

## SPECIAL COUNCIL MEETING

### 4<sup>th</sup> ADJUSTMENT BUDGET 2024/2025 FINANCIAL YEAR

**Directorate** : DIRECTORATE FINANCE  
**Date** : 30 JUNE 2025  
**Author** : CHIEF FINANCIAL OFFICER  
**Delegated authority** : COUNCIL

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#### **PURPOSE OF REPORT/ DOEL VAN DIE VERSLAG**

Is to submit the third (4<sup>th</sup>) Adjustment budget for 2024/25 financial year.

#### **BACKGROUND/ DISCUSSION/ AGTERGROND/BESPREKINGS**

Stipulations in Section 28 of the Municipal Finance Management Act (Act 56 of 2003) stipulates the following, in respect of Municipal Adjustment Budgets.

##### Municipal Adjustments Budgets

28 (1) *A municipality may revise an approved annual budget through an adjustments budget.*

(2) *An adjustments budget —*

*(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 financial year preceding the budget year, where the under-spending could not reasonably have been foreseen at the time when the annual budget for the budget year was approved by the council.*

*(f) may correct any errors in the annual budget.*

As stipulated in the above-mentioned act, the below table illustrate *the utilization of projected savings in one vote towards spending under another vote*, on capital projects during the current financial year under review:

|    |              |      |   | 32 267 522,00          | -176 291,00                | 32 091 231,00          |                                  |
|----|--------------|------|---|------------------------|----------------------------|------------------------|----------------------------------|
| NR | VOTE NR      | TYPE | mSCOA Config Description                              | TOTAL BUDGET 2024/2025 | PROPOSED BUDGET ADJUSTMENT | FINAL BUDGET 2024/2025 |                                  |
| 1  | 071203000618 | CS   | Technical - Office Furniture and Electronic Equipment | 44 729,00              | -15 938,00                 | 28 791,00              |                                  |
| 4  | 072106000616 | CS   | CRR - Office furniture and equipment                  | 86 957,00              | 233 329,00                 | 320 286,00             |                                  |
| 5  | 072106180193 | CS   | CRR - Tools and equipment (Community Services)        | 43 478,00              | -18 348,00                 | 25 130,00              |                                  |
| 6  | 072106000617 | CS   | CRR - Thusong Office Extension (Phase 2)              | 1 038 425,00           | -314 575,00                | 723 850,00             |                                  |
| 9  | 072115000602 | CS   | PT - Upgrading of Municipal Libraries                 | 217 391,00             | -176 291,00                | 41 100,00              | Moved to Operational Expenditure |
| 10 | 072205000620 | CS   | CRR - Upgrading of Odendaal Sport Fields              | 350 000,00             | 70 000,00                  | 420 000,00             |                                  |
| 11 | 072205000621 | CS   | CRR - Upgrading of Klaarstroom Sport Field            | 434 783,00             | -109 920,00                | 324 863,00             |                                  |
| 16 | 073205193421 | CS   | CRR: Landfill Fire Control Borehole                   | 250 000,00             | 23 820,00                  | 273 820,00             |                                  |
| 23 | 074202000610 | CS   | CRR - Smart Water Meters                              | 217 391,00             | -217 391,00                | -                      |                                  |
| 28 | 074202000615 | CS   | CRR - Upgrading of Adult Park Borehole                | 170 000,00             | 16 100,00                  | 186 100,00             |                                  |
| 31 | New vote     | CS   | Erection of parking bays                              | -                      | 280 775,00                 | 280 775,00             |                                  |
| 31 | New vote     | CS   | New water pump - Treintjiesrivier                     | -                      | 18 348,00                  | 18 348,00              |                                  |
| 32 | New vote     | CS   | Installation of Surveillance Camera                   | -                      | 33 800,00                  | 33 800,00              |                                  |

As stipulated in the above-mentioned act, the below table illustrate unforeseeable and unavoidable expenditure. The table below also illustrate the correction of errors, whereby the write-off of traffic fines as previously approved by Council and the debt impairment reversal on traffic fines, are funded out of the same vote/ line item, to avoid unauthorized expenditure. All the votes/line items in the table below refers to operational expenditure.

