

REPORT TO COUNCIL: 25 JANUARY 2023

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UNAUTHORISED EXPENDITURE ADJUSTMENT BUDGET REPORT FOR THE 2021/2022 FINANCIAL YEAR

1. PURPOSE

The purpose of the report is for Council to **consider** and **approve** the unauthorised expenditure adjustment budget of Buffalo City Metropolitan Municipality for the 2021/2022 financial year as reported and disclosed in the 2021/2022 Audited Annual Financial Statements.

2. AUTHORITY

Buffalo City Metropolitan Council.

3. LEGAL / STATUTORY REQUIREMENTS

- 3.1 The Constitution of the Republic of South Africa, 1996
- 3.2 Municipal Finance Management Act No 56, 2003
- 3.3 Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

Unauthorised expenditure is defined in section 1 of the MFMA as follows:

“unauthorised expenditure”, in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes —

- (a) overspending of the total amount appropriated in the municipality’s approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered

- by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with this Act.

In terms of regulation 23(6)(b) of the MBRR, council may authorise unauthorised expenditure in a special adjustments budget tabled in council when the mayor tables the annual report in terms of section 127(2) of the MFMA. This special adjustment budget "may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2) (a) (i) of the Act." This special adjustment budget therefore deals with:

- i. unauthorised expenditure that occurred in the second half of the previous financial year (2021/2022), and
- ii. any unauthorised expenditure identified by the Auditor-General during the annual audit process.

According to the Municipal Budget and Reporting Regulations (MBRR), 2009, (Reg. 21)

"An adjustment budget and supporting documentation of a municipality must be in the format specified in Schedule B and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act" (MFMA).

This report follows the legislative requirements of the Municipal Budget and Reporting Regulations (Schedule B format).

5. EXPOSITION OF FACTS

Unauthorised expenditure was disclosed as legislatively required in terms of MFMA Circular 68 in the Annual Financial Statements (AFS) and was due to overspending on the appropriated amounts of some of the expenditure types in the approved budget.

The consolidated unauthorised expenditure of R163 702 130 per expenditure type has been as a result of over spending of the total amount appropriated to Debt impairment. This is a result of the increase in debtors primarily due to non-payment by customers within the financial year.

Table 1 below tabulates the consolidated unauthorised expenditure per expenditure type (Debt impairment) that has been disclosed in the AFS:

Table 1: Unauthorized expenditure disclosed in 2021/2022 Consolidated AFS (Per Expenditure type)

UNAUTHORISED EXPENDITURE	2021/2022	2020/2021
	<u>R</u>	<u>R</u>
Opening balance	0	17 649 513
Expenditure condoned by Council in terms of section 32 of the MFMA.	0	(17 649 513)
Unauthorised expenditure for the year	163 702 130	0
Closing balance	163 702 130	0

The consolidated unauthorised expenditure of R28 325 070 per directorate is attributed to depreciation, debt impairment and contracted services (legal costs) emanating from audit adjustments. During the audit it transpired that the amount disclosed for Debt impairment was understated and that there were some transactions that were misclassified and as a result audit adjustment had to be passed.

Table 2 below tabulates the consolidated unauthorised expenditure per directorate that has been disclosed in the AFS:

Table 2: Unauthorized expenditure disclosed in 2021/2022 Consolidated AFS (Per Directorate)

UNAUTHORISED EXPENDITURE	2021/2022	2020/2021
Municipal Manager's office	1 005 770	0
Chief Financial Officer	25 208 766	0
Spatial Planning & Development	1 838 284	0
Solid waste & Environmental Management	272 251	0
Closing balance	28 325 071	0

Table 3 & 4 below tabulate the parent unauthorised expenditure that has been disclosed in the AFS:

Table 3: Unauthorized expenditure disclosed in 2021/2022 BCMM Parent AFS (Per Expenditure type)

UNAUTHORISED EXPENDITURE	2021/2022	2020/2021
	R	R
Opening balance	0	17 649 513
Expenditure condoned by Council in terms of section 32 of the MFMA.	0	(17 649 513)
Unauthorised expenditure for the year	163 702 130	0
Closing balance	163 702 130	0

Table 4: Unauthorized expenditure disclosed in 2021/2022 BCMM Parent AFS (Per Directorate)

UNAUTHORISED EXPENDITURE	2021/2022	2020/2021
Municipal Manager's office	1 005 770	0
Chief Financial Officer	25 208 766	0
Spatial Planning & Development	1 838 284	0
Solid Waste & Environmental Management	272 251	0
Closing balance	28 325 071	0

5.1 REASONS FOR UNAUTHORISED EXPENDITURE

5.1.1 CONSOLIDATED UNAUTHORISED EXPENDITURE

- A. The unauthorised expenditure incurred has been as a result of over spending of the total amount appropriated to the following expenditure category:
- i. Debt impairment – R163 702 130: This unauthorised amount results from more debts impaired than projected. There has been an increase in debtors primarily due to non-payment by customers within the financial year. This is a non-cash item as there is no transaction with any service provider.

As reflected in the above explanation, the unauthorised expenditure was not caused by negligence on the actions of any personnel. It is due to the technical nature of the accounting treatment involved. There is no unauthorised expenditure regarding the total budgeted amount.

- B. The unauthorised expenditure incurred (R28 325 071) has been as a result of over spending of the total amount appropriated to the following directorates:
- i. Municipal Manager's office - R1 005 770: Legal costs transactions that were misclassified.
 - ii. Chief Financial Officer - R25 208 766: The amount disclosed for Debt impairment was understated.
 - iii. Spatial Planning & Development – R1 838 284: Audit adjustments to Depreciation and asset impairment.
 - iv. Solid Waste & Environmental Management - R272 251: The amount disclosed for Debt impairment was understated as well as audit adjustments to Depreciation and asset impairment.

Table 5 and 6 below provide a breakdown of the consolidated unauthorised expenditure as disclosed on the 2021/2022 Consolidated Annual Financial Statements.

