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THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT AND HOUSING

WESTERN CAPE PROVINCIAL TREASURY: LG MTEC 3 PROCESS AND 2010/11 MTREF BUDGETARY DOCUMENTS

Purpose

1. To communicate arrangements for the envisaged LG MTEC 3 process and to draw attention to the required budgetary documents.

Background

2. The relationship between the Provincial and Local Government spheres in the Western Cape has matured as it relates to implementation of the Municipal Finance Management Act, Act 56 of 2003.
3. What has been of particular importance is a shared vision to improve governance, which is believed, would contribute to improved service delivery and quality of life for all people living in the Western Cape.
4. Through the Local Government Medium-Term Expenditure Committee (LG MTEC) methodology, the Provincial Government assesses the tabled draft municipal budgets with the view of giving constructive feedback as required by the legislation, but on a broader level an outsider's view of the draft budget. The LG MTEC engagements as institutionalised comprise of:
 - LG MTEC 1, which deals with priority setting and planning and budgetary alignment in association with sector departments (this has now been replaced with Local Government IDP Indaba);
 - LG MTEC 2, which deals the allocations and spatial spending, which forms the basis for further discussion; and
 - LG MTEC 3 process, which deals with the tabled draft budget assessments and the accompanied engagements with municipalities.
5. Since the introduction of the MFMA, assessments of the draft municipal budgets and engagements on the LG MTEC 3 visits have evolved and now reflect fairly comprehensive findings and recommendations. These findings and recommendations are tabled in municipal councils and into a cabinet submission in the Provincial Legislature.

Discussion

6. As communicated at the LG MTEC 2 of 5 March 2010 and PCF of 17-18 March 2010, the LG MTEC 3 methodology has been revised. The LG MTEC 3 Assessment Framework is attached as Annexure A. The LG MTEC 3 assessment will broadly be based on the following:
 - Multi-year assessment
 - 2008/09: Performance Review
 - 2009/10: In-year Assessment
 - 2010 MTREF: Forward Assessment
 - Key assessment criteria
 - Previous LG MTEC 3 findings
 - Mandates
 - Values
 - Systems, processes and risk assessment
 - Controls
 - Responsiveness
 - Credibility
 - Governance

7. What has been discussed thus far in this circular is the objectives of the LG MTEC 3 engagements but of importance is also the timing and process for collecting the required documentation to do the assessments, the visits and representation at these engagements.

Tabling of Annual Budgets

8. According to section 16(2), the Mayor of a municipality must table the annual budget at a council meeting at least 90 days (i.e. 31 March each year) before the start of the budget year. In terms of the MFMA, tabling the said budget later than 31 March constitutes non-compliance.
9. The Provincial Treasury received confirmation from all thirty (30) municipalities in the Western Cape that the tabling of the annual budgets is scheduled to take place either before or on 31 March 2010.
10. It is important to note that when the annual budget is tabled, it must be accompanied by a set of supporting documents as outlined in section 17(3) of the MFMA and MFMA Circular 51. These include:
- The Budget Document as set out in Schedule A of the Municipal Budget and reporting Regulations, including the main tables (A1-A10) and the supporting tables (SA1-SA37)
 - Council Resolution in terms of the Budget
 - Draft Service Delivery and Budget Implementation Plan
 - Draft Budget related policies
 - Tariff policy
 - Rates policy
 - Credit Control and Debt Collection Policy
 - Borrowing Policy
 - Cash Management and Investment Policy
 - Funding and Reserve Policy
 - Long Term Financial Planning Policy
 - Supply Chain Management Policy
 - Any policy applicable to the Disposal of Assets
 - Any policy applicable to Infrastructure Investments and Capital Asset Management
 - Indigent Policy
 - Draft Integrated Development Plan and supporting documents (where available)
 - Local Economic Development Strategy (LED)
 - District Growth and Development Strategy (DGDS)
 - Spatial Development Framework (SDF)
 - Human Settlement Plan (HSF)