| CostCentreDescription           | TitleDescription                         | mSCOAConfig | mSCOAConfigDescription                         | TotalBudget     | Adjustment      | ADJB 2025_06    |
|---------------------------------|--|-------------|--|-----------------|-----------------|-----------------|
| Mayor and Council               | Employee Related Cost - Municipal Staff  | 11110170100 | Employee Related Cost: Municipal Staff: Basic  | 257 860,00      | 3 570,00        | 261 430,00      |
| Mayor and Council               | Operational Cost - Travel and Subsistenc | 11110178140 | Operational Cost: Travel and Subsistence: Dome | 38 200,00       | 5 500,00        | 43 700,00       |
| Municipal Manager               | Employee Related Cost - Municipal Staff  | 11120170101 | Employee Related Cost: Municipal Staff: Basic  | 352 106,00      | 17 184,00       | 369 290,00      |
| Municipal Manager               | Employee Related Cost - Municipal Staff  | 11120170346 | Employee Related Cost: Municipal Staff: Unempl | 2 125,00        | 5,00            | 2 130,00        |
| Municipal Manager               | Employee Related Cost - Municipal Staff  | 11120178036 | Operational Cost: Skills Development Fund Levy | 4 159,00        | 141,00          | 4 300,00        |
| Municipal Manager               | Employee Related Cost - Senior Managemen | 11120170150 | Employee Related Cost: Senior Management: MM:  | 36 000,00       | 530,00          | 36 530,00       |
| Municipal Manager               | Operational Cost - Skills Development Fu | 11120170340 | Employee Related Cost: Municipal Staff: Unempl | 4 251,00        | 179,00          | 4 430,00        |
| Corporate Services              | Employee Related Cost - Municipal Staff  | 11201170100 | Employee Related Cost: Municipal Staff: Basic  | 3 722 789,00    | 66 341,00       | 3 789 130,00    |
| Corporate Services              | Operational Cost - Travel and Subsistenc | 11201178142 | Operational Cost: Travel and Subsistence: Dome | 54 150,00       | 450,00          | 54 600,00       |
| Financial Services              | Operational Cost - Travel and Subsistenc | 11203178142 | Operational Cost: Travel and Subsistence: Dome | 66 000,00       | 5 550,00        | 71 550,00       |
| Financial Services              | Default                                  | 11203171053 | Gains & losses - Impairment loss reversal - No | (54 257 346,00) | 54 257 346,00   | -               |
| Financial Services              | Employee Related Cost - Senior Managemen | 11203170311 | Employee Related Cost: Senior Management: CFO: | 193 826,00      | 18 004,00       | 211 830,00      |
| Financial Services              | Employee Related Cost - Senior Managemen | 11203170106 | Employee Related Cost: Senior Management: CFO: | 766 562,00      | 31 978,00       | 798 540,00      |
| Safety and Security Services    | Contracted Services - Outsourced Service | 12105176014 | Contracted Services: Outsourced Services: Secu | 20 000,00       | (20 000,00)     | -               |
| Safety and Security Services    | Contracted Services - Outsourced Service | 12105176015 | Support - Joint Operations Control Room        | 45 630,00       | (18 870,00)     | 26 760,00       |
| Disaster Management             | Employee Related Cost - Municipal Staff  | 12109170100 | Employee Related Cost: Municipal Staff: Basic  | 641 447,00      | 7 793,00        | 649 240,00      |
| Disaster Management             | Employee Related Cost - Municipal Staff  | 12109170120 | Employee Related Cost: Municipal Staff: Overti | 60 500,00       | 320,00          | 60 820,00       |
| Library Services                | Contracted Services - Contractors        | 12115170672 | Contracted Services: Contractors: Maintence of | 15 000,00       | 200 000,00      | 215 000,00      |
| Sport and Recreation            | Employee Related Cost - Municipal Staff  | 12205170120 | Employee Related Cost: Municipal Staff: Overti | 145 000,00      | 12 820,00       | 157 820,00      |
| Sport and Recreation            | Employee Related Cost - Municipal Staff  | 12205170170 | Employee Related Cost: Municipal Staff: Standb | 95 000,00       | 5 670,00        | 100 670,00      |
| Integrated Development Planning | Employee Related Cost - Municipal Staff  | 13102170340 | Employee Related Cost: Municipal Staff: Unempl | 2 125,00        | 5,00            | 2 130,00        |
| Traffic Services                | Employee Related Cost - Municipal Staff  | 13201170100 | Employee Related Cost: Municipal Staff: Basic  | 1 475 557,00    | 13 373,00       | 1 488 930,00    |
| Traffic Services                | Employee Related Cost - Municipal Staff  | 13201170120 | Employee Related Cost: Municipal Staff: Overti | 288 880,00      | 22 890,00       | 311 770,00      |
| Traffic Services                | Employee Related Cost - Municipal Staff  | 13201170330 | Employee Related Cost: Municipal Staff: Group  | 3 147,00        | 203,00          | 3 350,00        |
| Traffic Services                | Operational Cost - Travel and Subsistenc | 13201178142 | Operational Cost: Travel and Subsistence: Fore | 16 590,00       | 1 940,00        | 18 530,00       |
| Traffic Services                | Operational Cost - Skills Development Fu | 13201178030 | Operational Cost: Skills Development Fund Levy | 19 551,00       | 979,00          | 20 530,00       |
| Public Works                    | Employee Related Cost - Municipal Staff  | 13205170100 | Employee Related Cost: Municipal Staff: Basic  | 3 216 548,00    | 283 792,00      | 3 500 340,00    |
| Public Works                    | Employee Related Cost - Municipal Staff  | 13205170170 | Employee Related Cost: Municipal Staff: Allowa | 446 774,00      | 60 106,00       | 506 880,00      |
| Public Works                    | Employee Related Cost - Municipal Staff  | 13205170320 | Employee Related Cost: Municipal Staff: Medica | 154 389,00      | 3 261,00        | 157 650,00      |
| Public Works                    | Operational Cost - Travel and Subsistenc | 13205178142 | Operational Cost: Travel and Subsistence: Dail | 40 000,00       | 6 070,00        | 46 070,00       |
| Public Works                    | Operational Cost - Travel and Subsistenc | 13205178141 | Operational Cost: Travel and Subsistence: Dome | 201 400,00      | 20 990,00       | 222 390,00      |
| Public Works                    | Employee Related Cost - Senior Managemen | 13205170140 | Employee Related Cost: Senior Management: Allo | 87 000,00       | 1 000,00        | 88 000,00       |
| Water Services                  | Employee Related Cost - Municipal Staff  | 14202170340 | Employee Related Cost: Municipal Staff: Unempl | 10 627,00       | 3,00            | 10 630,00       |
| Water Services                  | Employee Related Cost - Municipal Staff  | 14202170320 | Employee Related Cost: Municipal Staff: Medica | 51 595,00       | 3 235,00        | 54 830,00       |
| Solid Waste Removal (Refuse)    | Employee Related Cost - Municipal Staff  | 14403170100 | Employee Related Cost: Municipal Staff: Basic  | 993 986,00      | 99 744,00       | 1 093 730,00    |
| Solid Waste Removal (Refuse)    | Employee Related Cost - Municipal Staff  | 14403175122 | Employee Related Cost: Municipal Staff: Bargai | 961,00          | 99,00           | 1 060,00        |
| Solid Waste Removal (Refuse)    | Employee Related Cost - Municipal Staff  | 14403170340 | Employee Related Cost: Municipal Staff: Unempl | 12 910,00       | 1 350,00        | 14 260,00       |
| Solid Waste Removal (Refuse)    | Employee Related Cost - Municipal Staff  | 14403170120 | Employee Related Cost: Municipal Staff: Overti | 191 207,00      | 4 133,00        | 195 340,00      |
| Solid Waste Removal (Refuse)    | Employee Related Cost - Municipal Staff  | 14403170310 | Employee Related Cost: Municipal Staff: Pensio | 178 336,00      | 17 944,00       | 196 280,00      |
| Solid Waste Removal (Refuse)    | Operational Cost - Skills Development Fu | 14403178030 | Operational Cost: Skills Development Fund Levy | 13 516,00       | 1 334,00        | 14 850,00       |
|                                 |  | NEW VOTE    | Gains & losses - Impairment loss reversal - No |                 | (54 257 346,00) | (54 257 346,00) |