Table 5: Breakdown of the 2021/2022 consolidated unauthorised expenditure per Expenditure type

Description	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome as per Venus	Unauthorised expenditure
Expenditure By Type					
Employee related costs	2 536 209 832	6 593 425	2 542 803 257	2 536 402 994	0
Remuneration of councillors	76 549 605	(11 504 891)	65 044 714	64 682 668	0
Debt impairment	871 973 300	349 746 669	1 221 719 969	1 385 422 099	(163 702 130)
Depreciation and asset impairment	649 172 695	1 064 906 597	1 714 079 292	1 569 794 111	0
Finance charges	59 935 810	(39 246 367)	20 689 443	20 684 494	0
Bulk purchases	2 010 260 650	(88 000 000)	1 922 260 650	1 922 254 903	0
Other materials	436 115 196	(62 497 568)	373 617 628	369 178 551	0
Contracted services	901 376 934	27 549 961	928 926 895	595 813 175	0
Transfers and subsidies	161 058 623	(10 126 768)	150 931 855	127 077 774	0
Other expenditure	529 092 068	69 281 109	598 373 177	608 458 485	0
Loss on disposal of PPE	-	2 000 000	2 000 000	1 301 528	0
Total Expenditure by Vote	8 231 744 713	1 308 702 167	9 540 446 880	9 201 070 782	(163 702 130)
Share of surplus of associate	0	0	0	(29 868 763)	0
Total Expenditure by Vote	8 231 744 713	1 308 702 167	9 540 446 880	9 171 202 019	(163 702 130)

Table 6: Breakdown of the 2021/2022 consolidated unauthorised expenditure per Directorate

Vote Description	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome as per Venus	Unauthorised expenditure
Expenditure by Vote					
Executive Support Services	284 844 122	(5 310 576)	279 533 546	278 458 523	0
City Manager's office	147 650 391	(147 649)	147 502 742	148 508 512	(1 005 770)
Human Settlement	147 615 824	106 148 489	253 764 313	48 283 030	0
Chief Financial Officer	831 803 603	(104 374 482)	727 429 121	752 637 887	(25 208 766)
Corporate Services	225 587 860	23 752 545	249 340 405	243 554 700	0
Infrastructure Services	4 486 420 101	1 051 019 931	5 537 440 032	5 493 492 163	0
Spatial Planning & Development	283 225 388	70 972 001	354 197 389	356 035 673	(1 838 284)
Public Safety & Emergency Services	467 715 096	34 483 630	502 198 726	501 899 270	0
Economic Development & Agencies	297 330 709	26 701 674	324 032 383	184 331 537	0
Solid Waste & Environmental Management	591 649 513	103 520 603	695 170 116	695 442 367	(272 251)
Sport, Recreation & Community Development	467 902 106	1 936 000	469 838 106	468 558 357	0
Total Expenditure by Vote	8 231 744 713	1 308 702 166	9 540 446 879	9 171 202 019	(28 325 070)

5.1.2 BCMM UNAUTHORISED EXPENDITURE (PARENT)

A. The unauthorised expenditure incurred has been as a result of over spending of the total amount appropriated to the following expenditure category:

- i. Debt impairment – R163 702 130: This unauthorised amount results from more debts impaired than projected. There has been an increase in debtors primarily due to non-payment by customers within the financial year. This is a non-cash item as there is no transaction with any service provider.

As reflected in the above explanation, the unauthorised expenditure was not caused by negligence on the actions of any personnel. It is due to the technical nature of the accounting treatment involved. There is no unauthorised expenditure regarding the total budgeted amount.

B. The unauthorised expenditure incurred (R28 325 071) has been as a result of over spending of the total amount appropriated to the following directorates:

- i. Municipal Manager's office - R1 005 770: Legal costs transactions that were misclassified.
- ii. Chief Financial Officer - R25 208 766: The amount disclosed for Debt impairment was understated.
- iii. Spatial Planning & Development – R1 838 284: Audit adjustments to Depreciation and asset impairment.
- iv. Solid Waste & Environmental Management - R272 251: The amount disclosed for Debt impairment was understated as well as audit adjustments to Depreciation and asset impairment.

Table 7 and 8 below provide a breakdown of the parent unauthorised expenditure as disclosed on the 2021/2022 BCMM Annual Financial Statements.

Table 7: Breakdown of the 2021/2022 BCMM unauthorised expenditure per Type (Parent)

Description	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome as per Venus	Unauthorised expenditure
Expenditure By Type					
Employee related costs	2 505 602 981	4 931 226	2 510 534 207	2 510 296 817	0
Remuneration of councillors	76 549 605	(11 504 891)	65 044 714	64 682 668	0
Debt impairment	871 973 300	349 746 669	1 221 719 969	1 385 422 099	(163 702 130)
Depreciation and asset impairment	648 177 885	1 064 760 685	1 712 938 570	1 568 682 743	0
Finance charges	59 931 525	(39 246 367)	20 685 158	20 684 493	0
Bulk purchases	2 010 260 650	(88 000 000)	1 922 260 650	1 922 254 903	0
Other materials	435 388 416	(63 689 311)	371 699 105	369 178 551	0
Contracted services	795 239 285	2 926 204	798 165 489	576 630 363	0
Transfers and subsidies	161 058 623	(10 427 118)	150 631 505	127 077 774	0
Other expenditure	520 837 129	65 291 839	586 128 968	600 898 044	0
Loss on disposal of PPE	-	2 000 000	2 000 000	1 301 528	0
Total Expenditure by Vote	8 085 019 399	1 276 788 936	9 361 808 335	9 147 109 983	(163 702 130)
Share of surplus of associate	-	-	-	(29 868 763)	-
Total Expenditure by Vote	8 085 019 399	1 276 788 936	9 361 808 335	9 117 241 220	(163 702 130)

Table 8: Breakdown of the 2021/2022 BCMM unauthorised expenditure per Directorate (Parent)

