

SCHEDULE C

IN-YEAR REPORTS OF MUNICIPALITIES

Format and content of in-year reports

1. An in-year report of a municipality must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedule and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.⁴⁰

Table of contents

2. An in-year report must commence with a table of contents and show the headings in the sequence set out below –

- *PART 1 – IN-YEAR REPORT*
 - Mayor's report (required if tabled in the municipal council)
 - Resolutions (required if tabled in the municipal council)
 - Executive summary
 - In-year budget statement tables
- *PART 2 – SUPPORTING DOCUMENTATION*
 - Debtors' Analysis
 - Creditors' Analysis
 - Investment portfolio analysis
 - Allocation and grant receipts and expenditure
 - Councillor and board member allowances and employee benefits
 - Material variances to the service delivery and budget implementation plan
 - Parent municipality financial performance
 - Municipal entity financial performance
 - Capital programme performance
 - Other supporting documents
 - In-year reports of municipal entities attached the municipality's in-year report
 - Municipal manager's quality certification

⁴⁰ See *MFMA Budget Formats Guide* published on the National Treasury's website.

PART 1 – IN-YEAR REPORT

Mayor's report

3. The mayor's report accompanying an in-year must provide –
 - (a) a summary of whether the municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;
 - (b) a summary of any financial problems or risks facing the municipality or any such entity; and
 - (c) any other information considered relevant by the mayor.

4. For the mid-year budget and performance assessment, the mayor's report must also provide –
 - (a) a summary of the past year's annual report, and progress on resolving problems identified in the annual report and the audit report;
 - (b) a summary of the potential impact of the national adjustments budget and the relevant provincial adjustments budget; and
 - (c) a recommendation as to whether an adjustments budget for the municipality is necessary.

Resolutions

5. If an in-year report is tabled in the municipal council, resolutions dealing with at least the following matters must be prepared and presented as part of the documentation, as may be relevant –
 - (a) noting the monthly budget statement and any supporting documents;
 - (b) noting the quarterly report on the implementation of the budget and the financial affairs for the municipality referred to in section 52(d) of the Act;
 - (c) noting the mid-year budget and performance assessment referred to in section 72 of the Act;
 - (d) noting the in-year reports of any municipal entities; and
 - (e) any other resolutions that may be required.

Executive summary

6. The executive summary of a monthly budget statement must cover at least the following –

- (a) the municipality's consolidated performance, in relation to both the approved annual budget and the latest approved adjustments budget, with specific reference to the financial and non-financial impact of the performance of municipal entities on the consolidated performance making reference to the in-year report tables, charts and explanations;
- (b) any material variances from the service delivery and budget implementation plan; and
- (c) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's budget.

7. The executive summary of the quarterly report on the implementation of the budget and the financial affairs for the municipality must, in addition to the information in item 6, also include a summary of –

- (a) the municipality's consolidated performance in implementing the service delivery and budget implementation plan referring to actual service delivery achieved compared with the quarterly targets and explanations of any material variances, and taking into account performance in relation to both the approved annual budget and the latest adjustments budget;
- (b) the performance in relation to the quarterly performance targets for the delivery of basic services; and
- (c) the financial impact of the performance to date on the medium term revenue and expenditure framework and long term sustainability.

8. The executive summary of the mid-year budget and performance assessment must, in addition to the information in items 6 and 7 provide a summary of the potential impact of the national adjustments budget and the relevant provincial adjustments budget.

In-year budget statement tables

9. If a municipality does not have any municipal entities, the in-year budget statement tables must consist of the tables in the First Attachment to this Schedule, namely –

- (a) Table C1 s71 Monthly Budget Statement Summary
- (b) Table C2 Monthly Budget Statement - Financial Performance (standard classification)
- (c) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
- (d) Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)
- (e) Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)
- (f) Table C6 Monthly Budget Statement - Financial Position
- (g) Table C7 Monthly Budget Statement - Cash Flow

10. If a municipality does have one or more municipal entities, the in-year budget statement tables must consist of –

- (a) the tables mentioned in item 9; and
- (b) the tables in the Second Attachment to this Schedule, namely –
 - (i) Table C1 Consolidated Monthly Budget Statement Summary
 - (ii) Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification)
 - (iii) Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
 - (iv) Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure)
 - (v) Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)
 - (vi) Table C6 Consolidated Monthly Budget Statement - Financial Position
 - (vii) Table C7 Consolidated Monthly Budget Statement - Cash Flow

11. Supporting information, charts and explanations of trends and anomalies must be presented for each table where such presentation will assist with understanding the information contained in the tables.

