

OFFICE OF THE CITY MANAGER
(GROUP STRATEGY, POLICY COORDINATION AND RELATIONS)

TABLING OF 2020/21 INTEGRATED DEVELOPMENT PLAN (IDP), BUDGET, MONITORING, EVALUATION AND REPORTING PROCESS PLAN

1. STRATEGIC THRUST

An honest, transparent and responsive local government that prides itself on service excellence

2. OBJECTIVE

The purpose of the report is to table the 2020/21 Integrated Development Plan (IDP), Budget, Monitoring, Evaluation and Reporting Process Plan as required in terms of the Municipal Systems Act, 32 of 2000 (MSA) and the Municipal Finance Management Act, 56 of 2003 (MFMA).

3. BACKGROUND

In terms of legislation, municipalities are required to prepare the IDP process plan ten months before the beginning of the new financial year. The IDP and budget process plan serve as the strategic planning guideline of the municipality to align with the key critical milestones that must be achieved by the City. These milestones are strategically coordinated through IDP and budget processes in order to achieve intended outcomes.

Therefore adhering to the IDP and budget process plan will ensure that timelines stipulated by the legislation are adhered to. The consequences of non-compliance to the IDP and budget process plan will have an adverse effect on the audit opinion by the Auditor General (AG) and compromise the planning process of the organization.

The **2020/21** IDP and Budget planning process has been improved to ensure that the City plans on time and the budget is finalized within the prescribed legislative timeframe. Furthermore, the process plan contains the operational planning dates that will guide the organization on the submission of the business plans, budget plans and Capex planning. The operational plan seeks to integrate and provide synergy for the entire planning process to eliminate the planning backlog that emanated from the previous financial year.

The IDP process plan contains the City's strategic planning (Makgotla), Budget Steering Committee (BSC), monitoring and reporting processes which includes, departmental and ME Business Plans, IDP Corporate Scorecard, Community Based Planning, Budgeting, Monitoring, Reporting and other relevant processes. If these milestones are

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effectively implemented, the City will ensure delivery of services with efficiency.

4. LEGISLATIVE REQUIREMENTS

1. *Municipal Finance Management Act, 56 of 2003*

The specific legislative provisions of the MFMA relating to the Budget, contained in Section 21, are that:

"21 (1) The mayor of a municipality must-

- (a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;
- (b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-
 - (i) the preparation, tabling and approval of the annual budget;
 - (ii) the annual review of –
 - (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - (bb) the budget-related policies;
 - (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii)."

2. *Municipal Systems Act, 32 of 2000*

The specific legislative provisions of the MSA stipulates that:

28 (1) Each municipal council, within a prescribed period after the start of its elected 26 term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.

29 (1) The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must- (a) be in accordance with a predetermined programme specifying timeframes for the different steps;



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5. TIMELINES

The table below outline the legislative timelines of IDP, Budgeting, Monitoring and reporting processes and furthermore there are attached timeframes that will unleash the IDP and Budget process plan.

Legislative Action	Legislative Requirement	Date
Approval of the IDP and Budget Process Plan by Council	Table the IDP and Budget time schedule at least 10 months before the start of the financial year. This should outline key deadlines for the development of the IDP and annual budget of the municipality.	31 August 2019
Submission of proposed Municipal Entity (ME) budgets	ME proposed budgets must be submitted to the shareholder at least 150 days before the start of the financial year. If necessary, a revised budget must be submitted to the shareholder not later than 100 days before the start of the financial year.	31 January 2020; 20 March 2020
Tabling of the Medium Term Budget, IDP, Tariffs and the IDP Corporate Scorecard	The Mayor of the municipality must table an annual budget at a Council meeting at least 90 days before the start of the financial year. This must include supporting documentation such as the IDP, Tariffs and the Corporate Scorecard (Section 17 of the MFMA).	31 March 2020
Approval of Municipal Entities business plans and budgets by Boards	The Board of Directors of MEs must approve ME budgets at least 30 days before the start of the financial year.	31 May 2020
Approval of the Medium Term Budget, IDP, ME business plans and Tariffs	Council must consider the approval of the Medium Term Budget, IDP, ME business plans and Tariffs at least 30 days before the start of the financial year.	31 May 2020
	An annual budget must be approved before the start of the budget year.	30 June 2020

