

# UGU – SOUTH COAST TOURISM (PTY) LTD

“The Entity”



## BUDGET POLICY

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## 1. DEFINITIONS

1.1 In this Policy, unless the context indicates otherwise, the following definitions are applied:-

**“Accounting Officer”** means the Chief Executive Officer of South Coast Tourism

**“Board of Directors”** means individuals elected as representatives to oversee the management of the South Coast Tourism,

**“Budget Year”** means the financial year of the municipal entity for which an annual budget is to be approved in terms of section 16(1) of the MFMA,

**“Council”** means Council of the Parent Municipality

**“Current year”** means the financial year, which has already commenced, but not yet ended,

**“Entity”** refers to the South Coast Tourism (Pty) Ltd.

**“Financial year”** means a twelve month period commencing on 1 July and ending on 30 June each year,

**“Financial Agreement”** includes any loan agreement, lease and installment purchase contract or hire purchase arrangement under which a municipal entity undertakes to repay a long-term debt over a period of time.

**“GM Finance and HR”** in this policy will mean the Chief Financial Officer of South Coast Tourism,

**“Parent Municipality”** for the purpose of this Policy it means Ugu District Municipality.

## **2. POLICY OBJECTIVES**

The objective of this Policy is to set out the budgeting principles which the Entity must follow in preparing each annual budget, as well as the responsibilities of the Chief Executive Officer and GM: Finance and HR in compiling such budget.

## **3. LEGAL COMPLIANCE**

The Entity shall at all times manage its expenditure and conduct its cash management policy in compliance with the provisions of and any further prescriptions made by the Minister of Finance in terms of the Municipal Finance Management Act No. 56 of 2003. This policy must be read with the MFMA and the regulations promulgated under the Act.

## **4. BUDGETING PRINCIPLES**

### **4.1 Capital Budgets**

- a) The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year and cost value of more than R10 000.
- b) Zero-based budgeting shall be used, except in cases of contractual commitment that would span over more than one year.
- c) The budget will be funded from funds allocated by the Parent Municipality; cash backed accumulated funds not committed for other purposes and borrowed funds.
- d) The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analysed when the annual capital budget is being compiled.

### **4.2 Operational Budget**

- a) The operational budget refers to the funds that would be raised in the delivery of services, grants & subsidies and any other services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the Entity.
- b) The incremental approach to budgeting is used in preparing the annual operating budget, except in cases where a contractual commitment has been made that would span over more than one financial year. In these instances the zero based method will be followed.

### **4.3 Operating Budget Categories**

The following expenditure categories shall be accommodated in the operating budget.

#### 4.3.1 Salaries, Wages and Allowances.

The budget for salaries and allowances shall be separately prepared and shall not exceed the parameter (percentage) of the aggregate operating budget component of the annual or adjustments budget, the parameters as may be contained in the budget circular issued by National Treasury from time to time (currently between 25% to 40%). If the salary budget, exceed the parameter (percentage) of the aggregate operating budget as issued by National Treasury the Entity will be advised and provided with reasons and remedial action. The remuneration of Directors and other office bearers shall be excluded from this limit.

#### 4.3.2 Other general expenditures

A percentage growth for all other general expenditure will be based on the percentage determined by GM: Finance and HR in line with prevailing growth rates and the Consumer Price Index (CPIX).

#### 4.3.3 Repairs and Maintenance

The Entity shall adequately provide in each annual and adjustments budget for the maintenance of its fixed assets in accordance with its asset management policy. At least 8% of the property, plant and equipment and investment property carrying value component of each annual and adjustments budget shall be set aside for such maintenance (This is in line with Circular No. 71 of National Treasury).

#### 4.3.4 Depreciation and finance charges together shall not exceed 20% of the aggregate expenses budgeted for in the operating budget component of each annual or adjustments budget.

### **5. BUDGETING PROCEDURES**

4.1 The Board of Directors of the Entity must for each financial year submit a proposed budget for the entity to its parent municipality not later than 150 days before the start of the entity's financial year, or earlier if requested by the parent municipality.

4.2 The parent municipality must consider the proposed budget of the Entity and assess the Entity's priorities and objectives. If the parent municipality makes any recommendations on the proposed budget, the Board of Directors must consider those recommendations and, if necessary submit a revised budget to the parent municipality no later than 100 days before the start of the financial year.

