

# **OVERBERG**

## **DISTRICT MUNICIPALITY**



### **MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 31 DECEMBER 2022**

*Compiled in terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003  
(Act 56 of 2003)*

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# 1. REPORT OF THE EXECUTIVE MAYOR

## 1.1 Implementation of the of the Municipality's budget in accordance with the service delivery and budget implementation plan

There are 37 active projects on the capital budget for 2022/2023 after previous adjustment budgets amended the projects list to the current position (taking away and adding projects). with a total adjusted budget of R13 080 200 which included an amount of R650 000 from grant funding which was rolled forward from the previous financial year. See the schedule below for the details of the projects.

CAPITAL PROGRAMME - BUDGET 2022/23

DEPARTMENT	DESCRIPTION	FUNDING TYPE	BUDGET 2022/23	ADJUSTMENT Dec 2022	TOTAL 2022/23	SPENDING YTD Dec 2022	% SPENDING	COMMITMENTS Dec 2022	TOTAL YTD INCL COMMIT	BALANCE UNSPEND
COMMITTEE, RECORDS AND COUNCIL SUPPORT	DC3 Blender	1	R12 000	-R2 400	R9 600	R9 522.73	99.20%	R0.00	R9 522.73	R 77.27
CORPORATE SERVICES : SUPPORT SERVICES	DC3 Fencing - Head Office	1	R250 000		R250 000	R8 157.98	3.26%	R1 450.00	R9 607.98	R 240 392.02
CORPORATE SERVICES : SUPPORT SERVICES	DC3 Installation of a Power Generator and UPS back	1	R1 300 000	-R30 000	R1 270 000	R457 252.65	36.00%	R50 805.85	R508 058.50	R 761 941.50
CORPORATE SERVICES : SUPPORT SERVICES	DC3 Furniture and Office Equipment	1	R42 000		R42 000	R0.00	0.00%	R0.00	R0.00	R 42 000.00
EMERGENCY SERVICES	DC3 Rescue Equipment	1	R100 000		R100 000	R0.00	0.00%	R0.00	R0.00	R 100 000.00
EMERGENCY SERVICES	DC3 Vehicle upgrade/refurbishment	1	R300 000		R300 000	R10 235.00	3.41%	R0.00	R10 235.00	R 289 765.00
EMERGENCY SERVICES	DC3 Capital Vehicle Replacement	1	R2 150 000		R2 150 000	R114 955.65	5.35%	R1 795 558.02	R1 910 513.67	R 239 486.33
EMERGENCY SERVICES	DC3 Capital Vehicle Replacement (Insurance) Bakkie	1	R405 000	-R405 000	R0	R0.00	#DIV/0!	R0.00	R0.00	R -
EMERGENCY SERVICES	DC3 Furniture and Office Equipment	1	R80 000		R80 000	R67 357.16	84.20%	R5 565.68	R72 922.84	R 7 077.16
ENVIRONMENTAL MANAGEMENT SERVICES	DC3 Organic Waste Diversion	3	R4 900 000	-R4 900 000	R0	R0.00	#DIV/0!	R0.00	R0.00	R -
ENVIRONMENTAL MANAGEMENT SERVICES	DC3 Drone	1	R32 000		R32 000	R0.00	0.00%	R0.00	R0.00	R 32 000.00
ENVIRONMENTAL MANAGEMENT SERVICES	DC3 Altron	1	R55 000		R55 000	R29 033.95	52.79%	R0.00	R29 033.95	R 25 966.05
ENVIRONMENTAL MANAGEMENT SERVICES	DC3 Carpools	1	R50 000		R50 000	R33 000.00	66.00%	R0.00	R33 000.00	R 17 000.00
ENVIRONMENTAL MANAGEMENT SERVICES	DC3 Office Accommodation Project	1	R220 000		R220 000	R0.00	0.00%	R0.00	R0.00	R 220 000.00
FINANCIAL SERVICES	DC3 Altron	1	R30 000		R30 000	R0.00	0.00%	R0.00	R0.00	R 30 000.00
FINANCIAL SERVICES	DC3 Furniture and Office Equipment	1	R23 000		R23 000	R1 478.69	6.43%	R0.00	R1 478.69	R 21 521.31
