



Verlag ♦ Ingxelo ♦ Report

Kantoor van die Direkteur: Finansies
17 November 2016

5/1/4
WYK: Alle

ITEM 8.1 VAN DIE AGENDA VAN 'N GEWONE RAADSVERGADERING WAT GEHOU SAL WORD OP 24 NOVEMBER 2016

ONDERWERP: OORROL AANSUIWERINGSKAPITAAL EN BEDRYFSBEGROTING VIR 2016/2017

SUBJECT: ROLL-OVER ADJUSTMENTS CAPITAL AND OPERATING BUDGET FOR 2016/2017

1. BACKGROUND

In terms of Section 28 of the Municipal Finance Management Act, Council may revise an approved annual budget through an adjustments budget subject to provisions of section 28 of the MFMA:

1.1 SECTION 28 MUNICIPAL ADJUSTMENTS BUDGETS

- (1) A municipality may revise an approved annual budget through an adjustments budget;
- (2) An adjustments budget-
 - (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;

2. DISCUSSION

The adjustment in respect of items in the capital budget for 2016/2017 is due to capital spending that was unspent at the end of the past financial year.

The adjustments in respect of items in the operating budget for 2016/2017 are due to the correction of errors in the annual budget, spending that was unspent at the end of the past financial year and roll-over funding that was approved by National and Provincial Treasuries.

The budgeted deficit decreased from R 12 797 856 to a budgeted deficit of R 12 139 579.

2.1 ON THE EXPENDITURE SIDE

Other Expenditure increased by R 873 809 as indicated below:

Capacity building: Internal Audit (MSIG funding)	R 137 325
Capacity building: mSCOA (MSIG funding)	R 174 942
WC FMSG: Implementation of mSCOA	R 36 533
Dieprivier Sportsgrounds: Replace Cricket Pitch	R 165 000
Hire: Equipment	R 150 000
New Connections: Aqua-Loc water meters	R 210 009

2.2 ON THE INCOME SIDE

Transfers Recognised – Operational increased by R1 532 086 due to the following:

Approved roll-over of R 312 267 of the Municipal Systems Infrastructure Grant;
 Approved roll-over of R 36 533 of the WC Financial Management Support Grant;
 Approved roll-over of R1 183 286 of the RSEP Grant.

2.3 ON THE CAPITAL SIDE

An increase in capital expenditure by R 953 798. This is due to capital spending that were unspent at the end of the past financial year for the following project:

Yzerfontein: Streets, Parking Area & Pavements (Buitekant Street) R953 798

RECOMMENDATION

- a) *That the Director: Financial Services adhere to the statutory requirements of the MFMA and inform National and Provincial Treasury accordingly;*
- b) *That it be noted that the changes in the budget will have no impact on tariffs in respect of the 2016/2017 financial year but will result in a decreased deficit from –R 12 797 856 to –R 12 139 579;*
- c) *That it be noted that the 2016/2017 roll-over adjustments budget does not have an impact on the 2017/2018 and 2018/2019 outer financial years as approved on 26 May 2016;*
- d) *That approval be granted for the roll-over of unspent government grants already approved by National and Provincial Treasury in respect of the 2015/2016 financial year as disclosed in Council's financial statements as at 30 June 2016;*
- e) *That the adjusted budget schedule as required by the Budget and Reporting Regulations be approved as set out in **Annexure A**;*
- f) *That the Service Delivery Budget Implementation Plan (SDBIP) be amended accordingly where appropriate;*
- g) *That approval be granted to amend the capital and operating budget for 2016/2017 as follows:*

	<u>Original Budget</u>	<u>Adjustments Budget</u>
Capital budget:	R 74 689 669	R 75 643 467
Operating expenditure:	R 654 711 941	R 655 585 750
Operating revenue:	R 641 914 085	R 643 446 171
Budgeted Surplus/ (Deficit):	(R 12 797 856)	(R 12 139 579)

AANBEVELING

- a) Dat die Direkteur: Finansiële Dienste voldoen aan die statutêre vereistes van die MFMA en dienooreenkomstig Nasionale en Provinsiale Tesourie inlig;
- b) Dat dit in ag geneem moet word dat die veranderinge in die begroting geen impak op tariewe het ten opsigte van die 2016/2017 finansiële jaar nie, maar sal lei tot 'n afname in die tekort van -R 12 797 856 na -R 12 139 579;
- c) Dat dit in ag geneem word dat die 2016/2017 oorrol aansuiweringsbegroting nie 'n impak het op die 2017/2018 en 2018/2019 buite finansiële jare soos goedgekeur op 26 Mei 2016;
- d) Dat goedkeuring verleen word vir die oorrol van ongespandeerde staatstoekennings wat reeds deur Nasionale en Provinsiale Tesourie goedgekeur is ten opsigte van die 2015/2016 finansiële jaar, soos geopenbaar in die finansiële state van die Raad op 30 Junie 2016;
- e) Dat die aangepaste begrotingskedule soos vereis deur die Begroting en Verslagdoening Regulasies goedgekeur word, soos in **Aanhangsel A** uiteengesit;
- f) Dat die Dienslewering – en Begroting Implementeringsplan (SDBIP) toepaslik dienooreenkomstig gewysig word;
- g) Dat goedkeuring verleen word om die kapitaal- en bedryfsbegroting vir 2016/2017 as volg te wysig:

	<u>Oorspronklike Begroting</u>	<u>Aansuiweringsbegroting</u>
Kapitaalbegroting:	R 74 689 669	R 75 643 467
Bedryfsuitgawe:	R 654 711 941	R 655 585 750
Bedryfsinkomste:	R 641 914 085	R 643 446 171
Begrote Surplus/ (Tekort):	(R 12 797 856)	(R 12 139 579)

BESLUIT

(op voorstel van rdh T van Essen, gesekondeer deur rdv M S I Goliath)

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- d) Dat goedkeuring verleen word vir die oorrol van ongespandeerde staatstoekennings wat reeds deur Nasionale en Provinsiale Tesourie goedgekeur is ten opsigte van die 2015/2016 finansiële jaar, soos geopenbaar in die finansiële state van die Raad op 30 Junie 2016;
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Begrote Surplus/ (Tekort):	(R 12 797 856)	(R 12 139 579)

AFSKRIFTE:

- (i) Begrotingskantoor – vir aandag
(ii) DF – vir kennisname