Vote Description	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome as per Venus	Unauthorised expenditure
Expenditure by Vote					
Executive Support Services	284 844 122	(5 310 576)	279 533 546	278 458 523	0
City Manager's office	147 650 391	(147 649)	147 502 742	148 508 512	(1 005 770)
Human Settlement	147 615 824	106 148 489	253 764 313	48 283 030	0
Chief Financial Officer	831 803 603	(104 374 482)	727 429 121	752 637 887	(25 208 766)
Corporate Services	225 587 860	23 752 545	249 340 405	243 554 700	0
Infrastructure Services	4 486 420 101	1 051 019 931	5 537 440 032	5 493 492 163	0
Spatial Planning & Development	283 225 388	70 972 001	354 197 389	356 035 673	(1 838 284)
Public Safety & Emergency Services	467 715 096	34 483 630	502 198 726	501 899 270	0
Economic Development & Agencies	150 605 395	(5 211 556)	145 393 839	130 370 738	0
Solid Waste & Environmental Management	591 649 513	103 520 603	695 170 116	695 442 367	(272 251)
Sport, Recreation & Community Development	467 902 106	1 936 000	469 838 106	468 558 357	0
Total Expenditure by Vote	8 085 019 399	1 276 788 936	9 361 808 335	9 117 241 220	(28 325 070)

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ABBREVIATIONS AND ACRONYMS

AMR	Automated Meter Reading	EU	European Union
ASGISA	Accelerated and Shared Growth Initiative South Africa	ELIDZ	East London Industrial Development Zone
BCMM	Buffalo City Metropolitan Municipality	FBS	Free Basic Services
BCMDA	Buffalo City Development Agency	FMG	Finance Management Grant
BEPP	Built Environment Performance Plan	GAMAP	Generally Accepted Municipal Accounting Practice
BSC	Budget Steering Committee	GDP	Gross Domestic Product
CBD	Central Business District	GFS	Government Financial Statistics
CFO	Chief Financial Officer	GRAP	Generally Recognized Accounting Practice
CM	City Manager	HR	Human Resources
CoGTA	Cooperative Government & Traditional Affairs	HSDG	Human Settlement Development Grant
CPI	Consumer Price Index	HSRC	Human Science Research Council
CRRF	Capital Replacement Reserve Fund	ICDG	Integrated City Development Grant
DBSA	Development Bank South Africa	IDP	Integrated Development Plan
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism	INEP	Integrated National Electrification Programme
DoRA	Division of Revenue Act	IT	Information Technology
DRDLR	Department of Rural Development and Land Reform	ISUPG	Informal Settlements Upgrading Partnership Grant
DTI	Department of Trade & Industry	KPI	Key Performance Indicator
DWA	Department of Water Affairs	kℓ	Kilolitre
ECDC	Easter Cape Development Corporation	KFA	Key Focus Area
EE	Employment Equity	Km	Kilometre
EEDSM	Energy Efficiency Demand Side Management	KPA	Key Performance Area
EM	Executive Mayor	kWh	Kilowatt hour
EPWP	Expanded Public Works Programme	ℓ	Litre
ECPTA	Eastern Cape Parks & Tourism	LED	Local Economic Development
MBRR	Municipal Budgeting and Reporting Regulations	PPP	Public Private Partnership
MDGS	Metro Growth and Development Strategy	PT	Provincial Treasury
MEC	Member of the Executive Committee	PMS	Performance Management System
MFMA	Municipal Finance Management Act	PTIS	Public Transport Infrastructure System

MIG	Municipal Infrastructure Grant	SALGA	South African Local Government Association
MMC	Member of Mayoral Committee	SAT	South African Tourism
MPRA	Municipal Property Rates Act	SDBIP	Service Delivery Budget Implementation Plan
MSA	Municipal Systems Act	SDF	Spatial Development Framework
MTEF	Medium-term Expenditure Framework	SMME	Small Micro and Medium Enterprises
MTREF	Medium-term Revenue and Expenditure Framework	TRAs	Temporary Relocation Areas
NDPG	Neighbourhood Development Partnership Grant	UK	United Kingdom
NERSA	National Electricity Regulator South Africa	US	United States
NGO	Non-Governmental Organisations	USDG	Urban Settlement Development Grant
NKPIs	National Key Performance Indicators	VAT	Value Added Tax
NT	National Treasury	WSA	Waster Services Authority
OP	Operational Plan	WSDP	Water Services Development Plan
PPE	Property, Plant and Equipment		

PART 1 – ADJUSTMENT BUDGET

5.2 EXECUTIVE MAYOR’S REPORT

The unauthorised budget adjustment is being prepared as informed by the 2021/2022 audited Annual Financial Statements (AFS) and in terms of the Municipal Finance Management Act (MFMA), and the Municipal Budget and Reporting Regulations (MBRR).

The main reason for this adjustment budget is the over spending on some of the expenditure types in the municipality’s approved budget. This adjustment budget report covers the 2021/2022 financial year.

Table 9 below provides a high-level consolidated summary of the Operating and Capital Budget adjustments for the 2021/2022 financial year. The table also indicates that there has been no change in the overall total budget for the operating revenue as no extra revenue was realised. It also reflects that there is no change in the overall total capital budget, however, there is a proposed increase of R111 802 133 to the operating expenditure budget due to the unauthorised expenditure incurred on Debt impairment.

Table 9: High-level consolidated summary of the 2021/2022 Operating and Capital Budget Adjustment

OPERATING AND CAPITAL BUDGET EXPENDITURE	2021/2022 MID-YEAR ADJ. BUDGET	2021/2022 THIRD ADJ. BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2021/2022 FIFTH ADJUSTMENT BUDGET
Total Revenue	8 302 727 546	8 324 855 314	8 378 053 108	0	8 378 053 108
Total Operating Expenditure	8 300 360 632	8 322 488 400	8 375 686 194	111 802 133	8 487 488 327
Surplus /(Deficit)	2 366 914	2 366 914	2 366 914	(111 802 133)	(109 435 219)
Total Capital Expenditure	1 812 342 797	1 602 753 322	1 598 260 989	0	1 598 260 989
Total Opex and Capex Budget	10 112 703 429	9 925 241 722	9 973 947 183	111 802 133	10 085 749 316

Table 10 and 11 below provide a consolidated summary of the Total Operating Budget Adjustment for 2021/2022 financial year:

Table 10: Consolidated summary of 2021/2022 Total Operating Budget Adjustment

2021/2022 FIRST ADJUSTMENT BUDGET EXPENDITURE FRAMEWORK	2021/2022 MID YEAR ADJUSTMENT BUDGET	2021/2022 THIRD ADJUSTMENT BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENT	2021/2022 FIFTH ADJUSTMENT BUDGET
Expenditure Per Category					
Employee related costs	2 522 058 310	2 522 058 310	2 505 139 788	0	2 505 139 788
Remuneration of councillors	68 534 239	68 534 239	66 534 239	0	66 534 239
Debt impairment	966 894 150	966 894 150	1 221 719 969	163 702 133	1 385 422 102
Depreciation & asset impairment	649 318 607	649 318 607	549 318 607	(46 900 000)	502 418 607
Finance charges	23 235 443	23 235 443	20 689 443	0	20 689 443
Electricity Bulk Purchases	2 010 260 650	2 010 260 650	1 922 260 650	0	1 922 260 650
Contracted services	229 363 736	222 521 001	259 044 260	0	259 044 260
Transfers and grants	93 182 956	84 360 936	83 660 936	0	83 660 936
Repairs and Maintenance	414 549 404	419 232 275	404 732 275	(3 000 000)	401 732 275
Operating projects	445 687 779	477 812 046	430 304 380	0	430 304 380
Other expenditure	497 743 402	501 232 463	549 184 367	0	549 184 367
Other materials	379 531 956	377 028 280	361 097 280	(2 000 000)	359 097 280
Losses	0	0	2 000 000	0	2 000 000
Total Direct Operating Expenditure	8 300 360 632	8 322 488 400	8 375 686 194	111 802 133	8 487 488 327

- a) The adjustments column on the table above indicates the adjustments to be made to address the unauthorised expenditure incurred on Debt impairment:
- i. A downward adjustment of R46 900 000 has been made from Depreciation & Asset impairment.
 - ii. A downward adjustment of R3 000 000 has been made from Repairs & Maintenance.
 - iii. A downward adjustment of R2 000 000 has been made from Other Materials.
 - iv. An upward adjustment of R111 802 133 has been made to Debt impairment.

Table 11: Consolidated summary of 2021/2022 Total Operating Budget Adjustment

(Per Directorate)

2021/2022 FIRST ADJUSTMENT BUDGET EXPENDITURE FRAMEWORK	2021/2022 MID YEAR ADJUSTMENT BUDGET	2021/2022 THIRD ADJUSTMENT BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2021/2022 FIFTH ADJUSTMENT BUDGET
Expenditure Per Directorate					
EXECUTIVE SUPPORT SERVICES	275 617 055	276 017 055	279 533 546	44 000	279 577 546
CITY MANAGER'S OFFICE	149 579 462	149 579 462	146 502 742	1 205 770	147 708 512
CORPORATE SERVICES	241 068 909	241 068 909	249 340 405	20 923	249 361 328
SPATIAL PLANNING & DEVELOPMENT	272 190 636	269 888 701	253 293 255	2 138 284	255 431 539
ECONOMIC DEVELOPMENT & AGENCIES	273 411 832	273 411 832	324 032 383	0	324 032 383
FINANCE SERVICES	861 404 905	857 828 905	667 429 121	68 672 213	736 101 334
PUBLIC SAFETY & EMERGENCY SERVICES	465 312 552	464 312 552	498 198 726	5 631 302	503 830 028
HUMAN SETTLEMENTS	231 215 893	255 721 596	253 764 313	0	253 764 313
INFRASTRUCTURE SERVICES	4 490 205 689	4 492 290 440	4 669 853 263	(37 493 114)	4 632 360 149
SOLID WASTE & ENVIRONMENTAL MANAGEMENT	612 967 654	611 167 654	611 170 116	72 738 441	683 908 557
SPORT, RECREATION & COMMUNITY DEVELOPMENT	427 385 645	431 200 894	422 568 324	(1 155 686)	421 412 638
Total Direct Operating Expenditure	8 300 360 232	8 322 488 000	8 375 686 194	111 802 133	8 487 488 327

- a) The adjustments column on the table above indicates the adjustments to be made to address the unauthorised expenditure incurred at directorate level:
- i. An upward adjustment to Executive Support Services of R44 000.
 - ii. An upward adjustment to City Manager's Office of R1 205 770.
 - iii. An upward adjustment to Corporate Services of R20 923.
 - iv. An upward adjustment to Spatial Planning & Development of R2 138 284.
 - v. An upward adjustment of R68 672 213 to Finance Services.
 - vi. An upward adjustment of R5 631 302 to Public Safety & Emergency Services.
 - vii. A downward adjustment of R37 493 114 to Infrastructure Services.
 - viii. An upward adjustment of R72 738 441 to Solid Waste & Environmental Management.
 - ix. A downward adjustment of R1 155 686 to Sport, Recreation & Community Development.

5.3 **COUNCIL RESOLUTIONS**

On 31 May 2021 the Council of Buffalo City Metropolitan Municipality met to consider, approve and adopt the 2021/22 – 2023/24 MTREF Budget. The Council further met on 25 August 2021 to consider and approve the roll-over adjustment budget. On 28 February 2022, BCMM Council met to consider the 2021/2022 mid-year adjustment budget. On 31 May 2022 the Council met to consider and approve the third adjustment budget. On the 24th August 2022 the Council met to consider and approve the fourth adjustment budget. In terms of Chapter 4, Section 28 (1) to (7) of the Municipal Finance Management Act No. 56 of 2003, “A municipality may adjust an approved budget through an adjustment budget.”

