

Reference number: RCS/C.5 (2019/20)

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR MUN NO. 13/2019

THE MAYOR, CITY OF CAPE TOWN: MR D PLATO
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR H CLEOPHAS
THE MAYOR, MATZIKAMA MUNICIPALITY: MR J VAN DER HOVEN
THE MAYOR, CEDERBERG MUNICIPALITY: MR W FARMER
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT
THE MAYOR, WITZENBERG MUNICIPALITY: MR BC KLAASEN
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR CJ POOLE
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV. G VAN DEVENTER
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBERG MUNICIPALITY: MR HM JANSEN
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR A FRANKEN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MS CJM VOSLOO
THE MAYOR, OVERSTRAND MUNICIPALITY: MR D COETZEE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR PJ SWART
THE MAYOR, SWELLEN DAM MUNICIPALITY: MR NG MYBURGH
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KANNALAND MUNICIPALITY: MS M BARRY
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDLES
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR HJ LEVENDAL
THE MAYOR, GEORGE MUNICIPALITY: MR MG NAIK
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR CF SYLVESTER
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE
THE MAYOR, KNYSNA MUNICIPALITY: MR M WILLEMSE
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: DR A RABIE
THE MAYOR, LAINGSBURG MUNICIPALITY: MR M GOUWS
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR N CONSTABLE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR L MBANDAZAYO
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THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
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THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL
THE MUNICIPAL MANAGER, SWELLEN DAM MUNICIPALITY: MR A GROENEWALD
THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR R STEVENS
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: ADV. MG GILIOME

THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR A PAULSE
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: ADV. L NGOQO
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: DR S VATALA
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THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MS A VORSTER
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR K HAARHOFF

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
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THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR M WÜST
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON
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THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR F LOTTER
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR V MKHEFA
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR M MEIMANI
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MS U BAARTMAN
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
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APPROVAL AND SUBMISSION OF 2019/20 ANNUAL BUDGETS, IDPs, SDFs AND SDBIPs

1. PURPOSE

- 1.1 The purpose of this Circular is to outline the procedures regarding the approval and submission of the 2019/20 annual budgets and associated documents i.e. Integrated Development Plans (IDPs), Spatial Development Frameworks (SDFs) as well as approved Service Delivery and Budget Implementation Plans (SDBIPs).

2. BACKGROUND

- 2.1 Following through with the implementation of the integrated management approach to planning and budgeting, the recent Strategic Integrated Municipal Engagements: Local Government Medium-Term Expenditure Committee (LG MTEC) was a continuation of the Strategic Integrated Municipal Engagements (SIME) and Technical Integrated Municipal Engagements (TIME) which took place in November 2018 and February 2019 respectively.
- 2.2 The Strategic Integrated Municipal Engagements: Local Government Medium-Term Expenditure Committee (LG MTEC) held from 23 April to 6 May 2019 focussed on the theme of *Consolidation for Maximum Citizen Impact* with the aim to promote the upliftment of communities both economically and socially.
- 2.3 The annual budget and the IDP process is in its final stage as municipalities have to consider the approval of the annual budgets at least 30 days (i.e. by 31 May 2019) before the start of the budget year in terms of section 24(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This is an important prerequisite as it enables the approval of the annual budget and supporting documents before the start of the financial year (i.e. 30 June 2019) in terms of section 16(1) of the MFMA.
- 2.4 In terms of section 26(1) of the MFMA, upon failure to adopt an annual budget by the start of the applicable budget year, the provincial executive, must intervene in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget and the revenue-raising measures are approved. Intervening actions may include dissolving the council, appointing an administrator until a newly elected council has been declared elected and approving a temporary budget to ensure the continued functioning of the municipality.
- 2.5 Although the Mayor is ultimately responsible for compliance with the budget process, as outlined in Chapter 4 of the MFMA, section 68 of the MFMA stipulates that the Accounting Officer must assist the Mayor in performing the budgetary functions assigned to the Mayor in terms of Chapters 4 and 7 of the MFMA.
- 2.6 In terms of section 32 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), if there are shortcomings with an adopted IDP or adopted amended IDP, the MEC for local government may request for adjustments to be made to address the shortcomings.
- 2.7 In terms of section 22 of Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA), the Premier must take steps to address non-alignment between Spatial Development Frameworks. The MEC for development planning may also in terms of section 139(4) of the Constitution intervene by taking measures to address non-compliance in this regard.

