



Local Municipality • Ammasiwa wa tseletse • Pitsiwe Muripitisiwe

REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL
PROPOSED BUDGET FOR 2020/21 TO 2022/23 MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK (MTREF)

1. PURPOSE

The purpose of the report is for Council to consider approval of the Proposed Budget 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 authority vests with Council.

5. ANNEXURES

Annexure A	Proposed Consolidated Budget A -Schedules
Annexure B	Proposed Parent Municipality's Budget A-Schedules
Annexure C	Proposed Maluti Water (Entity) Budget D-Schedules
Annexure D	Municipal Manager's quality certification.
Annexure E	Proposed Tariffs
Annexure F	Proposed Budget Related Policies
Annexure G	National Treasury MFMA Circular 98 & 99
Annexure H	CoGTA correspondence regarding the property rates

6. POLICY

Budget Related Policies

7. LEGAL REQUIREMENTS

Municipal Finance Management Act No. 56 of 2003
MFMA- Regulation Chapter 2

8. BACKGROUND AND DISCUSSION

In terms of Section 16 of the MFMA 2003:

- 1)** The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- 2)** In order for a municipality 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.

Furthermore Municipal Council should adopt funded and credible budgets. MFMA 18(1) states that an annual budget may only be funded from -

- a)** realistically anticipated revenues to be collected;
 - b)** cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
 - c)** borrowed funds, but only for the capital budget
- (2) Revenue projections in the budget must be realistic, taking into account—
- a)** projected revenue for the current year based on collection levels to date; and
 - b)** actual revenue collected in previous financial years.

9. FINANCIAL IMPLICATIONS

As reflected as on the report.

10. STAFF IMPLICATIONS

None

11. COMMENTS FROM OTHER DIRECTORS

Budget inputs were received from departments.

12. RECOMMENDATIONS

It is recommended that Council approves the following Proposed Annual Budget documents for the 2020/21 Medium Term Revenue Expenditure Framework:

- 12.1. The proposed Consolidated Budget contained on the A-Schedules as reflected on **Annexure A**
- 12.2. The proposed Parent Municipality's Budget contained on the A-Schedules as reflected on **Annexure B**.
- 12.3. The proposed Maluti Water (Entity) D-Schedules contained on the as reflected on **Annexure C**
- 12.4. The proposed Tariffs for water, electricity, property rates, waste water management, waste management and other services and facilities as reflected on **Annexure E**.
- 12.5. The proposed Budget Related Policies **Annexure F** and;

It is also recommended for Council to take note of the following:

- 12.6. The National Treasury MFMA Circulars 98 & 99 as reflected on **Annexure G** and;
- 12.7. The CoGTA correspondence regarding the property rates as reflected on **Annexure H**

SUBMITTED BY



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CLLR. MM LAKAJE MOSIA
EXECUTIVE MAYOR

25/03/2020
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DATE