

OVERVIEW OF ANNUAL BUDGET PROCESS

1. The process followed in compiling the 2010/2011 Budget can be summarized as follows:

- (a) Council adopted a Budget Timetable on 31 August 2009. However, regrettably the dates as stipulated in the Budget Timetable could not always be adhere to due to COGTA's community consultation process regarding the demarcation of Matatiele which clashed with certain dates as well as certain provincial programmes which clashed with Matatiele's outreach program. The Budget Timetable is attached;
- (b) The Budget & Finance Standing Committee compiled Budget Assumptions and recommended same to Council for adoption. During this meeting the Budget, Tariff, Rates, Indigent and SCM policies were reviewed. No amendments were recommended as the policies were approved less than 4 months prior to this meeting;
- (c) The CFO presented the Budget Assumptions and Guidelines to the General Managers in October 2009;
- (d) IDP Outreaches were held in December 2009. Councillors, Managers and support staff were divided in six (6) teams and all wards were visited during one (1) week.
- (e) In February 2010 a Strategic Planning Workshop was held in Durban during which Standing Committees in their various commissions developed their respective KPA's and objectives for 2010/2011;
- (f) The Budget Office compiled a Draft Budget which was presented to Management, the Budget & Finance Standing Committee and EXCO during March 2010;
- (g) The Draft Budget for 2010/2011 was table at Council by the Mayor on 31 March 2010;
- (h) The Draft Budget was submitted to Provincial Treasury on 31 March 2010 and to National Treasury on 09 April 2010;
- (i) On 24 – 26 March 2010 DLGTA and COGTA visited Matatiele to compile a Local Government Turn Around Strategy (LGTAS). The request was that where possible, the elements of the LGTAS must be included in the 2010/2011 Budget;
- (j) Management and support staff did an Asset Verification Exercise during 3 to 7 May 2010. All wards were visited and maintenance requirements and strategies were recorded for inclusion in the Budget;
- (k) On the weekend of 7 & 8 May 2010 Management held a Lekgotla to discuss the LGTAS, the outcome of the Asset Verification Exercise, the Organogram and to align the Budget with the IDP; and

(l) On Friday 14 May 2010 the Mayor convened a meeting of the Budget Steering Committee during which the CFO gave a presentation on the legal framework of the budget;

(m) On Friday 21 May 2010 the Chairperson of the Budget and Finance Standing Committee tabled a report to Exco regarding the status of the Budget 2010 / 2011. Exco considered the Chairperson's and Management's recommendations and Stakeholders input regarding the Budget.

(n) On the 23 May 2010 Management met and amended the budget after considering Exco's input as discussed at its meeting held on 21 May 2010.

(o) On the 31 May 2010 Council considered and adopted the IDP, Budget, Tariffs and all budget related schedules and policies. CR541/31/05/2010.

2. Input from Stakeholders

The following input was received:

(a) National Treasury

- (i) Grants must equal those as indicated by DoRA, especially MIG.
- (ii) Big variances between previous years figures and current years figures must be verified; and
- (iii) The Budget Document must comply with the new format, e.g. Mayors Report, Municipal Managers Quality Certificate and support schedules must be attached.

(b) Certain Ward Residents

- (i) Certain maize fields to be fenced.

(c) General input during Outreaches

- (i) The Budget must be ward based; and
- (ii) The Budget must indicate all programmes and activities that will be held in the wards.