
**SECTION 72 MIDYEAR BUDGET PERFORMANCE ASSESMENT FOR 31
DECEMBER 2019**

Purpose

To present the Section 72 report (Midyear budget performance assessment) for the six months ended 31 December 2019 to the Executive Committee for noting.

Background

In terms of Section 72 of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA) the accounting officer of a Municipality must, by the 25th of January each year assess the performance of the municipality during the first half of the financial year and submit the assessment report to the Mayor recommending whether an adjustment budget is necessary and whether revision of revenue and expenditure projections are necessary.

Discussion

The municipality has assessed the financial performance for the first six months by taking into account the Section 71 reports for the first six months and all financial transactions up to the 31st of December 2019 as per attached report and have analysed that there is a need for a budget adjustment to be made and that there is a need to adjust the revenue and expenditure projections.

Financial performance assessment report is attached hereto as an Annexure.

LEGAL IMPLICATIONS

That this report be submitted to Council as per Section 72 of the Municipal Finance Management Act. Act No. 56 of 2003.

FINANCIAL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

That the copy of the report be submitted to both the Provincial and National Treasury as required by Section 72(1)(b)

COMMENTS BY OTHER DEPARTMENTS

Recommendation

1. It is recommended that Executive Committee takes cognizant of the Mid-Year Budget assessment report as set out in the attached report and submit same to Council for noting
2. It is also recommended that Executive Committee note the need to effect budget adjustments as documented in the report and also the need to revise the SDBIP accordingly. (The report on budget adjustment to be presented in the next Executive Committee)