

**PORTFOLIO COMMITTEE :
MANAGEMENT SERVICES**

Chairperson :

Ald P Appelgrein

Committee Members :

**Cllrs M Andrews,
M Sapepa & C Mandindi**

**PORTEFEULJEKOMITEE :
BESTUURSDIENSTE**

Voorsitter :

Rdh P Appelgrein

Komiteelede :

**Rdle M Andrews,
M Sapepa & C Mandindi**

MANAGEMENT SERVICES PORTFOLIO COMMITTEE

BESTUURSDIENSTE PORTEFEULJEKOMITEE

18 AUGUST 2015

I N D E X

ITEM

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APPLICATIONS FOR LEAVE OF ABSENCE

**STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE
CHAIRPERSON**

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**AGENDA of the
Portfolio Committee: Management Services
18 August 2015
(Also the agenda for the Mayoral Committee Meeting : 26 August 2015)**

**1.
TIME SCHEDULE FOR THE 2016/17 INTEGRATED DEVELOPMENT PLAN (IDP)
REVIEW/ BUDGET PROCESS**

5/1

R Louw

(028) 313 8071

Corporate Head Office

27 July 2015

1. Executive Summary

To inform Council of the time schedule for the IDP review process as well as the compilation of the Budget for the 2016/17 financial year.

2. Service Delivery and Budget Implementation Plan - IGNITE

Management Services
Strategic Services

3. Compliance with Strategic Priority

Provision of democratic, accountable and ethical governance

4. Delegated Authority

None

5. Legal Requirements

Sections 28 and 29 (1) of the Local Government: Municipal Systems Act, No.32 of 2000 (MSA)

Section 21(1) of the Local Government: Municipal Finance Management Act, No.56 of 2003 (MFMA)

6. Background/Discussion/Evaluation/Conclusion

Under Section 21(1) of the MFMA the Mayor must at least 10 months before the start of the new budget year, table in the Municipal Council a time schedule outlining key deadlines for:

- *The preparation, tabling and approval of the annual budget;*
- *The annual review of the IDP in terms of the Systems Act and the budget related policies;*
- *The tabling and adoption of any amendments to the IDP and the budget related policies, and*

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- Any consultative processes forming part of the processes referred to above.

The tabling of the time schedule is thus a legislative competency reserved for the Executive Mayor.

The drafting of the municipality's IDP review and Budget compilation process is to run concurrently and the time schedules are therefore consolidated into the IDP review/Budget schedule. The key budget deadlines in the time schedule were discussed with the Senior Manager: Financial Services and the Budget Office for endorsement.

In terms of the IDP, this time schedule details the process for the 4th (final review) of the current 5 year IDP of 2012/2017.

This report seeks to ensure compliance with the relevant provision of the MFMA. The time schedule for the 2016/17 IDP review/ Budget process is attached as Annexure A to this report.

7. Financial Implications

Provision has been made for the costs of the above process on the 2015/16 operational budget.

8. Staff Implications

The above processes will be undertaken by internal staff.

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Time schedule for the 2016/17 IDP review/ Budget process

RECOMMENDATION TO THE COUNCIL:

that the schedule of key dates for the 2016/17 compilation of an IDP review/ Budget process **be noted**.

RESPONSIBLE OFFICIAL:

R LOUW

TARGET DATE FOR IMPLEMENTATION:

1 SEPTEMBER 2015

**AGENDA of the
Portfolio Committee : Management Services
18 August 2015
(Also the agenda for the Mayoral Committee Meeting : 26 August 2015)**

**1.
TIME SCHEDULE FOR THE 2016/17 INTEGRATED DEVELOPMENT PLAN (IDP)
REVIEW/ BUDGET PROCESS**

**5/1
R Louw
27 July 2015**

(028) 313 8071

Corporate Head Office

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
18 AUGUST 2015, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the schedule of key dates for the 2016/17 compilation of an IDP review/ Budget process **be noted**.