12. If a municipality has municipal entities, the information in items 6 and 7 must be consolidated covering the parent municipality's monthly budget statement and municipal entities monthly budget statements.

PART 2 – SUPPORTING DOCUMENTATION

Debtors' analysis

13. The debtors' analysis must contain –

- (a) an aged analysis reconciled with the financial position grouped by –
 - (i) revenue source; and
 - (ii) customer group; and
- (b) any bad debts written off by customer group.

Creditors' analysis

14. The creditors analysis must contain an aged analysis by customer type reconciled with the financial position.

Investment portfolio analysis

15. The investment portfolio analysis must include information consistent with the requirements of the Municipal Investment Regulations, 2005 issued by the National Treasury.

Allocation and grant receipts and expenditure

16. The disclosure on allocation and grant receipts and expenditure must reflect particulars of –

- (a) allocation and grant receipts and expenditure against each allocation or grant; and
- (b) any change in allocations as a result of –

- (i) an adjustments budget of the national or provincial government or district or local municipality; and
- (ii) changes in grants from other providers.

Expenditure on councillor and board members allowances and employee benefits

17. The disclosure on councillor and board members allowances and employee benefits must include a comparison of actual expenditure and budgeted expenditure on –

- (a) councillor allowances;
- (b) board member allowances; and
- (c) employee benefits.

Material variances to the service delivery and budget implementation plan

18. In the monthly financial statements provide a disclosure on monthly targets for revenue, expenditure and cash flow that includes a consolidated projection of cash flow for the budget year setting out receipts by source and payments by type, per month for the budget year with actual for past months and revised forecasts for future months, and shown in total for the two years following the budget year.

19. In the quarterly report on the implementation of the budget and the financial affairs for the municipality provide –

- (a) a review of actual performance against the quarterly targets for measurable performance objectives and service delivery;
- (b) a consolidated projection of revenue and operating expenditure per month for the budget year with actual for past months and revised forecasts for future months, and the total for the two years following the budget year; and
- (c) a projection of capital expenditure by project broken down per month for the budget year showing actual for past periods and revised forecasts for future periods, and shown in total for the two years following the budget year.

20. In the mid-year budget and performance assessment provide an explanation of the cause of variations from the approved annual budget and the impact on any contractual agreements and the overall budget, if any.

21. Where (17), (18) and (19) indicate a material variance between the actual year-to-date performance compared with the monthly or quarterly targets from the service delivery and budget implementation plan, provide explanations for such variances and indicate the likely impact on annual performance agreements of the municipal manager and senior managers.

Parent municipality financial performance

22. If the municipality has municipal entities, provide the monthly statement of financial performance for the parent municipality only.

Municipal entity summary

23. If the municipality has municipal entities, provide a summary for all entities of revenue, operating expenditure and capital expenditure.

Capital programme performance

24. The disclosure on capital programme performance must include at least –

- (a) capital expenditure by month; and
- (b) a summary of capital expenditure by asset class and sub-class.

Other supporting documents

25. A municipality must add to its in-year report any supporting documents not covered in this Schedule if such documents are necessary to fully explain the review of actual service delivery and financial performance compared to the approved annual budget and the latest approved adjustments budget.

In-year reports of municipal entities attached to the in-year report

26. Give a list of the municipal entity in-year reports attached to the in-year report.

Municipal manager's quality certification

27. An in-year report must be covered by a quality certificate in the format described below:

Quality certificate

I,, the municipal manager of.....(name of municipality), hereby certify that –

(mark as appropriate)

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state affairs of the municipality
- mid-year budget and performance assessment

for the month of of has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name _____

Municipal manager of.....(name and demarcation code of municipality)

Signature _____

Date _____