**CHAPTER 6**

**MUNICIPAL FINANCIAL MANAGEMENT**

**6.5 COST CONTAINMENT CHECKLIST**

**6.5.1 PURPOSE**

The checklist is to be used by the CoGTA municipal finance unit to review the cost containment policies of municipalities.

**6.5.2 LEGISLATIVE MANDATE**

The Cost containment regulations issued in terms of section 168(1) of the Municipal Finance Management Act sets out austerity measures for municipalities. Regulation 4(1) provides –

“Each municipality or municipal entity must develop or revise and implement a cost containment policy which must in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies”

**6.5.3 APPLICATION**

**This checklist must be read in conjunction with the Cost Containment Regulations published on 7 June 2019, by the Minister of Finance in Government Gazette No. 42514, in Notice Number 317 of 2019. The checklist is intended to support municipalities in drafting their policies required in terms of Regulation 4.**

