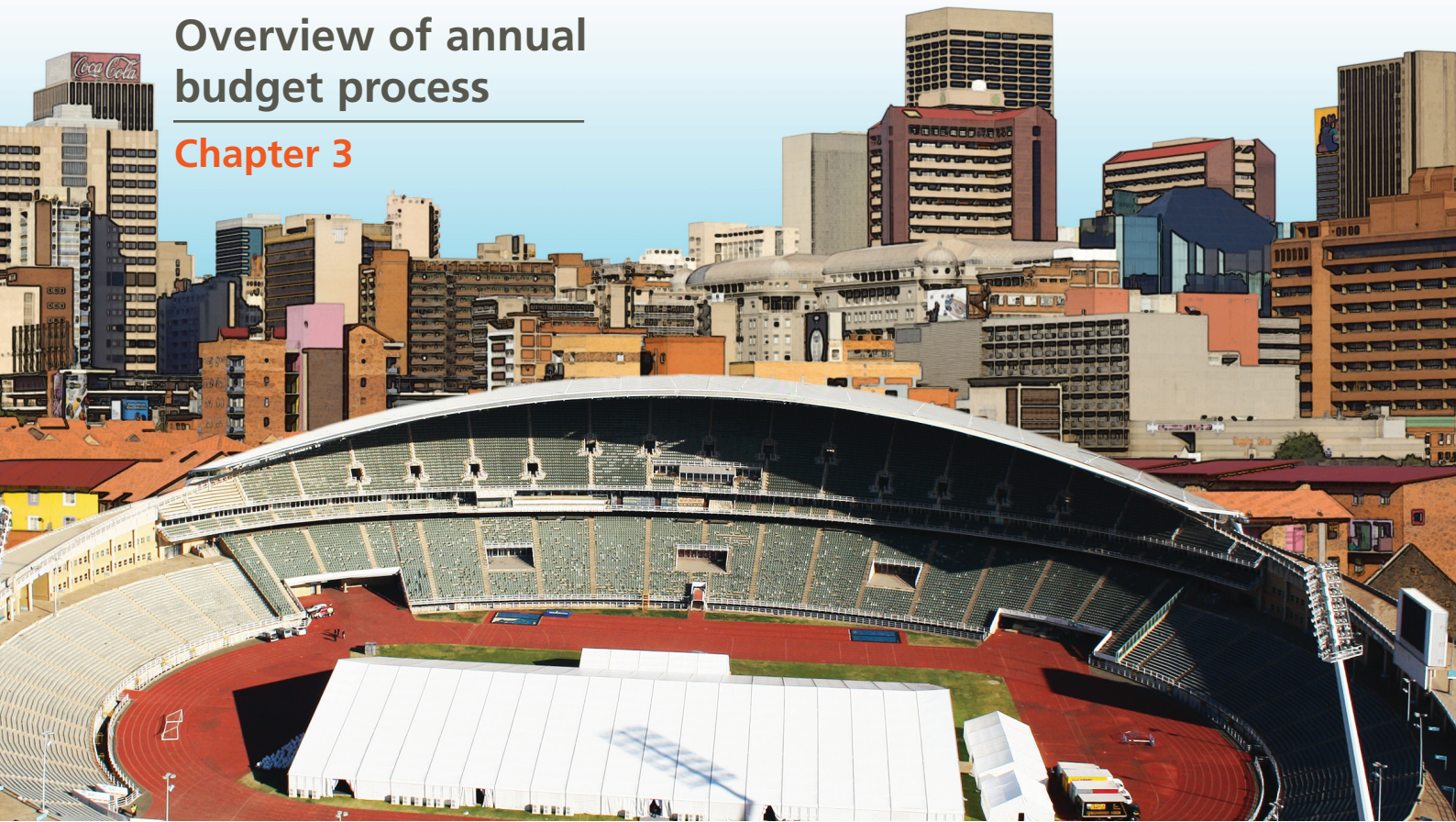


Overview of annual budget process

Chapter 3



Overview of the annual budget process

In terms of the Section 24 of MFMA, Council must, at least 30 days before the start of the financial year, consider approval of the annual budget. The MFMA aims to put in place a sound financial framework and sets out timelines for budget preparations and approval.

In terms of Section 87(1) of the Act, Municipal Entities are required to submit their draft budgets to the parent municipality, not later than 150 days before the start of the entity's financial year.

The process for 2010/11 MTB commenced with the Budget Lekgotla I that was held from 21 to 23 September 2009. The first Lekgotla undertook a strategic assessment of both financial and non-financial past performance. The Medium Term Budget, outlining the projected budget parameters and spending levels for the 2010/11 budgeting cycle, was presented at the Lekgotla.

This process was followed by the Budget Steering Committee meetings held from 18 to 25 January 2010. The objective of the BSC was to assess budget proposals presented by the departments and MEs to ensure that the proposed spending gives effect to the developmental objectives expressed in the City's Growth and Development Strategy and to ensure that the available resources are allocated in line with the City's priorities.

The assessment of the BSC was then presented to Budget Lekgotla II, held from 8 to 9 February 2010. Draft MTB allocations were determined and issued to all departments and MEs to prepare their draft budgets, in line with the allocations.

The 2010/11 to 2012/13 Draft MTB was tabled at a Council meeting held in March 2010. Subsequent to the tabling, the draft budget and proposed tariffs were published for stakeholders and public comment during April 2010.

Advertisements were placed in national newspapers, national and local radio stations, the City's website and the City's regional offices.

As per legislative requirements, the draft budget was submitted to the Provincial and National Treasury for comments.

Key dates for the budget process are summarised below.

Budget and tariff process 2008/09	Timeframe
Budget Lekgotla I	21 – 23 September 2009
Issuing of budget and tariffs guidelines	10 December 2009
Submission of draft tariffs, budgets and business plan templates to Budget Office	11 January 2010
Budget Steering Committee meetings	18 – 25 January 2010
Budget Lekgotla II	08 – 09 February 2010
Issuing of final indicatives	15 February 2010
Submission of final draft tariffs, budgets and business plans to Budget Office	18 – 24 February 2010
Tabling of draft budget, tariffs and IDP reports to Special Mayoral Committee	19 March 2010
Tabling of the draft budget, tariffs and IDP at Council	25 March 2010
Tabling of draft budget, IDP sector plans and business plans for comments at Section 79 Portfolio Committees	April 2010
Stakeholder Summit	27 March 2009
Objection period is 30 days	April 2010
Approval of final IDP and Budget by Mayoral Committee	13 May 2010
Council approval of final Budget and IDP and Budget Day	19 – 20 May 2010