3. APPROVAL OF THE ANNUAL BUDGETS, ASSOCIATED DOCUMENTS, IDP AND SDF

- 3.1 In terms of section 22 of the MFMA, following the tabling of the annual budget, municipalities are required to consult the local community, the Provincial Treasury and National Treasury, any national and provincial organ of state and to other municipalities affected by the budget.
- 3.2 Section 23 of the MFMA requires the municipal council to consider the views of the stakeholders referred to in paragraph 3.1 above, following which council must give the Mayor an opportunity to respond to the submission and, if necessary, revise the budget and table amendments for consideration by the council.
- 3.3 Section 21 of the MFMA requires that it must be ensured that the IDP (and any subsequent amendments to the IDP) and the budget (including and budget-related policies) are mutually consistent and credible.
- 3.4 It is important to note that in terms of section 18 of the MFMA, 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.
- 3.5 To this extent, National Treasury has emphasised the importance of tabling and adopting funded budgets in MFMA Circular No. 94 (and previous Circulars); where municipalities tabled unfunded budgets such municipalities will be required to correct their budgets to ensure that funded budgets are adopted and implemented. There are cases that may warrant a plan as the approval of a funded budget may not be achievable over one year. As a result, such municipalities must, together with their 2019/20 MTREF budget, table a plan in a municipal council on how and by when the budget will improve from an unfunded to a funded position.
- 3.6 Section 24(2) of the MFMA further states that an annual budget:
- a) must be approved before the start of the budget year;
 - b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and
 - c) must be approved together with the adoption of resolutions (refer to Regulation 17(2) of the Municipal Budget and Reporting Regulation, 2009 (MBRR), as well as Regulation 4 of Schedule A of the MBRR) as may be necessary:
 - i. imposing any municipal tax for the budget year;
 - ii. setting any tariffs for the budget year;
 - iii. approving measurable performance objectives for revenue from each source and for each vote in the budget;
 - iv. approving (any changes to) the municipality's IDP; and
 - v. approving any changes to the municipality's budget-related policies.

- 3.7 It is important to note that in terms of section 160(2) of the Constitution the passing of by-laws, the approval of budgets, the imposition of rates and other taxes, levies and duties, and raising of loans may not be delegated by a municipal council. Furthermore, in terms of section 160(3)(b) of the Constitution, the afore-mentioned matters are determined by a decision taken by a municipal council with a supporting vote of the majority of its members.
- 3.8 Section 34 of the MSA states that a municipal council must review its IDP annually in accordance with an assessment of its performance measures in terms of section 41 and to the extent that changing circumstances so demand, and may amend its IDP in accordance with the amendment process prescribed by Regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations, 2001.
- 3.9 In terms of section 32 of the MSA the municipal manager of a municipality must submit a copy of the IDP as adopted by the council of the municipality, and any subsequent amendment to IDP adopted by the council, to the MEC for local government in the province within 10 days of the adoption. The copy of the IDP or amended IDP to be submitted to the MEC must be accompanied by - (i) a summary of the process referred to in section 29 (1), (ii) a statement that the process has been complied with, together with any explanations that may be necessary to amplify the statement, and (iii) in the case of a district and a local municipality, a copy of the framework adopted in terms of section 27.
- 3.10 In terms of section 26 of the MSA a municipal Spatial Development Framework (SDF) is a core component of an IDP and in terms of section 20 of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA) must be prepared and adopted as part of the IDP. A SDF can only be adopted as part of the adoption of the IDP and an amended SDF can only be adopted as part of the adoption of an amended IDP.
- 3.11 In terms of section 14 of the Western Cape Land Use Planning Act, 2014 (Act No. 3 of 2014) (LUPA), the municipal manager must, within 10 days of the adoption by council of the SDF and adoption by council of any subsequent amendments to the SDF, submit the following to the MEC for development planning – (i) a written notice of the decision to adopt or amend the SDF, together with the reasons for the decision, (ii) the adopted or amended SDF, and (iii) a report setting out the response of the municipality to the comments submitted in terms of section 12(4) or 13(2). If only a review of the SDF was done (i.e. no amendments made), then the municipality is not required to, and must not, submit anything to the MEC for development planning, but should submit the SDF review information adopted by council to Provincial Treasury and the Department of Environmental Affairs and Development Planning.