ICT SERVICES	DC3 Backup Server	1	R365 000		R365 000	R238 337.89	65.30%	R0.00	R238 337.89	R 126 662.11
IDP AND COMMUNICATION	DC3 Banners	1	R15 000	-R15 000	R0	R0.00	#DIV/0!	R0.00	R0.00	R -
INFORMATION SERVICES	DC3 Replacement of old and broken Computer Equipme	1	R270 000		R270 000	R168 528.00	62.42%	R0.00	R168 528.00	R 101 472.00
LED, TOURISM, RESORTS AND EPWP	DC3 Gas Installation at ablation facilities	1	R150 000	-R150 000	R0	R0.00	#DIV/0!	R0.00	R0.00	R -
LED, TOURISM, RESORTS AND EPWP	DC3 Honey sucker	1	R1 200 000		R1 200 000	R0.00	0.00%	R0.00	R0.00	R 1 200 000.00
LED, TOURISM, RESORTS AND EPWP	DC3 Pumps	1	R40 000		R40 000	R0.00	0.00%	R0.00	R0.00	R 40 000.00
LED, TOURISM, RESORTS AND EPWP	DC3 Furniture and Fittings	1	R50 000		R50 000	R40 841.73	81.68%	R0.00	R40 841.73	R 9 158.27
LED, TOURISM, RESORTS AND EPWP	DC3 Gas Geysers	1	R150 000		R150 000	R0.00	0.00%	R0.00	R0.00	R 150 000.00
LED, TOURISM, RESORTS AND EPWP	DC3 Upgrade of Bungalows and Ammenities	1	R50 000		R50 000	R23 391.30	46.78%	R0.00	R23 391.30	R 26 608.70
LED, TOURISM, RESORTS AND EPWP	DC3 Uitenkralsmond - Property Erosion Project	1	R120 000		R120 000	R0.00	0.00%	R0.00	R0.00	R 120 000.00
MUNICIPAL HEALTH SERVICES	DC3 Mobile Altron	1	R8 000	-R1 400	R6 600	R6 577.80	99.66%	R0.00	R6 577.80	R 22.20
MUNICIPAL HEALTH SERVICES	DC3 Gazebos	1	R12 000		R12 000	R0.00	0.00%	R0.00	R0.00	R 12 000.00
MUNICIPAL HEALTH SERVICES	DC3 Printer	1	R3 000	-R1 000	R2 000	R1 999.00	99.95%	R0.00	R1 999.00	R 1.00
MUNICIPAL HEALTH SERVICES	DC3 Furniture and Office Equipment	1	R21 000		R21 000	R19 083.95	90.88%	R0.00	R19 083.95	R 1 916.05
SOCIAL DEVELOPMENT	DC3 Gazebos	1	R12 000		R12 000	R0.00	0.00%	R0.00	R0.00	R 12 000.00
SOCIAL DEVELOPMENT	DC3 Project Equipment	1	R20 000		R20 000	R0.00	0.00%	R0.00	R0.00	R 20 000.00
EMERGENCY SERVICES	DC3 Trailers	4	R0	R400 000	R400 000	R0.00	0.00%	R0.00	R0.00	R 400 000.00
EMERGENCY SERVICES	DC3 Radio Communication	4	R0	R100 000	R100 000	R0.00	0.00%	R0.00	R0.00	R 100 000.00
EMERGENCY SERVICES	DC3 Surveillance Hotspot	4	R0	R150 000	R150 000	R0.00	0.00%	R0.00	R0.00	R 150 000.00
EMERGENCY SERVICES	DC3 Bakkie	1	R0	R405 000	R405 000	R0.00	0.00%	R0.00	R0.00	R 405 000.00
LED, TOURISM, RESORTS AND EPWP	DC3 Ablation Facilities Upgrades - Die Dam	1	R0	R150 000	R150 000	R0.00	0.00%	R0.00	R0.00	R 150 000.00
LED, TOURISM, RESORTS AND EPWP	DC3 Generator- Die Dam	1	R0	R15 000	R15 000	R0.00	0.00%	R11 448.36	R11 448.36	R 3 551.64
LED, TOURISM, RESORTS AND EPWP	DC3 Generator- Uitenkralsmond	1	R0	R15 000	R15 000	R0.00	0.00%	R11 448.36	R11 448.36	R 3 551.64
LED, TOURISM, RESORTS AND EPWP	DC3 Awareness Equipment	1	R0	R15 000	R15 000	R0.00	0.00%	R0.00	R0.00	R 15 000.00
IDP AND COMMUNICATION	DC3 KWX Infrastructure Project	3	R0	R4 900 000	R4 900 000	R0.00	0.00%	R0.00	R0.00	R 4 900 000.00
SOLID WASTE MANAGEMENT			R12 435 000	R645 200	R13 080 200	R1 229 753.48	9.40%	R1 876 276.27	R3 106 029.75	R9 974 170.25
										23.75%
										50.00%