11. Section 22(b)(i) of the MFMA requires that immediately after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. The National Treasury stipulated in MFMA Circular 51 that the deadline for such submissions is Friday, 9 April 2010. However, for the Provincial Treasury's purposes the budget and supporting documents are required by **Thursday, 1 April 2010**.
12. To accelerate receipt of the relevant budget documentation, the Provincial Treasury has scheduled the deployment of its officials to attend most of the council meetings during which the tabled budgets are to be presented.
13. The designated officials have been requested to make arrangements with the CFOs beforehand so that these documents can be ready for collection. On closure of those meetings, the Provincial Treasury officials must be supplied with both hard and electronic copies of the documentation referred to above. The electronic version of the various documents should be saved on a CD.
14. In cases, where it is practically impossible for Provincial Treasury officials to attend the council meetings where the tabling of the annual budgets will take place, the documents will be collected soon thereafter or municipalities will be requested to courier the budget documents to the Provincial Treasury by **1 April 2010**.

LG MTEC 3 Methodology and Engagements

15. On receipt of the budget documents by 1 April 2010, the assessment of the 2010 MTREF budgets will take place from 1 April to 16 April 2010. The completed assessment reports will be forwarded electronically to municipalities from 16 April to 23 April 2010. Should any additional information be required municipalities are required to supply this additional information to Provincial Treasury by Friday, 9 April 2010 at mfma@pqwc.gov.za.
16. The LG MTEC 3 engagements between the representatives of the Provincial Government and Municipalities have been scheduled to take place from 28 April to 13 May 2010. The Visitation Schedule of the dates of the official engagements is attached as Annexure B. These dates have been confirmed with the Municipal Managers and are fixed. Any changes to these dates will really pose significant logistic challenges and cost implications. It is therefore vital that any changes to the scheduled visits be avoided at all costs.
17. For the purposes of the engagement, municipalities will be required to make comprehensive presentations along the format of the assessment report. The outline of presentation will be forwarded to municipalities with the assessment report from 16 April to 23 April 2010. During the presentation it is important that the assumptions, concerns, forward planning and implementation of these topics be highlighted. The presentation and the response of the municipality will be used as a basis for further discussion. In addition, it is requested that at least 25 copies of the presentation and of the response to the assessment report be made available at the engagement.

18. The provincial delegation will be split in two teams, the one visiting the Group 1 municipalities and the other the Group 2 municipalities. It is requested that at least the Municipal Manager, Chief Financial Officer, S56 Managers, IDP manager and LED manager be present at the LG MTEC 3 engagement. If the attendance of any additional senior manager(s) will contribute to the engagement, the Municipal Manager should feel free to include these senior managers in the discussion. The Municipal Manager is requested to forward the names of the municipal representatives by Friday, 9 April 2010 to the e-mail address: mfma@pgwc.gov.za.
19. The LG MTEC 3 engagements are mainly of a technical nature and therefore take place at an official level. Notwithstanding this, the PCF of 17-18 March 2010 resolved that Mayors and Councillors for Finance must attend the LG MTEC 3 proceedings. The Municipal Managers are required to communicate the dates of the LG MTEC 3 engagements to the Mayors and Councillors for Finance to ensure their attendance.
20. The Provincial Treasury will be in contact with municipalities closer to the time of these engagements regarding any assistance which may be required with respect to the logistical arrangements.
21. The Provincial Government wishes you well with your endeavours in finalising and tabling the budget and look forward to the LG MTEC 3 engagement with your municipality.
22. Any enquiries with regards to the contents of this circular may be direct to:
 - Mr Malcolm Booysen, tel 021 483-3386, e-mail: mlbooyse@pgwc.gov.za
 - Mr Paul Pienaar, tel 021 483-5618, e-mail: pppienaa@pgwc.gov.za



HEAD: PUBLIC POLICY SERVICES

DATE: 30 March 2010

LG MTEC 3 DRAFT ASSESSMENT FRAMEWORK

Preface

The Provincial Treasury, as part of its legislative mandate, has successfully completed its Fifth round of LG MTEC engagements. The LG MTEC engagements were traditionally comprised of LG MTEC 1 around October each year; LG MTEC 2 in early March; and LG MTEC 3 in April/ May each year.