4. FAILURE TO APPROVE BUDGET BEFORE THE START OF BUDGET YEAR

- 4.1 In the event that an annual budget is not approved at the first meeting where the annual budget is considered for approval as per section 24 of the MFMA, section 25 of the MFMA applies as follow: *(1) If the municipality failed to approve an annual budget, including revenue- raising measures necessary to give effect to the budget, the council must reconsider the budget and again vote on the budget, or an amended version thereof within seven (7) days of the council meeting that failed to approve the budget. (2) The process provided for in subsection (1) must be repeated until a budget, including revenue-raising measures necessary to give effect to the budget, is approved. (3) If a municipality has not approved an annual budget, including revenue-raising measures necessary to give effect to the budget, by the first day (1 July) of the budget year, the Mayor must immediately comply with section 55 of the MFMA.*

4.2 It is important to note that the process outlined in section 25(2) does not extend beyond 30 June each year. Upon failing to approve the budget by the first day (**i.e. 1 July 2019**) of the applicable budget year, the Mayor must, in terms of section 55, of the MFMA immediately report the matter to the MEC for local government in that province and may recommend to the MEC appropriate provincial interventions in terms of section 139 of the Constitution.

4.3 In terms of section 26(1) of the MFMA, if a Municipality failed to adopt an annual budget by the start of the applicable financial year (i.e. 1 July), the provincial executive, **must** intervene in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget (or the revenue-raising measures) are approved. Intervening actions may include dissolving the council, appointing an administrator until a newly elected council has been declared elected, and/or approving a temporary budget to ensure the continued functioning of the municipality.

5. MUNICIPAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS (SDBIPs) AND PERFORMANCE AGREEMENTS

5.1 In terms of section 69(3) of the MFMA, the accounting officer must by no later than 14 days after the approval of an annual budget submit to the Mayor –

- a) a draft SDBIP for the budget year; and
- b) drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Local Government: Municipal Systems Act, Act No. 32 of 2000 (MSA), for the municipal manager and all senior managers.

5.2 In terms of section 53(1)(a)(ii) of the MFMA, the Mayor of a municipality must approve the municipality's SDBIP within 28 days after the approval of the budget.

5.3 Subsequently, in terms of regulation 20(2)(b) of the MBRR, the accounting officer must submit the approved SDBIP to the Provincial Treasury and National Treasury within ten working days after approval of the SDBIP by the Mayor.

5.4 Section 53(3) of the MFMA further states that the Mayor must ensure:

- a) the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the SDBIP, are made public no later than 14 days after the approval of the SDBIP; and
- b) that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's SDBIP. Copies of such performance agreements must be submitted to the council and the MEC for Local Government in the Province.

6. SUBMISSION OF THE ANNUAL BUDGETS, ASSOCIATED DOCUMENTS, IDP AND SDF

6.1 Section 24 (3) of the MFMA, read together with regulations 20(1), requires that the approved budget must be submitted to both National Treasury and the Provincial Treasury within **ten working days** after approval of the annual budget (i.e. if the council approves the annual budget on Friday **28 June 2019**, the approved budget must be submitted by **Friday 12 July 2019**).

6.2 Furthermore, as per MFMA Circular No. 94, municipal managers are required to submit:

- a) the budget documentation as set out in Schedule A (Version 6.3) of the Municipal Budget and Reporting Regulations, including the main tables (A1 - A10) and all the supporting tables (SA1 - SA38) in both printed and electronic formats;

- b) service delivery standards;
- c) the IDP;
- d) Procurement Plan;
- e) signed council resolution;
- f) signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- g) signed budget locking certificate.; and
- h) Schedules D specific for the entities.

6.3 Municipalities are reminded that the hard copies of the budget documents must be formally stamped and signed by the secretariat responsible for ensuring accurate records of council decisions (as required by MFMA Circular No. 72).

6.4 In terms of section 32 of the MSA the municipal manager of a municipality must submit a copy of the IDP as adopted by the council of the municipality, and any subsequent amendment to IDP adopted by the council, to the MEC for local government in the province within 10 days of the adoption. The copy of the IDP or amended IDP to be submitted to the MEC must be accompanied by - (i) a summary of the process referred to in section 29 (1), (ii) a statement that the process has been complied with, together with any explanations that may be necessary to amplify the statement, and (iii) in the case of a district and a local municipality, a copy of the framework adopted in terms of section 27.

6.5 In terms of section 14 of LUPA the municipal manager must, within 10 days of the adoption by council of the SDF and adoption by council of any subsequent amendments to the SDF, submit the following to the MEC for development planning – (i) a written notice of the decision to adopt or amend the SDF, together with the reasons for the decision, (ii) the adopted or amended SDF, and (iii) a report setting out the response of the municipality to the comments submitted in terms of section 12(4) or 13(2).

