

SOL PLAATJE

POLICY DIRECTIVE ON FAILURE TO APPROVE BUDGET BEFORE START OF THE BUDGET YEAR

Purpose

A policy directive on failure to approve the budget before the start of the budget year per the Municipal Finance Management Act, No. 56 of 2003, S25.

Background

As a result of various reasons a municipalities may find itself failing to approve the budget before the start of the budget year.

To address the situation, the Municipal Finance Management Act, Number 56 of 2003, stipulates that:

- If a municipal council fails to approve an annual budget, including revenue raising measures necessary to give effect to the budget, the council must reconsider the budget and again vote on the budget, or an amended version thereof, within seven days of the council meeting that failed to approve the budget;
- The process must be repeated until a budget, including revenue raising measures necessary to give effect to the budget is approved;
- If the municipality has not approved an annual budget by the first day of the budget year the Mayor must immediately report the matter to the MEC for local government in the province; and may recommend to the MEC an appropriate provincial intervention in terms of section 139 of the Constitution.

No immediate financial implication.

Consultation: Municipal Manager

Was discussed and approved.

Contact Person:

Chief Financial Officer-053 830 651

RECOMMENDATION

That process to handle failure of the Council to adopt a budget before the first day of the budget year is hereby adopted.