The first round of meetings (LG MTEC 1) held in October and November to encouraged synergy in planning and budgeting for improved service delivery. The provincial and local spheres aim at achieving stronger commitment to maintain open dialogue during and beyond these engagements. The engagements furthermore also identify the support needed to realise optimal and effective resource allocations. LG MTEC 1 has now been replaced by a Local Government IDP Indaba to be facilitated by LG & H, DotP, and supported by the Provincial Treasury. This process was originally envisaged to take place in January/ February 2010 but has since been rescheduled to September 2010 and is intended to be a permanent annual event which initiates and support intergovernmental planning.

The second round of municipal engagements, called the LG MTEC 2, assesses progress with regard to the LG MTEC 1 commitments and provided an opportunity to communicate provincial allocations and transfers to municipalities. The LG MTEC 2 engagement also allows an opportunity to communicate and solicit municipal input on a proposed methodology for the LG MTEC 3 engagements. The LG MTEC 3 engagement follows subsequent to municipalities tabling their draft budgets in Councils.

The output of the LG MTEC 3 (a report on the Draft Municipal Budgets), unlike the other two engagements, fulfils a legislative requirement. This requirement is found in the Municipal Finance Management Act, 2003 (section 22), which requires that the Accounting Officer (Municipal Manager) submit the draft budget to, amongst others, the Provincial Treasury immediately after tabling the draft budget in Council.

The LG MTEC 3 engagements are designed to give effect to these legislative requirements. Provincial Treasury, in preparing the reports, has developed a framework that allows for consistent feedback to municipalities. The framework makes provision for assessment along the three broad areas, namely:

- Responsiveness: i.e. whether the draft budget is appropriately responsive to economic growth objectives and the socio economic needs of the community, as measured in the Socio Economic Profile of Local Government (SEP-LG) or other accessible data sources and prioritised in the Integrated Development and Local Economic Development Plans.
- Credibility: i.e. whether the municipality can execute and deliver on this budget realistic/ability to spend; and assessing whether the municipality has sufficient revenue and adequate corporate stability to fund and deliver on its budget in a sustainable manner;
- Governance: whether the appropriate corporate (and to an extent political) capacity and stability exist to ensure the long-term sustainability of service delivery.

The assessment also highlights possible risks, key issues and challenges from the Provincial Government's perspective i.e. Provincial Treasury, Departments of Local Government and Housing and the Department of the Premier.

The objectives of the current LG MTEC 3 are:

- Ensuring legislative compliance as well as encouraging non legislative compliance to planning and budgeting processes. This includes compliance to the MFMA as well as NT circulars.
- It further aims to allow PGWC and municipalities to identify best practices across municipalities and districts as well as consider appropriate responses to identified challenges in a region or among municipalities. Support to these municipalities is identified through joint prioritization of the PGWC or at the request of the municipality or a combination of the two scenarios. Support must however take into account the available resources, warm bodies and other constraints of both PGWC as well as that of the municipality.
- The LGMTEC3 assessment aims to provide municipalities with an independent assessment of its operations. This will become a tool of engagement, providing insight of the municipality's current performance, where it ought to be and where it can be and how to turn around and improve its operations.

The LGMTEC 3 assessment timespan will change from a three-year assessment to five year assessment.

1. The previous financial year 2008/09
2. The current financial year 2009/10
3. The new MTREF framework 2010/13

One of critiques that have been levelled against the previous LG MTEC processes is the lack of follow through on issues that emanates from the previous year's assessments. Provincial Treasury's MTEC processes has also come under fire before for that the LG MTEC 3 engagements are conducted too late by April/ May to make an impact on the proposed new budget. Yet, the reality is that such an assessment can only be conducted after March after the tabling of the Budget and before the adoption of the new budget. The legislation has been crafted particular in that fashion to allow this window of opportunity for all stakeholders – community, civil society, business, national and provincial government – to input into the budget.

The provincial treasury recognises that changing performance in local government may require a different approach.

