



REPORT OF THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL MEETING

MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET 2020/21, 2021/22 AND 2022/23

1. EXECUTIVE SUMMARY

The purpose of the report is to seek Council approval on the final MTREF Budget 2020/21, 2021/22 and 2022/23 financial year.

2. BUSINESS PLAN

None.

3. COMPLIANCE WITH STRATEGIC OBJECTIVES

Good Governance and Municipal Financial Viability.

4. POLICY

TMDM Budget Policy.

5. ANNEXURE

- MFMA Budget Circular No.98
- MFMA Budget Circular No.99
- Annexure to MFMA Budget Circular No.99 for 2020/21 MTREF
- TMDM Budget Policies

6. DELEGATED AUTHORITY

Council.

7. LEGAL REQUIREMENTS

- Municipal Finance Management Act No.56 of 2003
- Municipal Budget and Reporting Regulation, Government Gazette No. 32141Vol. 526, 17 April 2009
- Division of Revenue Bill 2020

8. BACKGROUND

In terms of the Municipal Finance Management Act 56 of 2003: Section 24 (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.

Section 16(1) of the MFMA states:

(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.

Municipal Budget and Reporting Regulations dated April 2009

Regulation (9) of the Municipal Budget and Reporting Regulations dated 17 April 2009 states: *The annual budget and supporting documentation of a municipality must be in the format specified in Schedule A and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.*

Regulation 14 (1) of the Municipal Budget and Reporting Regulations dated April 2009 states:

– an annual budget and supporting documentation tabled in a municipal council in terms of section 16(2) and 17(3) of the Act –

(a) Be in the format in which it will eventually be approved by council.

(b) Be credible and realistic such that is it capable of being approved and implemented as tabled.

The MTREF Budget 2020/21 was compiled and aligned to the Integrated Development Plan.

9. FINANCIAL IMPLICATIONS

- Total Operating Revenue of R145 059 997
- Total Operating Expenditure of R143,109,554 and
- Total Capital Expenditure of R1,950,443

10. STAFF IMPLICATION

None.

11. RISK IMPLICATION

Non-compliance with MFMA.

12. RECOMMENDATION

It is recommended that:

1) The Council of Thabo Mofutsanyana District Municipality, acting in terms of Section 16 of the MFMA (Act No.56 of 2003) approves the Final MTREF Budget 2020/2021 and two outer years.

a) The annual budget of the municipality for the financial year 2020/2021 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 type); and
- Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.

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 reconciliation;
- Asset management; and
- Basic service delivery measurement.

c) The Council approves the following budget related policies:

- Budget Related Policy
- Cash Management and Investment Policy
- Credit Control Policy

- Financial Management Policy
- Fixed Asset Management Policy
- Impairment of Debtors Policy
- Unauthorized, Irregular, Fruitless and Wasteful Policy
- Supply Chain Management Policy (Amended)
- Subsistence and Travelling Policy (Amended)

d) The Council approves the procurement plans for the 2020/21 MTREF budget.



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Cllr Malefu Vilakazi

Executive Mayor : Thabo Mofutsanyana District Municipality