



The home of harmony, prosperity and growth

**MAYORAL NOTES, ADJUSTMENT BUDGET AND ANNUAL REPORT
12 FEBRUARY 2014**

The Honorable Speaker;

Members of the Executive Committee;

Honorable Councillors of Ngwathe Local Municipality;

Municipal Manager and your team;

Distinguished Guests;

Community of the Ngwathe Municipal Area at large;

Mr Speaker, 1994 ushered in a new Political dispensation in the Republic of South Africa (RSA). The country experienced for the first time a completely new era where in every RSA citizen was enfranchised.

It therefore affords me great pleasure that as we reach an important twenty year milestone in this democratic South Africa, it is these men and women seated here who are entrusted with the responsibility of leading our people, who are today referred to, as Ngwathe Councillors.

This call, Councillors is one of the mammoth tasks that we need to perform with diligence, super commitment and above all, a clear understanding of Local Government Mandate which is to effectively provide services to our people in a sustainable and efficient manner .

Perhaps it is prudent for me to borrow from the late son of the universe, the global icon and South's finest, Dr Nelson Mandela when he said

"We must use time wisely and forever realize that the time is always ripe to do right"

Tata's words should be an every day inspiration for all of us to strive to do good for our constituencies.

As we are to adopt both the Annual Report and the adjusted budget, it will be of paramount importance to reflect on the schedule of adopting these two major documents.

In terms of the relevant pieces of legislations, The MFMA, act 56 of 2003 and the MSA, act 32 of 2000. Council should have adopted the se documents mid or by the end of January.

This purpose of the annual report is to give effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It also reflects the ethos of public accountability.

The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making

This therefore translates into Non-Compliance.

I think a commitment needs to be made by all concerned that, this is the last time that we are failing to comply in terms of Time Frames.

Section 129 of the MSA 32 of 2000 states that: "The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report,"

Compliant to the above is going to be non negotiable as well

Honourable Speaker

Let briefly outline our proposed adjustment to the sitting, in a nutshell

Municipal adjustments budgets

During the adjustment budget process, the country found itself faced with tough economic conditions and we were equally affected as Ngwathe local municipality

In light of section 28 of the Municipal Finance Management Act no 56 of 2003, and the tough economic conditions (including low collection rate of revenue from services), the operating revenue budget had to be adjusted downwards from R 457.9 million to R 428.9 million.

Due to the downward adjustment of the revenue budget, some expenditure had to be cut in order to accommodate the expected loss in revenue. Overall the operating budget was adjusted downwards from R 457.9 million to R 437.9 million.

The detailed adjustments are contained in adjustments budget handout.

The National Treasury approved a rollover of unspent MIG funds from the 2012/13 financial year amounting to R21.4 million. The rollover amount has been earmarked for the acceleration of bucket eradication projects; the technical services department with the PMU unit are preparing a business plan in this respect.

In conclusion Honourable Speaker, fellow Councillors and the office of the Auditor General

This is our brief submission in terms of the proposed budget adjustment

Thank you