



# **IDP / BUDGET PROCESS PLAN 2019/2020**

## **Kannaland Municipality**

Church Street 32

LADISMITH

6655

Telephone: 028 551 8000

Email: [info@kannaland.gov.za](mailto:info@kannaland.gov.za)

Website: [www.kannaland.gov.za](http://www.kannaland.gov.za)

**CONTENTS**

1. INTRODUCTION .....3

2. LEGAL FRAMEWORK: IDP AND BUDGET PROCESS PLAN .....3

3. PURPOSE OF THE IDP AND BUDGET PROCESS PLAN.....4

4. HOW IS THE IDP PROCESS UNDERTAKEN? .....5

5. MEDIUMS / METHODS OF COMMUNICATION.....6

6. ROLES AND RESPONSIBILITIES .....7

7. REPORTING REQUIREMENTS ..... 10

## **LIST OF ABBREVIATIONS**

BSC	Budget Steering Committee
CFO	Chief Financial Officer
HOD	Head of Department
IDP	Integrated Development Plan
MBRR	Municipal Budget and Reporting Regulations
MFMA	Municipal Finance Management Act
MPPMR	Municipal Planning and Performance Management Regulations
MSA	Municipal Systems Act
NT	National Treasury
PAC	Performance Audit Committee
PPU	Public Participation Unit
PT	Provincial Treasury

# 1. INTRODUCTION

The vision and mission of Kannaland Municipality is mainly focused on retaining the human resources of the municipality by exploiting the local attributes of the municipality.

The vision and mission of the Municipality are as follows:

**Vision:** “To be the place of Choice”

**Mission:**

1. Encouraging self-reliance.
2. Ensure co-ordination and collaboration of various stakeholders in the delivering of development in a sustainable manner.
3. Promote a healthy and vibrant community with high moral standards.
4. Unlock the development potential of the area particularly tourism and indigenous knowledge and mobilizing investment.
5. Ensure everyone will be active in the economy and utilize technology to the advantage of the municipality.
6. Attract and keep a highly skilled work force.

The Integrated Development Plan is the municipality’s principal strategic planning document. It is imperative to note that the IDP ensures close co-ordination, alignment and integration between priorities, projects, programs and activities, both internally between directorates and externally between stakeholders and other spheres of government. The IDP therefore ultimately enhances integrated service delivery and development and promotes sustainable integrated communities.

This process plan briefly outlines the activities in the processes which the municipality will undertake in developing it’s 2019/2020 IDP Review and Budget. It furthermore substantiates the need for increased citizen involvement through municipal driven structures such as Ward Communities and various representative forums.

It is important to bear in mind that the end result of the IDP process is not the drafting of the IDP document, but the actual implementation of projects which will ultimately improve the conditions in which the residents of Kannaland live.

## 2. LEGAL FRAMEWORK: IDP AND BUDGET PROCESS PLAN

According to Section 28(1) of the Municipal System Act, No 32 of 2000 a municipal council must adopt a process set out in writing to guide the planning, drafting and review of its integrated development plan. This Process Plan outlines the programme to be followed and provides detail on the issues specified in the Act. A process plan must include the following:

1. *A programme specifying time-frames for the different steps;*
2. *Outline mechanisms, processes and procedures for consultation of the community, organs of state, traditional authorities and role-players;*
3. *Identify all plans and planning requirements binding on the municipality;*
4. *Be consistent with any other matters prescribed by legislation.*

Section 21(1) of the Municipal Finance Management Act (Act 56 of 2003) further prescribes that the Mayor of a municipality must co-ordinate the processes of preparing the annual budget and for reviewing the municipality’s IDP. It is therefore imperative that a time schedule outlining the key

activities in the process with deadlines for attainment be tabled to Council for approval ten (10) months prior to the final approval of the IDP and Budget.

In order to ensure certain minimum quality standards of the IDP process and a proper coordination between and within the spheres of government, the preparation of the planning process is regulated by the Municipal Systems Act, No 32 of 2000. Section 28 of the Systems Act stipulates that;

1. *Each Municipal Council must adopt a process set out in writing to guide the planning, drafting, adoption and review of the IDP.*
2. *The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.*
3. *A municipality must give notice to the local community of particulars of the process it intends to follow.*

In terms of Section 29(1) of the Municipal Systems Act the process must;

1. *be in accordance with a predetermined programme specifying timeframes for the different steps;*
2. *through appropriate mechanisms, processes and procedures allow for the local community to be consulted on its development needs and priorities, allow the local community to participate in the drafting of the IDP, and allow organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the IDP;*
3. *provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation.*

### **3. PURPOSE OF THE IDP AND BUDGET PROCESS PLAN**

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its integrated development plan and the budget for the 2018/19 financial year as well the two outer years.