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Institutional SDBIP	The mayor of a municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.	Subject to approval of the budget
Performance Scorecards of S57 and S56 Managers	The Mayor must ensure that the City Manager's scorecard is signed; and the City Manager must ensure that all S56 Managers' scorecards are signed and made public 14 days after the approval of the Institutional SDBIP.	Subject to approval of the SDBIP

6. ANNUAL REPORT PROCESS PLAN

Section 46 (1) of the Municipal Systems Act stipulates that: 'A municipality must prepare for each financial year a performance report reflecting-

- (a) The performance of the municipality and of each external service provider during that financial year;
- (b) A comparison of the performances referred to in paragraph (a) with target set for and performances in the previous financial year; and
- (c) Measures taken to improve performance.

Section 46 (2) stipulates that: 'An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act. [S. 46 substituted by s. 6 of Act 44 of 2003.]

In terms of section 121(1) of the MFMA, every municipality and municipal entity must prepare an Annual Report for each financial year. The purpose of the Annual Report is to provide a record of activities, report on performance against the budget and promote accountability to the local community for the decisions made throughout the year.

Chapter 12 of the MFMA contains a range of provisions relating to financial and performance reporting and auditing. With respect to the Annual Report, the process of preparation and adoption includes the tabling of annual reports and the formulation of oversight reports on annual reports.

In terms of section 133 of the MFMA, the Executive Mayor must submit the Annual Report within 7 months after the end of the financial year,

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which means that the 2018/19 report should be tabled before 31 January 2020. Thereafter, Council is required to approve the Annual Report and the oversight report within 9 months after the end of the financial year, i.e. before the end of March 2020.

Process plan for tabling and approval of the 2018/19 Annual Report

The table below outlines the legislative timelines with regards to the Annual Report process:

Activity	Provision	Key Dates
Submission of Draft Group Annual Report to Auditor General for auditing	MFMA Section 126(1)(a)	30 August 2019
Submission of Final Group Annual Report to Auditor General for auditing	MFMA Section 126(1)(a)	30 September 2019
Receipt of Auditor General's Regularity Audit of the CoJ for the Year Ended 30 June 2018	MFMA Section 126(3)(b)	December 2019
Noting of Annual Report by Mayoral Committee	MFMA Section 127(2)	January 2020
Tabling of Group Annual Report to Council	MFMA Section 127(2)	31 January 2020
Tabling the Annual Report to Auditor-General, Provincial Treasury and Gauteng Department of Local Government and Housing	MFMA Section 127(5)(b)	31 January 2020
Tabling the Annual Report to the Municipal Public Accounts Committee for oversight and Speaker's Office for public participation	MFMA Section 127(5)(a)	31 January 2020
Oversight of the annual report by MPAC	MFMA Section 127(5)(a)	01 February - 30 March 2020
Invitation of public comments on Annual Report	MFMA Section 127(5)(a)	01 February to 15 February 2020
Consideration of public comments by Council and formulation of oversight report	MFMA Section 129	16 February to 15 March 2019

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Activity	Provision	Key Dates
Consideration and adoption of final Annual Report and Oversight Report by Council	MFMA Section 129(1)	29 March 2020
Submission of final Annual Report and Oversight Report to Auditor General, Provincial Treasury and Gauteng Department of Local Government and Housing	MFMA Section 129(2)(b)	31 March 2020
Submission of final Annual Report and Oversight Report to the Gauteng Provincial Legislature	MFMA Section 132(1) and (2)	31 March 2020
Publication of final Annual Report on the website	MFMA Section 129(3)	31 March 2020

7. 2020/21 IDP AND BUDGET PROCESS

The **2020/21** financial year will focus on the following in terms of the IDP and Budget process:

- Citywide planning premised on the City's Priority Implementation Plans (as contained in the IDP and Institutional SDBIP);
- An alignment of departmental and ME business plans to the Priority Implementation Plans; and
- An approach that combines the envisaged IDP outreach process and Community Based Planning as an enabler of efficient Service Delivery. The intended outcome is to strengthen public participation in the City's strategic planning processes.