It is therefore recommended that the BCMM Council considers and approves:


- A. The adjusted budget of the Parent municipality (BCMM) for the 2021/2022 Fifth Adjustment Budget as follows:
 - i. The unauthorised expenditure of the Parent Municipality of R163 702 130 incurred on Debt impairment.
 - ii. The transfer of the savings identified from the following items to address the unauthorised expenditure as disclosed in the 2021/2022 BCMM Annual Financial Statements (Parent).
 - a) Transfer of R46 900 000 from Depreciation & asset impairment
 - b) Transfer of R3 000 000 from Repairs & Maintenance
 - c) Transfer of R2 000 000 from Other Materials
 - iii. The adjusted Operating Revenue Budget of the Parent for the 2021/2022 financial year that remains unchanged as R8 199 414 564 be approved by Council.
 - iv. An increase of R111 802 133 to the adjusted Operating Expenditure Budget of the Parent for the 2021/2022 financial year to address the unauthorised expenditure incurred on Debt impairment.
 - v. The adjusted Capital Budget of the Parent for the 2021/2022 financial year that remains unchanged as R1 597 060 990 be approved by Council.

B. The Consolidated adjusted budget of BCMM for the 2021/2022 Fifth Adjustment Budget as follows:

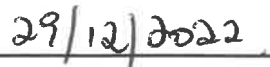
- i. The Consolidated unauthorised expenditure of R163 702 130 incurred on Debt impairment.
- ii. The transfer of the savings identified from the following items to address the unauthorised expenditure as disclosed in the 2021/2022 Consolidated BCMM Annual Financial Statements.
 - a) Transfer of R46 900 000 from Depreciation & asset impairment
 - b) Transfer of R3 000 000 from Repairs & Maintenance
 - c) Transfer of R2 000 000 from Other Materials
- iii. The adjusted Consolidated Operating Revenue Budget for the 2021/2022 financial year that remains unchanged as R8 378 053 108 be approved by Council.
- iv. An increase of R111 802 133 to the consolidated adjusted Operating Expenditure Budget for the 2021/2022 financial year to address the unauthorised expenditure incurred on Debt impairment.
- v. The adjusted Consolidated Capital Budget for the 2021/2022 financial year that remains unchanged as R1 598 260 989 be approved by Council.

C. The National Treasury B Schedules that have been adjusted in line with the above are herewith enclosed as Annexure 3 and Annexure 4.

D. The fifth and final 2021/2022 financial year adjusted budget be approved by Council.



X. PAKATI
EXECUTIVE MAYOR
BUFFALO CITY METROPOLITAN MUNICIPALITY
LUYANDA MBULA / AX



DATE

5.4 EXECUTIVE SUMMARY

The Buffalo City Metropolitan Municipality is striving to excel in its governance responsibility. One of the fundamental pillars of achieving governance excellence is ensuring full compliance with applicable legislations. This unauthorised expenditure adjustment budget report is responding to the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations (MBRR) requirements which prescribe that the unauthorised expenditure may be authorised through a special budget adjustment tabled in council when the mayor tables the annual report in terms of section 127(2) of the MFMA.

BCMM undertook an analysis of unauthorised expenditure that has been incurred and disclosed in its 2021/2022 AFS. The analysis which has been reported in section 5.1 above of this report revealed that, the incurred unauthorised expenditure has been purely a result of the increase in debtors primarily due to non-payment by customers within the financial year. There is an unauthorised expenditure of R111 802 133 to regarding the Operating Expenditure Budget.

A budget adjustment is therefore tabled at Council to authorise the unauthorised expenditure of R163 702 133 that is disclosed in the Consolidated 2021/2022 AFS. Savings of R51 900 000 have been identified to transfer to the expenditure type with the unauthorised expenditure. As the savings identified are not sufficient to address the unauthorised expenditure there is also a proposed increase of R111 802 133 to the Operating Expenditure Budget to address the rest of the unauthorised expenditure incurred. It is therefore necessary that the adjustment budget for 2021/2022 financial year be tabled at Council for its consideration and approval.

The total consolidated operating revenue budget for the 2021/2022 financial year has not been adjusted and remains R8 378 053 108. There is a proposed increase of R111 802 133 to the consolidated operating expenditure budget for the 2021/2022 financial year as the savings identified to address the unauthorised expenditure were not sufficient to cover the unauthorised expenditure incurred on

Debt impairment. There has been no adjustment made in the capital budget of 2021/2022 financial year and remains R1 598 260 989 (Refer to section 5.7 below for details).

5.4.1 OPERATING AND CAPITAL BUDGET ADJUSTMENT

Table 12 below provides a high-level summary of the Operating and Capital Budget adjustments for the 2021/2022 financial year. The table also indicates that there has been no change in the overall total budget for the consolidated operating revenue. It also reflects that there is no change in the overall total capital budget, however there is a proposed increase of R111 802 133 to the operating expenditure budget due to the unauthorised expenditure incurred on Debt impairment.

Table 12: High-level summary of the 2021/2022 Operating and Capital Budget Adjustment

OPERATING AND CAPITAL BUDGET EXPENDITURE	2021/2022 MID-YEAR ADJ. BUDGET	2021/2022 THIRD ADJ. BUDGET	2021/2022 FOURTH ADJ. BUDGET	ADJUSTMENTS	2021/2022 FIFTH ADJ. BUDGET
Total Revenue	8 302 727 546	8 324 855 314	8 378 053 108	0	8 378 053 108
Total Operating Expenditure Excluding Operating Projects	7 854 672 855	7 844 676 355	7 945 381 815	111 802 133	8 057 183 948
Operating Projects	445 687 777	477 812 045	430 304 379	0	430 304 379
Total Operating Expenditure Including Operating Projects	8 300 360 632	8 322 488 400	8 375 686 194	111 802 133	8 487 488 327
Surplus / (Deficit)	2 366 914	2 366 914	2 366 914	(111 802 133)	(109 435 219)
Total Capital Expenditure	1 812 342 797	1 602 753 322	1 598 260 989	0	1 598 260 989
Total Opex and Capex Budget	10 112 703 429	9 925 241 722	9 973 947 183	111 802 133	10 085 749 316

5.5 OPERATING REVENUE FRAMEWORK

The following table depicts that no adjustments have been made to the operating revenue budget per source for the 2021/2022 financial year.

