

**C.15.6 APPROVAL OF ADDITIONAL FUNDING RECEIVED FOR THE 2022/2023 FINANCIAL YEAR IN TERMS OF SECTION 28(2)(b) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003) (MFMA) AND REGULATION 23(3) OF THE MUNICIPAL BUDGET AND REPORTING REGULATIONS, 2008
(5/1/1/6 & 3/2/5/15)**

PURPOSE OF SUBMISSION

That Council consider to approve an adjustments budget as contemplated in section 28(2)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and regulation 23(3) of the Municipal Budget and Reporting Regulations, 2008 to authorise additional funding received for the 2022/2023 MTREF.

BACKGROUND

The Cape Winelands District Municipality received additional funding from the Western Cape Provincial Government via its Department of Transport and Public Works. The purpose of the amendment is to fund the maintenance and construction of proclaimed Provincial Roads.

The Department of Transport and Public Works amended their budget with R16 500 000 (see Annexure "E").

COMMENTS

An adjustments budget, contemplated in section 28(2)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), 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 within a prescribed framework.

In addition, regulation 23(3) of the Municipal Budget and Reporting Regulations, 2008 (published in Government Gazette No. 32141 on 17 April 2009), determined the timeframes for the tabling of the said special adjustments budget as follows:

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“If a national or provincial adjustments budget allocates or transfer additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.”

Due to the allocation of additional funding to Council, certain 2022/2023 Operating Budget items had to be adjusted to the amounts as reflected below see Annexures “A” (Revised Schedule B Budget Document) and “D” (Revised Schedule B supporting documents):

Roads Agency Function

Expenditure:

Account Number	Description	Original budget	Adjustment	Adjustment Budget
20180704050714	Security Services	1 800 000	2 000 000	3 800 000
20210706013323	Materials and Supplies (Maintenance)	2 545 015	4 000 000	6 545 015
20210706013324	Materials and Supplies (Upgrading)	4 789 872	4 000 000	8 789 872
20180704051356	Wet Fuel	4 460 526	4 000 000	8 460 526
20180704050820	Maintenance of Equipment	1 452 088	1 500 000	2 952 088
20180704051064	Inventory Standard Rated	1 700 000	1 000 000	2 700 000
Total Adjustment			16 500 000	

Revenue:

Account Number	Description	Original budget	Adjustment	Adjustment Budget
20170601022126	Transfers and Subsidy	109 172 020	16 500 000	125 672 020

Annexure “B” reflects a summary of the Total Operating Budget before the requested adjustments and Annexure “C” reflects a summary of the Total Operating Budget should the requested adjustments be approved.

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IMPLICATIONS

PERSONNEL

None.

Comment prepared by: Ms. G.C.N. Julie

LEGAL

The legal implications have been addressed under “BACKGROUND” and “COMMENT” above.

Comment prepared by: Ms. W.M. Neethling

FINANCIAL

The financial implications have been addressed under “BACKGROUND” and “COMMENT” above.

Comment prepared by: Ms. F.A. du Raan-Groenewald

RECOMMENDATION BY MUNICIPAL MANAGER:

That Council consider to approve the additional revenue and expenditure for the 2022/2023 financial year as reflected in Annexures “A”, “B”, “C”, “D” and “E” in terms of section 28(2)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and regulation 23(3) of the Municipal Budget and Reporting Regulations, 2008.

COUNCIL MEETING: 1 DECEMBER 2022: ITEM C.15.6

RESOLVED (Unanimously) (39 Councillors)

That the additional revenue and expenditure for the 2022/2023 financial year as reflected in Annexures “A”, “B”, “C”, “D” and “E” in terms of section 28(2)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and regulation 23(3) of the Municipal Budget and Reporting Regulations, 2008, be approved.