It is also important to recognise key policy and strategic developments that happened over the past year. The rise in social unrest has given rise to a national assessment of municipalities. A national strategy called "Local Government Turnaround Strategy" has been adopted by national Cabinet to address this concern. The Provincial Cabinet has also identified 10 key strategic objectives of which objective 10: clean, value driven effective government. Also, mid-year in 2008, the PGWC has adopted a Corporate Governance Framework.

The aim of this revised framework is to improve the quality of the assessment of the previous financial year and to build on prior rounds of LG MTEC 3 process while taking the aims and objectives of the LGTAS and Strategic Objective 10 into account. The aim of the LG MTEC 3 assessment is to bring all these elements together in assessing municipalities for responsiveness, creditability, governance and values.

What is different though is the assessment focuses on the progress of municipalities over a five-year horizon. The previous year's assessment and recommendations will be the basis for the starting point of the new assessment to monitor what progress has been made.

The changes in the MTEC assessment framework can be illustrated as follows:

| MTEC | Previous MTEC | New Framework | | |
|--|----------------------|---|---|----------------|
| Coverage | Previous MTREF | 2008/09 | 2009/10 | 2010/11 MTREF |
| Criteria | Responsiveness | Responsiveness | Responsiveness | Risk |
| | Credibility | Credibility | Credibility | Responsiveness |
| | Sustainability | Governance | Governance | Credibility |
| | - | Underlying Values System | | |
| Source Documents | IDP Budget | Annual Report Previous-years findings & recommendations | Mid-year report BIF Team findings In-year reports | IDP Budget |
| National & Provincial Policy and Strategic Initiatives | - | Local Government Turnaround Strategy Strategic Objective 10: Clean, value driven, effective and Efficient Government | | |

This MTEC assessment will become the basis of engagement and reform to set the agenda for the provincial treasury, other stakeholders to take municipalities from the current level to 2014 as envisaged in the Local Government Turnaround Strategy.

OUTLINE OF FRAMEWORK

| 2008/09 | 2009/10 | 2010/11-2012/13 |
|---|---|---|
| A. Performance Review | B. In-year Assessment | C. Forward Assessment |
| A1. Overview | B1. Service Delivery Performance (Responsiveness) | C1. Risk Assessment based on year 1 and 2 |
| A2. Mandate | B2. Financial Performance (Credibility) | C2. Responsiveness IDP (strategic objectives) |
| A3. Values | - Operating Budget | C3. Credibility |
| A4. Systems, processes and risk assessment | - Capital Budget | |
| A5. Controls | - Adjustments Budget | |
| A6. Monitoring and Evaluation | - Cash Management | |
| A7. Summary of key findings and recommendations | B3. Summary of key findings and recommendations | C4. Summary of key findings and recommendations |
| Source Documents | Source Documents | Source Documents |
| <i>Annual Reports</i> | <i>Mid-year Assessments</i> | <i>IPD</i> |
| <i>Oversight report</i> | <i>SDBIP</i> | <i>Budget</i> |
| <i>Audit Report</i> | <i>Different plans eg. Infrastructure</i> | <i>Budget related policies</i> |
| <i>AFS</i> | | <i>Council resolutions</i> |
| <i>LG MTEC 3</i> | | <i>Allocations booklet</i> |
| <i>Other Assessments</i> | | <i>National/ Provincial Gazettes</i> |
| | | |
| D. Summary of key findings | | |

PART A: YEAR 1: PERFORMANCE REVIEW OF 2008/09

A1. Overview

This section needs to provide an overview of the municipality

- Name of the municipality,
- Category A, B or C municipality
- High, medium or low capacity
- Geographic spread including towns
- Summary of LGMTEC 3 findings and agreements reached.
- Responses by the Municipality

(Responsible Unit(s): Budget Office)

A2. Mandate

The **powers and functions** of the municipality

- Main powers and functions
 - Water, sanitation, refuse, electricity, fire services, etc
 - Water Boards, Eskom
- Internal or external mechanism (s78)
- Services rendered on behalf of national and provincial government

(Responsible Unit(s): Budget Office)

