

C.15.2 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 2022 TO 31 DECEMBER 2022 (5/1/1)

PURPOSE OF SUBMISSION

That Council take 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 2022 to 31 December 2022, attached as Annexures “A” to “E” to the agenda item and consider to approve the recommendation by the Accounting Officer, as concurred to by the Executive Mayor, Annexure “F”, that –

- (i) An Adjustments Budget for the 2022/2023 financial year be submitted to 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
- (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.

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

Council Meeting
26 January 2023

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

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.15.1 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 2022;
2. Expenditure per category until 31 December 2022;
3. Income report per strategic objective until 31 December 2022;
4. Detailed Expenditure and Income report per strategic objective until 31 December 2022;
5. Projects expenditure report until 31 December 2022;
6. Capital Expenditure until 31 December 2022;
7. Detailed Debtors Age Analysis until 31 December 2022;
8. Disclosures in terms of the Municipal Supply Chain Management Regulation 36(2);
9. Performance Review Report – 2022/2023.

COMMENT

The accounting officer assessed the performance of the municipality for the period 1 July 2022 to 31 December 2022 and report as follows on –

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

Included under Item C.15.1 of the Agenda as Annexure “A” is a copy of the Mid-Year Report for the period ending 31 December 2022 (Sections 52(d), 71 and 72).

(b) MSCOA Report for the period ending 31 December 2022

Included under Item C.15.1 of the Agenda as Annexure “C”.

(c) Cost Containment Measures 2022/2023

Included under Item C.15.1 of the Agenda as Annexure “D”.

(d) Service delivery performance, service delivery targets and performance indicators

Included under Item C.15.1 of the Agenda as Annexure “E” is a copy of the predetermined objectives.

(e) Recommendation of the Municipal Manager to the Mayor in terms of sections 52(d), 54, 71 and 72 that an Adjustments Budget for the 2022/2023 financial year be submitted to Council for approval

Included under Item C.15.1 of the Agenda as Annexure “F” is a copy of the recommendation that an Adjustments Budget be submitted to Council for approval.

RECOMMENDATION BY MUNICIPAL MANAGER: That –

- (a) Council take 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 2022 to 31 December 2022, attached as Annexures “A” to “E” to the agenda item;
- (b) Council consider to approve the recommendation by the Accounting Officer, as concurred to by the Executive Mayor, Annexure “F”, that –
 - (i) An Adjustments Budget for the 2022/2023 financial year be submitted to Council for approval;
 - (ii) 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
 - (iii) 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: 26 JANUARY 2023: ITEM C.15.2

RESOLVED: (34 Councillors) That –

- (a) Cognisance be taken 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 2022 to 31 December 2022, attached as Annexures “A” to “E” to the agenda item;

Council Meeting
26 January 2023

- (b) Approval be granted for the recommendation by the Accounting Officer, as concurred to by the Executive Mayor, attached as Annexure “F” to the agenda item, that –
 - (i) An Adjustments Budget for the 2022/2023 financial year be submitted to Council for approval;
 - (ii) 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
 - (iii) 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.