

<p style="text-align: center;">KANNALAND MUNISIPALITIET</p> <p style="text-align: center;">TABLING OF AN ADJUSTMENT BUDGET</p>
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16 February 2021

REPORT FROM ACTING CFO: P MNGENI

PURPOSE OF THE REPORT

The purpose of this report is to submit the Adjustment Budget for the 2020/21 Budget Year to the council for approval.

BACKGROUND

In terms of Section 28 of the MFMA;

- (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, 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 following main revenue and expenditure items are hereby highlighted:

Items	Adjustment Budget as at 30 September 2020	Revised estimates	Difference Increase/(Decrease)
<u>Revenue</u>	R 179 579 000	R 172 030 000	R 7 549 000
<u>Expenditure</u>	R 175 344 155	R 177 767 448	(R 2 423 293)

Recommendation

That the council must note and consider the tabled Adjustment Budget.

That the reports will be placed on the Web for information.