A3. Values

Value system of the municipality

- Accountability
- Conflict of Interest
- Leadership
- Political Stability
- Transparency
- Integrity
- Stewardship
- Commitment to good governance
- Sustainability
- Fairness
- Effectiveness, Efficiency, Economical
- Responsibility towards purpose
- Honesty
- Public Service Principles

(Responsible Unit(s): Corporate Governance)

A4. Systems, processes & risk assessment

- Delegation
- Policy and procedures
- Enterprise Risk Management
- Business Processes
- Information Systems
- Internal Audit
- Audit Committees
- Role of Oversight Committee and Council
- Immovable asset management
- IDIP to the three selected municipalities
 - Business processes
 - Systems
 - Capacity

(Responsible Unit(s): Corporate Governance)

A5. Controls

- Control environment & activities
- Standard Operating Procedures
- Internal control
- Internal Audit
- Auditor-General

(Responsible Unit(s): Corporate Governance)

A6. Monitoring & evaluation

An assessment of the financial and non-financial information by using amongst others the following source documents:

- LGMTEC 3 findings, recommendations and the progress in relation to those
- Annual Financial Statements
- Management letters
- Audit report
- Audit Committee report
- Annual Report
- Oversight report
- LG MTEC3
- Other Assessments –eg. Infrastructure
- National and provincial gazettes

A6.1 Responsiveness:

- LGMTEC 3 progress: progress on issues from previous year (any changes observed)
- Performance against socio economic indicators
- Performance in relation to the IDP, which include national, provincial and local priorities
- Translation of those priorities into the budget
- Identify alignment Annual Report and SDBIP and measure performance against the following KPA's Indicators.
 - Democratic accountability and responsive to the needs of the people
 - Public participation meetings
 - Communication strategy
 - Stakeholder engagement
 - Communication between the district and municipalities
 - Basic Services
 - Current service levels compared to performance unit or percentage access.
 - Report on municipal focus
 - Bulk infrastructure capacity
 - Economic Growth
 - LED Strategy
 - Mega Projects
 - Job Creation
 - SCM
 - Poverty Alleviation
 - Indigent policy
 - Threshold is twice the old age pension
 - How many indigents
 - Supplementary poverty support
- Performance against targets as identified in the SDBIP
- Adjusted priorities and targets during the year
- Key findings

(Responsible Unit(s): Budget Office)

A6.2 Credibility

Source documents: Annual Financial Statement and Funding compliance assessment for 2006/07 to 2008/09 become the basis for the assessment

- LGMTEC 3 progress in relation to all areas
- Financial Health
- Assessments of the Annual Financial Statements (Accounting)
- Introduction
 - Purpose of the analysis and interpretation of AFS
 - Outlining the basis of AFS preparation
 - Highlighting the surplus/deficit of the Municipality
 - Classification of ratios according to Credibility and Sustainability
 - Brief progress report on addressing 2007/08 audit findings

- Brief GRAP Implementation progress report (Focus on GRAP 17 compliance)
- Support provided per the previous LGMTEC 3 assessments
- Analysis and Interpretation of AFS> ratios

Credibility Ratios (Accounting)

- Actual Operating Expenditure versus Budgeted Operating Expenditure
- Consultancy fees as a % of Operating Expenditure
- Capital Charges (interest + principal) to Operating Expenditure
- (Gearing Ratio) Equity Debt Ratio: Total Debt to Total Assets
- Total Debt to Total Annual Operating Revenue (own generated)
- Acid test ratio
- Repairs and Maintenance as a % of PPE book value

Summary of findings for the above ratios

Sustainability Ratios (Accounting)

- Actual Service Charges + Property Rates versus Budgeted Service Charges + Property Rates
- Level of reliance on Government Grants
- Debtors collection period (Consumer Debtors – Service Charges)
- Provision for Bad Debt to Consumer Debtors
- Water Distribution losses (subject to availability of information)
- Electricity Distribution losses (subject to availability of information)

Summary of findings for the above ratios

Revenue and Expenditure (Public Finance)

- LGMTEC 3 progress
- Operating budget
 - Revenue
 - Expenditure
- Capital budget
 - Sources of Finance
 - Expenditure

