



**REPORT OF THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL
MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK ADJUSTMENT
BUDGET 2023/2024**

1. EXECUTIVE SUMMARY

The purpose of the report is to consider the Medium-Term Revenue and Expenditure Framework Adjustment 2023/2024 financial year.

2. BUSINESS PLAN

None.

3. COMPLIANCE WITH STRATEGIC OBJECTIVES

Good governance.

4. POLICY

TDM Budget Policy.

5. ANNEXURE

MTREF Budget 2023/2024.

6. DELEGATED AUTHORITY

Council.

7. LEGAL REQUIREMENTS

Municipal Finance Management Act (MFMA) No.56 of 2003.
Generally Recognized Accounting Practices (GRAP).

8. BACKGROUND

In terms of Section 28 of the Municipal Finance Management Act No.56 of 2003

- S28(1) A municipality may revised an approved budget through an adjustments budget.

Section 28(2) prescribe that –

- (a) Municipality must adjust revenue and expenditure estimates downwards if there is a 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.

The tables below provide a high-level summary of the effects of adjustment budget on operating revenue, operating expenditure and capital budgets.

Table A: Operating Income per Source

Description	Approved Budget 2023/2024	Income Adjustment	Proposed Adjustment 2023/2024
Grants per DORA	148,082,000	550,000	148,632,000
Interest on Investment	4,131,376	1,332,000	5,463,376
Other Income	41,182,016	-919,045	40,262,970
Services-in-Kind	5,813,998	0	5,813,998
TOTAL	199,209,390	962,955	200,172,345

Table B: Operating Expenditure by Category/Type

Description	Approved Budget 2023/2024	Expenditure Adjustment	Proposed Adjustment 2023/2024
Employee Related Costs	102,325,341	2,571,009	104,896,351
Remuneration of Councillors	9,196,504	0	9,196,504
Depreciation	4,357,498	(1,182,378)	3,175,120
Repairs and Maintenance	2,071,080	(433,930)	1,637,150
General Expenditure	66,456,966	1,253,279	67,710,245
TOTAL	184,407,390	2,207,980	186,615,370

Table C: Capital Expenditure by Category/Type

Description	Approved Budget 2023/2024	Expenditure Adjustment	Proposed Adjustment 2023/2024
Furniture and Equipment	2,280,000	0	2,280,000
Plant and Equipment	800,000	0	800,000
Computers	960,000	18,200	978,200
Motor Vehicles	500,000	0	500,000
LAB Information management system	262,000	0	262,000
Repairs & Maintenance of Potholes	0	4,000,000	4,000,000
Construction of a bridge	10,000,000	(5,263,225)	4,736,775
TOTAL	14,802,000	(1,245,025)	13,556,975
SURPLUS/(DEFICIT)	0	0	0

9. FINANCIAL IMPLICATION

Total operating revenue amounting to R200 172 345; total operating expenditure amounting to R186 615 370; and total capital expenditure amounting to R13 556 975.

10. STAFF IMPLICATION

None.

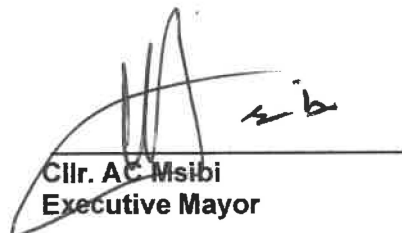
11. RISK IMPLICATION

Non-compliance with budget rules and regulations.

12. RECOMMENDATIONS

- That the Council approve Medium-Term Revenue and Expenditure Framework Adjustment Budget 2023/2024.

13. RECOMMENDED FOR SUBMISSION



Cllr. AC Msibi
Executive Mayor