Table 13: 2021/22 Adjusted Revenue per Source

2021/2022 FIRST ADJUSTMENT BUDGET REVENUE FRAMEWORK	2021/2022 MID YEAR ADJUSTMENT BUDGET	2021/2022 THIRD ADJUSTMENT BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2021/2022 FIFTH ADJUSTMENT BUDGET
Revenue by Source					
Property rates	1 834 764 190	1 834 764 190	1 834 764 190	0	1 834 764 190
Service charges - electricity revenue	2 372 337 992	2 372 337 992	2 372 337 992	0	2 372 337 992
Service charges - water revenue	795 707 988	795 707 988	795 707 988	0	795 707 988
Service charges - sanitation revenue	447 060 205	447 060 205	447 060 205	0	447 060 205
Service charges - refuse revenue	367 953 776	367 953 776	367 953 776	0	367 953 776
Rental of facilities and equipment	20 959 164	20 959 164	20 959 164	0	20 959 164
Interest earned - external investments	30 654 384	30 654 384	30 736 016	0	30 736 016
Interest earned - outstanding debtors	115 695 656	115 695 656	115 695 656	0	115 695 656
Fines, penalties and forfeits	21 407 384	21 407 384	21 407 384	0	21 407 384
Licences and permits	18 834 621	18 834 621	18 834 621	0	18 834 621
Agency services	44 746 473	44 746 473	46 891 089	0	46 891 089
Transfers and subsidies - Operating	1 370 112 989	1 392 240 757	1 443 206 364	0	1 443 206 364
Other revenue	862 492 724	862 492 724	862 498 663	0	862 498 663
Total Direct Operating Revenue	8 302 727 546	8 324 855 314	8 378 053 108	0	8 378 053 108

5.6 OPERATING EXPENDITURE FRAMEWORK

The following table (table 14) indicates the downwards adjustment made from the expenditure type with savings and the upward adjustment made to expenditure type with unauthorised expenditure. Also included in the adjustments on the table below is the proposed upward adjustments of R111 802 133 to Debt impairment which will result in an increase of R111 802 133 to the total operating expenditure budget.

Table 14: 2021/2022 Adjusted Operating Expenditure per Type

2021/2022 FIRST ADJUSTMENT BUDGET EXPENDITURE FRAMEWORK	2021/2022 MID YEAR ADJUSTMENT BUDGET	2021/2022 THIRD ADJUSTMENT BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENT	2021/2022 FIFTH ADJUSTMENT BUDGET
Expenditure Per Category					
Employee related costs	2 522 058 310	2 522 058 310	2 505 139 788	0	2 505 139 788
Remuneration of councillors	68 534 239	68 534 239	66 534 239	0	66 534 239
Debt impairment	966 894 150	966 894 150	1 221 719 969	163 702 133	1 385 422 102
Depreciation & asset impairment	649 318 607	649 318 607	549 318 607	(46 900 000)	502 418 607
Finance charges	23 235 443	23 235 443	20 689 443	0	20 689 443
Electricity Bulk Purchases	2 010 260 650	2 010 260 650	1 922 260 650	0	1 922 260 650
Contracted services	229 363 736	222 521 001	259 044 260	0	259 044 260
Transfers and grants	93 182 956	84 360 936	83 660 936	0	83 660 936
Repairs and Maintenance	414 549 404	419 232 275	404 732 275	(3 000 000)	401 732 275
Operating projects	445 687 779	477 812 046	430 304 380	0	430 304 380
Other expenditure	497 743 402	501 232 463	549 184 367	0	549 184 367
Other materials	379 531 956	377 028 280	361 097 280	(2 000 000)	359 097 280
Losses	0	0	2 000 000	0	2 000 000
Total Direct Operating Expenditure	8 300 360 632	8 322 488 400	8 375 686 194	111 802 133	8 487 488 327

- a) The adjustments column on the table above indicates the adjustments to be made to address the unauthorised expenditure incurred.
- i. A downward adjustment of R46 900 000 has been made from Depreciation & Asset impairment.
 - ii. A downward adjustment of R3 000 000 has been made from Repairs & Maintenance.
 - iii. A downward adjustment of R2 000 000 has been made from Other Materials.
 - iv. An upward adjustment of R111 802 133 has been made to Debt impairment.

Table 15 below indicates the downwards adjustment made from other directorates with savings to address the unauthorised expenditure incurred at directorate level.

Table 15: 2021/2022 Adjusted Operating Expenditure per Directorate

2021/2022 FIRST ADJUSTMENT BUDGET EXPENDITURE FRAMEWORK	2021/2022 MID YEAR ADJUSTMENT BUDGET	2021/2022 THIRD ADJUSTMENT BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2021/2022 FIFTH ADJUSTMENT BUDGET
Expenditure Per Directorate					
EXECUTIVE SUPPORT SERVICES	275 617 055	276 017 055	279 533 546	44 000	279 577 546
CITY MANAGER'S OFFICE	149 579 462	149 579 462	146 502 742	1 205 770	147 708 512
CORPORATE SERVICES	241 068 909	241 068 909	249 340 405	20 923	249 361 328
SPATIAL PLANNING & DEVELOPMENT	272 190 636	269 888 701	253 293 255	2 138 284	255 431 539
ECONOMIC DEVELOPMENT & AGENCIES	273 411 832	273 411 832	324 032 383	0	324 032 383
FINANCE SERVICES	861 404 905	857 828 905	667 429 121	68 672 213	736 101 334
PUBLIC SAFETY & EMERGENCY SERVICES	465 312 552	464 312 552	498 198 726	5 631 302	503 830 028
HUMAN SETTLEMENTS	231 215 893	255 721 596	253 764 313	0	253 764 313
INFRASTRUCTURE SERVICES	4 490 205 689	4 492 290 440	4 669 853 263	(37 493 114)	4 632 360 149
SOLID WASTE & ENVIRONMENTAL MANAGEMENT	612 967 654	611 167 654	611 170 116	72 738 441	683 908 557
SPORT, RECREATION & COMMUNITY DEVELOPMENT	427 385 645	431 200 894	422 568 324	(1 155 686)	421 412 638
Total Direct Operating Expenditure	8 300 360 232	8 322 488 000	8 375 686 194	111 802 133	8 487 488 327

- a) The adjustments column on the table above indicates the adjustments to be made to address the unauthorised expenditure incurred at directorate level:
- i. An upward adjustment to Executive Support Services of R44 000.
 - ii. An upward adjustment to City Manager's Office of R1 205 770.
 - iii. An upward adjustment to Corporate Services of R20 923.
 - iv. An upward adjustment to Spatial Planning & Development of R2 138 284.
 - v. An upward adjustment of R68 672 213 to Finance Services.
 - vi. An upward adjustment of R5 631 302 to Public Safety & Emergency Services.
 - vii. A downward adjustment of R37 493 114 to Infrastructure Services.
 - viii. An upward adjustment of R72 738 441 to Solid Waste & Environmental Management.
 - ix. A downward adjustment of R1 155 686 to Sport, Recreation & Community Development.