- 4.3 The Mayor of the parent municipality must table the proposed budget of the Entity in the Council when the annual budget of the municipality for the relevant year is tabled.
- 4.4 The Board of Directors of the Entity must approve the budget of the Entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the Council of the parent municipality.
- 4.5 The budget of a the Entity must –
- a. Be balanced
  - b. Be consistent with any service delivery agreement or other agreement between the Entity and the parent municipality
  - c. Be within the limits determined by the parent municipality, including any limits on tariffs, revenue, expenditure and borrowing;
  - d. Include a multi-year business plan for the Entity that –
    - i. sets key financial and non-financial performance objectives and measurement criteria as agreed with the parent municipality;
    - ii. is consistent with the budget and integrated development plan of the ~~entity's~~ parent municipality
    - iii. reflects actual and potential liabilities and commitments, including particulars of any proposed borrowing of money during the period to which the plan relates; and
  - e. Otherwise comply with the requirements of section 17(1) and (2) to the extent that such requirements can reasonably be applied to the Entity.
- 4.6 The Board of Directors of the Entity may, with the approval of the Mayor, revise the budget of the Entity, but only for the following reasons:
- a. To adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
  - b. To authorise expenditure of any additional allocations to the Entity from its parent municipality;
  - c. To authorise, within a prescribed framework, any unforeseeable and unavoidable expenditure approved by the mayor of the parent municipality;
  - d. To authorise any other expenditure within a prescribed framework.
- 4.7 Any projected allocation to the Entity from its parent municipality must be provided for in the annual budget of the parent municipality, and to the extent not so provided, the entity's budget must be adjusted.

- 4.8 The Entity may incur expenditure only in accordance with its approved budget or an adjustments budget.
- 4.9 The Mayor must table the budget or adjusted budget and any adjustments budget of the Entity as approved by its Board of Directors, at the next council meeting of the municipality. The Entity's approved budget or adjusted budget must be made public insubstantially the same way as the budget of a municipality must be made public.
- 4.10 The Accounting Officer of the Entity must by no later than seven working days after the end of each month submit to the Accounting Officer of the parent municipality a statement in the prescribed format on the state of the entity's budget reflecting the following particulars for that month and for the financial year up to the end of that month:
- a. Actual revenue, per revenue source;
  - b. Actual borrowings;
  - c. Actual expenditure;
  - d. Actual capital expenditure;
  - e. The amount of any allocations received;
  - f. Actual expenditure on those allocations, excluding expenditure on allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
  - g. when necessary, an explanation of—
    - i. any material variances from the Entity's projected revenue by source, and from the Entity's expenditure projections;
    - ii. any material variances from the service delivery agreement and the business plan; and
    - iii. any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the Entity's approved budget.
- 4.11 The statement must include a projection of revenue and expenditure for the rest of the financial year, and any revisions from initial projections.
- 4.12 The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the Entity's approved budget.
- 4.13 The statement to the Accounting Officer of the parent municipality must be on a hardcopy format (signed document) and in electronic format.

## **6. EXPENDITURE MANAGEMENT**

6.1 As per Chapter 10, of the MFMA, Section 99

6.1.1 The Accounting Officer of a municipal Entity is responsible for the management of the expenditure of the Entity.

6.1.2 The Accounting Officer must for the purpose of subsection (1) take all reasonable steps to ensure –

- (a) That the Entity has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
- (b) That all money owing by the Entity is paid within 30 days of receiving the relevant invoice or statement unless prescribed otherwise for certain categories of expenditure;
- (c) That the Entity has and maintains a management, accounting and information system which -
  - (i) recognises expenditure when it is incurred;
  - (ii) accounts for creditors of the Entity; and
  - (iii) accounts for payments made by the Entity;
- (d) That the Entity has and maintains a system of internal control in respect of creditors and payments;
- (e) That payments by the Entity are made -
  - (i) Directly to the person to whom it is due unless agreed otherwise or reasons as may be prescribed; and
  - (ii) Either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;
- (f) That the Entity complies with its tax, duty, pension, medical aid, audit fees and other statutory commitments;
- (g) That the Entity's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework;
- (h) That the Entity has and implements a supply chain management policy in accordance with section 111 of the MFMA in a way that is fair, equitable, transparent and cost effective.

## **7. BUDGET IMPLEMENTATION**

7.1 As per Chapter 10 the MFMA, section 100:

7.1.1 The Accounting Officer of a municipal Entity is responsible for implementing the Entity's budget, including taking effective and appropriate steps to ensure that –



- (a) The spending of funds is in accordance with the budget;
- (b) Revenue and expenditure are properly monitored; and
- (c) Spending is reduced as necessary when revenue is anticipated to be less than the projected budget.