The process plan enhances integration and alignment between the IDP and Budget, thereby ensuring the development of an IDP-based budget. It fulfills the role of a business plan or an operational framework for the IDP process outlining the manner in which the IDP process will be undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

The IDP and Budget processes are two distinct but integrally linked processes which must be coordinated to ensure that the IDP and budget related policies and the final budget are mutually consistent and credible. Credibility refers to the municipality's ability and capacity to spend and deliver services in accordance with its approved budget.

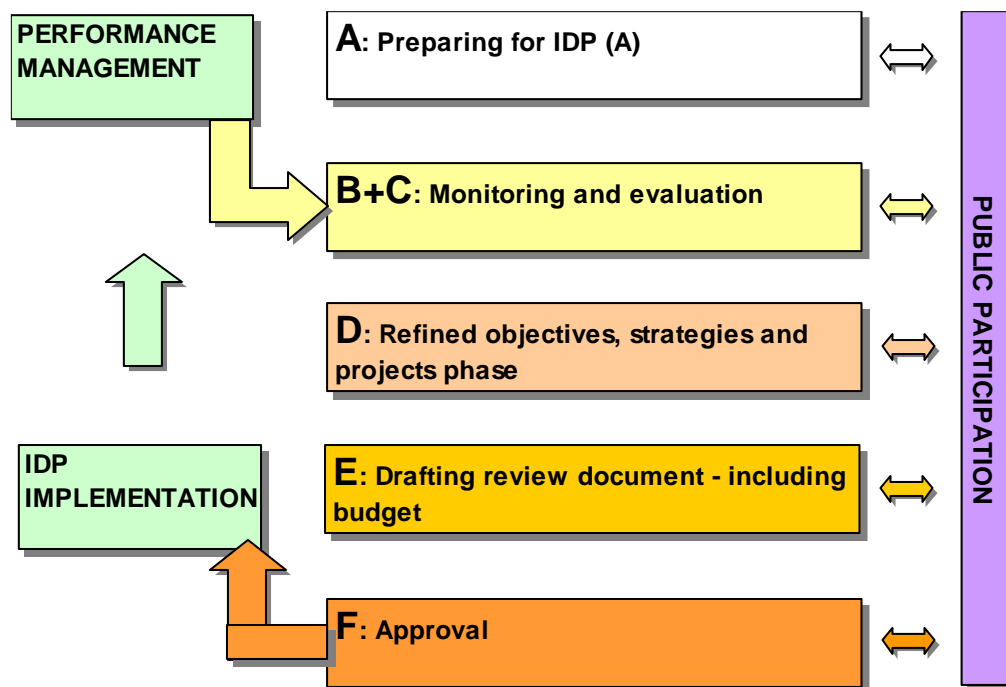
The process creates its own dynamics since it encompasses the involvement of external role-players and vested interest groups, therefore it requires accurate logistical planning and arrangements of engagement sessions to ensure that the process is implemented in accordance with the approved schedule.

#### 4. HOW IS THE IDP PROCESS UNDERTAKEN?

The process reflected in the diagram below represents a continuous cycle of planning, implementation and review. Implementation commences after the Municipal Council adopts the IDP and Budget.

Through the year of implementation, performance is monitored, new information becomes available and major unexpected events may occur. Some of this information is used to make immediate changes to planning and implementation. Relevant inputs are then integrated into the annual review of the IDP.

After adoption of the IDP, implementation as well as situational changes will continue to occur; this is again monitored throughout the year and evaluated for consideration during the IDP process.



##### ***Spatial Alignment***

A Municipal Spatial Development Framework (MSDF) is a long-term development strategy required in terms of the Municipal Systems Act 32 of 2000 and forms part of the Integrated Development Plan (IDP). The main aim of the MSDF is to clearly outline the spatial status quo of the Municipality, identify the opportunities and threats and then set out the local authority's goal, strategies and supporting policies in achieving medium - and long-term growth. It must give spatial expression on the Municipality's service delivery and development agenda. Furthermore, it clarifies and directs development and management activities in urban and rural areas in alignment with National and Provincial spatial planning legislation.