TYPE	FUNDING SOURCES	BUDGET 2022/23	ADJUSTMENT	TOTAL 2022/23	SPENDING YTD Dec 2022	% SPENDING	COMMITMENTS	TOTAL YTD INCL COMMIT	BALANCE UNSPEND
1	REVENUE	R0	R0	R0	R0.00	0.00%	R0.00	R0.00	R0.00
2	CAPITAL RESERVE	R7 535 000	-R4 800	R7 530 200	R1 229 753.48	16%	R1 876 276.27	R3 106 029.75	R4 424 170.25
3	EXTERNAL LOANS	R4 900 000	R0	R4 900 000	R0.00	0.00%	R0.00	R0.00	R4 900 000.00
4	GRANTS	R0	R650 000	R650 000	R0.00	0.00%	R0.00	R0.00	R650 000.00
5	PRIVATE CONTRIBUTIONS	R0	R0	R0	R0.00	0.00%	R0.00	R0.00	R0.00
	TOTAL	R12 435 000	R645 200	R13 080 200	R1 229 753.48	9.40%	R1 876 276.27	R3 106 029.75	R9 974 170.25
									23.75%
									50.00%

SUMMARY	DESCRIPTION	Funding No	BUDGET 2022/23	SPENDING YTD Dec 2022	COMMITMENTS	TOTAL YTD INCL COMMIT	BALANCE UNSPEND
Corporate Services	6 Projects	2	R2 206 600	R881 799	R52 256	R934 055	R1 272 545
Financial Services	2 Projects	2	R53 000	R1 479	R0	R1 479	R51 521
Strategic Services	1 Projects	2	R15 000	R0	R0	R0	R15 000
Emergency Services	8 Projects	2+4	R3 685 000	R192 548	R1 801 124	R1 993 672	R1 691 328
LED/Tourism and Resorts	9 Projects	2	R1 790 000	R64 233	R22 897	R87 130	R1 702 870
Environmental and Waste Services	5 Projects	2+3	R5 257 000	R62 034	R0	R62 034	R5 194 966
Municipal Health Services	4 Projects	2	R41 600	R27 661	R0	R27 661	R19 939
Social Development	2 Projects	2	R32 000	R0	R0	R0	R32 000
TOTAL	37 Projects		R13 080 200	R1 229 753	R1 876 276	R3 106 030	R9 974 170

Although only R1 229 753 (9.4%) was spent by 31 December 2022, there were committed cost already allocated towards identified projects, not included in this figure and the recalculated inclusive acquisition cost will jointly amounts to R3 106 030 (23.75%). The committed costs will convert into actual spending during the remainder of the financial year and reflect on future reporting.



As illustrated in the table above, various projects have zero spending to date. The latter of the project list was also added to the project list during the December 2022 adjustment budget.

These projects will be closely monitored to determine the realistic outcome of achieving the objective within the remainder of the financial year. Some projects already commenced with the SCM process where others need to be revisited/reprioritized with the adjustment budget. A project coordinating forum has been institutionalised to assist with the SCM/Finance and user department relationship on executing capital projects.

The amendments to the SCM procurement policies after the outcome of the Concourt ruling will also impact the processes going forward after the approval of the new Preferential Procurement policy that will be approved by Council, with effect from 31 January 2023. This policy is based on the new Preferential Procurement Regulations was promulgated on 04 November 2022 effective from 16 January 2023. Once this policy is approved by Council, the procurement processes will commence immediately to expedite the Capital expenditure program.

As illustrated on the table, it is evident that a few projects were completed already or close to completion. During the adjustment budget, identified capital projects and their "sub-project's" acquisitions in the categories will be re-assessed and amended to ensure optimal capital acquisitions takes place in each project area.

It should be noted that some capital items changed to a zero budget. These will remain on the project list to ensure that our capital projects align to our SDBIP for that specific period, however amended afterwards.

As alluded to above, some projects are more urgent than others such as the following items that represents just more than 50% of the total capital budget:

- R4.9 million - Upgrading of Roads infrastructure at Landfill site. Funding borrowed previously for the expansion and infrastructure at Karwyderskraal are still available and needs to be expensed to maintain the main road entering the landfill.
- R1,2 million - Replacement of "honeysucker" sewerage truck at Resorts and landfill site. This initiative will assist in the current difficulty encountered at the resorts with an old, dilapidated truck as well as saving on expenses and contracted services for sewerage and leach removal going forward
- R650 000 - Acquisition of Fire and Disaster Management trailers, communication systems and surveillance equipment as funded by WOSA grant funding rolled over.

It should be noted that 28 of the 37 projects are allocated directly to service delivery of the municipality to improve services directly in the community.

Additional priority projects may be added on the capital project programme due to the urgency. Some of the savings on the Capital Budget could be utilized to finance these new needs.

## OPERATING EXPENDITURE

By end of December 2022 an amount of **R 130 957 241 (49.79%)** of the total operational budget (expenditure) of **R 263 040 437** was spent. This percentage is considered good expenditure management as it is below the threshold of 50% for the first six months.