6.6 It will be appreciated if you can submit the budget document as follows to:

- **Hard copies of the 2019/20 approved budgets, supporting budget documentation, IDPs, SDFs and approved SDBIPs via courier:**

- To National Treasury:

For attention:

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

With hard copies of the City of Cape Town's Build Environment Performance Plan (BEPP) to also be send to: Yasmin Coovadia, National Treasury, 3rd Floor, 40 Church Square, Pretoria, 0002.

- To Provincial Treasury:

For attention:

Mr Paul Pienaar
Provincial Treasury
7 Wale Street, Room 3-50
Cape Town, 8001

With hard copies of the City of Cape Town's Build Environment Performance Plan (BEPP) to also be send to Paul Pienaar at the same address provided above.

- **Hard copies of the 2019/20 approved IDPs and SDFs (clearly marked as reviewed/ amended on cover letters) via courier:**

- To the MEC for Local Government, Environmental Affairs and Development Planning:

For attention:

Ms Bernice Labuschagne
MEC for Local Government, Environmental Affairs and Development Planning
3 Dorp Street
Utilitas Building
Cape Town, 8001

- **Electronic copies 2019/20 approved budgets, supporting budget documentation, IDPs, SDFs and approved SDBIPs:**

- to be submitted to National Treasury:

lgdocuments@treasury.gov.za or if too large (exceeds 4 MB) via lgbigfiles@gmail.com

the City of Cape Town Built Environment Performance Plan (BEPP) should be submitted to Yasmin.coovadia@treasury.gov.za or if it exceeds 4 MB to Yasmin.coovadia@gmail.com or via Dropbox

- to be submitted to Provincial Treasury:

MFMA.MFMA@westerncape.gov.za or if too large (exceeds 3 MB) must be submitted via the Western Cape Government Large Internet Files Transfer (LIFT) Server via <http://lift.pgwc.gov.za>

How to submit documents to the LIFT Server:

1. Save all the documents to be loaded onto the LIFT Server to a single folder. Highlight all the documents, right click using the "Send to" option send all the files to a single "Compressed (zipped) folder" and rename the created zipped folder with an appropriate title (e.g. "2019 Approved Budget and IDP Documents") (note: created zipped folder must not be larger than 100 MB in size; if larger than 100 MB, created multiple zipped folder and load each zipped folder separately to the LIFT Server).
2. Go to the website: <http://lift.pgwc.gov.za/>
3. Type in the email address: MFMA.MFMA
4. Browse to zipped file for uploading
5. Press: Submit

Kindly note that for security reasons the Provincial Treasury cannot access any Dropbox links.

6.7 You are kindly requested to arrange that the accompanying budget checklist (Appendix A) is completed and signed-off to ensure that the full set of budget and supporting documents are submitted.

7. OTHER IMPORTANT MATTERS

7.1 Municipalities are also reminded to comply with section 75(2) of the MFMA which states that: "A document referred to in section 75(1) of the MFMA must be placed on the (municipal) website not later than five days after its tabling in the council or on the date on which it is made public, whichever occurs first".

7.2 Municipalities are reminded to use Version 6.3 of the formats to be used by Municipalities for available from the following link:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=http%3a%2f%2fmfma%2etreasury%2egov%2eza%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2019-20&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

7.3 As per the guidance of the MFMA Budget Circular No. 93, municipalities are hereby reminded that the annual and monthly Budget reform returns (Appendix B input forms) will no longer form part of the prescribed reporting requirements as set by National Treasury. National and Provincial Treasury will from the 1 July 2019 utilise the MSCOA Data strings for submission and all publications. Municipalities are therefore urged to ensure that a system is in place for data strings submissions which are an accurate and complete reflection of the state of the municipal finances. Budgets must be accurately locked on the financial systems and measures are in place to ensure reporting periods are closed off. Municipalities must further ensure perfect alignment between the approved Annual Budget (A-schedules), Adjustment Budget (B-schedules), Schedule C and Annual Financial Statements to the submitted data strings.

7.4 Municipalities have traditionally experienced challenges with capital spending, which have, amongst other factors, been attributed to delays experienced with procurement processes. To ensure that capital budgets are implemented without delays, municipalities are urged to prepare Annual Procurement Plans for 2019/20 to complement the Implementation Plans, Capital Investment and Expenditure Frameworks to be developed as part of the Municipal Spatial Development Frameworks.

