

Minutes
Ordinary Council Meeting
25 January 2024

C.15.8 FINANCIAL QUARTERLY REPORT FOR THE QUARTER ENDING 31 DECEMBER 2023 IN TERMS OF SECTION 52(d) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003) (9/1/2/1)

PURPOSE OF SUBMISSION

That Council consider to take cognisance of the financial quarterly report for the quarter ending 31 December 2023 in terms of section 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

BACKGROUND

In terms of section 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the mayor of a municipality must:

(d) Within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial affairs of the municipality.

The IDP as well as the Business Plans, as approved by the Executive Mayor, gives effect to the Budget and Service Delivery and Budget Implementation Plan (SDBIP). In order for Council to effectively play its oversight role and ensure compliance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), as prescribed in Chapter 7, the mayor must submit a finance and budget implementation report to the council on a quarterly basis. Furthermore, the mayor must take appropriate action to identify and resolve any financial problems that are evident.

Included in the agenda, separately, are the following financial reports:

***** Annexure A – Mid-Year Financial Management Report – December 2023**

1. Mid-Year Report for the period ending 31 December 2023 (Sections 52(d), 71 and 72).

***** Annexure B - Financial Report of Cape Winelands District Municipality 2023/2024**

2. Budget vs. Actual Expenditure per Strategic Objective – 2023/2024
3. Budget vs. Actual Expenditure per Category - 2023/2024
4. Budget vs. Actual Income per Strategic Objective – 2023/2024
5. Detailed Budget vs. Actual Expenditure and Actual Income per Strategic Objective – 2023/2024
6. Budget vs. Actual Project Expenditure – 2023/2024

Minutes
Ordinary Council Meeting
25 January 2024

7. Budget vs. Capital Expenditure – 2023/2024
8. Detailed Debtors Age Analysis – 2023/2024
9. Disclosures in terms of the Municipal Supply Chain Management Regulation 36(2)
10. Performance Review Report – 2023/2024

Annexure C

11. MSCOA report for the period ending 31 December 2023

Annexure D

12. Cost Containment Measures – 2023/2024

COMMENTS

In terms of section 69 of the MFMA the accounting officer is responsible for implementing the approved budget of council and must properly monitor and report on all revenue and expenditure patterns as projected in the budget.

The recommendations and inputs made during the meeting of the Municipal Public Accounts Committee (MPAC) held on Tuesday, 23 January 2024 will be presented by the Chairperson of the Municipal Public Accounts Committee (MPAC) during the Council meeting.

RECOMMENDATION BY MUNICIPAL MANAGER:

That the Municipal Public Accounts Committee (MPAC) take cognisance of the financial quarterly report for the quarter ending 31 December 2023, in terms of section 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), included in the agenda under separate cover, and to make recommendations to Council.

RECOMMENDATION BY EXECUTIVE MAYOR:

That Council take cognisance of the financial quarterly report for the quarter ending 31 December 2023, in terms of section 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), included in the agenda under separate cover.

Minutes
Ordinary Council Meeting
25 January 2024

COUNCIL MEETING: 25 JANUARY 2024: ITEM C.15.8

RESOLVED (30 Councillors) (Unanimous) :

That cognisance be taken of –

- (a) The financial quarterly report for the quarter ending 31 December 2023, in terms of section 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), included in the agenda under separate cover;
- (b) The report by Councillor M.H. Yabo who acted as Chairperson of the meeting of the Municipal Public Accounts Committee (MPAC) that was held on 24 January 2024, attached as Annexure “A” to the minutes.

Minutes
Ordinary Council Meeting
25 January 2024

C.15.9 REPORT ON THE MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT IN TERMS OF SECTIONS 52(d), 54, 71 AND 72 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003) (MFMA) FOR THE PERIOD 1 JULY 2023 TO 31 DECEMBER 2023 (5/1/1)

PURPOSE OF SUBMISSION

That Council consider to take cognisance of the mid-year budget and performance assessment in terms of sections 52(d), 54, 71 and 72 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) for the period 1 July 2023 to 31 December 2023 as well as the Executive Mayor's concurrence with the Accounting Officer's recommendations.