## OPERATING EXPENDITURE PER DEPARTMENT

COST CODE	DIRECTORATE	DEPARTMENT	ORIGINAL	ADJUSTMENT	M06 ACTUAL	YTD ACTUAL	% TO DATE
			BUDGET 2022/23	BUDGET 2022/23			
3000	MUNICIPAL MANAGER	Executive (Municipal Manager)	1 963 130.00	1 959 030.00	195 192.32	913 727.76	46.64%
3001	MUNICIPAL MANAGER	Executive Support	734 819.00	732 519.00	46 871.60	282 726.11	38.60%
3002	MUNICIPAL MANAGER	Internal Audit	1 880 432.00	1 880 432.00	144 904.27	956 063.70	50.84%
3003	MUNICIPAL MANAGER	Council Expenditure	7 708 949.00	7 703 949.00	622 043.77	3 438 991.05	44.64%
3004	MUNICIPAL MANAGER	Idp & Communication	1 390 787.00	1 378 787.00	107 251.25	709 242.59	51.44%
3005	MUNICIPAL MANAGER	Performance & Risk Management	1 325 319.00	1 337 319.00	79 476.42	540 456.84	40.41%
<b>Sub-Total</b>			<b>15 003 436.00</b>	<b>14 992 036.00</b>	<b>1 195 739.63</b>	<b>6 841 208.05</b>	<b>45.63%</b>
4000	CORPORATE SERVICES	Executive (Corporate Services)	1 404 553.00	1 316 253.00	94 292.64	541 202.05	41.12%
4001	CORPORATE SERVICES	Corporate Support	2 028 026.00	2 209 026.00	105 712.50	764 510.62	34.61%
4002	CORPORATE SERVICES	Human Resources	3 381 347.00	3 334 606.00	226 199.36	1 752 308.61	52.55%
4003	CORPORATE SERVICES	Committee, Records & Councillor Support	3 392 781.00	3 260 281.00	261 166.72	1 709 505.69	52.43%
4004	CORPORATE SERVICES	Information Services	3 298 439.00	3 338 439.00	877 229.04	2 515 175.69	75.34%
<b>Sub-Total</b>			<b>13 505 146.00</b>	<b>13 458 605.00</b>	<b>1 564 600.26</b>	<b>7 282 702.66</b>	<b>54.11%</b>
5000	FINANCE	Executive (Finance)	1 384 118.00	1 389 118.00	132 450.67	584 391.32	42.07%
5001	FINANCE	Financial Support	395 553.00	395 553.00	30 213.16	202 737.88	51.25%
5002	FINANCE	Financial Services	17 902 938.00	22 312 165.00	2 250 336.09	9 488 687.55	42.53%
5003	FINANCE	Revenue	55 700.00	58 700.00	632.78	15 832.03	26.97%
5004	FINANCE	Expenditure	4 220 683.00	4 220 683.00	210 784.49	1 356 697.88	32.14%
5005	FINANCE	Supply Chain Management	3 166 592.00	3 166 592.00	230 046.00	1 548 336.60	48.90%
<b>Sub-Total</b>			<b>27 125 584.00</b>	<b>31 542 811.00</b>	<b>2 854 463.19</b>	<b>13 196 683.26</b>	<b>41.84%</b>
6000	COMMUNITY SERVICES	Executive (Community Services)	1 253 562.00	1 253 562.00	9 244.79	65 449.62	5.22%
6001	COMMUNITY SERVICES	Community Services Support	1 825 314.00	1 826 314.00	34 720.60	222 540.65	12.19%
6002	COMMUNITY SERVICES	Municipal Health	20 590 855.00	20 615 855.00	1 319 866.21	8 785 378.94	42.61%
6003	COMMUNITY SERVICES	Comprehensive Health	181 800.00	181 800.00	11 979.90	74 874.37	41.19%
6004	COMMUNITY SERVICES	Environmental Management	3 252 103.00	3 256 603.00	226 774.14	1 533 052.15	47.08%
6005	COMMUNITY SERVICES	Solid Waste	9 036 635.00	9 036 635.00	754 957.83	3 743 224.73	41.42%
6006	COMMUNITY SERVICES	Emergency Services	36 167 527.76	36 667 528.00	2 992 024.25	16 920 994.96	46.15%
6007	COMMUNITY SERVICES	Led, Tourism, Resorts & Epwp	16 622 638.00	16 710 438.00	1 769 793.17	9 036 186.72	54.08%
6008	COMMUNITY SERVICES	Roads Function	108 781 250.00	113 498 250.00	8 886 180.42	63 254 945.10	55.73%
<b>Sub-Total</b>			<b>197 711 684.76</b>	<b>203 046 985.00</b>	<b>16 005 541.31</b>	<b>103 636 647.24</b>	<b>51.04%</b>
<b>TOTAL OPERATING EXPENDITURE</b>			<b>253 345 850.76</b>	<b>263 040 437.00</b>	<b>21 620 344.39</b>	<b>130 957 241.21</b>	<b>49.79%</b>

In the Community Services Directorate only Roads and LED/Tourism and Resorts Management exceeded the 50% mark, but roads expenditure is funded by means of an agency agreement and the latter by own generated funding at the resorts.

Due to annual IT license fees that had been paid in advance for the year, spending in Corporate Services reflects an overspending at midyear of 4%. Recruitment and advertisements fees on unfilled vacancies also contributed towards this.

The insignificant underspending in the municipality can be due to contributing factors such as vacancies, which were being filled and or in the process of filling, contracts and tender's management which are still in the process or have been awarded closer to the end of the first half year, hence spending commenced later in the financial year than anticipated.

These summations provide a good indication for the compilation of the adjustment budget for the remainder of the fiscal year going forward. Areas of concern as well as saving opportunities are identified when analysing the results to date.

