

SPECIAL COUNCIL MEETING

1ST ADJUSTMENT BUDGET 2024/2025 FINANCIAL YEAR

Directorate : **DIRECTORATE FINANCE**
Date : **25 OCTOBER 2024**
Author : **CHIEF FINANCIAL OFFICER**
Delegated authority : **COUNCIL**

PURPOSE OF REPORT/ DOEL VAN DIE VERSLAG

Is to submit the first (1st) (Roll-over) Adjustment budget for 2024/25 financial year as a result of the roll-over funds from 2022/2023 financial year.

BACKGROUND/ DISCUSSION/ AGTERGROND/BESPREKINGS

Stipulations in section 23 of the Municipal Budget Regulations (MBRR) –Timeframes for tabling of adjustments budget stipulates as follows:

“23. (5) An adjustments budget referred to in section 28(2)(e), of the Act may only be tabled after the end of the financial year to which the roll-overs relate and must be approved by the municipal council by 25 Augusts of the financial year, following the financial year to which the roll-overs relate”. The municipality received its roll-over approval letter only on 19 August 2024 and is allowed to approve its adjustment budget for roll-overs, at the next available council meeting.

The adjusted budget tabled in council here today was compiled after consideration of the roll-over funds related to the 2023/24 financial year for projects which was work in progress on 30 June 2024, and additional operating funding which was transferred.

A comparison between the funding sources applicable to the original approved revised operating and capital budget is set out in the table below:

FUNDING SOURCE	ORIGINAL BUDGET YEAR 2024/2025	NAT OR PROV GOVT	OTHER ADJUSTS.	1ST ADJUSTMENTS BUDGET 2024/20254
Provincial Government	2 548 000	1 341 234		4 799 234
Central Karoo District Mun			250 000	250 000
Training – LGSETA			37 500	37 500

The operational ledger income vote number 024202150578 PT – Municipal Water Resilience Grant should increase with R1,341,234 the capital ledger expenditure vote number 074202180222 PT: Construction of flood protection measures should increase with R1,341,233 as the roll-over for the Western Cape Provincial Treasury Municipal Water Resilience Grant, was approved. The municipality also received operational grant funding from the Central Karoo District Municipality in the amount of R 250 000 for Internal Audit on specific activities, an operational income and expenditure vote number needs to be created, that expenditure should be allocated and reported on. The municipality has an operational ledger income vote number 021110154760 for Training – LGSETA Mandatory Grant in the amount R 37 500 is budgeted for 2024/2025, and an operational expenditure vote number for Training – LGSETA Mandatory Grant in the amount of R 37 500 needs to be created for the 2024/2025, that expenditure should be allocated against.

Adjustments in the capital budget is aligned with revised DPIP as approved by Council and is attached to this Item in detail.

RELEVANT LEGISLATIONS/ POLICIES

Stipulations in section 16 and 28 of Municipal Finance Management Act, 2003.

Municipal Budget and Reporting Regulations (Schedule B)

MFMA Circulars 10, 12, 13, 14, 19, 28, 31, 45,48,51,54,55,58,66,67,70, 72, 74, 75, 79, 89, 91, 93 and 94.98 and 99, 108, 112, 115, 122 and 123.

Council budget related policy.

COMMENTS FROM DEPARTMENTS:

Director Technical Services:

Support Recommendation.

ANNEXURES

Schedules and other supporting annexures submitted under separate cover to the 1st adjustment budget 2024/2025 financial year.

Adjustment in the capital, as per comprehensive revised DPIP attached.

RECOMMENDATIONS BY THE MAYOR

- (1) That it be noted that an adjustment budget is necessary in accordance with Section 23(5) of the Municipal Budget and reporting regulations as a result of the roll-over funding from the 2023/24 financial year.
- (2) That the first (1st) Annual Adjustments Budget of Prince Albert Municipality for the Financial year 2024/2025, as set-out in the schedules contained in Section 4, be approved as contained in the following prescribed budget tables.
 - (i.) Table B1: Adjustments budget summary
 - (ii.) Table B2: Adjustments Budget Financial Performance (expenditure by standard classification)
 - (iii.) Table B3: Adjustments Budget Financial Performance (expenditure by municipal vote)
 - (iv.) Table B4: Adjustments Budget Financial Performance (revenue by source)
 - (v.) Table B5 to B10 as well as supporting tables SB1 to SB19
- (3) That adjustments permitted in terms of Sections 28(2)(e) of the Municipal Finance Management Act as reflected in the tables referred to in resolution (2) above be approved.