5.6.1 2021/2022 Budget Adjustment on Operating Projects

The following (Table 16 & 17), tabulates the operating projects expenditure budget for the 2021/2022 financial year per directorate and the funding sources respectively, and depicts that no adjustments have been made on the operating projects expenditure budget for 2021/2022 financial year. (Refer to Annexure 1 for details)

Table 16: 2021/2022 Adjusted Operating Projects per Directorate

DIRECTORATE	2021/2022 MID- YEAR ADJUSTMENT BUDGET	2021/2022 THIRD ADJUSTMENT BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2021/2022 FIFTH ADJUSTMENT BUDGET
EXECUTIVE SUPPORT SERVICES	53 469 018	53 469 018	48 860 070	0	48 860 070
CITY MANAGER'S OFFICE	48 434 400	48 434 400	46 948 039	0	46 948 039
CORPORATE SERVICES	31 379 462	31 379 462	22 050 065	0	22 050 065
SPATIAL PLANNING & DEVELOPMENT	8 750 000	6 248 065	4 577 669	0	4 577 669
ECONOMIC DEVELOPMENT & AGENCIES	14 345 518	14 195 518	12 503 414	0	12 503 414
FINANCE SERVICES	47 821 684	44 245 684	12 445 957	0	12 445 957
PUBLIC SAFETY & EMERGENCY SERVICES	228 790	228 790	115 835	0	115 835
HUMAN SETTLEMENTS	183 859 912	208 365 615	208 329 791	0	208 329 791
INFRASTRUCTURE SERVICES	45 500 000	52 224 479	56 496 364	0	56 496 364
SPORTS, RECREATION & COMMUNITY DEVELOPMENT	1 900 000	1 900 000	1 737 864	0	1 737 864
SOLID WASTE & ENVIRONMENTAL MANAGEMENT	9 998 995	17 121 015	16 239 314	0	16 239 314
TOTAL OPERATING PROJECTS	445 687 779	477 812 046	430 304 380	0	430 304 380

Table 17: 2021/2022 Adjusted Operating Projects per Funding Source

FUNDING SOURCE	2021/2022 MID - YEAR ADJUSTMENT BUDGET	2021/2022 THIRD ADJUSTMENT BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2021/2022 FIFTH ADJUSTMENT BUDGET
OWN FUNDING	172 720 346	175 594 826	123 594 826	-	123 594 826
TOTAL OWN FUNDING	172 720 346	175 594 826	123 594 826	0	123 594 826
URBAN SETTLEMENT DEVELOPMENT GRANT	44 641 150	44 641 150	49 133 484	-	49 133 484
FINANCE MANAGEMENT GRANT	1 000 000	924 000	924 000	-	924 000
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	8 300 000	5 248 065	5 248 065	-	5 248 065
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	10 350 000	10 350 000	10 350 000	-	10 350 000
PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)	8 941 000	8 941 000	8 941 000	-	8 941 000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)	12 494 513	19 616 533	19 616 533	-	19 616 533
EXPANDED PUBLIC WORKS PROGRAMME	7 300 000	7 300 000	7 300 000	-	7 300 000
HUMAN SETTLEMENTS DEVELOPMENT GRANT	99 082 000	124337703	124337703	-	124337703
HUMAN SETTLEMENTS DEVELOPMENT GRANT C/O	80 477 911	80 477 911	80 477 911	-	80 477 911
SALAIDA C/O	380 857	380 857	380 857	-	380 857
TOTAL GRANTS	272 967 431	302 217 219	306 709 553	0	306 709 553
TOTAL OPERATING PROJECTS BUDGET	445 687 777	477 812 045	430 304 379	0	430 304 379

5.7 CAPITAL EXPENDITURE FRAMEWORK

There have been no adjustments made in the 2021/2022 capital budget. The tables (table 18 and 19) below indicates that no adjustments have been made to the capital expenditure budget for the 2021/22 financial year. (Refer to annexure 2 for details)

Table 18: 2021/2022 Adjusted Capital Expenditure Budget per Directorate

CAPITAL BUDGET PER DIRECTORATE	2021/2022 MID-YEAR ADJUSTMENT BUDGET	2021/2022 THIRD ADJUSTMENT BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2021/2022 FIFTH ADJUSTMENT BUDGET
EXECUTIVE SUPPORT SERVICES	6 386 978	6 386 978	6 386 978	0	6 386 978
CITY MANAGER'S OFFICE	3 907 177	3 907 177	3 927 006	0	3 927 006
CORPORATE SERVICES	16 690 710	16 690 710	11 200 835	0	11 200 835
SPATIAL PLANNING & DEVELOPMENT	127 344 758	132 082 812	141 519 054	0	141 519 054
ECONOMIC DEVELOPMENT & AGENCIES	87 730 167	84 000 685	84 478 714	0	84 478 714
FINANCE SERVICES	180 382 109	242 047 587	206 710 459	0	206 710 459
PUBLIC SAFETY & EMERGENCY SERVICES	30 298 619	30 548 619	14 940 272	0	14 940 272
HUMAN SETTLEMENTS	276 034 750	256 242 935	235 846 477	0	235 846 477
INFRASTRUCTURE SERVICES	954 744 462	696 959 972	729 975 347	0	729 975 347
SPORTS, RECREATION & COMMUNITY DEVELOPMENT	43 683 394	48 933 394	45 512 578	0	45 512 578
SOLID WASTE & ENVIRONMENTAL MANAGEMENT	27 577 115	27 389 895	15 526 445	0	15 526 445
TOTAL CAPITAL BUDGET: BCMM	1 754 780 240	1 545 190 765	1 496 024 166	0	1 496 024 166
ASSET REPLACEMENT	5 000 000	5 000 000	3 269 429	0	3 269 429
BCMDA PROJECTS	52 562 557	52 562 557	98 967 394	0	98 967 394
TOTAL CAPITAL: CONSOLIDATED	1 812 342 797	1 602 753 322	1 598 260 989	0	1 598 260 989