RESPONSIBLE OFFICIAL:

R LOUW

TARGET DATE FOR IMPLEMENTATION:

1 SEPTEMBER 2015

TIME SCHEDULE FOR THE 2016/17 IDP REVIEW AND BUDGET PROCESS OF OVERSTRAND MUNICIPALITY

TASK/ ACTIVITY	RESPONSIBILITY	Close-off	Close off	2016/17
		2014/15	2015/16	BUDGET
		FINANCIAL	FINANCIAL	TIME FRAME
		YEAR	YEAR	
JULY-OCTOBER 2015				
PREPARATION PHASE				
District IDP Managers Forum (activity alignment) [Coordinated by ODM- IDP Manager]	Strategic Office			6-Aug-15
Table in Council a budget and IDP time schedule of key deadlines [Every year - at least 10 months before the start of the budget year]	Strategic Office/ Budget Office			26-Aug-15
Submission of time schedule to ODM, the Provincial Government and National Government	Strategic Office/ Budget Office			4-Sept-15
Place public notice on IDP/Budget time schedule approval	Strategic Office			3-Sept-15
ANALYSIS, STRATEGY AND PROJECT PHASES				
Review status of Capital Projects on Capital Wish list + current 3 year budget	Budget Office			28-Aug-15
Snr Managers for the respective administrations receive Wish list of previous project requests for Ward Committees to review	Budget Office			01-Sept-15
Distribute Capital Projects template to all project managers to complete for existing projects on the two outer years, prioritise outer year (2018/19) and new projects in exceptional circumstances	Budget Office			01-Sept-15
Provincial IDP Managers Forum	Local/ Provincial alignment- Quarter 2 Provincial engagement- Strategic Office			3-4 Sept-15
Ward committees meet to review current needs on wish list	Snr Managers for the respective administrations			14-18 Sept-15
Provincial IDP Inadaba / Special MinMay Tech (Coordinator Dept of LG – IDP unit)	Strategic office/ MM/ Directors			TBC by Province
Snr Managers for the respective administrations submit draft Ward requests based on review of current wish list to Strategic Office and	Snr Managers for the respective administrations			18-Sept-15

TASK/ ACTIVITY	RESPONSIBILITY	Close-off	Close off	2016/17
		2014/15 FINANCIAL YEAR	2015/16 FINANCIAL YEAR	BUDGET TIME FRAME
Budget office Managers submit completed capital projects templates on the 2016/2018 MTRF Capital Budget to Directors	Managers			25-Sep-15
Mayoral Strategic session with Management and Councillors Budget Steering Committee Meeting - Direction on proposed Tariff increases & increases in Revenue, Expenditure and Capital	Strategic Office Budget Steering Committee			1- Oct-15
Directors to review existing 3 year MTRF capital project budget and submit completed Capital project Templates with priorities to Budget Office	Directors			06-Oct-15
Snr Manager Revenue sends Tariff Lists to Directors for review	Snr Manager Revenue			06-Oct-15
Snr Managers for the respective administrations receives directive from Budget Steering Committee (BSC) on draft ward requests	Budget Office			09-Oct-15
Top Management Meeting with MM (Directors, Snr Managers for the respective administrations & Budget Office) to discuss budget proposals and budget affordability	Budget Office/TMT			12-14 Oct 15
Based on BSC directive, Ward Committees meet to prioritise their ward requests	Ward Committee / Snr Managers for the respective administrations			12-16 Oct 15
Budget office to issue directives to budget holders regarding the compilation of 2016/17 – 2018/19 OPEX Budget	Budget Office			16-Oct-15
Snr Managers for the respective administrations to submit prioritised ward requests to the Budget Office in Excel format	Snr Managers for the respective administrations			23-Oct-15
INTEGRATION PHASE				
Budget Steering Committee Meeting - To discuss & review capital budget requests (ROUND1)	Budget Steering Committee			27/29 Oct-15
Mayoral directional IDP/Budget Speech	Mayor			28-Oct-15
Directors to submit proposed Tariffs to Snr Manager Revenue	Directors			30-Oct-15
Budget Office distributes prioritised ward requests to Snr Managers of the respective administrations for Ward Committee final verification	Budget Office			3-Nov-15
Workshop on Tariffs and Tariff Related Policies	Budget Office			3-6-Nov-15

