

ITEM /01/2015

ADJUSTMENTS BUDGET FOR 2014/2015 FINANCIAL YEAR

4/1/2 – 2014/2015

REPORT OF THE MUNICIPAL MANAGER

1. PURPOSE OF REPORT

The purpose of the report is to highlight the performance of the District Municipality during the first six months of the 2014/15 financial year ending 31st December 2014 which is in compliance with the MFMA regulations by no later than 20th of January 2015 also to recommend relevant and material adjustments relating to the approved 2014/2015 budget. Further the assessment takes into consideration the actual amounts reported each month which were compared to the approved budget allocations.

2. BACKGROUND

Meeting statutory obligations: MFMA

Section 28 of the Local Government Municipal Finance Management Act, which deals with the adjustments budgets, reads as follows:

“Municipal adjustments budgets

28. (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) an adjustments budget –
 - (a) must adjust the relevant expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - (c) may, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorize the utilization of projected savings in one vote towards spending under another vote;
 - (e) may authorize 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 of 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; and
 - (g) may provide for any other expenditure within a prescribed framework.
- (3) An adjustments budget must be in a prescribed form.
- (4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

- (5) When an adjustments budget is tabled, it must be accompanied by –
- an explanation how the adjustments budget affects the annual budget;
 - a motivation of any material changes to the annual budget;
 - an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
 - any other supporting documentation that may be prescribed.
- (6) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.
- (7) Section 22(b), 23(3) and 24(3) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.”

3. DISCUSSION

In terms of the latest National Treasury – Guidelines 2014/15 MTREF budget update circular No 72, Gert Sibande District Municipality is expected to prepare a credible and sustainable adjustment budget, taking into consideration the actual results of the first six months ending 31 December 2014.

SUMMARY OF ADJUSTMENT BUDGET 2013/14

Detail	Budget 2014/2015 R	Adjustments through virement R	Actuals Dec'2014 R	Adjustments Budget 2014/15 R
Revenue				
Grants	-274,781,000	-274,781,000	-200,864,830	-275,979,650
Interest on investments	-3,420,000	-3,420,000	-1,051,037	-2,653,000
Income from tariffs	-1,500,000	-1,546,700	-328,472	-2,152,200
Other income	-538,160	-491,460	-1,493,167	-2,286,150
DWA funding - RBIG	-107,000,000	-107,000,000	0	-107,000,000
COGTA funding				-1,000,000
Loan Income				-30,000,000
Contribution Accumulated Surplus	-21,866,990	-18,994,455	0	-6,341,311
Total Income	-409,106,150	-406,233,615	-203,737,506	-427,412,311
Expenditure				
Allocations to Local Municipalities	53,252,720	71,591,095	19,044,569	72,711,344
Transfer Projects	18,210,910			
RBIG Projects	107,000,000	107,000,000	0	107,000,000
COGTA Projects				1,000,000
Departmental Allocations	41,913,100	43,594,005	18,048,610	49,297,655
Administration of the Act	176,529,420	176,822,265	81,560,621	189,053,312
Donations	200,000	426,250	429,013	500,000
Capital Expenditure	12,000,000	6,800,000	1,436,867	7,850,000
Total Expenditure	409,106,150	406,233,615	120,519,680	427,412,311

GRANT INCOME**TABLE A**

Detail	Budget 2014/2015 R	Adjustments Budget 2014/15 R
<u>GRANTS</u>		
Equitable Share and Revenue Replacement	265 947 000	265 947 000
Rural Roads Assets Management Systems Grant	2 063 000	2 063 000
Financial Management Grant	1 250 000	1 250 000
Municipal Systems Improvement Grant	934 000	934 000
Expanded Public works Programme Integrated Grant for LMS-Planning	1 587 000	1 587 000
Data Cleansing	0	1 000 000
Infrastructure Skills Development Grant	3 000 000	3 198 650
Sub Total	274 781 000	275 979 650
Regional Bulk Infrastructure Grant	107 000 000	107 000 000
Total	381 781 000	382 979 650

COMMENTS ON MATERIAL ADJUSTMENTS EFFECTED TO REVENUE INCOME ON ORIGINAL APPROVED BUDGET 2014/15

The total grant income as illustrated per Table A above, in terms of allocations made in the Division of Revenue Act, have been increased to R275 979 650. The increased R1 000 000 difference relates to Data Cleansing Grant allocation and R198 650 relates to ISDG which are both roll-over grants that have been accordingly approved by National and Provincial Treasury.

