

## **KNYSNA LOCAL MUNICIPALITY**

Notice is hereby given of a

### **SPECIAL MAYORAL COMMITTEE MEETING**

which will be held on

**Monday, 25 January 2021**

at

**09:00**

on Ms Teams  
to consider the following items

CLLR E VAN ASWEGEN  
EXECUTIVE MAYOR  
MUNICIPAL OFFICE  
**KNYSNA**

Mr DJ Adonis  
**ACTING MUNICIPAL MANAGER**

**CHAIRPERSON:**

Cllr E van Aswegen (Executive Mayor)

**MEMBERS:**

Cllr A Tsengwa (Executive Deputy Mayor)  
Cllr C Croutz  
Cllr T Matika  
Cllr W Salaze  
Cllr M Skosana

1. Opening and Welcome
2. Attendance
  - 2.1 Members: Present (As per attendance registers)
  - 2.2 Members: Absent with Leave
  - 2.3 Members: Absent Without Leave
  - 2.4 Other Councillors Present
  - 2.5 Officials Present
  - 2.6 Members of the Audit Committee Present
  - 2.7 Members of the Public Present
3. Noting of the Provisions of Code of Conduct for Councilors and Declaration of Interest
4. Declaration of interest
5. New items
6. Closure

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5.1

**PERFORMANCE ASSESSMENT REVIEW FOR THE PERIOD 1 OCTOBER  
2020- 31 DECEMBER 2020**

**REPORT FROM THE ACTING MUNICIPAL MANAGER**

**PURPOSE OF THE REPORT**

The purpose of this report is to comply with the requirements of Section 52 of the Municipal Finance Management Act, No. 56 of 2003, which prescribes the general responsibilities of the Mayor to table to council the progress made by the municipality in terms performance measured against the targets set out in the Service Delivery Budget Implementation Plan for 2020/2021 (Annexure B) at 31 December 2020.

**BACKGROUND**

Section 52 of the MFMA provides that the mayor of a municipality must within 30 days of the end of each quarter, submit a report to the Council on the progress made on implementation of the budget. The service delivery performance, service delivery targets and performance indicators are set in the service delivery and budget implementation plan

**DISCUSSION**

The Quarterly Service Delivery Report 2020/2021, has been prepared to comply with the legislative requirements of section 52 of the MFMA.

**RELEVANT LEGISLATION**

Local Government: Municipal Finance Management Act 56 of 2003

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

That the attached quarterly report, as required by Section 52 of the Municipal Finance Management Act, Act 56 of 2003 in respect of the implementation of the budget as well as the performance against the Service Delivery and Budget Implementation Plan of the municipality for the period 1 October 2020 to 31 December, be noted.  
2020.

**APPENDIX / ADDENDUM**

Annexure 1 – Quarter 2 Non-Financial Performance Assessment Report 2020/2021

File Number: 15/2/6/1/3

Execution: Acting Municipal Manager

5.2

**MID-YEAR PERFORMANCE ASSESSMENT REVIEW FOR THE PERIOD 1  
JULY 2020- 31 DECEMBER 2020**

**REPORT FROM THE ACTING MUNICIPAL MANAGER**

**PURPOSE OF THE REPORT**

To present to Mayco the non-financial performance report in terms of the MFMA, Act 56 of 2003, *section 72 (a) (ii) and (iii)* for the period 1 July 2020 - 31 December 2020.

**BACKGROUND**

Section 72(1) (a), (ii) of the MFMA directs that the Accounting Officer must by 25 January of each year assess the performance of the municipality during first half of financial year taking into account, service delivery performance, service delivery targets and performance indicators set in the service delivery and budget implementation plan.

Section 72 (1) (b) provides that the Accounting Officer of the municipality submit a report of such assessment to –

- (i) The mayor of the municipality

**DISCUSSION**

The Mid-Year Performance Assessment Report 2020/2021 has been prepared to comply with the legislative requirements of section 72 of the MFMA, taking into account the past year's annual report and progress on resolving problems identified in the annual report.

**RELEVANT LEGISLATION**

Section 72 of the MFMA (Municipal Finance Management Act), (Act No. 56 of 2003)

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

- (a) That the Section 72 report for the period 1 July 2020 - 31 December 2020, be noted;
- (b) That following the approval of an adjustments budget the revised SDBIP, which forms the basis of the mid-year assessments, be approved.