7.5 Municipalities are reminded about the Annual verification process and its therefore important to ensure alignment between A1-Schedules and the Annual Budget input forms.

7.6 Municipalities must comply with section 18 of the MFMA that prescribed that the 2019/20 MTREF Budget must be funded from realistically anticipated revenues to be collected. Hence, MFMA Circular No. 93 require that municipalities must on a quarterly basis to conduct a reconciliation of the property valuation roll data and the billing system to ensure that the revenue from property rates are realistic. This information must be submitted on a quarterly basis to National and Provincial Treasury. Below is an example of a reconciliation:

Property Numbers	Financial system	Updated GV (Including SV)	Difference	Comment
12345670000-123-856	3 000 000	-	3 000 000	Financial system overstated
12582510254-126-418	800 000	900 000	(100 000)	Financial system understated
12365896500-125-671	2 300 000	1 900 000	400 000	Financial system overstated
12589567581-123-584	851 000	700 000	151 000	Financial system understated
12584123580-251-756	300 000	400 000	(100 000)	Financial system understated
12345845123-128-851	700 000	650 000	50 000	Financial system overstated
			<u>3 401 000</u>	
Amount as per Financial System	40 991 815 861	A		
Amount as per General Valuation Roll (incl. Supplementary Valuation Roll)	<u>40 988 414 861</u>	B		
	<u>3 401 000</u>	(A-B)		

7.7 Furthermore, MFMA Circular No. 93 also require that municipalities which do maintain an indigent register and do not utilise a targeted approach, to periodically review the indigent register to verify that beneficiaries are still eligible for the subsidy that they obtain. Municipalities are also encouraged to revise their Local Economic Development strategies to have a targeted approach to alleviate the situation of indigents as part of poverty alleviation.

8. CONCLUSION

8.1 Municipalities are encouraged to ensure timeous compliance with the provisions of the MFMA, MSA, MBBR, SPLUMA and LUPA as stated above.

8.2 However, if you are unable to comply with any of the responsibilities relating to the approval of the 2019/20 annual budget and associated documents, IDP and SDBIP as set out in this Circular, you have to report such inability, together with the reasons, to the Mayor and the Provincial Treasury as stipulated in terms of section 74(2) of the MFMA. Simultaneously, the Mayor must upon, becoming aware of any impending non-compliance of any provision of the MFMA or any other legislation pertaining to the approval of the annual budget inform the MEC for Finance, in writing, of such non-compliance as required in terms of section 27(1) of the MFMA.

In conclusion, the Western Cape Government wishes you well with the finalisation and approval of your annual budget, IDP, SDBIP and associated documents.



MR ML BOOYSEN
Pp HEAD OFFICIAL: PROVINCIAL TREASURY
DATE: 24 May 2019

**LG MTEC INTEGRATED PLANNING AND BUDGETING: 2019/20 CHECKLIST
SUBMISSION OF FINAL BUDGET DOCUMENTATION**

MUNICIPALITY: _____

In completing and signing the budget documentation checklist below, the municipality confirms that Schedule A1 **complies with the Municipal Budget and Reporting Regulations (MBRR)** and that the main tables (A1 - A10) and the supporting tables (SA1 – SA38) are completed in **version 6.3** of Schedule A1 (the Excel formats) and **drawn directly from the municipal financial system**.

Please ensure that (as per MFMA Circular 72) **each page of the hard copy of the budget documentation** as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA38) and prescribed minimum narrative information that is submitted to Provincial Treasury (and National Treasury) **has been stamped and signed** by the secretariat responsible for ensuring accurate records of council decisions.

The IDP Document as set out in Section 26, 32 and 34 of the Local Government: Municipal Systems Act, No 32 of 2000 and Regulations (MSA) and Section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

Budget Documentation	Hard Copy			Soft Copy (correlates with hard copy)		
	Yes	No	N/A	Yes	No	N/A
Council Resolution in terms of the Budget						
Final Service Delivery and Budget Implementation Plan						
Procurement Plan						
Final Service Level Standards						
Signed Quality Certificate as prescribed in the MBRR						

