

Tabling and Approving of Municipal Budgets

for the 2018/19 MTREF

National Treasury

Republic of South Africa



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Introduction

Section 16(2) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) requires the Mayor of a municipality to table the annual budget at a Council meeting at least 90 days before the start of the municipal budget year.

Section 16(1) of the MFMA requires that the Council of a municipality must for each financial year approve the annual budget for the municipality before the start of the financial year.

In order to assist Parliament with its oversight responsibilities, I, Tito Mboweni, Minister of Finance, acting in terms of section 24(3) of the MFMA hereby -

- a. inform Parliament of the dates on which Municipalities have tabled their 2018/19 Medium Term Revenue and Expenditure Framework (MTREF) Budgets in Council in terms of section 16(2) of the MFMA; and
- b. inform Parliament of the dates on which Municipal Councils approved those budgets in terms of section 16(1), read together with section 24 of the MFMA.

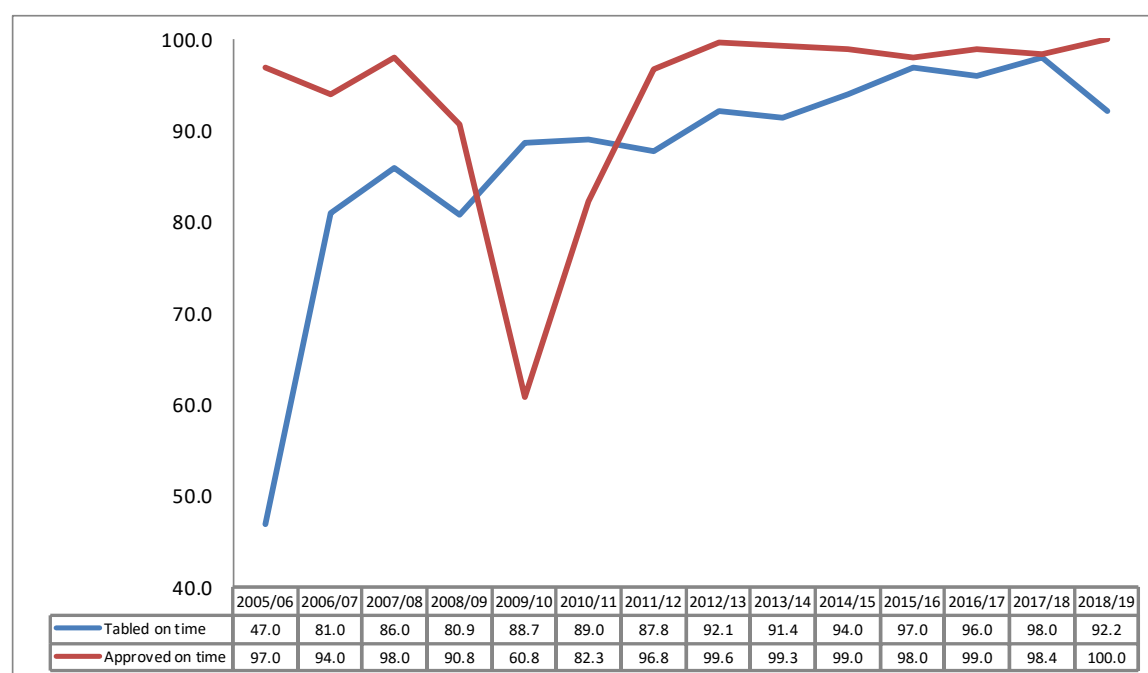
The information is presented in the form of a schedule per province, with those municipalities that failed to comply with the above provisions being highlighted.

This information will also assist the Office of the Auditor General to conduct their compliance audit on the municipal budgets in terms of Sections 25 and 27 of the MFMA.

TT Mboweni, MP
Minister of Finance

BROAD TRENDS:

1. In aggregate 237 out of 257 or 92.2 per cent of the municipalities tabled their budgets in their respective municipal councils on time, 5.8 per cent lower than the previous year where 98 per cent achieved.
2. Regarding the adoption date, 257 or 100 per cent of the municipalities adopted their budget within the prescribed period.
3. 250 of the 257 municipalities prepared their own budgets and only 7 municipalities or 2.7 per cent reported that their budgets were prepared by external service providers. The 7 municipalities that prepared their budgets through external service providers are Emalahleni (EC136), Richtersveld (NC061), Nama Khoi (NC062), Cederberg (WC012), Cape Agulhas (WC033), Overberg (DC3) and Central Karoo (DC5).
4. 4 municipalities or 1.6 per cent of the 257 municipalities planned to table another adjustments budget for their previous year's budget i.e. for the 2017/18 municipal financial year; this is the 2.7 percentage less than 2016/17.
5. The graph below reflects the trend in percentage term of municipalities tabling and approval of their budgets since the 2005/06.
6. There was a decrease in the number of municipalities that complied with sections 22(b) and 24(3) of the MFMA which requires them to submit their adjustments budget in both printed and electronic formats to National Treasury, the relevant provincial treasury, prescribed national or provincial state organs as well as to other municipalities affected by the budget. A total of 239 or 93 per cent of municipalities submitted to National Treasury and while 244 municipalities or 95 per cent submitted to Provincial Treasuries, a decrease of 2 per cent is noted from 2017/18 financial year on sections 22(b) while section 24(3) remains the same.

Figure 1: Compliance with municipal budget tabling and approval deadlines

7. From a provincial perspective, the figures suggest that Free State performed the worst as 74 per cent or 6 municipalities failed to meet the legislative deadline, followed by North West at 77.3 per cent or 5 municipalities.
8. KwaZulu-Natal in particular has experienced a significant increase in the level of compliance where 100 per cent of their municipalities managed to table their 2018/19 budgets on time compared to their 96.3 per cent compliance recorded in the previous financial year.
9. The highest rate of compliance with meeting the deadline for the tabled budgets is in KwaZulu-Natal at 100 per cent followed by Northern Cape and Limpopo at 97 and 96 per cent respectively.