DWA FUNDING – RBIG

Also, it must be highlighted that there has been no change regarding the DWA funding – RBIG amounting to R107 000 000. However, it must be highlighted that the allocated income amounting to R107m would have to be spent by 31st March 2015. Currently there have been no expenditure or commitments furnished by DWA to utilize the Indirect Grant funding in this regard. It would be prudent to obtain clarity on these allocations as the delayed expenditure would impact on the timely spending of future allocations in the 2015/16 – R 128 000 000 and 2016/17 – R144 801 000.

INTEREST ON INVESTMENTS

The actual interest earnings for the six months have been pegged at lower levels as there have been reduced investments that were placed with the various financial institutions. Hence it is anticipated that interest earnings will be lower during the remaining six months of the financial year and the amount estimated is R 2 653 000.

INCOME FROM TARIFFS

It may be noted that income from the laboratory operations and the health monitoring operations on by-laws have increased marginally and it is estimated that an amount of R 2 152 200 for the year will be realized.

OTHER/SUNDRY INCOME

Other income estimations have also been adjusted upwards as a result of the monthly occupational Lease Rental Income and Income being realized from the work undertaken by environmental health inspectors, LGSETA (training income) and tender deposits.

LOAN INCOME

In order to avoid any short term cash flow problems, it is deemed to be extremely critical that loan funding amounting to R 30m be secured from a financial institution during the remaining six months of the existing 2014/15 financial year. It must be noted that should service delivery project expenditure escalate, and payments to contractors have to be initiated within the mandatory 30 day period, then there will be abnormal pressure that will be experienced in the funding of other operating expenditure e.g. Salaries and wages which are material outlays of funding in a typical month.

The loan funding would address the expenditure commitments in the operational budget as well as funding of the transfer projects from the 2013/14 financial year which amounted to approximately R18.2m and has been an unfunded mandate as there was no corresponding transfer of cash backed funds from the previous 2013/14 financial year. Consequently, the new funding allocations for the 2014/15 are being utilized to cross –subsidize previous years 2013/14 expenditure commitments relating to the R18.2m. The loan income would also address the funding aspects relating to retentions amounting to R14.3m which should be cash backed. Further, this loan funding will also stabilize the working capital cash back needs which in terms of GRAP is extremely necessary to maintain the solvency of the District Municipality especially regarding Capital Replacement Reserves which should also be adequately cash backed. As per the MFMA Circular no 72, National Treasury highlights the significance of ensuring that Internal Reserves are cash backed, for Capital Replacement Programmes envisaged for future years.

Further, it must be noted that the existing ABSA loan funding Commitments will be fully redeemed within the current 2015 calendar year. The remaining balance on the existing loan is R8 108 935 and is repayable in by-annual installments during the 2015 calendar year. Hence, the District is in good financial standing in the current/ensuing years to meet the Capital and Interest Financial redemption obligations on the abovementioned R30m loan recommended.

CONTRIBUTION ACCUMULATED SURPLUS

In order to ensure that the adjustment budget is fully funded internal reserves amounting to R 6 341 311 needs to be funded from the contribution accumulated surplus.

