

IMPLEMENTATION OF BUDGET REFORMS CHALLENGES AND RESPONSES

MOSSEL BAY MUNICIPALITY

Overview

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- Implementation of Budget reforms
 - ▣ Steps of implementation
 - ▣ Starting point / information base
 - ▣ Accomplished to date

- Challenges

- Strategies for successful implementation of budget reforms

- The way forward for Mossel Bay Municipality

Implementation of Budget reforms

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- Mossel Bay's steps of implementation to date:
 - Training on new formats
 - Comment on draft regulations and formats
 - Communication / Presentation to all Directorates
 - Incorporate in Budget & IDP process plan
 - Implementation of Budget regulations
 - Budget alignment to format prescriptions
 - Financial system adjustments
 - Always improving quality & compliance to legislation

Implementation of Budget reforms

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- Starting point / information base:
 - ▣ Budget already compliant to MFMA Circular 28
 - ▣ All prior year data was available
 - ▣ Current information systems could be aligned to new formats
 - ▣ Inform all relevant stakeholders in order to get buy-in for project
 - ▣ Do proper review of current budget and reporting process and procedures

Implementation of Budget reforms

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- Accomplished to date:
 - ▣ Compliance to budget, adjustment budget and monthly budget statement reporting formats
 - ▣ Informed Council and Staff establishment
 - ▣ Compliance within timeframes
 - ▣ Open and transparent budgeting process and budget document
 - ▣ Improved accuracy and reliability of information

Challenges

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- ❑ Availability of data
- ❑ Tight timeframes for implementation and for report submission
- ❑ Formats not GRAP compliant
- ❑ Capacity problems
- ❑ Information systems limitations
- ❑ Communication gaps
- ❑ Validation of input from other departments
- ❑ Buy-in from all stakeholders

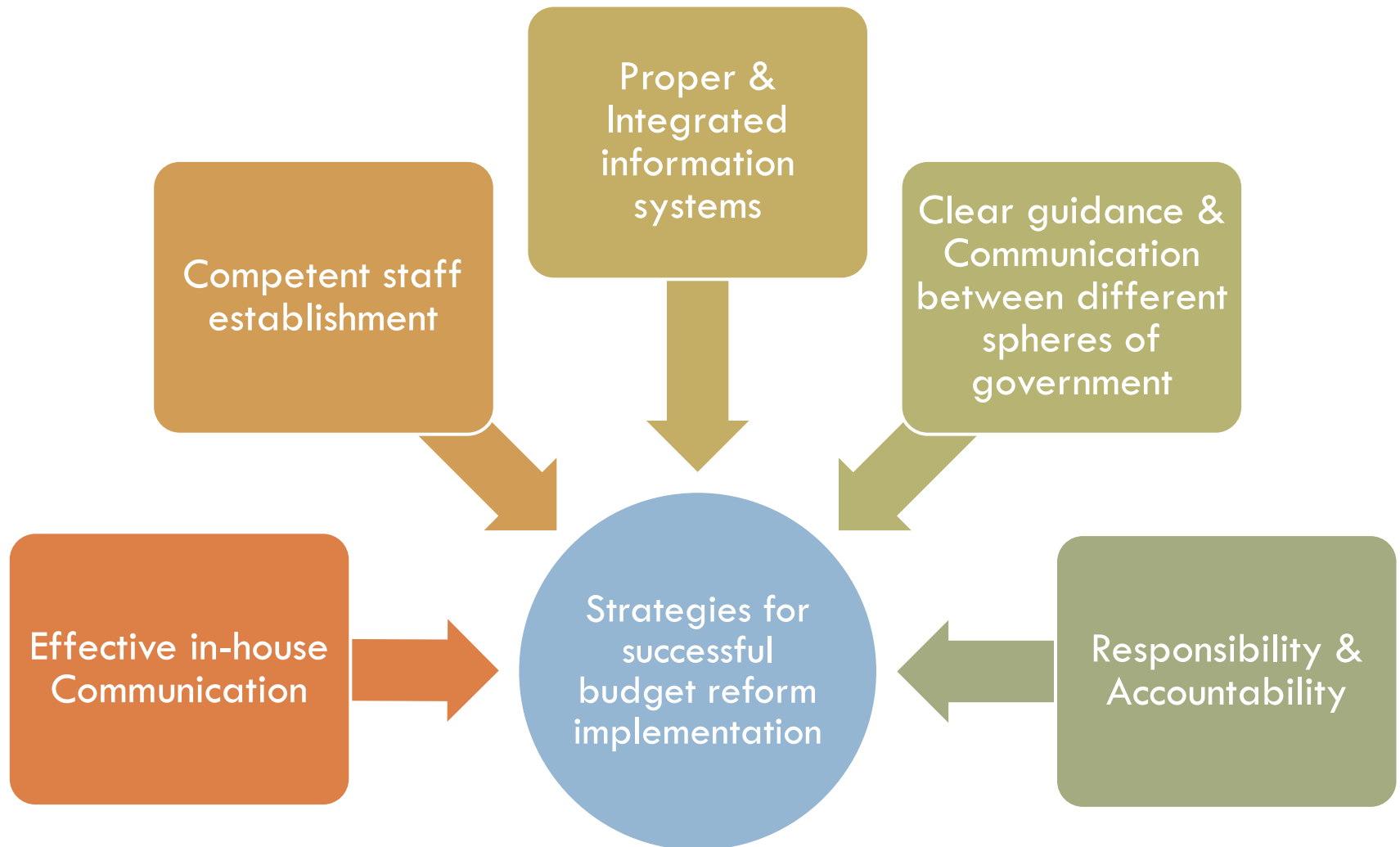
Challenges

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- ❑ Information systems not integrated
- ❑ Formats not user friendly in local government environment – additional summaries and documents to be prepared for reporting purposes
- ❑ Reporting duplication (Schedules A,B,C and old appendix forms OSA, OSB, BS, etc.) – completing both is time consuming
- ❑ Lack of guidance and communication on new NT forms to be completed

Strategies for successful budget reform implementation

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Strategies

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- Effective in-house communication
 - ▣ Clear instructions from finance department to other departments on what information is required
 - ▣ Communicate the importance of implementing new reforms (e.g. uniform, better monitoring, performance evaluation)

- Competent staff establishment
 - ▣ Well informed staff needed for reporting purposes
 - ▣ Innovative ideas in order to save time & money

Strategies

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- Proper & Integrated information systems
 - ▣ Data validation
 - ▣ Timesaving
 - ▣ Correct information needed to make informed decisions

- Responsibility & Accountability
 - ▣ Insert Budget reform implementation as KPI in all Directors' SDBIP / performance
 - ▣ Educate all stakeholders on what their role is

Strategies

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- Clear guidance & communication between different spheres of government
 - ▣ Budget objectives from National and Provincial Treasury should be properly communicated to municipalities
 - ▣ Feedback sessions
 - ▣ Maintain good working relationship
 - ▣ Definite structure of communication (NT » PT » LG)

Way forward

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- Full population of prescribed formats from Financial System – minimize data manipulation
- Integration of information systems
- Skills transfer
- Improving on quality of information (Data validation & verification)
- Web-based database to be developed by NT (Access to all municipalities)

□ THANK YOU