if the conditions state that interest should accumulate in the fund.

iv. If there is no condition stated the interest can then be allocated directly to the revenue accounts.

v. Grant funding does not need to be cash backed but cash should be secured before Spending can take place.

9) **OPERATING BUDGET**

1. The municipality shall budget in each annual and adjustments budget for the Contribution to:
    a. Provision for accrued leave entitlements equal to 100% of the accrued leave
    b. Entitlement of officials as at 30 June of each financial year,
    c. Provision for bad debts in accordance with its rate and tariffs policies
    d. Provision for obsolescence and deterioration of stock in accordance with its stores management policy
    e. Depreciation and finance charges shall be charged to or Apportioned only between the departments or votes to which the projects relate.
    f. **At least 8% of the operating budget component of each annual and adjustments budget shall be set aside for repairs and maintenance. If less than 8% provision is made on repairs and maintenance municipality will provide documented reason in both annual and adjustment budget.**
2. When considering the draft annual budget, council shall consider the impact, of the proposed increases in rates and services tariffs will have on the monthly municipal accounts of households.
3. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
4. The operating budget shall reflect the impact of the capital component on;
    - Depreciation charges
    - Repairs and maintenance expenses
    - Interest payable on external borrowings
    - Other operating expenses.
5. The chief financial officer shall ensure that the cost of indigency relief is separately reflected in the appropriate votes.

10) **FUNDING OF CAPITAL AND OPERATING BUDGET**

a. The budget may be financed only from:

i. Realistically expected revenues, based on current and previous collection levels;
ii. Cash-backed funds available from previous surpluses where such funds are not
iii. required for other purposes; and
iv. Borrowed funds in respect of the capital budget only.

11) **UNSPENT FUNDS / ROLL OVER OF BUDGET**

i. The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but expect for funds relating to capital expenditure.
ii. Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
iii. Conditions of the grant fund shall be taken into account in applying for such roll over of funds
iv. Application for roll over of funds shall be forwarded to the budget office by the 15th of April each year to be included in next year's budget for adoption buy council in May.
v. Adjustments to the rolled over budget shall be done during the 1st budget adjustment in the new financial year after taking into account expenditure up to the end of the previous financial year and approval by National Treasury for roll over.
vi. No funding for projects funded from the capital Replacement Reverse shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
vii. No unspent operating budget shall be rolled over to the next budget year

12) **ADJUSTMENT BUDGET**

Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.

a. The chief financial officer shall ensure that the 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.

b. Council may revise its annual budget by means of an adjustments budget at most three times a year or a regulated.

c. The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under –collection of revenues arises or is apparent.

d. The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by council in compliance with item 2 of section 10.

e. The council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Mayor.

f. The council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the council.

g. Only the Mayor or councillor delegated by the Mayor shall table an adjustments budget. Adjustments budget shall be done at most three times a year after the end of each quarter and be submitted to council in the following months:

   i. In August – to adjust funding rolled over from the previous financial year as well as to include additional funding that has become available from external sources,
   ii. February – to make into account recommendations from the mid-year budget and performance report tabled to council in January that affect the annual budget

iii. May – final budget adjustment to adjust current year's budget in cases where there is an indication that there will be rolling over of funding to the next financial year.

h. An adjustments budget must contain all of the following:
   i. of how the adjustments affect the approved annual budget;
   ii. Appropriate motivations for materials adjustments; and
   iii. An explanation of the impact of any increases spending on the current and future annual budget.

i. Any inappropriate surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget, but shall be appropriated to the municipality's capital replacement reverse.
j. Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
k. Unauthorised expenses may authorise in an adjustments budget.
l. In regard to unforeseen and unavoidable expenditure, the following apply:

   i. The mayor may authorise such expenses in an emergency or other exceptional circumstances;
   ii. The municipality may not exceed 5 % of the approved annual budget in respect of such unforeseen and unavoidable expenses; (as per regs 72 of MFMA)
   iii. These expenses must be reported by the mayor to the next Council meeting;
   iv. The expenses must be appropriated in an adjustments budget; and
   v. Council must pass the adjustments budget within sixty days after the expenses were incurred.

13) BUDGET IMPLEMENTATION

13.1 Monitoring

a. The Accounting officer with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must 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.

b. The accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the mayor for consideration and tabling to council.

c. The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impeding overspending, together with the steps taken to prevent or rectify these problems.

13.2 Reporting

14.2.1 Monthly budget statements

a. The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

i. Actual revenues per source, compared with budgeted revenues;
ii. Actual expenses per vote, compared with budgeted expenses;
iii. Actual capital expenditure per vote, compared with budgeted expenses;
iv. Actual borrowings, compared with the borrowings envisaged to fund the capital Budget;
v. The number of allocations received, compared with the budgeted amount;
vi. Actual expenses against allocations, but excluding expenses in respect of the equitable share;
vii. Explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;

viii. The remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and

ix. Projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

b. The report to the National Treasury must be both in electronic format and in a signed written document.

13.2.2 Quarterly Reports

a. The mayor must submit to Council within thirty days of the end of each Quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

13.2.3 Mid-year budget and performance assessment

a. The accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
b. The accounting officer must then submit a report on such assessment to the mayor by 25 January each year and to council, Provincial Treasury and National Treasury by 31 January each year.
c. The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

14) CONCLUSION

The Director Corporate Services must place on the municipality's official website the following:

a. The annual and adjustments budgets and all budget-related documents;

b. All budget-related policies;

c. The integrated development plan;

d. The annual report;

e. All performance agreements;

f. All service delivery agreements;

g. All long-term borrowing contracts;

h. All quarterly and mid-year reports submitted the Council on the implementation of budget and the financial state of affairs of the municipality.

15) **POLICY AMMENDMENT**

No amendments may be made to any section of this without such amendment(s) first being:

- ✓ Consulted upon with the Chief Financial Officer and the Municipal Managers.
- ✓ Duly approved and signed by the Council.