Cash Management (As in Annexure by Cash Man Unit)

- Infrastructure spending performance, also focussing on project specific issues
 - Past performance and readiness to deliver

(Responsible Unit(s): Public Finance, Cash Man, IAM, Acc)

A6.3 Governance

Recommendation and Support to be provided

- Supply Chain Management (Supply Chain Management)
 - SCM Policy
 - Bid Committee System
- Immoveable Property

- Adequate Corporate Stability (Corporate Governance)
 - Organisational Structure
 - Political Stability
 - S57 Management Appointments
 - Existence and independence of Audit Committee
 - Risk and Fraud Committees
 - Risk Management Programme/Framework adopted
 - Monitoring, Evaluation and Report on IDP achievement (SDIP)
 - Review of instances of unauthorised or irregular expenditure

(Responsible Unit(s): All Units)

A7. Summary of key findings and recommendations

PART B: Year 2: In-year Assessment (2009/10)

B1. Service Delivery Performance (Responsiveness)

- Identify alignment Mid-Year Report and SDBIP and measure performance against the following KPA's Indicators.
 - Democratic accountability and responsive to the needs of the people
 - Public participation meetings
 - Communication strategy
 - Stakeholder engagement
 - Communication between the district and municipalities
 - Basic Services
 - Current service levels compared to performance unit or percentage access.
 - Report on municipal focus
 - Bulk infrastructure capacity
 - Economic Growth
 - LED Strategy
 - Mega Projects
 - Job Creation
 - SCM
 - Poverty Alleviation
 - Indigent policy
 - Threshold is twice the old age pension
 - How many indigents
 - Supplementary poverty support
 - ❖ Adjusted priorities and targets during the year
 - ❖ Key findings

(Responsible Unit(s): Budget Office)

B2. Financial Performance (Credibility)

Source Doc: Mid Year Assessment and Adjusted Budget for 2009/10

- Operating
 - Revenue
 - Externally linked revenue, conditional grants
 - Controllable revenue sources
 - Property rates
 - Water sales
 - Electricity sales
 - Collection rates
 - Budgeted vs actual
 - Per month analysis
 - Under expenditure
 - Variances
 - Per vote analysis
- Capital Budget
 - Capital expenditure
 - Per vote analysis
 - Planned vs actual
 - Infrastructure spending performance, also focussing on project specific issues
 - Past performance and readiness to deliver
 - Sources of Finances
 - EFF
 - Conditional grants
 - Other
- Adjustments Budget
 - Operating
 - Revenue
 - ❖ Per vote analysis
 - Expenditure
 - ❖ Per vote analysis

- Capital
 - Sources of finance
 - ❖ Per vote analysis
 - Expenditure
 - ❖ Per vote analysis
- Cash Management (As in Annexure)

(Responsible Unit(s): Public Finance, Cash Management, IAM)

B3. Summary of key findings and recommendations

PART C: Year 3: Assessment on draft budget (2010/11, 2011/12, 2012/13)

This section covers the new MTREF period; 2010/11, 2011/12 & 2012/13

C.1 Risk Assessment based on year 1 and 2 (Issues highlighted in funding compliance)

- Assessment of the major risks identified during years 1 and 2 that could impact on the implementation and the executionability of the budgets of years 3, 4 and 5.
- Items that need to be resolved before the Budget and its related policy documents are implemented.
- Assessment of the mitigating factors and recommendations
- Format: responsiveness, credibility and governance

(Responsible Unit(s): All Units)

C2. Responsiveness IDP (Strategic objectives)

C2.1 The IDP will be assessed according to the following criteria

- Identification of priorities
- Responsiveness to the socio economic environment
- Alignment with National and Provincial Planning Priorities and development strategies
- Identify alignment between the IDP and draft budget and measure performance against the following KPA's Indicators.
 - Basic Services
 - Com Survey: Current service levels compared to performance unit or percentage access.
 - Report on municipal focus
 - Bulk infrastructure capacity
 - Economic Growth
 - LED Strategy
 - Mega Projects
 - Job Creation
 - SCM