## OPERATING REVENUE PER DEPARTMENT

COST CODE	DIRECTORATE	DEPARTMENT	ORIGINAL BUDGET 2022/23	ADJUSTMENT BUDGET 2022/23	M06 ACTUAL	YTD ACTUAL	% TO DATE
3000	MUNICIPAL MANAGER	Executive (Municipal Manager)	300 000.00	300 000.00	-	241 421.65	80.47%
3003	MUNICIPAL MANAGER	Council	14 351 086.96	14 597 174.00	931 482.92	5 588 897.52	38.29%
<b>Sub-Total</b>			<b>14 651 086.96</b>	<b>14 897 174.00</b>	<b>931 482.92</b>	<b>5 830 319.17</b>	<b>39.14%</b>
4001	CORPORATE SERVICES	Corporate Support	30 200.00	30 200.00	2 617.62	15 791.95	52.29%
<b>Sub-Total</b>			<b>30 200.00</b>	<b>30 200.00</b>	<b>2 617.62</b>	<b>15 791.95</b>	<b>52.29%</b>
5002	FINANCE	Financial Services	89 690 000.00	95 054 861.00	27 683 493.38	62 005 266.10	65.23%
5003	FINANCE	Revenue	18 500.00	18 500.00	145.66	17 220.57	93.08%
<b>Sub-Total</b>			<b>89 708 500.00</b>	<b>95 073 361.00</b>	<b>27 686 037.42</b>	<b>62 037 184.26</b>	<b>65.25%</b>
6002	COMMUNITY SERVICES	Municipal Health	3 950 000.00	3 950 000.00	39 347.97	389 593.20	9.86%
6003	COMMUNITY SERVICES	Comprehensive Health	181 800.00	181 800.00	-	53 424.63	29.39%
6004	COMMUNITY SERVICES	Environmental Management	114 000.00	114 000.00	-	-	0.00%
6005	COMMUNITY SERVICES	Solid Waste	11 900 000.00	11 900 000.00	737 233.09	5 616 980.31	47.20%
6006	COMMUNITY SERVICES	Emergency Services	5 849 717.00	5 849 717.00	25 233.98	2 388 321.73	40.83%
6007	COMMUNITY SERVICES	Led, Tourism, Resorts & Epwp	18 273 490.00	18 277 500.00	2 009 219.65	10 536 456.52	57.65%
6008	COMMUNITY SERVICES	Roads Function	108 781 250.00	113 498 250.00	(1 071 025.36)	56 306 888.27	49.61%
<b>Sub-Total</b>			<b>149 050 257.00</b>	<b>153 771 267.00</b>	<b>1 740 009.33</b>	<b>75 291 664.66</b>	<b>48.96%</b>
<b>TOTAL REVENUE (INCLUDING CAPITAL GRANTS)</b>			<b>253 440 043.96</b>	<b>263 772 002.00</b>	<b>30 360 147.29</b>	<b>143 174 960.04</b>	<b>54.28%</b>

Revenue in total to date exceeded the 50% mark, however the revenue as reflected under Finance, is over 50% due to the fact that the Equitable share had been received as scheduled in the gazette, in advance of nearly R18 million for the next quarter

Municipal Health realized a revenue of just below 10% which reflects a shortfall of R2 million at midyear. No revenue had also been recorded under Environmental Management which reflects in a shortfall of R57 000 for the midyear. Emergency Services revenue is 10% below target which amounts to just over R500 000 shortfall. LED, Tourism, Resorts & EPWP exceeded the midyear target, but the variance is because of seasonal peaks. Solid waste is also 3% below target reflecting in a shortfall of just over R300 000 for the midyear.

Roads Agency revenue are slightly below anticipated, however invoicing for the last month is still to be received for reimbursement for the period.

Under performance was evident at some of the identified revenue streams which did not realise to date, one of these are newly identified property to be disposed of for the current financial year. Adjustments for revenue which will not realise in the current fiscal period, needs to be amended in the adjustment budget on the following items as also raised at the Financial strategic workshop held on 3 October 2022:



MAIN REVENUE SOURCE	BUDGET 21/22	ACTUAL 21/22	BUDGET 22/23	MID-YTD REVENUE	PROJECTED REV	SHORTFALL
Sales op Properties	-R13 485 250	-R11 724 380	-R2 500 000	R0	R0	R2 500 000
Rental of Properties	R0	R0	-R500 000	R0	R0	R500 000
Fire Services -Prov contribution	R0	R0	-R1 000 000	R0	R0	R1 000 000
Health Service-Prov contribution	R0	R0	-R1 400 000	R0	R0	R1 400 000
Fire Services-Own Rev tariffs	-R164 800	-R171 680	-R350 000	-R138 463	-R276 926	R73 074
Health Services-Own Rev tariffs	-R166 400	-R224 622	-R2 500 000	-R389 593	-R779 186	R1 720 814
Air quality recovery - Province	R0	R0	-R50 000	R0	R0	R50 000
<b>TOTALS</b>	<b>-R13 816 450</b>	<b>-R12 120 682</b>	<b>-R8 300 000</b>	<b>-R528 056</b>	<b>-R1 056 112</b>	<b>R7 243 888</b>

In this regard, also refer to the section in Part 1 - 1.7 Future Financial Sustainability.

1.2 Any financial problems or risk facing the Municipality

**Overberg District Municipality**

**Risk Assist: Report**

Risk Item	Risk Description	Risk Background	Cause of risk	Consequences	Impact	Likelihoods
R622	Lack of proper contract management (SCM) (R542-2021/2022)	No formal documented contract management procedures in place	1. Insufficient buy-in, commitment and accountability from departments. 2. Manual system in place	1. Legal consequences. 2. Negative Audit implications. 3. Non enforcing of penalty clauses. 4. Reputational damage. 5. Unauthorized expenditure	Moderate	Occasional (40%)
R623	Asset register migration to web base tool	Seamless integration with financial system	Move to a integrated system from manual to a web base system	1. Financial misstatements 2. Audit findings 3. Misalignment to new system 4. Fraud (Steeling) 5. Maturity of the module not satisfactory to our needs	Significant	Occasional (40%)
R641	Not Following proper SCM processes regarding pre-approvals (R578 - 2021/2022).	User departments that doesn't follow the correct SCM procedures/deviations	1. User departments not following proper SCM procedures 2. Lack of quality Communication	Audit findings	Marginal	Occasional (40%)