## **8. MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT**

8.1 The Accounting Officer of the Entity must by 20 January of each year—

- (a) assess the performance of the Entity during the first half of the financial year, taking into account— the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the parent municipality; and the Entity's annual report for the past year, and progress on resolving problems identified in the annual report; and
- (b) submit a report on such assessment to—
  - (i) The board of directors of the entity; and
  - (ii) The parent municipality of the Entity.

8.2 The report referred to in subsection (1) above must be made public.

## **9. SUPPLY CHAIN MANAGEMENT**

Each head of department shall ensure that such department's expenditure is compliant to the Entity's Supply Chain Management Policy.

## **10. EXPENDITURE PROCESS**

10.1 Identify the need

10.2 Is this in accordance to the Approved budget

10.3 Request for quotation written and approval by relevant General Manager

10.4 Once quotations received, then a Purchase Order may be prepared and approved by relevant General Manager.

- i) Strict SCM guidelines must be followed in appointing the service provider

10.5 All Purchase orders to be submitted to the Finance office who will collate documentation.

10.6 Signed invoice confirming receipt of order submitted to the Finance Office for payment.

- i) SMME payments to be effected within 7 working days of supplying relevant tax invoice;
- ii) Normal creditor payments to be effected within 30 days of supplying relevant tax invoice and or statement.

10.7 All payments will be made electronically into the specified bank account of the service provider.

**11. COMPLIANCE AND ENFORCEMENT**

- a. Violation of or non-compliance with this Policy may give a just cause of disciplinary steps to be taken.
- b. It will be the responsibility of Accounting Officer to enforce compliance with this Policy.

**12. EFFECTIVE DATE**

The Policy shall come to effect upon approval by the Board of Directors.

**13. POLICY ADOPTION**

This policy has been considered and approved by the **BOARD OF SOUTH COAST TOURISM** as follows:

Board Resolution No:.....

Approval Date:.....

**ANNEXURE I: LEGAL REQUIREMENTS**

MUNICIPAL FINANCE MANAGEMENT ACT

Section 87 Budget of the Municipal Entity

The board of directors of a municipal entity must for each financial year submit a proposed budget for the entity to its parent municipality not later than 150 days before the start of the entity’s financial year or earlier if requested by the parent municipality.

The parent municipality must consider the proposed budget of the entity and assess the entity’s priorities and objectives. If the parent municipality makes any recommendations on the proposed budget, the board of directors of the entity must consider those

recommendations and, if necessary, submit a revised budget to the parent municipality not later than 100 days before the start of the financial year.

The mayor of the parent municipality must table the proposed budget of the municipal entity in the council when the annual budget of the municipality for the relevant year is tabled.

The board of directors of a municipal entity must approve the budget of the municipal entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality.

The budget of a municipal entity must—

- be balanced;
- be consistent with any service delivery agreement or other agreement between the entity and the entity's parent municipality;
- be within any limits determined by the entity's parent municipality, including any limits on tariffs, revenue, expenditure and borrowing;
- include a multi-year business plan for the entity that—
  - (i) sets key financial and non-financial performance objectives and measurement criteria as agreed with the parent municipality;
  - (ii) is consistent with the budget and integrated development plan of the entity's parent municipality;
  - (iii) is consistent with any service delivery agreement or other agreement between the entity and the entity's parent municipality; and
  - (iv) reflects actual and potential liabilities and commitments, including particulars of any proposed borrowing of money during the period to which the plan relates; and
- otherwise comply with the requirements of section 17(1) and (2) to the extent that such requirements can reasonably be applied to the entity. The board of directors of a municipal entity may, with the approval of the mayor, revise the budget of the municipal entity, but only for the following reasons:
  - To adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
  - to authorise expenditure of any additional allocations to the municipal entity from its parent municipality;
  - to authorise, within a prescribed framework, any unforeseeable and unavoidable expenditure approved by the mayor of the parent municipality;
  - to authorise any other expenditure within a prescribed framework.

Any projected allocation to a municipal entity from its parent municipality must be provided for in the annual budget of the parent municipality, and to the extent not so provided, the entity's budget must be adjusted.

A municipal entity may incur expenditure only in accordance with its approved budget or an adjustments budget.

