



SPECIAL COUNCIL MEETING

ITEM MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT JULY 2024 – DECEMBER 2024

File no : **COUNCIL MATTERS**
Date : **23 JANUARY 2025**
Author : **ACTING MUNICIPAL MANAGER**
Delegated authority : **COUNCIL**

PURPOSE OF REPORT

Of the report is to present to council the report submitted by the accounting officer on the mid-year assessment of the municipality's financial and non-financial performance for the period 01 July 2024 - 31 December 2024.

BACKGROUND/ DISCUSSION

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.

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

- (i) consider the report.
- (ii) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan.
- (iii) 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.
- (iv) approval of an adjustments budget.
- (v) issue any appropriate instructions to the accounting officer to ensure-
- (vi) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
- (vii) that spending of funds and revenue collection proceed in accordance with the budget.
- (viii) identify any financial problems facing the municipality, including any emerging or impending financial problems.

In line with the above-mentioned legislation as well as the municipality's financial position section 72(3) stipulates that the accounting officer must as part of the review

- (a) make recommendations as to whether an adjustment budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

FINANCIAL IMPLICATIONS

None.

RELEVANT LEGISLATIONS/ POLICIES

Section 72 of the MFMA read together with section 23 of the Municipal Budget and Reporting Regulations (MBRR) sets out the criteria, timeframes and other prescriptions for when a municipality may review its Expenditure for the first six months of every Financial Year and recommend whether an Adjustment budget is necessary or not.

COMMENTS FROM DIRECTORATES:

Chief Financial Officer:

Recommendations supported.

Acting Director Technical Services:

Recommendations supported.

ANNEXURES

Annexure A: Sec 72 Mid-Year Budget and Performance Report 2024/25

RECOMMENDATIONS BY THE ACTING MUNICIPAL MANAGER

1. That the mid –year report on the financial and non-financial performance for the period 01 July 2024 - 31 December 2024 be approved.
2. That considering the financial results for the mid-year ended 31 December 2024, an adjustment budget be done to adjust, both the revenue and expenditure, in accordance with current performance.
3. That the Revenue and Expenditure projections of the current financial year, be revised up and or down wards, where necessary.
4. That following the approval of the adjustments budget, the revised SDBIP which forms the basis of the mid-year assessments, be considered by Prince Albert Municipal Council.