



**BUDGET AND VIREMENT  
POLICY  
2026/2027**

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## 1. DEFINITIONS

**"Accounting Officer"**- means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; Municipal Manager;

**"Allocation"**, means-

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (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;

**"Approved budget,"** means an annual budget-

- (a) approved by a municipal council, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

**"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 a 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 transfer"** means transfer of funding within a function / vote.

**"Budget Year"** means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

**"Chief Financial Officer"** means a person designated in terms of section 80(2) (a) of the MFMA;

**"Councillor"** means a member of a municipal council;

**"creditor"**, means a person to whom money is owed by the municipality;

**"current year"** means the financial year, which has already commenced, but not yet ended;

**"delegation"**, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

**"financial recovery plan"** means a plan prepared in terms of section 141 of the MFMA

**"financial statements"**, means statements consisting of at least-

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

**"financial year"** means a twelve months' period commencing on 1 July and ending on 30 June each year

**"financing agreement"** includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

**"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;

**"lender"**, means a person who provides debt finance to a municipality;

**Line Item**” an appropriation that is itemized on a separate line in a budget adopted with the idea of greater control over expenditures

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

**"Municipal Structures Act"** means the Local Government: Municipal Structures Act, 1998(Act No. 117 of 1998);

**"Municipal Systems Act"** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

**"long-term debt"** means debt repayable over a period exceeding one year;

**"Mayor"** means the councillor elected as the Mayor of the municipality in terms of section 55 of the Municipal Structures Act;

**"Municipal council" or "council"** means the council of a municipality referred to in section 18 of the Municipal Structures Act;

**"Municipal debt instrument"** means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

**"Municipal entity"** has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

**"municipality"**-

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

**"Municipal service"** has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

**"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;

**"Municipal tax"** means property rates or other taxes, levies or duties that a municipality may impose;

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

**"official"**, means-

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

**"overspending"**-

- (a) 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 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

**"Past Financial Year"** means the financial year preceding the current year;

**"Ring Fenced"** an exclusive combination of line items grouped for specific purposes for instance salaries and wages

**"quarter"** means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

**"Service Delivery and Budget Implementation Plan"** means a detailed plan approved by the Mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- (a) projections for each (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(l) (c) of the MFMA;

**"short-term debt"** means debt repayable over a period not exceeding one year;

**"Standards of generally recognised accounting practice,"** means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board

**"Unauthorised expenditure"**, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, 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 the MFMA;

**"virement"** means transfer of funds between functions / votes

**"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. INTRODUCTION**

Municipal Budgets, Subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework

## **3. OBJECTIVES OF POLICY**

a) The policy sets out the budgeting principles which Polokwane Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.

b) The policy shall apply to all the relevant parties within the Polokwane Municipality that are involved throughout the budget process.

c) The policy shall establish and maintain procedures to ensure adherence to the IDP review and budget processes

## **4. BUDGETING PRINCIPLES**

a) The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.

b) Expenses may only be incurred in terms of the approved annual budget (or adjustments

budget) and within the limits of the amounts appropriated for each vote in the approved budget.

c) The MTREF budget shall at all times be within the framework of the Municipal Integrated Development Plan

## **5. BUDGET PREPARATION PROCESS**

### **5.1. Formulation of the budget**

a) The Accounting Officer with the assistance of the Chief Financial Officer and the Heads responsible for IDP and Performance Management shall draft the Schedule of key deadlines for the budget and allied processes for the municipality and its municipal entities for the ensuing financial year.

b) The schedule of key deadlines shall indicate the processes relative to the review of the IDP as well as the preparation of the medium-term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.

c) The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).

d) Strategic workshop shall be convened in September/October with senior managers to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality.

e) The Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings, etc).

f) The Chief Financial Officer and senior managers undertake the technical preparation of the budget.

g) The budget must be in the format prescribed by National Treasury and must be divided into capital and operating budget.

- h) The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- i) The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

## **5.2 Public participation process**

Immediately after the draft annual budget has been tabled, the municipality must convene regional and public hearings on the draft budget in April and invite the public, stakeholder organizations, to make representations and to submit comments in response to the draft budget.

## **5.3 Approval of the budget**

- a) Per legislation, Council shall consider the next medium term expenditure framework budget for approval not later than 31st May (at least 30 days before the start of the budget year).
- b) The annual budget must be approved before the start of the financial year.
- c) Should the municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance that the budget has not been approved.
- d) The budget tabled at Council for approval shall include, inter alia the following draft resolutions:
  - i. draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
  - ii. draft resolutions approving measurable performance objectives for each budget vote, taking into account the municipality's IDP;
  - iii. draft resolutions approving any proposed amendments to the IDP;
  - iv. draft resolutions approving any proposed amendments to the budget related policies;
  - v. draft resolutions approving the contents of the annual budget and supporting documents in terms of Section 17 of the MFMA

#### **5.4 Publication of the budget**

- a) Immediately after the budget is tabled the Accounting Officer (AO) must make public the budget and its supporting documents and invite the local community to submit representations in connection with the budget.
- b) Therefore, the Senior Manager Budgets on behalf of the AO must place the budget and other budget related documentation onto the municipal website so that it is accessible to the public as well and submit within 14 days both printed and electronic formats to the National Treasury, the Provincial Treasury and any other prescribed Organs of State affected by the Budget.