The mayor must table the budget or adjusted budget and any adjustments budget of a municipal entity as approved by its board of directors, at the next council meeting of the municipality.

A municipal entity's approved budget or adjusted budget must be made public in substantially the same way as the budget of a municipality must be made public.

The accounting officer of a municipal entity must by no later than seven working days after the end of each month submit to the accounting officer of the parent municipality a statement in the prescribed format on the state of the entity's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

Actual revenue, per revenue source;

- actual borrowings;
- actual expenditure;
- actual capital expenditure;
- the amount of any allocations received;
- actual expenditure on those allocations, excluding expenditure on allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- when necessary, an explanation of—
  - (i) any material variances from the entity's projected revenue by source, and from the entity's expenditure projections;
  - (ii) any material variances from the service delivery agreement and the business plan; and
  - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the entity's approved budget.

The statement must include a projection of revenue and expenditure for the rest of the financial year, and any revisions from initial projections.

The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the entity's approved budget.

The statement to the accounting officer of the municipality must be in the format of a signed document and in electronic format.

#### Section 88 Mid-year budget and performance assessment

The accounting officer of a municipal entity must by 20 January of each year—

- assess the performance of the entity during the first half of the financial year, taking into account—
- the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and
- the entity's annual report for the past year, and progress on resolving problems identified in the annual report; and
- submit a report on such assessment to—
  - (i) The board of directors of the entity; and
  - (ii) The parent municipality of the entity.

A report referred must be made public.

<b>SUMMARISED TIMETABLE</b>
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*NOTE: DATES IN BRACKETS ARE PUTATIVE*

<b>FINAL DATE</b>	<b>ACTION BY MUNICIPALITY</b>	<b>ACTION BY MUNICIPAL ENTITY</b>
31 August	Table in council timetable for preparation of coming year's annual budget	-
20 January	-	Assess current year's budget performance and submit report to board of directors and municipality
25 January	Assess current year's budget performance	-
31 January	Table assessment report in council	-
31 January or earlier	-	Submit proposed budget for coming year to municipality
(31 January)	Consider municipal entity's proposed budget for coming year and make recommendations	-
(31 January or earlier)	Table municipal entity's adjustments budget for coming year	Submit adjustments budget for current year to municipality and make budget public
(Between 31 January and 31 March)	Table municipality's adjustments budget for current year and changes to service delivery targets and KPIs	-
(Between 31 January and 31 March)	Make public (adjustments budget and) revisions to service delivery and budget implementation plan for current year	-
Mid-March	-	Submit revised budget for coming year to municipality
31 March	Table municipality's draft budget for coming year	-
31 March	Table municipal entity's revised budget for coming year	-
<b>FINAL DATE</b>	<b>ACTION BY MUNICIPALITY</b>	<b>ACTION BY MUNICIPAL ENTITY</b>
Immediately after 31 March	Make public draft budget for coming year and invite submissions from community, provincial treasury and others	-
Before 31 May	Respond to submissions and revise draft budget for coming year	-
31 May	Consider approval of budget for coming year and attendant resolutions	Approve revised budget for coming year and make budget public
30 June	Budget for coming year and attendant resolutions must be approved by 30 June. Approved budget	-

	of entity must be tabled.	
Early June to early July: immediately after budget approved	Submit budget to national treasury and provincial treasury	-
Early June to early July: immediately after approval dates	Place on website annual budgets and all budget-related documents	-
Mid June to mid July: 14 days after budget approved	Finalise draft service delivery and budget implementation plan and draft performance agreements	-
Late June to late July: 28 days after budget approved	Approve service delivery and budget implementation plan	-
Late June to late July: 28 days after budget approved	Conclude performance agreements	-
Mid July to mid August: 14 days after service delivery and budget implementation plan approved	Make public projections of revenues and expenses for each month of coming year, service delivery targets for each quarter, and performance agreements	-

### **DETAILED BUDGET TIMETABLE**

<b>Section of Municipal Finance Management Act No. 56 of 2003</b>	<b>Date by which action must be completed</b>	<b>Action required</b>	<b>Responsible party</b>	<b>Practical considerations</b>
21(1)(b)	31 August	Mayor must at least 10 months before start of budget year table in council time schedule outlining key deadlines for <ul style="list-style-type: none"> <li>- preparation, tabling and approval of annual budget</li> <li>- annual review of IDP</li> <li>- annual review of budget-related policies</li> <li>- tabling and adoption of any amendments to IDP and budget-related policies</li> <li>- any consultative processes forming part of foregoing</li> </ul>	Mayor	Time schedule must either fit in with already scheduled council meetings or must indicate when special council meetings must be scheduled.
Section 88	20 January	Accounting officer of municipal entity must assess entity's budgetary and financial performance for first six months of financial year, and submit assessment report to board of directors and parent municipality.	Accounting Officer Municipal Entity	