- Poverty Alleviation
 - Indigent policy
 - Threshold is twice the old age pension
 - How many indigents
 - Supplementary poverty support

(Responsible Unit(s): Budget Office)

C2.2 Alignment of the Budget and IDP

- Assess KPA's in relations to priorities
- Establish if top priorities translate into budget
- Determine if KPA's are measurable
- Reflect on past performance
- Link between IDP, Budget & SDBIP

C2.3 Performance and impact on alignment

- Annual Report
- SDBIP
 - a. Summary of performance
 - b. Highlight concerns
 - c. Does performance support or undermine responsiveness

(Responsible Unit(s): Budget Office)

C3. Credibility (PF)

- Rates
 - Analysis looks at cents in a rand as well as growth in the base.
 - How is indigent rebates
 - Growth in income from property rates
 - Comparative analysis in a region (e.g. Theewaterskloof and Swellendam)
- Services
 - KI and kW charge
 - Growth in income service
 - Growth in the base
 - How are indigents handled
- LGMTEC 3 recommendations
- Local Government Turnaround Strategy
 - Short term
 - Long term
- Operation Clean Audit

C3.1 Funding Compliance Assessment

- Cash/cash equivalent position (Cash Management)
- Cash plus investments less applications (Cash Management)
- Monthly average payments covered by cash or cash equivalents (Cash Management)

- Surplus/deficit excluding depreciation offsets (Accounting)
- Property Rates/service charge revenue % increase less macro inflation target (PF)
- Cash receipts % of ratepayer and other revenue (PF)
- Debt impairment expense % of billable revenue (PF)
- Capital payments % of capital expenditure (PF)
- Borrowing as a % of capital expenditure (less transfers/grants/contributions) (Cash Man)
- Transfers/grants revenue as a % of Government transfers/grants available (PF)
- Consumer debtors' change (Current and Non-current) (PF)
- Repairs & maintenance expenditure level (Accounting)
- Asset renewal/rehabilitation expenditure level (IAM)
- Financial Performance Budget result (Accounting)
- Financial Position Budget (Accounting)
- Cash Flow Budget (Cash Management)
- Other key performance measures
- Summary question

C3.2 Capital Budget (Public Finance and Immovable Asset Management)

- Analysis of capital funding source – 2010/11 and beyond
- Analysis of capital expenditure – 2009/10 (per GFS classification)

C3.3 Operating Budget (LG Public Finance)

- Analysis of operating Revenue (PF)
- An analysis of operating expenditure
- Capacity and readiness to deliver infrastructure as per new budget
 - What is status of planning of the projects
 -

C4. Summary of key findings and recommendations

Source Documents:

- IDP
- Budget
- Budget Related Policies
- Council Resolutions
- National Budget Review, DoRA
- Provincial Budget Review & Budget Statements 2
- Provincial Treasury Local Government Allocations Booklet
- Funding Compliance