TASK/ ACTIVITY	RESPONSIBILITY	Close-off	Close off	2016/17
		2014/15 FINANCIAL YEAR	2015/16 FINANCIAL YEAR	BUDGET TIME FRAME
Budget Office sends summarised capital budget requests to budget holders after Budget Steering committee for review.	Budget Office			06-Nov-15
Ward Committees meet for final confirmation of their ward requests Snr Managers of the respective administrations submit final ward requests to Budget Office	Snr Managers of the respective administrations Snr Managers of the respective administrations			09-13-Nov 15
Budget Steering Committee Meeting - Mid Year Review (2015/16 Budget): Capex including Draft 2016-2019 Capital budget requests (ROUND2)	Budget Steering Committee		20/21-Nov 15	18-Nov-15
Directors to review 2016/2017 -2018/2019 Opex requests from Managers on the New Budget Programme	Managers			19/20-Nov-15
Directors to submit New Post requests to HR & Salary Office	Directors			23-Nov-15
Managers to submit Final List of Overtime, Essential etc. to Salary Department	Managers			23-Nov-15
HR/Salary Office to submit requests for new staff/posts to the Budget Office	HR			27-Nov-15
Directors to submit 2015/2016 -2017/2018 Opex requests to Budget Office	Directors			27-Nov-15
Fleet Management to submit Draft Vehicle Budget: Fuel & Maintenance to Budget Office	Fleet Management			27-Nov-15
Snr Manager Revenue to submit Draft Tariff list and proposed Revenue to Budget Office	Snr Manager Revenue			27-Nov-15
District IDP Managers Forum (Coordinated by ODM- IDP Manager) and District IDP Rep./PPCom Forum	Strategic Office			30-Nov-15
Budget Office to distribute OPEX performance including Draft 2016-2018 OPEX	Budget Office		3 Dec-14	4-Dec-15
Provincial IDP Managers Forum Budget Steering Committee Meeting - Mid Year Review (2015/2016 Budget): Opex performance including Draft 2016-2018 Opex	Local/ Provincial alignment- Quarter 3 Provincial engagement – Strategic Office Budget Steering Committee			3-4 Dec-15 7-Dec-15

TASK/ ACTIVITY	RESPONSIBILITY	Close-off	Close off	2016/17
		2014/15 FINANCIAL YEAR	2015/16 FINANCIAL YEAR	BUDGET TIME FRAME
Salary Office to submit draft three year salary budget & WCA estimates to Budget Office (Current staff establishment)	Salary Section			7-Dec-15
Asset Management to submit draft three year depreciation budget (Asset register 2015) to Budget Office	Asset Management			7-Dec-15
Costing Section must provide Draft Recharges/ Departmental charges	Costing Section			7-Dec-15
Cash management to submit draft three year interest & Redemption (Loan register 2015) to Budget Office	Cash Management			7-Dec-15
Budget Office distributes all Mid-Year Review (Capex & Opex) Changes & Draft Capex & Opex budget requests to managers and directors for verification	Budget Office		24-Dec-15	21-Dec-15
Compilation of Mid-Year Review Report (2015/16)	Budget Office/ Strategic Office		12-19 Jan-16	11-18 Jan-16
Statistical information reports for New Budget Formats distributed to applicable Directors & Managers for completion	Budget Office			11-Jan-16
Submit Mid-Year Review (MYR) Report to Mayor	Budget Office/ Strategic Office		23-Jan 16	25-Jan-16
Table Mid-year Review (MYR) in Council	Budget Office/ Strategic Office		28-Jan 15	27-Jan-16
Budget Steering Committee Meeting - Final discussion of Tariffs & Final Adjustment Budget Review (2015/2016 Budget)	Budget Steering Committee		29/30 Jan16	28/29 Jan-16
Budget Office distributes information for finalisation of depreciation, salary budget and interest & redemption.	Budget Office			1-Feb-16
Budget Office distributes all operational budget requests to managers and directors for final verification	Budget Office			1-Feb-16
Snr Manager: Revenue determines Final revenue projections & Tariffs	Snr Manager Revenue Budget			1-5 Feb-16
Review Budget Related Policies	Committee/Councilors/ Directors/Managers			1-5-Feb-16
OMAF Meeting for discussion on preliminary budget proposals and IDP review focus areas for 2016/17	OMAF - Ward Com/Councilors/Managers			2-4-Feb-16