#### **5.5 Service Delivery and Budget Implementation Plan (SDBIP)**

- a) The Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.
- b) The SDBIP shall include the following components:
  - i. Monthly projections of revenue to be collected for each source
  - ii. Monthly projections of expenditure (operating and capital) and revenue for each vote
  - iii. Quarterly projections of service delivery targets and performance indicators for each vote
  - iv. Ward information for expenditure and service delivery
  - v. Detailed capital works plan broken down by ward over three years

### **6. CAPITAL BUDGET**

- a) The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year and a cost value of more than R10000

- b) Vehicle replacement shall be done in terms of Council's vehicle replacement policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.
- c) The Municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- e) Before approving a capital project, the Council must consider the following aspects;
  - I. the projected cost of the project over all the ensuing financial years until the project becomes operational,
  - II. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- f) Before approving the capital budget, the council shall consider the following:
  - I. the impact on the present and future operating budgets of the municipality
  - II. relation to finance charges to be incurred on external loans,
  - III. depreciation of fixed assets,
  - IV. maintenance of fixed assets, and
  - V. any other ordinary operational expenses associated with any item on such capital budget.
  - VI. Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

### **Basis of Calculation**

- a) The zero-based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.
- b) The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.

## **7. OPERATING BUDGET**

a) The municipality shall budget in each annual and adjustments budget for the contribution to:

- i. provision for accrued leave entitlements equal to 100% of the accrued leave
- ii. entitlement of officials as at 30 June of each financial year,
- iii. provision for bad debts in accordance with its rates and tariffs policies
- iv. provision for the obsolescence and deterioration of stock in accordance with its stores management policy.
- v. Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.
- vi. At least a minimum of 5% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance.
- vii. When considering the draft annual budget, council shall consider the impact which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- viii. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.

b) The operating budget shall reflect the impact of the capital component on:

- i. depreciation charges
- ii. repairs and maintenance expenses
- iii. interest payable on external borrowings
- iv. other operating expenses.

c) The chief financial officer shall ensure that the cost of indecency relief is separately reflected in the appropriate votes.

## **8. FUNDING OF CAPITAL AND OPERATION BUDGET**

The budget may be financed only from

## **8.1 Own Financing Sources (Basic Capital Budget)**

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

a) unappropriated cash-backed surpluses to the extent that such surpluses are not required

for operational purposes.

b) further amounts appropriated as contributions in each annual or adjustments budget; and

c) net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

## **8.2 Other Finance Sources (Ad Hoc Capital Budget)**

The Ad- Hoc capital budget shall be financed from external sources such as the following:

a) Grants and subsidies as allocated in the annual Division of Revenue Act.

b) Grants and subsidies as allocated by Provincial government.

c) External Loans

d) Private Contributions

e) Contributions from the Capital Development Fund (developer's contributions) and,

f) Any other financing source secured by the local authority.

## **9. UNSPENT FUNDS/ ROLL OVER**

a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.

- b) Only unspent grants (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
- c) Conditions of the grant fund shall be taken into account in applying for such rollover of funds
- d) Application for rollover of funds ( if applicable) shall be submitted to National Treasury to the National Treasury by the 30 August annually
- e) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
- f) No unspent operating budget funded by own funds shall be rolled over to the next budget year

## **10. VIREMENT BUDGET/ TRANSFERS**

Virement is the process of transferring budgeted funds from one line-item number to another, with the approval of the relevant Director and CFO, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

### **10.1 Financial Responsibilities**

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Chapter 4 of the MFMA)

The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a department or activity to which funds are allotted to plan and conduct assigned operations so as not to expend more funds than budgeted for. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 32.

## 10.2 Virement Restrictions

- a) No funds may be transferred between votes (Directorates) without approval in the adjustment budgets.
- b) No virements are to be processed during the first three months of the new financial year
- c) Virements resulting in adjustments to the approved SDBIP need to be submitted with an adjustments budget to the Council with altered outputs and measurements for approval.
- d) No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval of the Mayoral Committee. This refers to expenditures such as entering into agreements into lease or rental agreements such as vehicles, photo copiers or fax machines
- e) No virement may be made where it would result in unauthorised expenditure.
- f) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- g) Virements are not allowed in respect of ring-fenced allocations.
- h) Virements are not allowed on the following items: - Finance Charges, Depreciation, Debt Impairment, Contributions, Grant Expenditure and Income Foregone, Insurance and VAT
- i) Virements must be between projects of similar major funding sources (e.g. CRR ↔ CRR)
- j) Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)
- k) Virements are not allowed between Expenditure and Income.
- l) Virements are not allowed between capital and operational budgets without approval in the adjustment budgets.
- m) Virements towards personnel expenditure and vice versa will not be permitted.

