



## REPORT BY THE EXECUTIVE MAYOR TO COUNCIL MEETING

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### MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET 2017/2018, 2018/2019 AND 2019/2020

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#### 1 EXECUTIVE SUMMARY

The purpose of the report is to seek Council approval on the Medium Term Revenue and Expenditure Budget Framework 2017/18, 2018/19 and 2019/20 financial year.

#### 2 BUSINESS PLAN

None

#### 3. COMPLIANCE WITH STRATEGIC OBJECTIVE

Good governance and Municipal financial viability

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#### 4. POLICY

TMDM Budget Policy

#### 5. ANNEXURE

Draft MTREF Budget 2017/18, 2018/19 and 2019/20  
National Treasury Circular 86 and 87  
TMDM Reviewed budget policies

#### 6. DELEGATED AUTHORITY

Council

#### 7. LEGAL REQUIREMENTS

Local Government: Municipal Finance Management Act No. 56 of 2003,  
Local Government: Municipal System Amendment Act No. 32 of 2000,  
Division of Revenue Act 2015

## 8. BACKGROUND

In terms of Section 16 of the Municipal Finance Management Act No. 56 of 2003 – S16(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year. S16(2) In order for a municipality to comply with subsection (1), the Executive Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

The Draft MTREF Budget 2017/2018 was compiled and aligned to the draft Integrated Development Plan and the following National Treasury circulars were taken into account:

- Municipal Budget Circular for the 2017/18 MTREF - MFMA Circular No. 86
- Municipal Budget Circular for the 2017/18 MTREF - MFMA Circular No. 87
- Municipal Budget Circular: Cost containment measure - MFMA Circular No. 82
- Division of Revenue Bill (Gazette 40610),
- MFMA previous guidelines and circulars, and
- Municipal Budget and Reporting Regulation

## 9. FINANCIAL IMPLICATIONS

- Total operating revenue of R 219,773,586 and
- Total operating expenditure of R 219,773,586

## 10. STAFF IMPLICATIONS

None

## 11. RISK IMPLICATIONS

None

## 12. RECOMMENDATION

It is recommended

- i. The Council of Thabo Mofutsanyana District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approve the Draft MTREF Budget for the financial year 2017/2018,
  - a. The annual budget of the municipality for the financial year 2017/2018 and the multi-year and single-year capital appropriations as set out in the following tables:
    - Budgeted Financial Performance (revenue and expenditure by standard classification);
    - Budgeted Financial Performance (revenue and expenditure by municipal vote);

- Budgeted Financial Performance (revenue by source and expenditure by type); and
- Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.

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b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

- Budgeted Financial Position;
- Budgeted Cash Flows;
- Cash backed reserves and accumulated surplus reconciliation;
- Asset management; and
- Basic service delivery measurement.

c. Reviewed Budget related policies as outlined:

- Financial Management Policy;
- Budget Related Policy;
- Cash Management and Investment Policy;
- Fixed Assets Management Policy;
- Supply Chain Management Policy;
- Supply Chain Management Code of Conduct, and
- Subsistence and Travelling Policy.



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**Cllr. Malefu Vilakazi**

**Executive Mayor: Thabo Mofutsanyana District Municipality**