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**EXTRACT FROM THE MINUTES OF A SPECIAL COUNCIL MEETING
HELD ON FRIDAY, 28 FEBRUARY 2020, 11H00 AT THE SOLLY
ESSOP COUNCIL CHAMBERS AT CONSTITUTION STREET,
BEAUFORT WEST**

**3.1 APPROVAL OF 2019/2020 MTREF ADJUSTMENT BUDGET.
(6/1/1/1)**

1. INTRODUCTION

The budget tabled here today is the Adjusted MTREF (Medium Term Revenue and Expenditure Framework) for the 2019/2020, 2020/2021 and 2021/2022 financial years as legislatively prescribed in terms of section 28 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA).

The following definitions apply:

"Allocation" in relation to a municipality means –

- a) a municipality's share of the local government's equitable share referred to in section 214(1)(a) of the Constitution;
- b) an allocation of money to a municipality in terms of section 214(1)(c) of the Constitution;
- c) an allocation of money to a municipality in terms of a provincial budget; or
- d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction.

"Annual Division of Revenue Act" means the Act of Parliament which must be enacted annually in terms of section 214(1) of the Constitution.



CAPE KAROO

"Approved budget" means an annual budget –

- a) approved by a municipal council; or
- b) approved by a provincial or the national executive following an intervention in terms of section 139 of the Constitution.

"Basic municipal service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.

"Budget-related policy" means a policy of the municipality affecting or affected by the annual budget of the municipality, including –

- a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- c) the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act.

"Budget year" means the financial year for which an annual budget is to be approved in terms of section 16(1).

"Category" in relation to municipalities means a category A, B or C municipality referred to in section 155(1) of the Constitution.

"District Municipality" means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality.

"Financial year" means a year ending on 30 June.

"Investment", in relation to funds of a municipality, means –

- a) the placing on deposit of funds of a municipality with a financial institution; or
- b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds.
- c)

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act.

"Municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems Act.

"Municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff.

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act.

"Overspending"

- a) in relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote, or
- c) in relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section.

"Service delivery and budget implementation plan" means a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c) (ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate –

- a) projections for each month of –
 - i. revenue to be collected, by source; and
 - ii. operational and capital expenditure by vote;
- b) service delivery targets and performance indicators for each quarter; and
- c) any other matters that may be prescribed' and includes any revisions of such plan by the mayor in terms of section 54(1)(c);

"Vote" means –

- a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

2. APPLICABLE LEGISLATION AND POLICY

The following documents were considered in the preparation of the budget:

- The Municipal Finance Management Act, Act 56 of 2003

(MFMA)

- All National treasury circulars giving guidance on budget processes
- The municipal budget and reporting regulations as issued in Government gazette 32141 on 17 April 2009
- Government Gazette 37577 dated 22 April 2014: Municipal Regulations on Standard Chart of Accounts
- Act No. 1 of 2018: Division of Revenue Act, 2018
- Act No. 4 of 2018: Appropriation Act, 2018

3. COMMENTARY

Included for consideration is the 2019/2020 February 2020 Adjustment Budget.

4. RECOMMENDATION

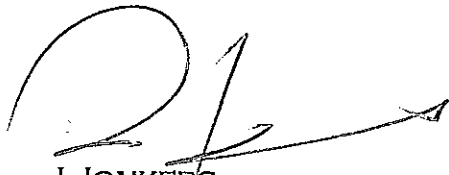
1. That in terms of section 28 of the Municipal Finance Management Act, 56 of 2003, the adjustment budget of the Central Karoo District Municipality for the financial year 2019/2019; and indicative allocations for the two projected outer years 2020/2021 and 2021/2022; and the multi-year and single year capital appropriations are approved as set-out in the following tables:
 - 2.1 Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 2.2 Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 2.3 Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 2.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.
3. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:
 - 3.1 Budgeted Financial Position;
 - 3.2 Budgeted Cash Flows;
 - 3.3 Cash backed reserves and accumulated surplus reconciliation;
 - 3.4 Asset management;

4. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium-term revenue and expenditure framework be adjusted in line with the adjustment budget should it be necessary.
5. That leases relating to the acquisition of multifunction copiers be approved as per section 45(2) of the MFMA.
6. That the final documents be available for inspection at the municipal offices.

Cllr. Jafftha [Deputy Mayor] present the Adjustment Budget 2019-20 and mentions that proper discussions took place during the work session of Council with regard to the Adjustment Budget and were Council unanimous in the adjustments as outlined.

Short discussions take place regarding Chapter 13 of the Councillor Allowances and Employee Benefits.

On proposal of Cllr. M. Jafftha, seconded by Cllr. A.M. Slabbert, Council unanimously approved the recommendations in terms of the Adjustment Budget 2019-2020.



J JONKERS
ACTING MUNICIPAL MANAGER