**EXPENDITURE
PROJECTS AND DEPARTMENTAL ALLOCATION**

DETAIL	Budget	Actual	Adjustments
	2014/2015	Dec'2014	Budget 2014/15
DEPARTMENT -OFFICE - EXE MAYOR			
DONATIONS	426,250	429,013	500,000
MAYORAL EXCELLANCE AWARDS	600,000	190,440	600,000
CO-ORDINATION HIV AND AIDS	600,000	247,808	600,000
YOUTH DEVELOPMENT	300,000	128,807	300,000
WOMEN'S DEVELOPMENT CAPACITY	460,000	145,169	460,000
RELIGIOUS AFFAIRS(MORAL REGENA	100,000	11,754	100,000
OFFICE - RIGHTS OF THE CHILD	100,000	42,000	100,000
PEOPLE WITH DISABILITY	200,000	77,282	200,000
MAYORAL IMBIZO'S	1,000,000	23,940	1,000,000
	3,786,250	1,296,213	3,860,000
DEPARTMENT - PLANNING & ECO DEV			
REVENUE COLLECTION/DATA CLEANS	1,100,000	35,320	1,500,000
TRADITIONAL AFFAIRS/PROJECTS	1,000,000	636,666	1,000,000
LED, TOURISM AND AGRICULTURE	1,000,000	210,370	1,000,000
IDP - NEW AND UPDATE	350,000	21,418	350,000
REGIONAL AIRPORT PLANNING	100	0	100
REG SPORT FACILITIES PLANNING	500,000	0	500,000
PHEZUKOMKHONO - ALBERT LUTHULI	1,000,000	569,333	1,500,000
PHEZUKOMKHONO - MSUKALIGWA	975,000	781,529	1,430,000
PHEZUKOMKHONO - GOVAN MBEKI	650,000	355,734	1,005,000
PHEZUKOMKHONO - MKHONDO	1,000,000	552,581	1,370,000
PHEZUKOMKHONO - LEKWA	850,000	742,630	1,330,000
PHEZUKOMKHONO - DIPALESENG	650,000	282,122	700,000
PHEZUKOMKHON - DR PIXLEY KA IS	875,000	594,152	1,170,000
CO - OPERATIVES	500,000	203,279	500,000
MUNICIPAL PLANNING SECTOR PLAN	200,000	9,097	200,000
RURAL AND AGRI DEVELOPMENT	1,200,000	238,164	1,200,000
	11,850,100	5,232,395	14,755,100
DEPARTMENT - INFRA & TECH SERVICES			
UPDATE WATER SERVICE DEVELOPMENT PLAN	500,000	0	1,000,000
WATER CONS & DEMAND MANGEMENT	500,000	0	2,000,000
MANAGEMENT INFORMAT SYSTEMS	2,000,000	0	0
COMPREHENSIVE INFRASTRUC PLAN	500,000	-16,000	500,000
ALLOCATION TO MUNICIPALITIES	71,591,095	19,044,569	72,711,344
RBIG PROJECTS	107,000,000	0	107,000,000
SPECIAL PROJECTS	0	0	1,000,000
	182,091,095	19,028,569	184,211,344

DEPARTMENT - CORPORATE SERVICES			
BURSARIES	1,500,000	260,882	1,500,000
IT FOR THE REGION	300,000	31,500	300,000
CAPACITY BUILDING	840,000	644,282	1,440,000
COMMUNITY PARTICIPATION	1,000,000	334,335	1,000,000
ISDG	3,000,000	1,629,642	3,198,650
VOTERS EDUCATION	707,155	0	707,155
	7,347,155	2,900,641	8,145,805
DEPARTMENT - COM & SOCIAL SERVICES			
CULTURE, SPORT & RECREATION	1,100,000	203,101	1,100,000
MUNICIPAL HEALTH & ENVIROMENT	950,000	554,500	950,000
GSCM MARATHON - ANNUAL EVENT	750,000	111,003	750,000
REG LIBRARY & INFORMATION SERV	650,000	4,784	650,000
	3,450,000	873,388	3,450,000
DEPARTMENT - FINANCIAL SERVICES			
EMERGENCY/CONTINGENCIES	273,750	79,002	273,750
OPERATION CLEAN AUDIT	7,200,000	5,689,214	8,700,000
	7,473,750	5,768,216	8,973,750
OFFICE OF THE MUNICIPAL MANAGER			
PROMOTION OF THE DISTRICT/COMM	1,800,000	1,285,699	2,000,000
	1,800,000	1,285,699	2,000,000
DEPARTEMENTAL ALLOCATION - HUMAN SETTLEMENT			
DISASTER MANGEMENT	750,000	0	750,000
RURAL ROADS ASSET MAN SYSTEMS	2,063,000	731,960	2,063,000
GRADERS DIESEL/REPAIRS	500,000	405,111	500,000
HIRING OF EARTHMOVING AND ROAD	1,000,000	0	1,000,000
POTHOLE REPAIR MATERIALS(ASPHA	500,000	0	500,000
ERECTION OF STREET SIGNAGE	0	0	300,000
	4,813,000	1,137,071	5,113,000
TOTAL	222,611,350	37,522,192	230,508,999

