



**SPECIAL COUNCIL MEETING  
28 JUNE 2016  
MINUTES**



1061	<p><b>PROPOSED ANNUAL BUDGET FOR 2016/2017 AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK AND RELATED POLICIES (REF: 9/2/1<sup>2016/2017</sup>; 9/2/2<sup>2016/2017</sup>)</b></p> <p><b>COMMENTS</b></p> <p><b>MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET 2016/2017; 2017/2018 AND 2018/2019</b></p> <ol style="list-style-type: none"> <li>1. <b>EXECUTIVE SUMMARY</b> <p>The purpose of this item is to seek Council approval on the Medium Term Revenue and Expenditure Framework Budget (MTREF) for the period 2016/2017 and the indicative allocation for the two outer years 2017/2018 and 2018/2019</p> </li> <li>2. <b>BUSINESS PLAN</b> <p>None</p> </li> <li>3. <b>COMPLIANCE WITH STRATEGIC OBJECTIVE</b> <p>Good governance</p> </li> <li>4. <b>POLICY</b> <p>Mantsopa Local Municipality Budget Policy</p> </li> <li>5. <b>ANNEXURE</b> <p>Medium term Revenue and Expenditure Framework Budget 2016/2017, 2017/2018 and 2018/2019</p> </li> <li>6. <b>DELEGATED AUTHORITY</b> <p>Council</p> </li> <li>7. <b>LEGAL REQUIREMENTS</b> <p>Local Government: Municipal Finance Management Act, No. 56 of 2003</p> </li> <li>8. <b>BACKGROUND</b> <p>In terms of Section 16(2) of the Local Government: Municipal Finance Management Act, No. 56 of 2003, The Mayor of the municipality must table the Annual Budget at least 90 days before the start of the financial year.</p> <p>Section 17 of the above mentioned act stipulates that the budget must be in a prescribed format and must be accompanied by the budget related policies as well as other information in terms of the new municipal budgeting and reporting regulations on Government Notice No. 393 of 2009.</p> </li> </ol>	<b>ANNEXURE B</b>
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The budget was compiled within the framework of the MFMA, circular No. 58 and 59 of National Treasury and new municipal budget regulations.

**9. STAFF IMPLICATION**

None

**10. RISK IMPLICATIONS**

None

The draft annual budget of the Mantsopa Local Municipality for the financial year 2016/2017 and indicative allocations for the two projected 2017/2018 and 2018/2019, and multi-year and single year capital appropriations be approved as tabled.

**RECOMMENDATION**

- (i) That the annual consolidated total operating income for 2016/2017 amounting to R207, 999 million and the annual consolidated total operating expenditure for 2016/2017 amounting to R 206.240 million and indicative amounts for the projected outer years 2017/2018 and 2018/2019 be approved. Capital expenditure financed from own revenue amounts to R1,750 million, leaving a surplus of R9 398.
- (ii) That the annual consolidated capital expenditure budget for 2016/2017 is R58 427 000 and will be funded by grants to the amount of R58 427 000 and own income of R1 750 000. Projections for 2017/2018 and 2018/2019 must also be approved.
- (iii) That the property rates and any other municipal tax reflected in the budget proposed for the budget 2016/2017 be approved.
- (iv) That the annual reviewed policies as attached be adopted.
- (v) That the following annual reviewed budget related polices be approved:
  - (a) Tariff Policy
  - (b) Indigent Policy
  - (c) Credit Control and Debt Collection Policy
  - (d) Cash Management and Investment Policy
  - (e) Petty Cash Policy
  - (f) Budget Policy
  - (g) Unknown Deposit Policy
  - (h) Asset management Policy



**RESOLVED:**

After discussion of the document the budget for the 2016/2017 financial year was approved and the following budget related policies were also approved as tabled:

- (a) Tariff Policy
- (b) Indigent Policy
- (c) Credit Control and Debt Collection Policy
- (d) Cash Management and Investment Policy
- (e) Petty Cash Policy
- (f) Budget Policy
- (g) Unknown Deposit Policy
- (h) Asset management Policy

(Proposed by Councillor J Jacobs and seconded by Councillor Raboko)

The Budget was approved by all parties except the DA in votes it was Twelve (12) votes for approval and two (2) votes against.

**ITEM 8/06/2016**

**CLOSURE**

**The meeting adjourned at 12: 50**