Table 19: 2021/2022 Adjusted Capital Expenditure Budget Per Funding

CAPITAL BUDGET PER FUNDING	2021/2022 MID-YEAR ADJUSTMENT BUDGET	2021/2022 THIRD ADJUSTMENT BUDGET	2021/2022 FOURTH ADJUSTMENT BUDGET	ADJUSTMENTS	2021/2022 FIFTH ADJUSTMENT BUDGET
OWN FUNDING	850 346 269	855 690 573	855 690 573	0	855 690 573
LOAN	235 311 000	35 311 000	35 311 000	0	35 311 000
TOTAL OWN FUNDING	1 085 657 269	891 001 573	891 001 573	0	891 001 573
URBAN SETTLEMENT DEVELOPMENT GRANT	450 043 850	455 063 850	450 571 516	0	450 571 516
BCMETS C/O	487 498	487 498	487 498	0	487 498
FINANCIAL MANAGEMENT GRANT		76 000	76 000	0	76 000
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	253 128 000	233 009 935	233 009 935	0	233 009 935
ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT GRANT	9 000 000	9 000 000	9 000 000	0	9 000 000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	13 876 180	13 964 466	13 964 466	0	13 964 466
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	150 000	150 000	150 000	0	150 000
TOTAL GRANTS	726 685 528	711 751 749	707 259 415	0	707 259 415
TOTAL CAPITAL BUDGET	1 812 342 797	1 602 753 322	1 598 260 989	0	1 598 260 989

PART 2 – SUPPORTING DOCUMENTATION

6.1 ADJUSTMENT TO BUDGET ASSUMPTIONS

The budget assumptions have not been adjusted as a result this adjustment budget does not have an impact on tariffs.

6.2 ADJUSTMENTS TO ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

There have been no adjustments to allocations or grants made by the municipality.

6.3 ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

This adjustment budget is in respect of activities, projects and programmes that were already in the IDP and SDBIP and therefore it has not been necessary to revise these documents.

6.4 CHALLENGES

None.

6.5 STAFF IMPLICATIONS

None.

6.6 FINANCIAL IMPLICATIONS

The unauthorised expenditure adjustments to the 2021/2022 budget does not have an impact on tariffs as these are funded from current operating revenue, grants & subsidies and own funding reserves. The effects of the 2021/2022 adjustments to the Operating and Capital Budget are outlined below:

A. The adjusted budget of the Parent municipality (BCMM) for the 2021/2022 Fifth Adjustment Budget as follows:

- i. The unauthorised expenditure of the Parent Municipality of R163 702 130 incurred on Debt impairment.
- ii. The transfer of the savings identified from the following items to address the unauthorised expenditure as disclosed in the 2021/2022 BCMM Annual Financial Statements (Parent).
 - a) Transfer of R46 900 000 from Depreciation & asset impairment
 - b) Transfer of R3 000 000 from Repairs & Maintenance
 - c) Transfer of R2 000 000 from Other Materials
- iii. The adjusted Operating Revenue Budget of the Parent for the 2021/2022 financial year that remains unchanged as R8 199 414 564 be approved by Council.
- iv. An increase of R111 802 133 to the adjusted Operating Expenditure Budget of the Parent for the 2021/2022 financial year to address the unauthorised expenditure incurred on Debt impairment.
- v. The adjusted Capital Budget of the Parent for the 2021/2022 financial year that remains unchanged as R1 597 060 990 be approved by Council.

B. The Consolidated adjusted budget of BCMM for the 2021/2022 Fifth Adjustment Budget as follows:

- i. The Consolidated unauthorised expenditure of R163 702 130 incurred on Debt impairment.
- ii. The transfer of the savings identified from the following items to address the unauthorised expenditure as disclosed in the 2021/2022 Consolidated BCMM Annual Financial Statements.
 - a) Transfer of R46 900 000 from Depreciation & asset impairment
 - b) Transfer of R3 000 000 from Repairs & Maintenance
 - c) Transfer of R2 000 000 from Other Materials
- iii. The adjusted Consolidated Operating Revenue Budget for the 2021/2022 financial year that remains unchanged as R8 378 053 108 be approved by Council.

- iv. An increase of R111 802 133 to the consolidated adjusted Operating Expenditure Budget for the 2021/2022 financial year to address the unauthorised expenditure incurred on Debt impairment.
 - v. The adjusted Consolidated Capital Budget for the 2021/2022 financial year that remains unchanged as R1 598 260 989 be approved by Council.
- C. The National Treasury B Schedules that have been adjusted in line with the above are herewith enclosed as Annexure 3 and Annexure 4.

6.7 OTHER PARTIES CONSULTED


All Directorates.

6.8 CITY MANAGER'S QUALITY CERTIFICATE

I Luyanda Mbula, Acting City Manager of Buffalo City Metropolitan Municipality, hereby certify that the adjusted 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 adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Luyanda Mbula

Acting City Manager of Buffalo City Metropolitan Municipality (BUF)

Signature  _____

Date 29/12/2022 _____

ANNEXURES:

Annexure 1: Operating Projects/Programmes – 2021/2022

Annexure 2: Capital Projects/Programmes – 2021/2022

Annexure 3: Parent National Treasury B Schedules – 2021/2022

Annexure 4: Consolidated National Treasury B Schedules – 2021/2022