##### ***Horizontal and Vertical Alignment***

In terms of section 27 of the MSA the District Municipality must develop a Framework Plan which provides the linkage and binding relationships between the district and local municipalities in its area of jurisdiction. In doing so, proper consultation, co-ordination and alignment of the IDP process of the district municipality and various local municipalities can be maintained. The IDP process

must align horizontally with neighbouring municipalities especially from a spatial perspective. Due to the fact that a number of sector plans form an integral part of the municipal IDP it is important that the following national and provincial policy documents are also taken into account when Knysna Municipality draft its IDP:

- National Development Plan
- Western Cape Strategic Development Plan
- Western Cape Spatial Development Framework
- IDP Framework of Eden District Municipality

## 5. MEDIUMS / METHODS OF COMMUNICATION

The following mechanisms can be used to inform and communicate to stakeholders at any point in time during the process:

METHOD	REASON
Newspaper Publication	<p>To invite comments from the public for both draft and final IDP documents.</p> <p>To ensure the municipality adheres to legislation in terms of published the notices in the local newspapers.</p>
Loud Hailing	To alert the community on the IDP process as well to ensure the message is carried out within the community to attend the public participation meetings in order to identify needs.
Ward Committee Meetings and Public Participation Meetings	<p>Ward committees serves as an official specialised participatory structure within the municipality and a mobilizing agent for community action within the wards.</p> <p>Ensure constructive and harmonious interaction between the municipality and community through the use and co-ordination of ward residents meetings and other community development forums.</p>
Community newsletters	To inform the public of the IDP processes
Website	To adhere to legislation in terms of section 21 of the Municipal Systems Act as well to make the IDP and all other related documents public on the municipal website.

## 6. ROLES AND RESPONSIBILITIES

One of the prerequisites of a well-organized IDP process is for all role players to be fully aware of their own as well as other role player's responsibilities. The Table below outlines a brief description thereof.

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
<b>Council</b>	<ol style="list-style-type: none"> <li>1. Approve and adopt the process and framework plans as well as IDP and budget</li> <li>2. Monitor the implementation and approve any amendments of the plan when necessary.</li> </ol>
<b>Executive Mayor and Mayoral Committee</b>	<ol style="list-style-type: none"> <li>1. Consider the IDP and Budget timetable and Process Plan and submit to Council for approval.</li> <li>2. Overall management, coordination and monitoring of the IDP process.</li> <li>3. Assign and delegate responsibilities in this regard to the Municipal Manager.</li> <li>4. Submit the draft IDP to Council for approval.</li> <li>5. Submit final IDP and Budget to Council for adoption.</li> <li>6. Provide political guidance in IDP and Budget (in terms of section 53(a) of the MFMA Act 56 of 2003).</li> <li>7. Co-ordinate plans and Timetables for the Budget.</li> <li>8. Exercise close oversight on Budget Preparation Process.</li> </ol>
<b>Speaker</b>	<ol style="list-style-type: none"> <li>1. Overall monitoring of the public participation process.</li> <li>2. Exercise oversight of the ward committee system.</li> </ol>
<b>Ward Councillors / Ward Committees</b>	<ol style="list-style-type: none"> <li>1. Form a link between the Municipality and residents.</li> <li>2. Link the IDP process to their respective Wards.</li> <li>3. Assist in the organising of public consultation and participation.</li> <li>4. Monitor the implementation of the IDP with respect to their particular wards</li> <li>5. Encourage residents to take part in the IDP process.</li> </ol>
<b>Municipal Manager</b>	<ol style="list-style-type: none"> <li>1. Managing and coordinate the entire IDP process as assigned by the Executive Mayor.</li> <li>2. Fulfil the duties of Accounting Officer as set out in Sections 68 and 69 of the MFMA, Act 56 of 2003.</li> </ol>