Section of Municipal Finance Management Act No. 56 of 2003	Date by which action must be completed	Action required	Responsible party	Practical considerations
72(1), (2) and (3)	25 January	Accounting officer of municipality must assess budgetary and financial performance of municipality for first six months of financial year, make recommendations on whether adjustments budget necessary, and recommend revised projections for revenues and expenses. This assessment must be submitted to the mayor, national treasury and the provincial treasury (presumably immediately).	Accounting Officer	
54(1)(f)	31 January	Mayor must submit accounting officer's report to council.	Mayor	Special council meeting may have to be scheduled.
87	31 January or earlier if so requested by parent municipality	Board of directors of municipal entity must submit to parent municipality proposed budget for entity for ensuing financial year.	Board of Directors of Entity	It is not clear to what person or structure in the parent municipality this budget must be submitted.  However, it makes good sense for the council of the municipality to consider this budget at the same meeting that it considers the municipality's own proposed adjustments budget.

Section of Municipal Finance Management Act No. 56 of 2003	Date by which action must be completed	Action required	Responsible party	Practical considerations
87	(31 January to mid-March)	Parent municipality must consider proposed budget, and make any necessary recommendations.	Council	It is not clear what person or structure in the parent municipality must perform this action, but the council seems the logical party. It would also make sense for the council to consider this budget by 31 January.
87	(Tabled in council by 31 January)	Board of directors of entity may, with approval of mayor of parent municipality, revise budget of entity for certain prescribed reasons. Adjustments budget once approved by board of directors of entity must be tabled by mayor at next meeting of council of parent municipality. Adjustments budget must be made public.	Board of Directors and Mayor of parent municipality	Evidently such an adjustments budget may be prepared at any stage. It would make good sense, however, for the parent municipality to insist that the entity's revised budget be prepared and submitted to the mayor at the same time that or before the entity's proposed budget for the new financial year is considered. Again the potential problem of different parent municipalities having different views will have to be resolved by (presumably) the mayors considered.



Section of Municipal Finance Management Act No. 56 of 2003	Date by which action must be completed	Action required	Responsible party	Practical considerations
54(1) and (2)	(Between 31 January and 31 March)	If municipality faces "serious financial problems" mayor must "promptly" respond to and initiate remedial steps proposed by accounting officer, including steps to reduce expenses and tabling of adjustments budget. Mayor must also consider revisions to service delivery and budget implementation plan. (Note that only council may approve changes to service delivery targets and KPIs – these changes must therefore be tabled with the adjustments budget).	Mayor	Adjustments budgets may be prepared by the accounting officer, and tabled in council by the Mayor "when necessary". They must be so prepared and tabled (within prescribed limits as to timing and frequency) whenever material adjustments to expenses or revenues are required, and not only when "serious financial problems" are looming. In general, adjustments budgets should preferably be tabled by or as soon as possible after 31 January, and certainly not later than 31 March when the draft annual budget for the next year is first tabled.
54(3)	(Between 31 January and 31 March)	Mayor must ensure that revisions to service delivery and budget implementation plan are "promptly" made public. (Note that no concomitant revision of performance agreements is evidently envisaged).	Mayor	Presumably the accounting officer must make these revisions for the mayor's approval as part of the process of adjusting the annual budget. The deadline for these revisions must be by or as soon as possible after 31 January, but certainly not later than 31 March. See also 54(1) and (2).