MATERIAL CHANGES THAT WERE EFFECTED ON PROJECTS AND DEPARTMENTAL ALLOCATIONS

Revenue Collection/ Data Cleansing

The Projected cost allocations have been increased by R400 000 which is based on business plans and work activities anticipated. It must be noted that project related assignments undertaken are partly funded by Conditional Grant Income being received from the Provincial Department. It must be noted that funds may not be applied to other projects outside the Data Cleansing Activities.

Phezukomkhono Related Activities

The costs relating to the Phezukomkhono activities undertaken in all Local Municipalities have been increased in terms of updated business plans submitted by the department.

Capacity Building

The projected costs have increased by R600 000 based on business plans submitted which relate to the Training of Traditional Leaders etc.

Operation Clean Audit

Ongoing assistance in terms of the three year Turnaround Strategy Programme being provided to the Local Municipalities with emphasis on Dr Pixley Ka Isaka Seme, Mkhondo and Msukaligwa local Municipalities. Allocations have been increased by R1,5m to cater for related costs.

Promotion of the District/Communication

As a result of increased costs that were incurred in the previous six months it is anticipated that these allocations be amended to increased levels of R200 000

Erection of Street Signage

New allocations amounting to R300 000 were recommended during the 2014/15 financial year.

ADMINISTRATION OF THE ACT

Detail	Vote	Budget	Actual	Adjustments
		2014/15	Dec'2014	Budget 2014/15
<u>COUNCIL</u>	-			
Executive Mayor & Mayoral Committee	100	9,452,930	4,475,291	9,871,930
Speaker, Chief Whip & Councillors	106	6,995,370	3,256,356	7,416,100
Council Support	096	5,893,610	2,469,813	6,747,760
TOTAL: Council		22,341,910	10,201,460	24,035,790
<u>MUNICIPAL MANAGER</u>	-			
Municipal Manager	101	3,789,510	2,273,139	4,230,250
Internal Audit	092	6,112,500	4,734,855	7,248,220
TOTAL: Municipal Manager		9,902,010	7,007,994	11,478,470
<u>PLANNING & ECONOMIC DEVELOPMENT</u>	-			
Planning Services	091	8,471,180	3,720,871	10,400,590
IDP	620	1,113,830	499,613	1,148,070
TOTAL: Planning & Economic Development		9,585,010	4,220,484	11,548,660

<u>CORPORATE SERVICES</u>	-			
Building	089 & 094	24,178,300	11,336,596	24,935,310
IT	095	7,855,150	3,586,297	8,523,090
Legal	097	2,940,040	1,195,974	2,699,670
Human Resources	098	5,000,260	2,905,987	5,881,900
Administration	099	13,304,675	6,998,289	14,685,610
Communication, Marketing & Tourism	109	2,846,000	1,119,073	3,017,530
TOTAL: Corporate Services		56,124,425	27,142,215	59,743,110
<u>FINANCE</u>	-			
Finance	107	8,908,270	5,165,946	9,394,090
Supply Chain Management	102	7,484,720	1,881,503	7,460,350
Municipal Management & Support	610	1,388,650	641,085	1,527,180
Carwash	503	131,780	384,297	566,710
MSIG	630	934,000	390,775	934,000
TOTAL: Finance		18,847,420	8,463,607	19,882,330
<u>MUNICIPAL INFRASTRUCTURE & SERVICES</u>	-			
Planning, Implementation & Support	105	7,406,290	3,612,258	7,628,820
Infrastructure Maintenance	104	6,807,210	3,539,467	6,597,550
Water & Sanitation	093	8,550,530	2,940,844	8,997,720
TOTAL: Municipal Infrastructure & Services		22,764,030	10,092,569	23,224,090
<u>COMMUNITY & SOCIAL SERVICES</u>	-			
Community & Social Services	108	8,525,080	3,979,932	9,259,180
Municipal Health Services	103	13,892,690	5,813,778	14,118,550
TOTAL: Community & Social Services		22,417,770	9,793,709	23,377,730
<u>HUMAN SETTLEMENT & PUBLIC SAFETY</u>	-			
Human settlement	088	6,548,920	1,022,435	6,640,442
Disaster Management	090	8,290,770	3,616,147	9,122,690
TOTAL: Human Settlement & Public Safety		14,839,690	4,638,582	15,763,132
GRAND TOTAL		176,822,265	81,560,621	189,053,312