The following phases are identified to assist in the IDP and Budget Process.

Phase 1: July to September 2019 (Quarter 1)

Strategic Assessment

The City, on an annual basis, undertakes a strategic assessment during the months of August and September. The assessment considers past performance, policy, political and environmental changes. Further, comments by the MEC for Local Government on the City's IDP and comments by the Auditor-General are taken into account to plan for the next financial year.



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Performance Management, Monitoring and Evaluation

In terms of section 53(3)(b), the mayor of a municipality must ensure that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan.

Key deliverables of this phase include:

- An Integrated Planning Workshop
- Approval of the **2020/21** IDP and Budget Process Plan;
- Tabling of the 20/21 process plan to GPAC
- IDP Assessment Workshop;
- Approval and signing of individual scorecards;
- Tabling of Annual report process; and
- Submission of final annual report.
- Capex planning
- JSIP Training

Phase 2: October-December 2019 (Quarter 2)

IDP feedback to communities

Communities will receive feedback of issues raised during the April regional engagement sessions in all regions as part of the Community based planning process, as well as be given an opportunity to give input into the **2020/21** planning process.

Strategic Planning Workshops

The strategic assessment in phase 1 guides the review of the **2020/21** IDP Corporate Scorecard and the development of the draft departmental and municipal entities (ME) business plans.

Monitoring and Evaluation

Performance reviews take place through formal and informal sessions at periodic intervals during the performance cycle. These are aimed at assessing the level of performance against scorecards.

This phase runs parallel with phase 4 wherein final reviews of the previous financial year are finalised.



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Key deliverables of this phase includes:

- Ward-cluster Community Conversations;
- An Executive Management Team Lekgotla
- Mayoral Budget Lekgotla I;
- Mid-year 2019/20 SDBIP review;
- Intergovernmental alignment through Provincial Sector Workshops;
- Draft departmental and ME business plans;
- Technical Budget Steering Committee Meeting;
- Assessment and consideration of individual ADBS 1st quarter performance reports; and institutional performance.
- One on one with departments and entities on adjustment budgets

Phase 3: January-March 2020 (Quarter 3)

During this phase, the City finalises its draft IDP, Budget and related documents for tabling at Mayoral Committee and Council. This includes:

- Revised draft Corporate Scorecard, draft departmental and ME business plans will be presented to the Budget Steering Committee (BSC) in January 2020 to allow for political oversight and direction.
- In February 2020 the Institutional Mid-year review and entities business plans will be tabled in Council for approval.
- In March 2020, the revised draft IDP, Budget, Business Plans and tariffs will be tabled at Council for public and stakeholder comment and input.

Key deliverables of this phase include:

- Tabling of Annual Report;
- Budget Panel Hearings (Budget Steering Committee);
- Tabling of the draft revised IDP, Budget, Tariffs, ME business plans and departmental Business Plans at Sub-Mayoral committees, section 79 Portfolio Committees and Council for comment and for public comment;
- Public outreach and engagements;
- Participation in intergovernmental processes;
- Revised draft **2020/21** IDP Review;
- Submissions of individual ADBS 2nd quarter reports and evidence; and
- Approval Mid-Year Assessments.
- Tabling of the Adjustment Budget and Mid-Year Deviation to GPAC for comments

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Phase 4: April-June 2020 (Quarter 4)

Finalisation and Approval

This phase entails the following:

- From March to May the City will conduct regional summits regarding the draft budget, tariffs and IDP as part of the outreach process.
- In April 2020, the Provincial government will share the MEC's comments with CoJ, based on the draft **2020/21** IDP Review and draft Medium Term Budget. These comments will be factored into the final **2020/21** IDP Review.
- Integration of sector plans into the IDPs with Provincial Government

Monitoring and Evaluation

Phase 4 includes the auditing of the performance management system and outcomes of citywide and sector performance. Accordingly individual performance is evaluated and recommendations thereof moderated.

