

**MID-YEAR PERFORMANCE ASSESSMENT - 1 JULY 2013 TO 31 DECEMBER 2013 (9/2/1/3) (SNR
MANAGER: BUDGET OFFICE)**

Purpose of report

To submit to the Executive Mayor an assessment report on the Municipality's performance covering the period 1 July 2013 to 31 December 2013.

Background

1. Executive summary

In terms of Section 72 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the accounting officer of a municipality must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year and submit a report on such assessment to the mayor of the municipality, the National Treasury and the relevant provincial treasury. The mayor must, in turn, comply with the provisions of Section 54, which includes submitting the report to council by 31 January of each year.

2 Constitutional and Policy Implications

The process is currently driven by legislation.

3 Legal Implications

3.1 Section 72. (1), Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (**hereinafter referred to as the MFMA**).

3.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Chapter 6 and Sections 16 and 26 of Chapters 4 and 5, respectively), as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003).

4 Background

4.1 In terms of Section 72. (1) of the MFMA, the accounting officer of a municipality must by 25 January of each year-

(a) assess the performance of the municipality during the first half of the financial year, taking into account-

(i) the monthly statements referred to in section 71 for the first half of the financial year;

(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;

(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and

- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- (b) submit a report on such assessment to-
 - (i) the mayor of the municipality
 - (ii) the National Treasury; and
 - (iii) the relevant provincial treasury.

4.2 Thereafter, the mayor must, in terms of Section 54. (1)-

- (a) consider the report;
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (d) issue any appropriate instructions to the accounting officer to ensure-
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) submit the report to the council by 31 January of each year.

Comments

As the Section 72(1) report can only be prepared/compiled after the section 71 monthly report for December 2013 has been compiled and provided to National and Provincial Treasury on 15 January 2014, was it not possible to compile the section 72(1) report timely for distributing with this report. The section 72(1) report will however be circulated to councilors prior to the council meeting.

Recommendation

That the contents of the report in terms of section 72(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) be noted.

This item served at the Strategy & Social Development Portfolio Committee Meeting of 27 January 2014
Hierdie verslag het gedien by die Strategiese & Sosiale Ontwikkelings Portefeulje Komitee Vergadering van 27 Januarie 2014
Aanbeveling / Recommendation

That the report be referred to the Statutory Council meeting of 28 Januarie 2014

Further Comments

Relevant documentation **is attached to this report.**

This item served before a Statutory Council Meeting on 28 January 2014
Hierdie item het voor 'n Statutêre Raadsvergadering gedien op 28 Januarie 2014
Eenparig Besluit / Unanimously Resolved

1. That the contents of the report in terms of section 72(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) be noted.
2. That when in future the SDBIP's are submitted to Council, each Director give a synopsis of the performance of his directorate.