MATERIAL ADJUSTMENTS: ADMINISTRATION OF THE ACT

The expenditure in terms of this category, which relates to Salaries and Wages, Council allowances, depreciation, repairs and maintenance, finance costs, contracted services and general expenditure, have been adjusted upwards from R176 822 265 to R189 053 312.

OTHER EMPLOYEE RELATED COSTS

Once again appropriate adjustments had to be undertaken on the Employee Related Costs in terms of the Multi –Year Salary and Wage Collective Agreement for the period 1 July 2012 to 30th June 2015. In this regard it was necessary that a 6.79% was provided for and in addition a 2.4% which would take into consideration the cost implications of the Performance Review. Currently the number of employees on the staff establishment is 243. Provision has also been made regarding leave commutation amounting to R3 000 000 which was previously not included in the original approved budget. A further provision of approximately R1 000 000 was made regarding abnormal costs relating to an award that had been granted to an employee. The total employee costs ratio in relation to the total budget amounts to 26.38% which is well within the 35% acceptable norm.

OTHER ADMINISTRATION COSTS

The following cost categories were increased in order to meet projected expenditure anticipated:

- Municipal Services – R400 000
- Audit Fees – R500 000
- LGSETA – Service Training- R362 920
- SALGA Membership Fee – R416 200
- Building Maintenance – R1 000 000

EXPENDITURE BREAKDOWN

Detail	Budget	Actual	Adjustments
	2014/15	Dec'2014	Budget 2014/15
	R	R	R
Salaries and wages	87,899,115	40,071,754	93,333,060
Social Contributions	19,463,600	7,707,958	19,410,912
Councillor Allowances	12,412,850	4,974,274	12,840,250
Depreciation	18,745,970	8,895,110	17,932,520
Repair and Maintenance	4,221,460	1,250,356	6,057,450
Finance Cost	3,550,800	344,442	3,550,800
Contracted Services	1,910,000	843,921	1,910,000
General Expenditure	28,618,470	17,472,806	34,018,320
Total	176,822,265	81,560,621	189,053,312

CAPITAL BUDGET

Detail	Budget	Actual	Adjustment
	2014/2015	Dec'2014	Budget 2014/15
	R		R
FURNITURE AND EQUIPMENT	500000	0	550,000
COMPUTER EQUIPMENT	500000	15000	1,500,000
DISASTER CENTRE DR PIXLEY KA I	2000000	323219	2,000,000
LAB EQUIPMENT	1000000	12220	1,000,000
VEHICLES	1800000	1086427	1,800,000
REGIONAL CONVENTION CENTRE	1000000	0	0
REGIONAL DISASTER CENTRE		0	1,000,000
Sub-Total	6,800,000	1,436,867	7,850,000

CAPITAL BUDGET

The following Capital Expenditure Categories were amended:-

- Furniture and Equipment –R50 000
- Computer Equipment – R1 000 000

The Regional Convention Centre name has been amended to Regional Disaster Centre.

