



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

**NOTULE VAN 'N SPESIALE RAADSVERGADERING IN DIE MUNISIPALE
RAADSAAL, BREDASDORP GEHOU OM 09:00 OP VRYDAG
30 JUNIE 2023**

**MINUTES OF A SPECIAL COUNCIL MEETING HELD ON FRIDAY,
30 JUNE 2023 AT 09:00 AT THE MUNICIPAL COUNCIL CHAMBERS,
BREDASDORP**

RAADSLEDE / COUNCILLORS

Me	J August-Marthinus	
Mnr	D Burger	(Speaker)
Me	K Donald	
Dr	A Eksteen	
Mnr	D Jantjies	
Mnr	R Louw	
Me	M Matthysen	
Mnr	J Nieuwoudt	
Mnr	R Ross	(Onder-Burgemeester)
Mnr	P Swart	(Burgemeester)

AMPTENARE / OFFICIALS

Mnr	E Phillips	Munisipale Bestuurder / Municipal Manager
Mnr	H Van Biljon	Direkteur: Finansies- en IT Dienste
Mnr	H Kröhn	Direkteur: Infrastruktuurdienste
Mnr	S Stanley	Budget and Treasury
Me	T Stone	Afdelingshoof: Strategiese Dienste
Me	S Nel	Stadsbeplanner
Me	N Mhlati-Musewe	Divisional Head: HR and OD
Me	U Jantjies	Namens Komiteedienste

INHOUDSOPGAW / TABLE OF CONTENT

	ITEM	Bladsy / Page	
		Agenda	Bylaes Annexures
1.	Opening	3	
2.	Aansoeke om Verlof tot Afwesigheid	3	
3.	Onderhoude met Afgevaardigdes en/of ander besoeke	3	
4.	Verklarings en/of Mededelings deur die Voorsitter	3	
5.	Verklarings en/of mededelings deur die Uitvoerende Burgemeester	3	
6.	ITEMS NA DIE RAAD VERWYS VIR OORWEGING:		
6.1	Anti-Corruption and Fraud Prevention Policy, Strategy and Plan Review: 2023 - 2024	4 - 5	
6.2	Review: 2023/24 Risk Management Policy, Risk Management Strategy and FARMCO	5 - 6	
6.3	Draft By-Law: Rules of Order for Meetings of Council and Committees	6 - 7	
6.4	Aangepaste Tariewe vir Stadsbeplanning: 2023/24	8 - 10	
6.5	Review: Ward Committee Policy	10 - 11	
6.6	MPAC: Workplan for 2023/24	12	
6.7	Remuneration: Chairperson of MPAC	13 - 14	
6.8	Tydlike Polisiestasië, Waenhuiskrans	14	
6.9	Special Adjustments Budget: 2022/23 Financial Year	15 - 17	
6.10	NERSA: Goedkeuring van elektrisiteitstariewe - 2023/24 Begroting Jaar	17	
6.11	Determination of Upper Limits of MM's and Managers directly accountable to the MM's	17 - 19	
6.12	Recovering of and/or writing off irregular expenditure: 2021/22	19 - 20	
6.13	Afskryf van oninbare diverse skulde: Erf 599, Waenhuiskrans	21 - 22	
7.	Dringende Sake deur die Munisipale Bestuurder	22	
8.	Oorweging van Kennisgewing van Mosies	22	
9.	Oorweging van Kennisgewing van Vrae	22	
10.	In Komitee Verslae	22	
11.	Sluiting	22	

6.9

SPECIAL ADJUSTMENTS BUDGET IN RESPECT OF THE 2022/23 FINANCIAL YEAR**REPORT COMPILED BY THE DIRECTOR: FINANCE****PURPOSE OF REPORT**

In terms of section 28 of the MFMA and guidelines received from National Treasury the municipality is allowed to revise its approved annual budget through an adjustments budget based on the following criteria:

1. Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
2. 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;
3. May within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality; may authorize the utilization of projected savings in one vote towards spending under another vote;
4. 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;
5. May correct any errors in the annual budget; and
6. May provide for any other expenditure within a prescribed framework.