Prescribed Minimum Budget Narrative Information	Stamped and Signed Hard Copy Budget Narrative			Soft Copy (correlates with hard copy)		
Budget Narrative						
Municipal Budget Tables: Tables A1 to A10	Stamped and Signed Hard Copy A1 – A10			Soft Copy (correlates with hard copy)		
Table A1: Budget Summary						
Table A2: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A2A: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A3: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A3A: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A4: Budgeted Financial Performance (revenue and expenditure)						
Table A5: Budgeted Capital Expenditure (by vote, standard classification & funding source)						
Table A5A: Budgeted Capital Expenditure (by vote, standard classification & funding source)						
Table A6: Budgeted Financial Position						
Table A7: Budgeted Cash Flow						
Municipal Budget Tables: Tables A1 to A10	Stamped and Signed Hard Copy A1 – A10			Soft Copy (correlates with hard copy)		
Table A8: Cash Backed Reserves/Accumulated Surplus Reconciliation						
Table A9: Asset Management						
Table A10: Basic Service Delivery Measurement						
Municipal Budget Supporting Tables: Supporting Tables SA1 to SA38	Stamped and Signed Hard Copy SA1 – SA38			Soft Copy (correlates with hard copy)		
SA1: Supporting Detail to Budgeted Financial Performance						
SA2: Matrix Financial Performance Budget (revenue source/expenditure type and department)						
SA3: Supporting Detail to Budgeted Financial Position						

Municipal Budget Supporting Tables: Supporting Tables SA1 to SA38	Stamped and Signed Hard Copy SA1 – SA38			Soft Copy (correlates with hard copy)		
SA4: Reconciliation of IDP Strategic Objectives and Budget (revenue)						
SA5: Reconciliation of IDP Strategic Objectives and Budget (operating expenditure)						
SA6: Reconciliation of IDP Strategic Objectives and Budget (capital expenditure)						
SA7: Measurable Performance Objectives						
SA8: Performance Indicators and Benchmarks						
SA9: Social, Economic and Demographic Statistics and Assumptions						
SA10: Funding Measurement						
SA11: Property Rates Summary						
SA12a: Property Rates by Category (current year)						
SA12b: Property Rates by Category (budget year)						
SA13a: Service Tariffs by Category						
SA13b: Service Tariffs by Category (explanatory)						
SA 14: Household Bills						
Municipal Budget Supporting Tables: Supporting Tables SA1 to SA38	Stamped and Signed Hard Copy SA1 – SA38			Soft Copy (correlates with hard copy)		
SA15: Investment Particulars by Type						
SA16: Investment Particulars by Type						
SA17: Borrowing						
SA18: Transfers and Grant Receipts						
SA19: Expenditure on Transfers and Grant Programme						
SA20: Reconciliation of Transfers, Grant Receipts and Unspent Funds						
SA21: Transfers and Grants made by the Municipality						
SA22: Summary Councillor and Staff Benefits						
SA23: Salaries, Allowances and Benefits (political office bearers/councillors/senior managers)						
SA24: Summary of Personnel Numbers						
SA25: Budgeted Monthly Revenue and Expenditure						
SA26: Budgeted Monthly Revenue and Expenditure (municipal vote)						

SA27: Budgeted Monthly Revenue and Expenditure (standard classification)						
SA28: Budgeted Monthly Capital Expenditure (municipal vote)						
SA29: Budgeted Monthly Capital Expenditure (standard classification)						
SA30: Budgeted Monthly Cash Flow						
SA31: Aggregated Entity Budget (where applicable)						
SA32: List of External Mechanisms						
SA33: Contracts having Future Budgetary Implications						
SA34a: Capital Expenditure on New Assets by Asset Class						
Municipal Budget Supporting Tables: Supporting Tables SA1 to SA38	Stamped and Signed Hard Copy SA1 – SA38			Soft Copy (correlates with hard copy)		
SA34b: Capital Expenditure on the Renewal of Existing Assets by Asset Class						
SA34c: Repairs and Maintenance Expenditure by Asset Class						
SA34d: Depreciation by Asset Class						
SA34e: Upgrading of Existing Infrastructure						
SA35: Future Financial Implications of the Capital Budget						
SA36: Detail Capital Budget						
SA37: Projects Delayed from Previous Financial Years						
SA38: Consolidated Detail Operational Projects						
Budget Related Policies	Hard copies			Soft Copy (correlates with hard copy)		
Information on any amendments to budget related policies						
Suite of budget related policies	<i>Soft copies only</i>					

IDP and Related Documentation	Hard copies			Soft Copy (correlates with hard copy)		
Council Resolution in terms of the IDP						
Final Integrated Development Plan						
Process Plan/Time schedule according to Section 29 of the MSA read in conjunction with Section 21 (b) of the MFMA						

Name: _____

Signature: _____

Date: _____