R647	Incomplete disclosure of SCM information in Annual Financial Statements	Received a COMAF from the AG regards to incomplete information in AFS. Not Adherence to SCM Regulation 36 and 45. All Deviations not recorded in AFS and suppliers' relationships in service of the sate not declared.	Delay in deviation process and lack in proper monitoring and business process flow.	1. Receive a COMAF 2. Incorrect disclosure on information in AFS and SCM reports.	Moderate	Possible (60%)
R649	Inaccurate charging for fire services rendered	Charge people for fire prevention activities and incidents	Human error. Account system not streamlined	Not accurately charges for all services rendered	Immaterial	Possible (60%)
R660	Non recovery of income in regard to Karwyderskraal (R537 2021/2022)	1. Agreement in place to recover funds from participating local municipalities at the regional landfill site. Income was based on estimates from consulting engineer. 2. Private users received an account	1. Actual dumping not aligned with estimated dumping. 2. ODM is dependent on the payment of fees from the participating local municipalities and private users	1. Lack of Revenue 2. Negative impact on financial sustainability	Moderate	Occasional (40%)



R661	The financial impact of disputes and legal claims (R538 2021/2022)	There is a dispute declared in regards to TASK while there is also legal claim against ODM e.g. SCM	A dispute was declared while claims were laid against ODM	Negative impact on financial sustainability	Significant	Occasional (40%)
R662	Financial system failure (R539 - 2021/2022)	The Electronic Financial System fails to produce data strings of the MSCOA schedules. The migration to the web based financial system vs the financial system that relies on the Internal Server	<ol style="list-style-type: none"> <li>1. Service provider downtime</li> <li>2. Power failure</li> <li>3. Internal ICT failure</li> <li>4. Daily processing be compromise</li> </ol>	<ol style="list-style-type: none"> <li>1. Nonalignment with MSCOA schedules</li> <li>2. Audit Finding</li> <li>3. Possible withholding of funds</li> <li>4. Cash flow problems</li> <li>5. Impact on service delivery</li> </ol>	Major	Possible (60%)

R663	Non recovery of cost for fire brigade services provided to other municipalities/community (R540 -2021/2022)	1. Fire brigade services are delivered on behalf of local municipalities or residents/businesses in the community with the agreement that the extinguishing of fires will be recouped. 2. Charge community for fire prevention activities and incidents."	No Synchronisation between the two systems used for the billing of fire services render. (Fire web and SAMRAS) 2. Incomplete and inaccurate information provided	1. Loss of revenue 2. Inaccurate charging for fire services rendered	Significant	Remote (30%)
R664	VAT regarding roads maintenance function	VAT have been claimed on expenditure for the Roads maintenance function as per the consultant's opinion.	The Auditor-General indicated that VAT may not be claimed on the Roads maintenance function.	1. VAT claimed might be payable to SARS 2. Negative impact on sustainability of municipality	Major	Potential (50%)

R665	Non execution of Capital projects (R550 2021/2022)	<ol style="list-style-type: none"> <li>1. Conform to CAPEX spending.</li> <li>2. User departments should plan and adhere to time frames in the procurement plan and related demand management processes.</li> </ol>	<ol style="list-style-type: none"> <li>1. Failure to do a proper needs analysis across all departments and currently conducted in the absence of guidance and facilitation from SCM</li> <li>2. Incorporation of SCM protocol in Strategic planning processes (IDP, LED, etc.).</li> <li>3. Inefficient planning and execution of time frames by user departments</li> <li>4. Delay in procurement due to SCM Legal Case</li> </ol>	<ol style="list-style-type: none"> <li>1. Budget implications (finance).</li> <li>2. Long term planning implications.</li> <li>3. Compromised service delivery</li> <li>4. Not spending Capital budget</li> </ol>	Moderate	Possible (60%)
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R675	Lack of mid-management	Due to the resignation of management and not the filling of the position resulted in a vacuum in the execution duties. No back-up personnel to execute duties when staff is on leave.	Due to a gap in the execution of functions between lower level and management resulted in insufficient execution of functions	1. Non execution of duties 2. Lack of segregation of duties 3. Employees have to execute duties when on leave. 4. We cannot fulfil our financial obligations. E.g., not payment of creditors	Moderate	Expected (70%)
R676	Cash and bank management at satellite offices ( NEW - 2021/2022).	Non-compliance to bank and cash management at resort	1. The receiving of case is not handled in accordance to Bank and cash management policy and SOP 2. Lack of supervision by supervisor at Uilenkraalsmond 3. Lack of skilled staff	1. Fraud 2. Loss of income 3. Reputation damage	Significant	Certain (100%)
R677	Non submission of quality AFS to Auditor-General on time ( NEW - 2021/2022).	MFMA requirement	Time constraint to develop the Annual Financial Statements and sufficient overview	Unable to maintain audit outcome	Moderate	Potential (50%)