BACKGROUND

However, section 23(2) of the Municipal Budget & Reporting Regulations prescribe that only one adjustment budget be tabled in council during a financial year except when additional revenues become available from National / Provincial governments and / or unforeseeable and avoidable expenditure has been incurred. Circular 68 provides clarity on the procedures to be followed when dealing with unauthorized, irregular or fruitless and wasteful expenditure as defined in section 1 of the MFMA. The circular further provides guideline information on what process to follow when council may authorize unauthorized expenditure in an adjustment budget. An adjustment budget can be addressed in the following three different adjustments budgets:

- **Adjustments budget for unforeseen and unavoidable expenditure:** It allows council to provide *ex post* authorization for unforeseen and unavoidable expenditure that was authorized by the Executive Mayor in terms of section 29 of the MFMA and which must be tabled in council at the "first available opportunity" or within 60 days after the expenditure was incurred.
- **Main adjustments budget:** In terms of regulation 23(6)(a) of the Municipal Budget and Reporting Regulations a council may authorize unauthorized expenditure in the adjustments budget occurred in the first half budget which may be tabled in council for approval at any time after the mid-year budget and performance assessment but not later than 28 February of the current year.
- **Special adjustments budget to authorize unauthorized expenditure:** In terms of regulation 23(6)(b) of the Municipal Budget and Reporting Regulations, council may authorize unauthorized expenditure in a special adjustments budget which only deals with unauthorized expenditure from the previous financial year such as:
 - (i) Unauthorized expenditure that occurred in the first half of the previous financial year that was not included in the main adjustments budget;
 - (ii) Unauthorized expenditure that occurred in the second half of the previous financial year; and
 - (iii) Any unauthorized expenditure identified by the Auditor-General during the annual audit process.

In order to avoid any unauthorized expenditure as prescribed in terms of section 15 of the MFMA it is suggested that council considers the special adjustment budget based on the additional grant allocations received from the respective National & Provincial Treasuries, Eskom Bulk purchases adjustment based on the projected expenditure trend and other unforeseeable expenditure incurred and / or approved after finalization of the mid-year financial and performance assessment when the main adjustments budget was approved by council during January 2023. The second adjustment budget is attached as **Annexure "A"** for council's consideration and approval.

The unforeseen adjustment mainly refers to:

- Application of virement above the 10% ratio prescribed in terms of the Budget & Virement policy;
- Additional grant allocations in respect of capital as well as operating expenditure;
- Reallocation and / or downward adjustment of capital projects due to savings in respect of completed projects; and
- Provision in respect of Landfill Site and Post Service Employee Benefits if necessary.

The Municipal Manager, in consultation with the Director: Finance, recommends as follows:

MANAGEMENT RECOMMENDATION

- (i) Council considers the approval of the special adjustment budget as per recommended resolution tabled.
- (ii) Council resolves that the special adjustment budget of Cape Agulhas Municipality for the financial year 2022/2023, and indicative for the projected outer years 2023/2024 and 2024/2025 be approved as set out in the following schedules:
 1. Adjustment Budget Summary – Table B1;
 2. Budgeted Financial Performance (Revenue and Expenditure by standard Classification) – Table B2;
 3. Budgeted Financial Performance (Revenue and Expenditure by standard Classification) - B – Table B2;
 4. Budgeted Financial Performance (revenue and expenditure by municipal vote) Table B3;
 5. Budgeted Financial Performance (revenue and expenditure by municipal vote) – B -Table B3;
 6. Budgeted Financial Performance (revenue and expenditure) – Table B4;
 7. Budgeted Capital Expenditure by vote and funding – Table B5;
 8. Budgeted Financial Position – Table B6;
 9. Budgeted Cash Flows Table B7;
 10. Cash backed reserves/accumulated surplus reconciliation – Table B8;
 11. Asset Management – Table B9; and
 12. Basic service delivery measurement table B10
- (iii) Council resolves that a hard and electronic copy of the complete special adjustment budget be submitted to National- and Provincial Treasury respectively for information.

RESOLUTION 128/2023

- (i) That Council approves the special adjustment budget as per recommended resolution tabled.
- (ii) That Council approves the special adjustment budget of Cape Agulhas Municipality for the financial year 2022/2023, and indicative for the projected outer years 2023/2024 and 2024/2025 as set out in the following schedules:
 1. Adjustment Budget Summary – Table B1;
 2. Budgeted Financial Performance (Revenue and Expenditure by standard Classification) – Table B2;
 3. Budgeted Financial Performance (Revenue and Expenditure by standard Classification) - B – Table B2;
 4. Budgeted Financial Performance (revenue and expenditure by municipal vote) Table B3;
 5. Budgeted Financial Performance (revenue and expenditure by municipal vote) – B -Table B3;
 6. Budgeted Financial Performance (revenue and expenditure) – Table B4;
 7. Budgeted Capital Expenditure by vote and funding – Table B5;
 8. Budgeted Financial Position – Table B6;
 9. Budgeted Cash Flows Table B7;
 10. Cash backed reserves/accumulated surplus reconciliation – Table B8;
 11. Asset Management – Table B9; and
 12. Basic service delivery measurement table B10