
2023/24 MID-YEAR ADJUSTMENTS BUDGET

1. Introduction

The purpose of the report is to table the 2023/24 Adjustments Budget at the Ordinary Council Meeting, in accordance with Section 28 of the Municipal Finance Management Act and section 23 of the Municipal Budget and Reporting Regulations.

2. Background

Section 28 of the Municipal Finance Management Act (MFMA), stipulates the following:

28. (1) A municipality may revise an approved annual budget through an adjustments budget. (2) An adjustments budget-

- a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- e) may authorise the spending of funds that were unspent at the end of the past financial year where the under spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- f) may correct any errors in the annual budget; and
- g) may provide for any other expenditure within a prescribed framework.

Section 28(3) states that an adjustments budget must be in a prescribed form.

Section 23 (1) of the Municipal Budget and Reporting Regulations, states that an adjustments budget referred to in section 28(2) (b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

Section 23(2) states that only one adjustments budget referred to in sub-regulation (1) may be tabled in the municipal council during a financial year.

3. Discussion

The 2023/24 Adjustments Budget has been prepared in line with the Municipal Finance Management Act, Municipal Budget and Reporting Regulations and Municipal Regulations on a Standard Chart of Accounts (mSCOA) requirements.

The 2023/24 Adjustments Budget Documents are attached as follows:

- 2023/24 Adjustments Budget Report - **Annexure "A"**
- Conditional Grants Funded Capital Projects – **Annexure "B"**
- 2023/24 Adjustments Capital Projects - **Annexure "C"**
- 2023/24 Adjustments Budget Schedule B – **Annexure "D"**

4. Financial Implications

Completed by BTO -	As per the 2023/24 Adjustments Budget Report
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. Applicable legislation

- Municipal Finance Management Act No. 56 of 2003.
- Municipal Budget and Reporting Regulations
- Municipal Regulations on a Standard Chart of Accounts (mSCOA)

6. Legal Implications

Compliance with the Section 28 of the Municipal Finance Management Act No. 56 of 2003 and Section 23 of the Municipal Budget and Reporting Regulations.

7. Other Implications

None.

8. Comments by Directorates:

8.1 Chief Financial Officer:

Recommendations supported.

8.2 **Acting Director: Planning & Development**

8.3 **Director: Civil & Water Services**

8.4 **Acting Director: Electro-Mechanical Services**

8.5 **Director: Community Services**

8.6 **Deputy Municipal Manager**

8.7 **Municipal Manager**

9. **Delegated Authority**

To be approved by the Council.

10. **Recommendations**

10.1 That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the 2023/24 Adjustments Budget as set-out in the following tables:

- Table 4 - B1 Adjustments Budget Summary.
- Table 5 - B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification).
- Table 6 - B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote).
- Table 7 - B4 Adjustments Financial Performance (revenue and expenditure by type).
- Table 8 - B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source.
- Table 9 - B6 Adjustments Budget Financial Position.
- Table 10 - B7 Adjustments Budget Cash Flows.
- Table 11 - B8 Cash backed reserves/accumulated surplus reconciliation.
- Table 12 - B9 Asset Management, and
- Table 13 - B10 Basic service delivery measurement.

Item prepared by the Acting Manager: Budget & Treasury:

Item approved by the Chief Financial Officer:

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:



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