R683	Compromise Financial Sustainability of a municipality (R599 2021/2022)	The financial sustainability performance factor of the municipality is being threatened by an outdated national funding model, rising expenditure and costs, narrowing revenue base, ageing infrastructure, and the possible withdrawal of the road agency function	1. Insufficient equitable share allocation to fund allocated functions due to an outdated national funding model for the ODM. 2. The increase in expenditure is higher than the increase in revenue/grants	1. Limited ability to address the institutional capacity demands of the organisation and more specifically staff, fleet and equipment related requirements 2. Inability to meet its financial obligations. 3. Inability to address the sustainability, reliability, functionality, and capacity of infrastructure 4. Placing the health and safety of its community at risk 5. Poor service delivery	Critical	Certain (100%)
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### 1.3 Annual Report and Audit Report

In terms of Sec 72 (1)(a)(iii) of the MFMA, the following is submitted regarding progress on resolving problems identified in the annual report. The Municipality is encouraged to strengthen its internal monitoring by assessing the fundamentals of internal controls on a frequent basis to obtain a qualified audit and administration. An action plan (OPCAR) has been implemented to address and monitor unsolved audit findings.

Auditor-General Report on Financial Performance Year 2021/2022	
<b>Audit Report Status*:</b>	Unqualified Audit with findings
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
<p><u>Expenditure management</u> Reasonable steps were not taken to prevent irregular expenditure amounting to R1 052 476, as required by section 62(1)(d) of the MFMA. This regular expenditure was caused by non-compliance with the municipal supply chain management (SCM) regulation 43.</p> <p><u>Procurement and contract management</u> Some of the contracts were awarded to providers whose tax matters has not been cleared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year</p>	<p>There is disagreement between the municipality and the Auditor-General of South Africa over this audit finding, under instances of non-compliance relating to the compliance audit and the materiality assessment for inclusion in the audit report. It had been noted as such in the representation letter and under subject matter no. 3 in Annexure A of the representation letter. An audit review will be requested in terms of the audit dispute resolution process issued by the Auditor General.</p> <p>If the review is successful no remedial action is needed, but in the event that the review application is unsuccessful the outcome will dictate which remedial action needs to be taken.</p>
<b>Internal Control Deficiencies</b>	<b>Remedial Action Taken</b>
The municipality did not exercise review and monitor controls to ensure compliance with regulations relating to procurement and contract management and expenditure management. This resulted in irregular expenditure not being prevented.	Any action to be taken will be dependent on the outcome of the above audit review.
<b>Emphasis of matters</b>	<b>Remedial Action Taken</b>
<p><u>Restatement of corresponding figures</u> As disclosed in note 44 of the financial statements, the accounting figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality, and for the year ended, 30 June 2022.</p>	It was rectified in the adjusted annual financial statements

Auditor-General Report on Service Delivery Performance 2021/2022	
<b>Audit Report Status:</b>	Unqualified (Clean)
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
There were no material findings on the usefulness and reliability of the reported performance information for the selected strategic goal (Strategic goal 1).	
(Achievements of planned targets – Refer to the annual performance report on page 80-82 for information on the achievement of audited planned targets for the year.	

**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22	1	<p><u>Procurement and Contract Management</u></p> <p>Suppliers in which persons in service of other state institutions have an interest, false declaration</p>	<ul style="list-style-type: none"> <li>- Add question on bi-annual performance supplier evaluation</li> <li>- Add obligation to MBD4 form that supplier must inform ODM once their status should change during their term of appointment.</li> <li>- Provide tool/facility to municipalities</li> </ul>	<p>SCM Manager</p> <p>SCM Manager</p> <p>PT/AG</p>	<p>Next evaluation period</p> <p>To be discussed with PT as this a standard form.</p> <p>To be determined</p>	
	2	<p><u>Procurement and contract management</u></p> <p>Note 49.8 Trading with employees in service of the state</p>	<ul style="list-style-type: none"> <li>- Implementation of the approved SOP pertaining to regulation 45</li> <li>- Adding a column to the Formal Quotation register to indicate the date of award.</li> <li>- The necessary disclosure will also be made to the AFS</li> </ul>	<p>SCM Manager</p> <p>SCM Manager</p> <p>CFO</p>	<p>Immediately</p> <p>Immediately</p> <p>November 2022</p>	

**OPCAR 2021/2022**

COMAF	DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22					
3	<p><u>Procurement and contract management</u></p> <p>Reason for less than three quotes received was not recorded and approved</p>	<p>Continues monitoring and oversight to ensure that in the monthly SCM reports, all formal written price quotations with less than three quotations, are report for approval in the report under the specific section in terms of Section 17(1) (c) and (2)</p> <p>Add additional statement in both the award letter and the monthly report on the approval of reasons for less than three quotations received</p>	<p>SCM officer</p> <p>SCM Manager</p> <p>CFO</p>	<p>Every month before the report is signed off</p> <p>With immediate effect.</p>	
4		<p><b>Application for deviation is on the basis that it is impractical or impossible to follow procurement process – WITHDRAWN BY AG</b></p>			
5		<p><b>ICT - USER ACCESS MANAGEMENT</b></p>			
	<p>1. Inadequate management of user access for Active Directory</p>	<ul style="list-style-type: none"> <li>Management should ensure that all required staff members are aware of and understand the requirements of the ICT User Access Management Policy.</li> <li>Management should implement a consequence management process to ensure that staff are held accountable for the non-performance of key controls and all other controls identified should be performed as stipulated in the policy.</li> </ul>	<p>ICT Management Awareness training</p> <p>ICT Management</p>	<p>Before 30 June 2023</p> <p>ASAP</p> <p>Progress report to next ICT</p>	



