

F08. 28/02/2018

ADJUSTMENT BUDGET MTREF 2017/18 – 2019/20

PURPOSE

To submit the adjustment budget MTREF 2017/18- 2019/20 to Council for approval.

BACKGROUND INFORMATION

Section 28 Municipal Finance Management Act states that the municipality may adjust its approved budget by way of an adjustments budget.

The following are conditions under which an approved budget may be adjusted –

- (a) Adjustment of the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) Appropriation of 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) Authorisation of unforeseeable and unavoidable expenditure recommended by the mayor of the municipality, as may be prescribed;
- (d) Authorisation of the utilisation of projected savings in one vote towards spending under another vote;
- (e) Authorisation of 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) Correction of any errors in the annual budget; and
- (g) Provision for any other expenditure within a prescribed framework.

The municipality received correspondence from National Treasury which required that the Adjustment Budget be extracted from the system and be subjected to validation processes.

The processes are currently ongoing with delays mainly being due to slow progress on the Sebata EMS.

STRATEGIC INTENT

Good governance and compliance with applicable legislation.

IMPLICATIONS

Legal

Section 28 of Municipal Finance Management Act requires that a municipality may revise an approved annual budget through an adjustments budget.

RECOMMENDED BY BTO TO FINANCE & CORPORATE COMMITTEE

1. That Council take note that the 2017/18 Adjustment Budget validation process by National Treasury is ongoing
2. That Council approves the pre-validated Adjustment Budget 2017/18
3. That the validated 2017/18 Adjustment Budget be submitted to Council by March 2018
4. That it be noted that there are no changes effected on municipal taxes and tariffs.
5. That the approved 2017/18 Adjustment Budget be send to both National and Provincial Treasuries.
6. That the amended SDBIP be approved
7. Skills capacitation within the Municipality was raised as a concern by Council and Management was requested to look into this matter

RECOMMENDED BY THE FINANCE & CORPORATE COMMITTEE TO THE MAYORAL COMMITTEE

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RECOMMENDED BY THE MAYORAL COMMITTEE TO COUNCIL

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RESOLVED BY COUNCIL

1. That Council take note that the 2017/18 Adjustment Budget validation process by National Treasury is on-going
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Note:

EFF requested their descending view be recorded on the approval and adoption of the Adjustment Budget.