The table below indicates the effect of the adjustments budget, on the operating revenue, expenditure budget and capital transfers for 2024/25 financial year:

| 2024/2025 MTREF  |                                  |  |                                  |                                 |                                 |
|--|----------------------------------|--|----------------------------------|---------------------------------|---------------------------------|
| Type   | Budget Year<br>2024/25<br>R '000 | 4 <sup>th</sup> Adjustment<br>Budget<br>2024/25<br>R 0'000 | Budget Year<br>2025/26<br>R '000 | Budget Year<br>2026/27<br>R'000 | Budget Year<br>2027/28<br>R'000 |
| Revenue  | 105 328                          | 103 869  | 110 343                          | 115 969                         | 143 355                         |
| Expenditure  | 99 607                           | 113 570  | 124 396                          | 128 698                         | 141 984                         |
| Capital Transfer                                       | 17 630                           | 24 287   | 10 286                           | 46 067                          | 11 367                          |
| Surplus / Deficit<br>inclusive of capital<br>transfers | 23 352                           | 14 587   | (3 766)                          | 33 370                          | 12 738                          |

### **RELEVANT LEGISLATIONS/ POLICIES**

Stipulations in section 28 of Municipal Finance Management Act, Act 56 of 2003.

Municipal Budget and Reporting Regulations (Schedule B)

Council budget related policy.

## **ANNEXURES**

*Supporting Adjustment Budget Tables submitted under separate cover.*

## **RECOMMENDATIONS BY THE MAYOR**

- (1) That it be noted that the fourth (4<sup>th</sup>) Adjustment Budget is necessary as per stipulations in Section 28, of the Municipal Finance Management Act (Act 56 of 2003).
- (2) That the fourth (4<sup>th</sup>) Adjustment Budget of Prince Albert Municipality as permitted in terms of Section 28 (1)(2)(c)(d)(e)(f), for the Financial Year 2024/2025, as set-out in the following prescribed budget tables/ schedules be approved:
  - (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.