



MUNISIPALITEIT **RICHTERSVELD** MUNICIPALITY

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COUNCIL RESOLUTION

EXTRACT FROM THE MINUTES OF A SPECIAL COUNCIL MEETING WHICH WAS HELD ON MONDAY, 28 FEBRUARY 2022 AT 10H00 IN THE COUNCIL CHAMBERS, PORT NOLLOTH:

RESOLUTION No: RVN007/02/2022

7. STATUTORY MATTERS

7.1 MID –YEAR ADJUSTMENTS BUDGET FOR 2021/2022

BACKGROUND

Section 28 of the MFMA determines that-

“(1) *A municipality may revise an approved annual budget through an adjustment budget.*

(1) *An adjustment 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, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) May authorize the utilization of projected savings in one vote towards spending under another vote;
- (e) May authorize 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.

When an adjustment budget is tabled, it must be accompanied with-

- (a) *An explanation how the adjustment budget affects the annual budget;*
 - (b) *A motivation of any material changes to the annual budget;*
 - (c) *An explanation of the impact of any increased spending on the annual budget and the annual budget for the next two financial years; and*
 - (d) *Any other supporting documentation that may be prescribed.*
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“Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.”

Section 54 of the MFMA requires the Mayor to consider the Section 71 and 72 reports and to take appropriate action, if need be, to ensure that the approved budget is implemented in accordance with the SDBIP.

Section 23(1) of the Municipal Budget and Reporting Regulations determines that-

“An adjustment 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”.

RECOMMENDATION:

1. That Council approves the Mid-Term Adjustment Budget 2021/2022 in terms of (Section 28) of the MFMA.
2. That Council and management strives to minimize expenditure to stay within the Budget figures.

Attachments

Appendix 1 - Budget Documentation

Appendix 2 - Quality certificate

COUNCIL RESOLUTION:

1. That Council approves the Mid-Term Adjustment Budget 2021/2022 in terms of (Section 28) of the MFMA.
2. That Council and management strives to minimize expenditure to stay within the Budget figures.

Proposed: Cllr. Caretas Sonamzi

Seconded: Cllr. Maria Obies

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