**APPENDIX / ADDENDUM**

Annexure 1 - Mid-Year Non-Financial Performance Assessment Report 2020/2021

SPECIAL MAYORAL COMMITTEE MEETING  
AGENDA  
25 JANUARY 2021

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File Number: 15/2/6/1/3

Execution: Acting Municipal Manager

5.3

**SECTION 72 MID-YEAR BUDGET ASSESSMENT REPORT (01 JULY 2020 TO 31  
DECEMBER 2020)**

**REPORT FROM THE ACTING DIRECTOR: FINANCIAL SERVICES**

**PURPOSE OF THE REPORT**

To present to the Municipal Council the Section 72 Mid-Year Budget Assessment Report for the 2020/2021 financial year for consideration.

**BACKGROUND**

Section 72(1) of the Municipal Finance Management Act (MFMA) determines that the Municipal Manager must by the 25<sup>th</sup> of January of each year assess the performance of the Municipality during the first half of the financial year and submit a report to the Executive Mayor, the National Treasury and the Western Cape Provincial Treasury.

Section 54(1)(f) of the MFMA determines that the Executive Mayor must submit the Section 72 Mid-Year Budget Assessment Report to the Municipal Council by the 31<sup>st</sup> of January of each year.

Section 54(2)(a) of the MFMA determines that the Executive Mayor must promptly respond to and initiate any remedial or corrective steps proposed by the Municipal Manager as set out in the Section 72 Mid-Year Budget Assessment Report.

**DISCUSSION**

The Section 72 Mid-Year Budget Assessment Report is used as a management tool to assess the Municipality's performance and financial position against the approved budget.

This is conducted by analysing trends and patterns for the first six months of the 2020/2021 financial year, with a view of giving effect to the Executive Mayor's and Council's oversight role and to recommend the need for an Adjustments Budget, if necessary.

The Section 72 Mid-Year Budget Assessment Report and the February 2021 Adjustments Budget Process Plan (PP) with the tasks and target dates is attached hereto as Annexure A. The Process Plan includes an Adjustments Budget Workshop with all councillors and Top Management Team members on Teams scheduled for Tuesday 23 February 2021.

**FINANCIAL IMPLICATIONS**

The financial issues identified in the Section 72 Mid-Year Budget Assessment Report should be addressed in an Adjustments Budget, which needs to be tabled and approved by Council before 28 February 2021. There is no scheduled Ordinary Council meeting in February 2021 and therefore a Special Council Meeting will have to be arranged for Thursday or Friday the 25<sup>th</sup> or 26<sup>th</sup> of February 2021 respectively.

**RELEVANT LEGISLATION**

Sections 52 and 72 of the Municipal Finance Management Act.

**COMMENTS FROM THE MUNICIPAL MANAGER**

Support the Recommendations

**COMMENTS FROM CORPORATE SERVICES**

Recommendations are supported

**COMMENTS FROM FINANCIAL SERVICES**

Recommendations supported

**COMMENTS FROM INFRASTRUCTURE SERVICES**

None

**COMMENTS FROM COMMUNITY SERVICES**

Noted

**COMMENTS FROM PLANNING AND DEVELOPMENT**

Noted.

**COMMENTS FROM LEGAL SERVICES**

Recommendations are supported

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

- [a] That the Section 72 Mid-Year Budget Assessment Report, be noted;
- [b] That the Acting Municipal Manager and Executive Directors compile an Adjustments Budget for 2020/2021 based on the findings within the Section 72 Mid-Year Budget Assessment Report;
- [c] That the Section 72 Mid-Year Budget Assessment Report and the February 2021 Adjustments Budget Process Plan, be noted;
- [d] That the 2020/2021 Adjustments Budget be tabled to Council during the month of February 2021 to be approved by Council by not later than 26 February 2021;



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- [e] That the Section 72 Mid-Year Budget Assessment Report be submitted to the National Treasury, Western Cape Provincial Treasury, the Internal Audit Department and the Audit Committee;
- [f] That the Section 72 Mid-Year Budget Assessment Report be published on the municipal website.

**APPENDIX / ADDENDUM**

Annexure A: Section 72 Mid-Year Budget Assessment Report and the February 2021 Adjustments Budget Process Plan; and

Annexure B: Section 72 Mid-Year Budget Assessment Report (Report will be circulated with a supplementary agenda on Monday 25 January 2021).

File Number: 9/1/2/10

Execution: Acting Director: Financial Services

**6. Closure**