n) No budget may be moved to or from a vote, programme or project etc. that will exceed 20% of that vote

i. This refers to virement within a directorate that must not exceed 20% of that

department's total approved budget of the following Sub-votes – Inventory Consumed, Contracted Services and Operational Cost

o) Any virement in excess of 20% should be approved by Council, however this threshold shall not apply in case of emergency

p) No virement may be made where it would result in over expenditure (MFMA Section 32);

q) Virement should only be allowed within a mSCOA function and its sub functions, except for the following cases:

1. A Project extending over/ incorporating more than one mSCOA function or sub function, then savings in the budgetary allocation in a function or sub-function may be applied across the functions and/ or sub-functions directly linked to the same Project and Funding Source;
2. Where the Finance and Administrative function or sub function is directly linked to another Function or sub function, then savings in the linked function/ sub-function may be applied in the Finance and Administrative function or vice versa. Therefore, virement between Rates Services and Trading Services and across Trading Service are not allowed;
3. Virements should not result in adding 'new' projects to the Capital Budget;

### **10.3 Virement Procedure**

- a) All virement proposals must be completed on the appropriate documentation and forwarded to the Budget Office for verification and implementation.
- b) All virements must be approved by the Vote holder and/or relevant Manager in the case of a departmental budget transfer, and by the relevant Director in the case of a
- c) All the virement on Capital budget must be approved by the Municipal Manager
- d) Capital Budget Virement within a GFS Classification must be approved by the relevant manager and Director, the Municipal Manager and Chief Financial Officer.
- e) All documentation must be in order and approved before any expenditure can be committed or incurred.

f) All virements must be reported to National Treasury in the prescribed format.

## **11. ADJUSTMENT BUDGET**

a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.

b) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.

c) Council may revise its annual budget by means of an adjustments budget as regulated.

d) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.

e) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with Item 2 of Section 10.

f) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Mayor.

g) The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.

h) An adjustments budget shall contain the following aspects;

i. An explanation of how the adjustments affect the approved annual budget;

ii. Appropriate motivations for material adjustments; and

iii. An explanation of the impact of any increased spending on the current and future annual budgets.

iv. Any inappropriate surplus from previous financial years, even if fully cash backed shall not be used to balance any adjustments budget but shall be appropriated to the municipality's capital replacement reserve.

i) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.

## **12. BUDGET IMPLEMENTATION**

### **12.1 MONITORING**

- a) The accounting officer with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
- i. Funds are spent in accordance with the budget;
  - ii. Expenses are reduced if expected revenues are less than projected; and
  - iii. Revenues and expenses are properly monitored.
- b) The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Mayor for consideration and tabling to Council.
- c) The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

## **13. REPORTING**

### **13.1 Monthly Reports**

The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

The report must reflect the following:

- a) actual revenues per source, compared with budgeted revenues;
- b) actual expenses per vote, compared with budgeted expenses;
- c) actual capital expenditure per vote, compared with budgeted expenses
- d) actual borrowings, compared with the borrowings envisaged to fund the capital budget;

- e) the amount of allocations received, compared with the budgeted amount;
- f) actual expenses against allocations, but excluding expenses in respect of the equitable share;
- g) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- h) The remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

The report to the National Treasury must be both in electronic format and in assigned written document.

### **13.2 Quarterly Reports**

The Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

### **13.3 Mid-year budget and performance assessment**

The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

The Accounting officer must then submit a report on such assessment to the Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising

the projections of revenues and expenses set out in the service delivery and budget implementation plan.

#### **13.4 Municipal website**

The Director Corporate Services must place on the municipality's official website the following information:

the annual and adjustments budgets and all budget related documents; all budget-related policies; the integrated development plan the annual report; all performance agreements; all service delivery agreements.

#### **14. Funds transferred to organisations and bodies outside government**

Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body:

- (a) has the capacity and has agreed:
    - I. to comply with any agreement with the municipality;
    - II. for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
    - III. to report at least monthly to the accounting officer on actual expenditure against such transfer; and
    - IV. to submit its audited financial statements for its financial year to the accounting officer promptly;
  - (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement;
- and
- (c) has in respect of previous similar transfers complied with all the requirements of this section.

(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)(c) make a further transfer to that organisation or body provided that:

- a) subsection (1)(a) and (b) is complied with: and
- b) the relevant provincial treasury has approved the transfer

(2) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).

(3) Subsection (1)(a) does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided:

- (a) That the transfer does not exceed a prescribed limit; and
- (b) that the accounting officer-
  - I. takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds: and
  - II. certifies to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.

## **15. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2026 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.