

Table of Contents

1	Part 1 – Adjustment Budget	2
	1.1 Mayor' report	2
	1.2 Budget related resolutions	3
	1.3 Executive summary	4
	1.4 Adjustment budget tables	4
2	Supporting documentation	5
	2.1 Adjustment to budget assumptions	5
	2.2 Adjustment to budget funding	5
	2.3 Adjustment to Service Delivery and Budget implementation Plan (SDBIP)	5
	2.4 Adjustment to capital expenditure	5
	2.5 Municipal Manager's quality certification	5
3	Quality Certificate	6

1 Part 1 – Adjustment Budget

1.1 Mayor' report

In accordance with section 28 of the Municipal Finance Management Act, No 56 of 2003 (MFMA) a municipality must revise its approved annual budget through an adjustments budget, in the following circumstances:

- (i) To 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.
- (ii) To authorise the utilisation of projected savings in one vote towards spending under another vote.
- (iii) To authorise 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 rollovers when the annual budget for the current year was approved by the Council.
- (iv) To correct any errors in the annual budget.

In line with the MFMA, the 2015/16 approved Budget has now been adjusted. The adjustment has been mainly necessitated as a result of the following:

- The need to authorise the spending of unspent funds at the end of the 2014/2015 financial year.

The Municipal Budget and Reporting Regulations, which were promulgated by National Treasury, prescribe the budget reporting formats for municipalities. Accordingly this Municipality's 2015/16 Adjustments budget has been presented in accordance with these reporting formats.

The Adjustments Budget reaffirms the Municipality's commitment to achieve the service delivery targets and performance indicators as reflected in the approved service delivery and budget implementation plan.

The capital expenditure budget has been realigned. Due to various reasons some projects could not be completed in the 2014/2015 financial year and allocated funds were rolled over.

The Service Delivery and Budget Implementation Plan (SDBIP) have to be adjusted due to the realignment that has taken place on the capital expenditure budget. This will affect service delivery targets and performance targets. The revised SDBIP will be submitted for the approval to the Executive Mayor.

1.2 Budget related resolutions

The Municipal Finance Management Act (MFMA) No 56 of 2003 requires the municipality to table and adopt the budget and budget resolutions. The format of the budget and supporting documentation is prescribed by Municipal Budget and Reporting Regulations

The following resolutions are put before council for consideration and approval:

THAT

1. The adjustments budget for the financial year 2015 – 2016 be approved as contained in the listed Tables B1 – B10 detailed below:

- ❖ **Table B1 – Adjustments Budget Summary**
- ❖ **Table B2 – Adjustments Budgeted Financial Performance (Revenue and Expenditure by standard classification)**
- ❖ **Table B3 - Adjustments Budgeted Financial Performance (Revenue and Expenditure by municipal vote)**
- ❖ **Table B4 - Adjustments Budgeted Financial Performance (Revenue and Expenditure)**
- ❖ **Table B5 – Adjustments Capital Expenditure by Vote, Standard classification and Funding**
- ❖ **Table B6 – Adjustments Budgeted Financial Position**
- ❖ **Table B7 – Adjustments Budgeted Cash Flow**
- ❖ **Table B8 – Cash backed reserves/Accumulated surplus reconciliation**
- ❖ **Table B9 – Asset Management**
- ❖ **Table B10 – Basic service delivery measurement**

2. The SDBIP will be adjusted to reflect the adjustments made in the budget allocation and submitted for subsequent approval by the Executive Mayor.

3. The adjustment capital budget increase from R 60,972,919 to R 65,095,135 due to the following changes:

Caledon Cemetery, from 0 to R 400,983 (Roll over loan funding from 2014/2015 unspent)

Grabouw Cemetery, from 0 to R379,387 (Roll over loan funding from 2014/2015 unspent)

Tesselaarsdal Stormwater from 0 to R 946,000 (Roll over Municipal Disaster Recovery funding unspent 2014/2015)

Repair and Replace Water pre-paid meters from R 500,000 to R 1,833,490 (Roll over loan funding unspent 2014/2015)

New Cable between Aandblom & Veldblomtuin sub-stations from R3,000,000 to R 3,157,970 (Roll over loan funding unspent 2014/2015)

Upgrade of Fleet from R 2,000,000 to R 2,904,386 (Roll over capital replacement reserve funding unspent 2014/2015)

5. That the approval of rollover conditional grants is subject to the approval by National and Provincial Government.

1.3 Executive summary

Introduction

This MTREF 2015 – 2016 adjustments budget is prepared on a multi-year basis, in line with the MFMA Municipal Budget and Reporting Regulations.

Capital expenditure

Capital expenditure has increased from R 60,972,919 to R 65,095,135 (R 4,122,216).

1.4 Adjustment budget tables

- ❖ Table B1 – Adjustments Budget Summary
- ❖ Table B2 – Adjustments Budgeted Financial Performance (Revenue and Expenditure by standard classification)
- ❖ Table B3 - Adjustments Budgeted Financial Performance (Revenue and Expenditure by municipal vote)
- ❖ Table B4 - Adjustments Budgeted Financial Performance (Revenue and Expenditure)
- ❖ Table B5 – Adjustments Capital Expenditure by Vote, Standard classification and Funding
- ❖ Table B6 – Adjustments Budgeted Financial Position
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- ❖ Table B9 – Asset Management
- ❖ Table B10 – Basic service delivery measurement

2 Supporting Information

2.1 Adjustment to budget assumptions

The budget assumptions which informed the approved 2015/16 Budget have been maintained.

2.2 Adjustment to budget funding

The sources of funding of the municipality's budget have not changed in the current financial year. As reported the adjustments budget is mainly funded by own revenue and external loans.

2.3 Adjustment to Service Delivery and Budget implementation Plan (SDBIP)

The Accounting officer will submit for approval by the Executive Mayor revised SDBIP's based on the adjustments being approved.

2.4 Adjustment to capital expenditure

Capital expenditure increased from R 60,972,919 to R 65,095,135 (R 4,122,216).

2.5 Municipal Manager's quality certification

The quality certification in the format required in the regulations will be signed by the accounting officer on the final Adjustment Budget approved by Council at the end of August 2015.

Quality Certificate

I, HSD WALLACE, Municipal Manager of Theewaterskloof Municipality (WC031), hereby certify that the Adjustments Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments Budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Print Name: HSD WALLACE

Municipal Manager of: Theewaterskloof Municipality (WC031)

Signature: _____

Date: 24 August 2015

Print Name: D LOUW

Chief Financial Officer of: Theewaterskloof Municipality (WC031)

Signature: _____

Date: 24 August 2015