



**SPECIAL ADJUSTMENTS BUDGET
2022-23 FINANCIAL YEAR**

EXECUTIVE SUMMARY

BACKGROUND

In terms of section 28 of MFMA,

- (1) The municipality may revise an approved annual budget through an adjustment
- (2) 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 revenue that have become available over and above those anticipated in the annual budget, but only revise or accelerate spending programmes already budgeted for;
 - (c) may, within a prescribed framework, authorize unforeseen 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 council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.

DISCUSSION

The adjustment budget is prepared to meet the Integrated Development Plan priorities as well as the strategic objectives of the Molemole Municipality. The Departments have been consulted to enhance the production of a credible balance budget. The limited funds available for the IDP priorities and strategic objectives. The IDP, as informed by the agreed strategies, is available and enhances alignment with the budget. Municipal budget and reporting regulations (MBRR) were promulgated on 17 April 2009 as per Government Gazette no. 32141. As part of the regulations an MBRR format is also prescribed in which Municipalities must submit the adjustment budget for adoption and/or approval, As Molemole complied with the MBRR format.

The adjustment budget makes provision for all the functions and responsibilities of the Molemole Municipality as provided for in the 2022/2023 financial year.

The following is a concise summary of the Adjustment Budget for the 2022/2023 financial year:

2. Operating Revenue increased from **R303** million to **R307** million for 2022/23 financial year, which shows an increase of R 4,5 million as compared to the adjusted budget.

2.1 Transfers recognized – Capital

The amount is inclusive of additional funding received from the Department of Corporative Governance for Municipal Disaster Relief Grant.

3. OPERATING EXPENDITURE

Operating expenditure remains the same at **R244** million for the 2022/23 financial year

4. Capital expenditure

The 2022/23 capital budget amounts to **R63, 3** million which shows an increase of **R4, 5** million as compared to the adjusted budget of **R 58, 8** million for 2022/23 financial year. The amount of R4,5 million it's for Morebeng road.