ROLE PLAYERS	ROLES AND RESPONSIBILITIES
<b>IDP Co-ordinator</b>	<ol style="list-style-type: none"> <li>1. Prepare IDP process plan and monitor the timeously implementation thereof.</li> <li>2. Day to day management and coordination of the IDP process.</li> <li>3. Ensure stakeholder engagement in IDP process by organising and setting up meetings for engagement.</li> <li>4. Ensure that the IDP process is participatory and that planning is ward-based oriented.</li> <li>5. Respond to public and MEC comments on Draft IDP.</li> <li>6. Compilation of comprehensive, neat and presentable IDP document that complies with all legislative requirements.</li> <li>7. Amend the IDP document in accordance with the comments of the ME</li> </ol>
<b>Executive Managers and Head of Departments</b>	<ol style="list-style-type: none"> <li>1. Provide relevant technical, sector and financial information for analysis for determining priority issues.</li> <li>2. Provide technical expertise in consideration and finalisation of strategies and identification of projects.</li> <li>3. Provide departmental, operational and capital budgetary information.</li> <li>4. Preparation of project proposals, integration of projects and sector programmes.</li> <li>5. Give input during the IDP review process</li> </ol>
<b>IDP-Steering Committee</b>	<ol style="list-style-type: none"> <li>1. Refinement and Quality check of IDP document to ensure compliance with legislation.</li> <li>2. Consist of Municipal Manager, Senior Management, IDP Co-ordinator, Speaker.</li> <li>3. Provide an organisational mechanism for discussion, negotiation and decision making between stakeholders.</li> <li>4. Represents the interest of their functions in the IDP process.</li> <li>5. Monitors the performance of the planning and implementation process and update of the performance system</li> <li>6. Comprises of the Mayor, Councillors, Ward Committees, Municipal Manager, Directors, representatives of various sectors, NGO's, Government Departments and specialised community members.</li> </ol>
<b>Budget-Steering Committee (GRAP)</b>	<ol style="list-style-type: none"> <li>1. To provide technical assistance to the mayor in discharging the responsibilities set out in Section 53 of the MFMA.</li> <li>2. Consist of portfolio Councillor for Financial matters, the Municipal Manager, the Chief Financial Officer, Senior Managers and Head of Departments to give technical advice if necessary.</li> </ol>
<b>MPAC</b>	<ol style="list-style-type: none"> <li>3. Review the IDP and give recommendation to the MAYCO and Council</li> </ol>

## **Distribution of roles and responsibilities between the municipality and external role players**

It is one of the pre-requisites of a smooth and well organised IDP process that all role players are fully aware of their own and of other role players' responsibilities. Therefore, it is one of the first preparation requirements for the IDP process to ensure that there is a clear understanding of all required roles and of the persons or organisations that can assume those roles.

This section deals with the roles which the municipality has to play in the IDP process in relation to the roles which external role players are expected to play.

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
Kannaland Municipality	<ol style="list-style-type: none"><li>1. Prepare and adopt the IDP.</li><li>2. Undertake the overall planning, management and coordination of the IDP process.</li><li>3. Consider comments of the MEC on the IDP and adjust the IDP if necessary.</li><li>4. Ensure linkage between the Budget and IDP.</li></ol>
Local Residents, Communities and Stakeholders	<ol style="list-style-type: none"><li>1. Represents interest and contributes knowledge and ideas in the IDP process by participating in and through the ward committees.</li><li>2. Keep communities informed on IDP activities and outcomes.</li></ol>
Eden District Municipality	<ol style="list-style-type: none"><li>1. Ensure alignment of the IDP between the municipality and the district municipality (Integrated District and Local Planning).</li><li>2. Preparation of joint strategy workshops between municipality, provincial and national government.</li></ol>
Provincial Government	<ol style="list-style-type: none"><li>1. Ensure horizontal alignment of the IDP between the municipality and the District municipality.</li><li>2. Ensuring vertical and sector alignment between provincial sector departments/ provincial strategic plans and the IDP process at local/district level.</li><li>3. Efficient financial management of Provincial IDP grants.</li><li>4. Monitor the IDP progress.</li><li>5. Assist municipalities in compiling the IDP.</li><li>6. Coordinate and manage the MEC's assessment of the IDP.</li><li>7. Provincial Treasury must provide views and comments on the draft</li></ol>

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
	<p>budget and any budget-related policies and documentation for consideration by council when tabling the budget.</p> <p>8. Conduct Medium Term Revenue and Expenditure Framework (MTREF) budget and IDP assessment.</p>
Sector Departments	<p>1. Contribute sector expertise and knowledge.</p> <p>2. Provide sector plans and programmes for inclusion in the IDP.</p>
National Government	<p>1. National Treasury issues guidelines on the manner in which municipal councils should process their annual budgets, including guidelines on the formation of a committee of the council to consider the budget (Section 23(3) of the MFMA).</p>

## 7. REPORTING REQUIREMENTS

Legislation requirements on reporting is summarised in the below table:

Frequency	MSA/ MFMA Reporting on PMS	Section
Quarterly reporting	<p>The municipal manager collates the information and draft the organizational performance report, which is submitted to Internal Audit.</p> <p>The Internal Auditors (IA) must submit quarterly audited reports to the Municipal Manager and to the Performance Audit Committee</p> <p>The Municipal Manager submits the reports to the Council.</p>	MSA Regulation14(1)(c)
Mid-year Reporting	<p>The Performance Audit Committee must review the PMS and make recommendations to council</p>	MSA Regulation14(4)(a)
	<p>The Performance Audit Committee must submit a report at least twice during the year are port to Council</p>	MSA Regulation14(4)(a)
	<p>The Municipality must report to Council at least twice a year</p>	