Section of Municipal Finance Management Act No. 56 of 2003	Date by which action must be completed	Action required	Responsible party	Practical considerations
87	100 days before start of financial year (approximately mid March)	Board of directors of entity must consider recommendations, and if necessary submit revised budget to parent municipality.	Board of Directors of Entity	
16(2)	31 March	Mayor must table (draft) annual budget of municipality at council meeting at least 90 days before start of budget year.	Mayor	Council meeting must be scheduled appropriately.
87	31 March	Mayor of parent municipality must table originally proposed or proposed revised budget (as case may be) of entity when (draft) annual budget of municipality first tabled.	Mayor	-
22(a) and 22(b)	Immediately after 31 March or earlier date if annual budget tabled before 31 March	Immediately after (draft) annual budget tabled in council, accounting officer must (1) make public budget and documents referred to in Section 17(3), and invite local community to submit representations in connexion with budget, and (2) submit annual budget in both printed and electronic formats to provincial treasury, and in either format to prescribed national and provincial organs of state and to other municipalities affected by the budget.	Accounting Officer	

<b>Section of Municipal Finance Management Act No. 56 of 2003</b>	<b>Date by which action must be completed</b>	<b>Action required</b>	<b>Responsible party</b>	<b>Practical considerations</b>
23(2)	Before 31 May	Council must give mayor opportunity (1) to respond to submissions received on (draft) annual budget and attendant documentation and (2) to revise budget, if necessary, and table amendments for consideration by council.	Mayor and Council	-
24(1) and (2)	31 May	Council must consider approval of annual budget, together with resolutions imposing rates and levies, setting tariffs, approving measurable performance objectives for revenue from each source and for each vote, approving any changes to IDP, and approving any changes to budget-related policies.	Council	Although council has until 30 June to approve budget, best practice will be to approve budget not later than 31 May.
87(4)	31 May	Board of directors of municipal entity must approve budget for coming year, having taken into account recommendations of council of parent municipality, and must make budget public.	Board of Directors of Municipal Entity	

<b>Section of Municipal Finance Management Act No. 56 of 2003</b>	<b>Date by which action must be completed</b>	<b>Action required</b>	<b>Responsible party</b>	<b>Practical considerations</b>
24(3)	(Immediate after approval date)	Accounting officer must submit approved annual budget to national treasury and provincial treasury.	Accounting Officer	No time limit is specified for this action, although the format in which the budget is to be submitted is specified.  Common sense dictates that the submission should be made as soon as possible after the approval date.
25(1) and (2)	Within 7 days of date of council meeting which failed to approve annual budget	If council fails to approve annual budget at meeting scheduled in terms of Section 24, must reconsider budget within 7 days of date of such meeting. If necessary, process must be repeated until budget approved by 30 June.	Council	As province will intervene if budget not approved by 30 June, mayor, councillors and accounting officer must co-operate to ensure obstacles to approval timeously removed.
69(3)(a) and (b)	14 days after approval of annual budget (mid June to mid July)	Accounting officer must submit to mayor draft service delivery and budget implementation plan, and drafts of annual performance agreements for municipal manager and all senior managers.	Accounting Officer	

<b>Section of Municipal Finance Management Act No. 56 of 2003</b>	<b>Date by which action must be completed</b>	<b>Action required</b>	<b>Responsible party</b>	<b>Practical considerations</b>
53(1)(c)(ii)	Within 28 days after date annual budget approved (late June to late July)	Service delivery and budget implementation plan must be approved by mayor, including projections of revenues and expenses for each month, and service delivery targets and performance indicators for each quarter. (Note that though the	Mayor	-

		mayor approves these targets and KPIs, only the council may change them and then only following the approval of an adjustments budget. See Section 54(1)(c)).		
53(1)(c)(iii)(aa) & (bb)	Within 28 days after date annual budget approved (late June to late July)	Mayor must take all reasonable steps to ensure that annual performance agreements for municipal managers and all senior managers are linked to measurable performance objectives approved with the budget and to the service delivery and budget implementation plan, and are concluded in accordance with Section 57(2) of the Municipal Systems Act.	Mayor	No date is specified for the completion of this requirement, but the logical inference is that the date should not be much later than the date on which the service delivery and budget implementation plan must be approved. See Section 53(3)(b).
16(1)	30 June	Annual budget must be approved by council	Council	-

<b>Section of Municipal Finance Management Act No. 56 of 2003</b>	<b>Date by which action must be completed</b>	<b>Action required</b>	<b>Responsible party</b>	<b>Practical considerations</b>
53(3)(a) and (b)	14 days after approval of service delivery and budget implementation plan (mid July to mid August, depending on date plan approved)	Projections of revenues and expenses for each month and service delivery targets for each quarter (as set out in approved service delivery and budget implementation plan), and performance agreements of municipal manager and senior manager must be made public, and copies of performance agreements must be submitted to council and MEC for local government.	Mayor	Although this is not specified as a requirement, logic dictates that copies of the service delivery and budget implementation plan should also be submitted to council and the MEC.