Annexure A
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TASK/ ACTIVITY	RESPONSIBILITY	Close-off	Close off	2016/17
		2014/15 FINANCIAL YEAR	2015/16 FINANCIAL YEAR	BUDGET TIME FRAME
Complete Adjustment Budget (2015/2016 Budget): NT Reports and working papers	/ Directors Budget Office		2-13 -Feb-16	1-12 Feb-16
Budget Steering Committee Meeting - To discuss & review opex, capex, new posts, Revenue Projections & filling of vacancies for determination of Salary Contingency	Budget Steering Committee			8-12 Feb-16
Budget Office send Final list of new posts to Salary Department after discussion with BSC	Budget Office			12-Feb-16
Provincial IDP Indaba 2 (Coordinated Dept LG- IDP Directorate)	Strategic Office/ MM/ Directors			16 Feb-15- TBC
Start with the compilation of Draft SDBIP (2016/17)	Strategic Office/ Directorates			16-Feb-16
Final Review of 2015/2016 Adjustment Budget documents	Budget Office		20-Feb-16	19 Feb 16
Directors and Managers return final operational and capital budget including the statistical information with final sign off to verify information submitted	Directors/Managers			19 Feb 16
Managers return final depreciation, salary budget and interest & redemption, Recharges/ Departmental charges to budget office	Relevant Managers			19 Feb 16
Snr Manager Revenue Dept to finalise Draft tariffs & Revenue Projections and submit to Budget Office	Snr Manager Revenue			19 Feb 16
Update & Balance DB4 System with 3yr Budget Info	Budget Office			22-26 Feb-16
Balance & Verify Draft I/E, Cash Flow and Capital Budget	Budget Office			22-26 Feb-16
Managers to submit Final Policies to CFO	Managers			26-Feb-16
Submit Electricity Tariffs to NERSA	Snr. Manager Revenue			26 Feb -16
Managers to submit Activity/ Business Plans for Grants to Budget Office	Budget Holders			4-Mar-16
Finalise the draft IDP review 2016/17	Strategic Office			1-18 Mar-16
Finalisation of Draft Opex & Capex Budgets working papers	Budget Office			01-12 Mar-16
Update & Balance A Schedule and compile draft agenda item	Budget Office			01-12 Mar-16
Budget Office compile Draft Budget Report & Schedules	Budget Office			01-12 Mar-16
Budget Office send financial information to Strategic Office for Draft IDP review & SDBIP	Budget Office			12-Mar-16

TASK/ ACTIVITY	RESPONSIBILITY	Close-off	Close off	2016/17
		2014/15 FINANCIAL YEAR	2015/16 FINANCIAL YEAR	BUDGET TIME FRAME
Budget Office does Final Review of Draft Budget Report & Schedules	Budget Office			15-16 Mar-16
Printing & Binding of Draft Budget Report & Electronic Files	Budget Office			15-16 Mar-16
Budget Office distributes Draft Budget Report	Budget Office			17 Mar-16
Prepare advertisements for Draft IDP & Budgets for comments	Budget Office / Strategic Office			24 Mar-16
Draft IDP/Budget tabled in Council	Budget Office / Strategic Office			23/30-Mar-16
Advertise Draft IDP & Budget for public comment	Budget Office / Strategic Office			31-Mar-16
APRIL – MAY 2016				
CONSULTATION & APPROVAL PHASE				
Public Participation	Community			1 April-5 May-16
Electronic Draft IDP/Budget files submitted to Provincial Treasury after Council Meeting	Budget Office / Strategic Office			8-Apr-16
Submission of Annual Draft Budget and IDP for representation to National and Provincial Treasury any other prescribed organs of state.	Budget Office / Strategic Office			8-Apr-16
District IDP Managers Forum (Draft IDP reviews and inputs) (Coordinated by ODM- IDP Manager) and District IDP Rep/PPCom Forum	Strategic Office			11-Apr-16
Managers to submit Demand Management Plans to SCM	Budget Holders			29-Apr-16
LG MTEC3 Engagement	Provincial Treasury/ Municipal Delegation			end April-16
Managers to submit Final Activity/ Business Plans for Grants to Budget Office	Budget Holders			29-Apr-16
Summarise all community feedback and distribute to the relevant stakeholders for consideration to be included in the Final Budget report	Budget Office			3 May-16
Budget Steering Committee Meeting - Consideration of Budget Comments (Review Budget comments to make decision on comments)	Budget Steering Committee			3 May-16
Re-advertise for Budget comments	Budget Office			13 May-16