Frequency	MSA/ MFMA Reporting on PMS	Section
	The Accounting officer must by 25 January of each year assess the performance of the municipality and submit a report to the Mayor, National Treasury and the relevant Provincial Treasury.	<b>MFMA S72</b>
Annual reporting	The annual report of a municipality must include the annual performance report and any recommendations of the municipality's audit committee	<b>MFMA S121(3)(c)(j) &amp;MSA S46</b>
	The accounting officer of a municipality must submit the performance report to the Auditor-General for auditing within two months after the end of the financial year to which that report relate	<b>MFMA S126 1(a)</b>
	The Auditor-General must audit the performance report and submit the report to the accounting officer within three months of receipt of the performance report	<b>MFMA S126(3)(a)(b)</b>
	The Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality	<b>MFMA S127(2)</b>
	The Auditor-General may submit the performance report and audit report of a municipality directly to the municipal council, the National Treasury, the relevant provincial treasury, the MEC responsible for local government in the province and any prescribed organ of the state	<b>MFMA S127(4)(a)</b>
	Immediately after an annual report is tabled in the council, the accounting officer of the municipality must submit the annual report to the Auditor- General, the relevant provincial treasury and the provincial department responsible for local government in the province.	<b>MFMA S127(5)(b)</b>
	The council of the municipality must consider the annual report by no later than two months from the date on which the annual report was tabled, adopt an oversight report containing council's comments on the annual report	<b>MFMA S129(1)</b>
	The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organ of the state	<b>MFMA S130(1)</b>
	The Cabinet member responsible for local government must annually report to Parliament on actions taken by the MECs for local government to address issues raised by the Auditor-General	<b>MFMA S134</b>



KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2019 – JUNE 2020											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Preparation	Conduct an assessment of progress of the performance measurements and changing circumstances in the municipality to constitute a review of the IDP	Executive Mayor Municipal Manager	25						16					
	Advertise for sector representatives to serve on IDP Technical Forum	IDP Coordinator			05									
	Tabling of the draft IDP Review & Budget Time Schedule to the MAYCO and Council meeting:	Executive Mayor Council		31										
	Advertise the IDP and Budget Process with time schedule on Website			04										
Analysis	Review of the Performance Management System (PMS)	Performance and Compliance Officer	25											
	Review the annual performance against SDBIP's	Performance and Compliance Officer		15										
	Assess the municipal financial position and capacity (based on the Annual Financial Statements of previous budget year)	Chief Financial Officer			17									
	Review budget-related policies and set policy priorities for next 3 financial years	Chief Financial Officer											28	
	Determine the funding/revenue potentially available for next 3 years	Chief Financial Officer										15		
	Determine the likely financial outlook and identify changes to fiscal strategies	Chief Financial Officer				17								
	Refine funding policies; review tariff structures	Chief Financial Officer								27				
	Evaluation of matters identified in IDP Assessment Report received from MEC: Local Government	IDP Coordinator										09		
	Determine any changes in the Socio-economic conditions & trends of Kannaland Municipality	Senior Management						05						

[illegible]

[illegible]



KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2019 – JUNE 2020											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	need support/financial assistance from Government 2. Referring of community issues which have been identified during IDP process but are not competencies of Local Government to the relevant National & Provincial Sector Departments □ Follow up on IDP Indaba agreements													
	Identification of new Capex/Opex projects & programmes culminating from the IDP Review Process	All departments								25				
	Prioritisation of internal & external Capex & Opex projects & Programmes	IDP & Budget Steering Committee							15	25				
	Workshop for the preparation of Adjustment Budget	Chief Financial Officer							23					
	Tabling & approval of Adjustment Budget <i>(to be approved before 28 Feb)</i>	Chief Financial Officer								28				
	Workshop with Council to finalize:	Executive Mayor									06			
	1. Draft IDP Review 2. Draft Operational & Capital Budget	Senior Management												
Integration	Quarterly meetings of IDP & Budget Steering Committee	CFO IDP Coordinator Municipal Manager				09			15			16		
	Preparation of draft IDP Review	IDP Coordinator								12				

[illegible]

[illegible]

**PROPOSED DATES FOR IDP PUBLIC ENGAGEMENTS: 2017/18 IDP REVIEW AND BUDGET CYCLE:**

**WARD 1: Councillor  
Donson**



Phase 1:  
TBC

Phase 2:  
TBC

**WARD 2:  
Councillor Meshoa**



Phase 1:  
TBC

Phase 2:  
TBC

**WARD 3: Executive  
Mayor Barry**



Phase 1:  
TBC

Phase 2:  
TBC

**WARD 4:  
Speaker Theron**



Phase 1:  
TBC

Phase 2:  
TBC