PART D: Summary of key findings and recommendations

- Key findings and recommendations

2010 LG MTEC 3 VISITATION SCHEDULE

| DISTRICT MUNICIPALITY | MUNICIPALITY | DAY OF VISIT | | VENUE OF ENGAGEMENT | Time |
|--------------------------------|-----------------------------------|--------------|-----------|--|---------------|
| Metro | City of Cape Town (GROUP 1) | 28 April | Wednesday | Conference Facility, 7th Floor, 4 Dorp Street (Keerom Entrance), Cape Town | 08:00 - 13:00 |
| West Coast District | Matzikama (GROUP 2) | 3 May | Monday | Council Chambers, 37 Kerk Street, Vredendal | 08:30 - 11:30 |
| | Cederberg (GROUP 2) | 3 May | Monday | Council Chambers, 2A Voortrekker Road, Clanwilliam | 14:00 - 17:00 |
| | Bergrivier (GROUP 2) | 4 May | Tuesday | Allan Boesak Community Hall, 3 Zibra Street, Piketberg | 08:30 - 11:30 |
| | West Coast District (GROUP 2) | 4 May | Tuesday | Council Chambers, 58 Lang Street, Moorreesburg | 14:00 - 17:00 |
| | Swartland (GROUP 1) | 7 May | Friday | Banquet Hall, 1 Kerk Street, Malmesbury | 08:30 - 11:30 |
| | Saldanha Bay (GROUP 1) | 7 May | Friday | Council Chambers, 12 Hoof Street, Saldanha Bay | 14:00 - 17:00 |
| Central Karoo | Laingsburg (GROUP 2) | 5 May | Wednesday | Auditorium, Maritz Street, Laingsburg | 08:30 - 11:30 |
| | Prince Albert (GROUP 2) | 5 May | Wednesday | Council Chambers, 33 Kerk Street, Prince Albert | 14:00 - 17:00 |
| | Beaufort West (GROUP 2) | 6 May | Thursday | Central Karoo Council Chambers, Konstitusie Street, Beaufort West | 08:30 - 11:30 |
| | Central Karoo District (GROUP 2) | 6 May | Thursday | Central Karoo Council Chambers, Konstitusie Street, Beaufort West | 14:00 - 17:00 |
| Eden District | Bitou (GROUP 1) | 4 May | Tuesday | Council Chambers, Main Street into Sewell Street, Plettenberg Bay | 08:30 - 11:30 |
| | Knysna (GROUP 1) | 4 May | Tuesday | Council Chambers, Clyde Street, Knysna | 14:00 - 17:00 |
| | George (GROUP 1) | 5 May | Wednesday | George Council Chambers, York Street, George | 08:00 - 11:00 |
| | Eden District (GROUP 1) | 5 May | Wednesday | Eben Council Chambers, 51 York Street, George | 14:00 - 17:00 |
| | Mossel Bay (GROUP 1) | 6 May | Thursday | Council Chambers, Marsh Street, Mossel Bay | 08:30 - 11:30 |
| | Hessequa (GROUP 1) | 6 May | Thursday | Council Chambers, Civic Centre, Van den Berg Street, Riversdale | 14:00 - 17:00 |
| | Oudtshoorn (GROUP 2) | 7 May | Friday | Council Chambers, Civic Centre, Voortrekker Road, Oudtshoorn | 08:30 - 11:30 |
| | Kannaland (GROUP 2) | 7 May | Friday | Library Hall, 21 Koningin Street, Ladismith | 14:00 - 17:00 |
| Cape Winelands District | Stellenbosch (GROUP 1) | 10 May | Monday | Council Chambers/Town Hall, Plein Street, Stellenbosch | 08:30 - 11:30 |
| | Drakenstein (GROUP 1) | 10 May | Monday | Council Chambers, Bergriver Boulevard, Paarl | 14:00 - 17:00 |
| | Cape Winelands District (GROUP 2) | 10 May | Monday | Council Chambers, 46 Alexander Street, Stellenbosch | 08:30 - 11:30 |
| | Witzenberg (GROUP 2) | 10 May | Monday | Town Hall, 50 Voortrekker Road, Ceres | 14:00 - 17:00 |
| | Breede Valley (GROUP 2) | 11 May | Tuesday | Council Chambers, Baring Street, Worcester | 08:30 - 11:30 |
| | Langeberg (GROUP 2) | 11 May | Tuesday | Robertson Town Hall, Church Street, Robertson | 14:00 - 17:00 |
| Overberg District | Overstrand (GROUP 1) | 11 May | Tuesday | Council Chambers, Magnolia Street, Hermanus | 08:30 - 11:30 |
| | Swellendam (GROUP 2) | 12 May | Wednesday | Council Chambers, , Swellendam | 08:30 - 11:30 |
| | Theewaterskloof (GROUP 2) | 12 May | Wednesday | Council Chambers, 6 Plein Street, Caledon | 14:00 - 17:00 |
| | Cape Agulhas (GROUP 2) | 13 May | Thursday | Council Chambers, Museum Street, Bredasdorp | 08:30 - 11:30 |
| | Overberg District (GROUP 2) | 13 May | Thursday | Council Chambers, 26 Lang Street, Bredasdorp | 14:00 - 17:00 |