Annexure A
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TASK/ ACTIVITY	RESPONSIBILITY	Close-off	Close off	2016/17
		2014/15 FINANCIAL YEAR	2015/16 FINANCIAL YEAR	BUDGET TIME FRAME
Budget Office compile Final Budget Report and Schedules	Budget Office			03-12 May-16
Budget Office does Final Review of Budget Report & Schedules	Budget Office			12-13 May-16
Printing & Binding of Final Budget Report	Budget Office			16-17 May -16
Distribution of Final Budget Report	Budget Office			19-20 May -16
Approval of IDP and Budget by Council	Budget Office / Strategic Office			25-May-16
IMPLEMENTATION PHASE				
Place Final Budget documents on the website	Budget Office			1 June-16
Advertise Final Budget and Tariffs in the media	Budget Office			3-June-16
Submission of final Budget and IDP to National and Provincial Treasury.	Budget Office / Strategic Office			7 June-16
Municipal Manager submits SDBIP to Mayor	Municipal Manager			8-June-16
Publish a summary of Budget in Bulletin	Manager: Communications			15-June-15
Compile Internal Budget Book & electronic copy	Budget Office			4-22 June-16
Confirm Capital Budget on Financial System	Budget Office			20 June-16
Print & Bind Internal Budget Book & Electronic Copy	Budget Office			23-28 June-16
Approval of SDBIP by Executive Mayor	Mayor			23-June-16
Finalise and approval of the performance agreements of the S54A and S56 appointees	Strategic Office/EM/MM			23-June-16
Advertise Property Rates Tariffs in Provincial Gazette	Senior Manager: Revenue			24 June-16
Place Internal Budget Book on Intranet	Budget Office			28-June-16
Distribute Internal Budget Book	Budget Office			28-June-16
Submit Budget Related Appendix B reports to National and Provincial Treasury.	Budget Office			30 June-16
Submit Budget Locking Certificate to National Treasury	Budget Office			14-Jul-16
REPORTING & REVIEW				
Monthly Budget Statement to Municipal Manager and Mayor	Budget Office		Jul 15- Jun 16	Jul 16- Jun 17

TASK/ ACTIVITY	RESPONSIBILITY	Close-off	Close off	2016/17
		2014/15 FINANCIAL YEAR	2015/16 FINANCIAL YEAR	BUDGET TIME FRAME
Quarterly reporting by Mayor to Council	Mayor		Oct 15, Jan 16, Apr 16, Jul 16	Oct 16, Jan 17, Apr 17, Jul 17
Table adjustments Budget	Budget Office		25-Feb-16	24-Feb-17
Finalise Roll over Projects (Final Amounts)	Budget Office	31-Jul-15	31-Jul-16	31-Jul-17
Table Adjustments Budget for approval of Roll over projects	Budget Office	25-Aug-15	25-Aug-16	25-Aug-17
Table in Council Draft unaudited Annual Report / AFS	Budget Office / Strategic Office	26-Aug-15	26-Aug-16	31-Aug-17
Submission of annual financial statements to AG	Accounting Services	31-Aug-15	31-Aug-16	31-Aug-17
Finalise the draft unaudited annual report for submission to AG	Strategic Office	31-Aug-15	31-Aug-16	31-Aug-17
Submit Draft audited Annual Report to Council	Strategic Office	27-Jan-16	27-Jan-17	25-Jan-18
Submit Adjustments Budget (Overspending), if necessary	Budget Office	27-Jan-16	27-Jan-17	26-Jan-18
Final Annual Report Comments and Approval	Strategic Office	Feb-March	Feb-March	Feb-March

Notes:

Opex: Operational Expenditure
Capex: Capital Expenditure