



Mmogo re Šomela diphetogo!

DEPARTMENT:
BUDGET AND TREASURY

SUMMARY OF THE SPECIAL ANNUAL ADJUSTMENT BUDGET FOR 2022-23 MTREF

1. PURPOSE

- To present the Special Annual Adjustment Budget for 2022/2023 MTREF to the Executive Committee of the municipality in terms of section 28 of the Municipal Finance Management Act No.56 of 2003 read together with the applicable Municipal Budget and Reporting Regulations and circulars.

2. BACKGROUND

- In terms of the Municipal Finance Management Act No. 56 of 2003 section 28 (1), the council of a municipality may revise an approved annual budget through an adjustment budget
- Complying with section 28(4) of the MFMA, only the Mayor of Makhuduthamaga Local Municipality may table the adjustments budget in the Municipal Council.
- To comply and adhere to the time schedule as adopted by council of the municipality and to comply with the MFMA requirement in terms of chapter 4 (Municipal Budgets), the Special Annual Adjustment Budget for 2022/2023 is hereby prepared in terms of budget principles, Makhuduthamaga Budgeting Policy, Applicable Legislations, MFMA circulars, Municipal Budget and Reporting Regulation and supporting document as attached.

3. LEGAL IMPLICATIONS

- Compliance with the applicable sections 28 of the Municipal Finance Management Act No.56 of 2003 (MFMA), Municipal Budgeting & Reporting Regulations and all the MFMA budget circulars as issued by the national treasury.

4. FINANCIAL IMPLICATIONS

- The municipality has adjusted Annual budgeted total revenue of **R 477 678 473** for the 2022/2023 financial year by **R 24 000 000** amounting **R 501 678 473** due to addition allocation for Municipal Infrastructure Grant.
- The municipality is adjusting the Corporate Services Department budgeted expenditure of **R 45 808 790** by **R 2 500 000** to **R48 308 790** from Planning and Economic Development Department.



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- The municipality's has adjusted total budgeted Capital expenditure for the 2022/2023 financial year of **R 189 096 632** by **R 24 000 000** amounting **R 213 096 632**.
- The total adjusted expenditure budget to the amount **R 619 678 473** for 2022/2023 financial year comprises of the total operational budget of **R 406 581 841** and total capital budget of **R 213 096 632**
- The total expenditure in excess of the budgeted revenue will be funded by cash backed reserves to **R118 000 000.00**. This amount is the cash received from the department of public works for the historical property rates debt and VAT refunds as at 31 December 2022.

5. COMMUNICATION

- The Special Annual Adjustment Budget for the 2022/2023 MTREF served in Management meeting.

6. RECOMMENDATION

- Executive committee note the Special Annual Adjustment Budget for 2022/2023 MTREF and submit the Special Annual Adjustment Budget to council for approval.