

**SPECIAL ADJUSTMENT BUDGET SPEECH 2021/2022 DELIVERED
BY EXECUTIVE MAYOR HON. CLLR MAETU KGAILE ON TUESDAY
29 JUNE 2021 ON VIRTUAL PLATFORM**

Council Speaker Hon. Cllr Washington Ntozini

Acting Single Whip (Cllr Khaya Ndincede)

Honourable Councillors

Municipal Manager Mr Roger Nkhumise

Directors and Senior Officials

Ladies and Gentlemen

This year is the second time that we present our special adjustment budget under Covid-19 conditions and that's why this meeting is held on virtual platform.

I must upfront make it clear that COVID-19 will certainly have an effect on the funding, sustainability and credibility of the budget in the long run and currently we don't know what the full impact will be.

The state of the economy continues to have an adverse effect on the consumers of the City of Matlosana in the 2021/22 financial year. As a result, the municipal revenue and cash flow remain under pressure.

Therefore, the application of sound financial management principles for the compilation of the City of Matlosana's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

Consistent with our legal framework, we tabled the Special Adjustment Budget In terms of **section 28(2) of the Municipal Finance Management Act, Act 56 of 2003**, and taking into account New Budget Regulations proclaimed in April 2009, an Adjustment Budget can only be used for the following purposes and by taking the following into consideration:

28(2)(a) An Adjustment Budget **must** adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year.

28(2)(b) *An Adjustment Budget **may** appropriate additional revenues that have become available over and above*

*those anticipated in the annual, **but only to revise or accelerate spending programs already budget for;***

- 28(2)(c) An Adjustment Budget **may**, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the Mayor of the municipality;
- 28(2)(d) *An Adjustment Budget **may** authorize the utilization of projected savings in one vote towards spending under another vote;*
- 28(2)(e) An Adjustment Budget **may** authorize the spending of funds that were unspent at the end of the past financial year.
- 28(2)(f) An Adjustment Budget **may** be used to correct any errors in the Annual Budget.

It is for the following reasons that a special adjustment budget is considered today. During the fourth quarter of 2020/21, the municipality have received additional grant funding to the amount of R 8 million. R 5 million for the WSIG grant and R 3 million for EEDSM grant.

In this regard, an item was submitted to Council on 31 May 2021, CC 49/2021, and ADJUSTMENT OF CONDITIONAL GRANTS FOR 2020/2021 PROJECT MANAGEMENT UNIT. To bring this resolution into effect, an adjustment budget is required.

The City of Matlosana will continue with efforts to enhance revenue so that we are able to continue rendering the necessary basic services to all our people in Matlosana.

However, more needs to be done to ensure the sustainability of the municipality as the Auditor General has expressed itself over the going concern matter of the municipality.

The budget we are presenting today is based on our recently approved adjustment budget.

Honourable Speaker and Honourable Councillors, I have the honour to present to you the 2021/22 Special Adjustment Budget of the City of Matlosana which is geared towards meeting the developmental and service delivery needs of the people of Matlosana.

I thank you.