FINANCING OF THE BUDGET

The financing of the budget may be summarized as follows:

Detail	Budget 2014/2015 R	Adjustments Budget 2014/15 R
Revenue		
Grants	-274,781,000	-275,979,650
Interest on investments	-3,420,000	-2,653,000
Income from tariffs	-1,500,000	-2,152,200
Other income	-538,160	-2,286,150
DWA funding - RBIG	-107,000,000	-107,000,000
COGTA funding		-1,000,000
Loan Income		-30,000,000
Contribution Accumulated Surplus	-21,866,990	-6,341,311
Total Income	-409,106,150	-427,412,311
Expenditure		
Allocations to Local Municipalities	53,252,720	72,711,344
Transfer Projects	18,210,910	
RBIG Projects	107,000,000	107,000,000

COGTA Projects		1,000,000
Departmental Allocations	41,913,100	49,297,655
Administration of the Act	176,529,420	189,053,312
Donations	200,000	500,000
Capital Expenditure	12,000,000	7,850,000
Total Expenditure	409,106,150	427,412,311

DETAILED DEPARTMENTAL SCHEDULES

As per Annexures A -1 to A – 45 detailed schedules are reflecting the revenue and expenditure relating to each vote. Also attached per Annexures B - 1 to B - 7 are the direct allocations relating to the Local Municipalities.

NEW DISCLOSURE REQUIREMENTS: ADJUSTMENT BUDGET

In order to comply with the legislative requirements in terms of the new National Treasury format promulgated in terms of Gazette no 32141, Municipal Budget and Reporting Regulations (MBRR) the statutory schedules have been attached herewith. The documents attached herewith per **Annexures E-1 to E-32** comprising three main parts with supporting documentation, charts and explanations of trends and deviations are included herewith.

RECOMMENDATIONS

1. That the Adjustment Budget for 2014/15 financial year tabled in terms of Section 28 of the Municipal Finance Management Act no 56 of 2003 as illustrated below, be approved.

Detail	Budget 2014/2015 R	Adjustments Budget 2014/15 R
Revenue		
Grants	-274,781,000	-275,979,650
Interest on investments	-3,420,000	-2,653,000
Income from tariffs	-1,500,000	-2,152,200
Other income	-538,160	-2,286,150
DWA funding - RBIG	-107,000,000	-107,000,000
COGTA funding		-1,000,000
Loan Income		-30,000,000
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Total Income	-409,106,150	-427,412,311
Expenditure		
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Transfer Projects	18,210,910	

RBIG Projects	107,000,000	107,000,000
COGTA Projects		1,000,000
Departmental Allocations	41,913,100	49,297,655
Administration of the Act	176,529,420	189,053,312
Donations	200,000	500,000
Capital Expenditure	12,000,000	7,850,000
Total Expenditure	409,106,150	427,412,311

2. That the following Capital Budget for 2014/2015 be approved.

Detail	Budget	Adjustment
	2014/2015	Budget 2014/15
	<u>R</u>	<u>R</u>
FURNITURE AND EQUIPMENT	500000	550,000
COMPUTER EQUIPMENT	500000	1,500,000
DISASTER CENTRE DR PIXLEY KA I	2000000	2,000,000
LAB EQUIPMENT	1000000	1,000,000
VEHICLES	1800000	1,800,000
REGIONAL CONVENTION CENTRE	1000000	0
REGIONAL DISASTER CENTRE		1,000,000
Sub-Total	6,800,000	7,850,000

3. That the loan facility amounting to R30 million be secured from a recognized Financial Institution and the following legal requirements that need to be adhered to, be approved.

- A tender be placed in the respective newspapers informing the Financial Institutions of the Council's intention to acquire a loan facility amounting to R30 million.
- The legal requirements in terms of Section 46 of the Municipal Finance Management Act be fully complied with.
- The negotiations to secure the best interest rates and other qualitative matters with the respective Financial Institution.
- The facility funding requirements secured be applied towards funding of the Council's core Infrastructural Projects as referred to in the report.

4. That the tables below be approved.

- Table B1 - Budget Summary
- Table B2 - Budgeted financial performance by Standard
- Table B3 - Budgeted financial performance by vote Classification
- Table B4 - Budgeted financial performance by revenue source & expenditure type

- Table B5 - Budgeted Capital Expenditure by vote, Std Class and funds
- Table B6 - Budgeted financial position
- Table B7 - Budgeted cash flow
- Table B8 - Cash back reserves/ accumulated surplus reconciliation

5. That, the Municipal Manager be delegated to authorize the Quality Certificate relating to the 2014/15 adjustment budget and supporting documentation attached per **Annexure F**, be approved.