

## 5. CONCLUSION

### **Recommendation for adjusting the annual budget for 2014/2015:**

Section 28 (2) of the MFMA outlines the following:

An adjustments 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 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;
- (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- (e) may 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 roll-overs when the annual budget for the current year was approved by the council;
- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework

From the mid-year budget herein attached, indicative of spending patterns, it is hereby recommended that Xhariep District Municipality revise its approved annual budget through an adjustments budget due to the following reasons:

- There have been projected savings which can be allocated towards the spending of other votes which are either over-spent or need additional funds.
- There is a need to 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.
- There is a need to correct certain errors in the annual budget.
- There have been minimal revenues that have become available over and above those anticipated in the annual budget, however that will be used to revise or accelerate spending programmes already budgeted for.
- To provide for any other expenditure within a prescribed framework.