BACKGROUND

Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) determines that the accounting officer of a municipality must by no later than 25 January of each year:

- (a) Assess the performance of the municipality during the first half of the financial year, taking into account-
 - (i) The monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) The municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) The past year's annual report and progress on resolving problems identified in the annual report; and
 - (iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account the mid-year budget and performance assessment from such entities; and

- (b) submit a report on such assessment to –
 - (i) The mayor of the municipality;
 - (ii) The National Treasury; and
 - (iii) The relevant provincial treasury.

Minutes
Ordinary Council Meeting
25 January 2024

The accounting officer must, as part of the review –

- (a) Make recommendations as to whether an adjustments budget is necessary; and
- (b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

In terms of section 54(1)(f) of the MFMA the executive mayor must submit the Section 72 report to the council by 31 January of each year.

Included under Item C.15.8 of the Agenda as Annexure “B” is a copy of the Section 72 Report of the Cape Winelands District Municipality, consisting of the following:

1. Expenditure per strategic objective until 31 December 2023;
2. Expenditure per category until 31 December 2023;
3. Income report per strategic objective until 31 December 2023;
4. Detailed Expenditure and Income report per strategic objective until 31 December 2023;
5. Projects expenditure report until 31 December 2023;
6. Capital Expenditure until 31 December 2023;
7. Detailed Debtors Age Analysis until 31 December 2023;
8. Disclosures in terms of the Municipal Supply Chain Management Regulation 36(2);
9. Performance Review Report – 2023/2024.

COMMENT

The accounting officer assessed the performance of the municipality for the period 1 July 2023 to 31 December 2023 and report as follows on –

(a) Monthly reports in terms of section 71 of the MFMA

Included under Item C.15.8 of the Agenda as Annexure “A” is a copy of the Mid-Year Report for the period ending 31 December 2023 (sections 52(d), 71 and 72).

(b) MSCOA Report for the period ending 31 December 2023

Included under Item C.15.8 of the Agenda as Annexure “C”.

(c) Cost Containment Measures 2023/2024

Included under Item C.15.8 of the Agenda as Annexure “D”

Minutes
Ordinary Council Meeting
25 January 2024

(d) Recommendation of the Municipal Manager to the Mayor in terms of sections 52(d), 54, 71 and 72 that an Adjustments Budget for the 2023/2024 financial year be submitted to Council for approval

Included under Item C.15.8 of the Agenda as Annexure “E” is a copy of the recommendation that an Adjustments Budget be submitted to Council for approval.

RECOMMENDATION BY MUNICIPAL MANAGER:

That Council takes cognisance of the mid-year budget and performance assessment in terms of sections 54 and 72 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) for the period 1 July 2023 to 31 December 2023, attached as Annexures “A” to “D” to the agenda item as well as the Executive Mayor’s concurrence with the Accounting Officer’s recommendation, Annexure “E”, that –

- (a) An Adjustments Budget for the 2023/2024 financial year be submitted to the Council for approval;
- (b) The relevant service delivery targets and performance indicators in the service delivery and budget implementation plan be adjusted and submitted to the Council for approval; and
- (c) In terms of section 72(1)(b)(ii) and (iii) of the MFMA, the report be submitted to the National Treasury and the relevant Provincial Treasury.

COUNCIL MEETING: 25 JANUARY 2024: ITEM C.15.9

RESOLVED (30 Councillors) (Unanimous) :

That cognisance be taken of –

- (a) The mid-year budget and performance assessment in terms of sections 54 and 72 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) for the period 1 July 2023 to 31 December 2023, attached as Annexures “A” to “D” to the agenda item as well as the Executive Mayor’s concurrence with the Accounting Officer’s recommendation, Annexure “E”, that –
 - (i) An Adjustments Budget for the 2023/2024 financial year be submitted to the Council for approval;
 - (i) The relevant service delivery targets and performance indicators in the service delivery and budget implementation plan be adjusted and submitted to the Council for approval; and

Minutes
Ordinary Council Meeting
25 January 2024

- (ii) In terms of section 72(1)(b)(ii) and (iii) of the MFMA, the report be submitted to the National Treasury and the relevant Provincial Treasury;
- (b) The report by Councillor M.H. Yabo who acted as Chairperson of the meeting of the Municipal Public Accounts Committee (MPAC) that was held on 24 January 2024, attached as Annexure "A" to the minutes.