



ITEM NUMBER:

SUBJECT: SPECIAL MTREF ADJUSTMENT BUDGET FOR 2024/25

1. PURPOSE

The purpose of this report is to table the special Medium-Term Revenue and Expenditure Framework (MTREF) Adjustment Budget for the period 2024/25 to 2026/2027 in Council in terms of section 28 of the Municipal Finance Management Act (MFMA).

2. BUSINESS PLAN

Sections 28(1)(F) of the Municipal Finance Management Act (MFMA) require that: a municipality may revise an approved annual budget through an adjustments budget and may correct any errors in the annual budget

3. COMPLIANCE WITH STRATEGIC OBJECTIVE

To ensure that the strategic objectives of the municipality for the 2024/25-27 MTREF are adequately funded.

4. DELEGATED AUTHORITY

The Council

5. LEGAL IMPLICATIONS/REQUIREMENTS

- Municipal Budget and Reporting Regulation of 2009;
- Municipal Systems Act, 2000; Municipal Planning and Performance;
- Management Regulations 2001; Municipal Finance Management Act 2003;

6. BACKGROUND AND DISCUSSION

The Special Adjustment MTREF budget 2024/2025 was compiled and aligned to the Government Gazette No 52381 stopping and reallocations in terms of section 18 and 19 of DORA.

7. FINANCIAL IMPLICATIONS

The initial Total Operating Revenue Adjusted Budget for 2024/25 was R1 055 460 billion, the proposed special adjustment amounts to R1 055 299 billion. The decrease of PMU grant will reduce the Total Operating Revenue by R160 550 and reduce the transfers and Subsidies-Operational from R285,4 million to the proposed adjustment budget of R285,3 million.

The initial Total Operating Adjusted Expenditure Budget for 2024/25 was R1 253 987 billion, the proposed special adjustment amounts to R1 253 736 billion.

Transfers and subsidies - capital was budgeted R132,6 million and the special adjustment amount to R133,5 million.

The initial Total Adjusted Capital Budget for 2024/25 amounted to R145,6 million and the special adjustment amounts to R146,5 million, capex has been increased by R905 000.

8. STAFF IMPLICATIONS

All Directorates

9. COMMENTS FROM OTHER DIRECTORS

Directors made inputs during the Management meeting and they are incorporated in the report.

10. RECOMMENDATION

It is recommended that:

10.1 The Special adjustment for 2024/25 to be noted

10.2 The Special Adjustment Budget be approved by council as tabled.

10.3 The approved special adjustment budget to be uploaded on GoMuni portal

10.4 That the Approved Special Adjustment budget be published on Ngwathe Municipality website