Key deliverables of this phase include:

- Public outreach and engagements;
- Tabling of the final **2020/21** IDP Review; ME Business Plans, the Institutional Service Delivery Budget Implementation Plan (SDBIP) to GPAC for comments
- Approval of final **2020/21** IDP Review, the Budget, ME Business Plans, the Institutional Service Delivery Budget Implementation Plan (SDBIP) and Tariffs by Mayoral Committee and Council; and
- Assessment and consideration of individual ADBS 3rd quarter performance reports.

8. SUMMARY OF THE 2020/21 IDP, BUDGET AND MONITORING, EVALUATION AND REPORTING PROCESS PLAN

The table below provides the timeframes for the key milestones and process within the phases outlined above.

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Key Milestones and Processes	Timeframes
Feedback to communities	Quarter 1 & 2
Integrated Planning Committee Workshop	Quarter 1
Consideration and incorporation of GAS, GPAC and EMT comments onto the Annual Report	Quarter 1
Submission of the Draft Annual Report (including financials) to Auditor General	Quarter 1
Community Based Planning	Quarter 2
Executive Management Team Lekgotla	Quarter 2
Mayoral Lekgotla I	Quarter 2
2019/20 IDP feedback from MEC CoGTA	Quarter 2
Technical Budget Steering Committee panel workshop	Quarter 2
Technical Budget Steering Committee	Quarter 2
Budget Steering Committee	Quarter 3
EMT Budget Lekgotla	Quarter 3
Mayoral Lekgotla II	Quarter 3
Mid-year Review to Council	Quarter 3
Distribution of the tabled Integrated Annual Report for public comment	Quarter 3
Finalisation of Group Integrated Report	Quarter 3
Tabling of the City's draft 2020/21 IDP Review, Budget, ME Business Plans and the Service Delivery, Budget Implementation Plan (SDBIP) and Tariffs for Public comment	Quarter 3
IDP and Budget Outreach process	Quarter 3 & 4
One on one with City Manager and the Executive Mayor on Business Planning	Quarter 3 & 4
Approval of the City's 2020/21 IDP Review, the Medium term Budget and Tariffs	Quarter 4
Approval of ME Business Plans and the Institutional Service Delivery, Budget Implementation Plan (SDBIP)	Quarter 4

9. POLICY IMPLICATIONS

None

10. LEGAL IMPLICATIONS

The process outlined above is compliant with the Municipal Systems Act (as amended) and the Municipal Finance Management Act, as well its regulations.



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11. COMMUNICATIONS IMPLICATIONS

Communication with stakeholders, internal and external, forms an integral part of the IDP, Budget and Monitoring and Evaluation Process.

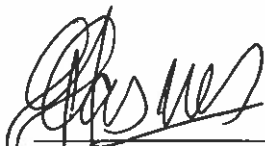
12. CONSULTATION WITH OTHER DEPARTMENTS

The process plan has been prepared in consultation with all relevant departments involved in the City's budgeting and strategic planning process.

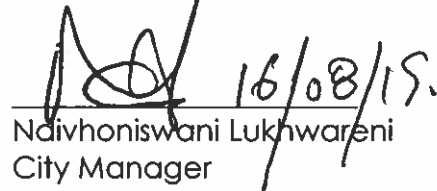
IT IS RECOMMENDED

- 1 That the 2020/21 Integrated Development Plan (IDP), Budget, Monitoring, Evaluation and Reporting Process Plan as set out in the body of the report, in compliance with the provisions of the Municipal Systems Act and the Municipal Finance Management Act be approved.**
- 2 That the approved 2020/21 Integrated Development Plan (IDP), Budget, Monitoring, Evaluation and Reporting Process Plan be submitted to the Gauteng MEC of CoGTA and National and Provincial Treasuries for monitoring purposes as required by section 31 of the MSA.**

Noxolo Mabuza
(GSPCR)



Jan Erasmus
A. Group Head
Group Strategy, Policy Coordination and Relation



16/08/19.

Naivhoniswani Lukhwareni
City Manager



16/8/19

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