**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22						
			<ul style="list-style-type: none"> <li>Management should ensure that the process of approval for the creation of new users are followed, and new user forms should be completed and approved and be kept in a safe place and be readily available for audit purposes.</li> </ul>	ICT Management	Steercom in 2023  ASAP Progress report to next ICT Steercom in 2023	
			<ol style="list-style-type: none"> <li>Management should ensure that all required staff members are aware of and understand the requirements of the ICT User Access Management Policy.</li> <li>Management should implement a consequence management process to ensure that staff are held accountable for the non-performance of key controls and all other controls identified should be performed as stipulated in the policy.</li> <li>Management should ensure that the defined process of revoking user access followed so that municipality information assets are safeguarded from unauthorized access and or unsanctioned processes.</li> </ol>	ICT Management Awareness training  ICT Management  ICT Management	Before 30 June 2023 ASAP  Progress Report to next ICT Steercom in 2023 ASAP Progress Report to next ICT	
		<b>2. Ineffective management of user access for SAMIRAS</b>				

**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22						
			4. SOP needs to be reviewed asap to ensure that the process of password reset, and removal of inactive users are complied with.	ICT Management	Steercom in 2023  ASAP  Progress Report to next ICT Steercom in 2023	
	<b>3. Inadequate ICT Migration and Disaster Recovery Plan</b>	<p>1. Management should ensure that the ICTMDRP is updated to include the following two key elements or reference to where these are addressed in other policies or standard operating procedures (SOP)</p> <ul style="list-style-type: none"> <li>• Recovery point objective (RPO)</li> <li>• Disaster notification and plan activation</li> </ul> <p>2. Management should table the ICTMDRP before the Council for approval. The plan should be communicated to all stakeholders to ensure compliance.</p> <p>3. Management should ensure that once the DR server is received that disaster recovery tests are performed twice a year as stated in paragraph 5 of the ICTMDRP.</p>	ICT Management Council  ICT Management Assistance through MOU with CAM  ICT Management Assistance through MOU with CAM	14 Nov 2022  5 Dec 2022  ASAP  Progress report to next Steercom in 2023  ASAP once DR server is received  Dependent on the		

**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22						
			<p>If the test cannot be performed, the risk should be recorded on the risk register for continuous monitoring.</p>	Risk Management	outcome in 3 above	
		<p>4. <b>Non-compliance with the ICT Data Backup and Recovery Policy</b></p>	<p>1. Management should review the controls and requirements of the ICTDBRP as below to ensure alignment. If changes are made, the policy should then be submitted to Council for review and approval:</p> <ul style="list-style-type: none"> <li>- There was a lack of daily backups performed for Active Directory and SAMRAS on the NAS device for the date selected 16/05/2022 and this has also led to backups not being replicated to the off-site NAS device.</li> <li>- No data restoration tests could be performed for SAMRAS backups and Active Directory.</li> </ul> <p>2. Management should implement a consequence management process to ensure that staff are held accountable for the non-performance of key controls</p> <p>3. Management should ensure that data restoration tests are performed once the backup server is received</p>	<p>ICT Management Council</p>	<p>14 Nov 2022 5 Dec 2022</p>	
				ICT Management	<p>Progress report to next ICT Steercom in 2023</p>	
				ICT Management	ASAP and progress	

**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22						
				MOU with CAM	report to next ICT Steercom in 2023	
	5. Inadequate ICT Security Controls and ICT Operating System Security Controls Policies	<p>1. Management should ensure that the ICT Security Controls Policy and ICT Operating System Security Controls Policy are updated to include the following elements or reference to where these are addressed in other policies or standard operating procedures (SOP).</p> <ul style="list-style-type: none"> <li>- Security awareness and training</li> <li>- Change notifications to the administrators' group being required by policy for all devices, operating systems, databases, and applications.</li> <li>- Monitoring and management of remote users with access to critical systems.</li> </ul> <p>2. Management to implement the new revised organigram structure to ensure oversight, monitoring, and control.</p> <p>Budget allocations towards ICT be considered and allocated within the limited financial resources of ODM</p>	ICT Management Council  ICT Management CFO	14 Nov 2022 5 Dec 2022  After job evaluation TASK result was received  Next Budget cycle		

**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22						
		<p><b>6. Inadequate firewall management controls</b></p>	<p>1. The ICT Security Controls Policy should be updated to include the elements listed below. Once updated, the policy should be submitted to Council for approval and communicated to all relevant stakeholders to ensure compliance</p> <ul style="list-style-type: none"> <li>- Rule descriptors</li> <li>- Firewall backup/ redundancy and recovery</li> <li>- Firewall authorizations</li> <li>- Logging and monitoring requirements</li> <li>- Periodic review of the firewall ruleset was not performed</li> <li>- Lack of a failover firewall.</li> <li>- There is no formal process in place for approval and authorization of firewall changes.</li> </ul> <p>2. Management should ensure that the scope of work in the service level agreement with service provider is aligned to the firewall requirements defined in the ICT Security Controls Policy. Management should update the SLA to include the gaps identified.</p>	<p>ICT Management Council</p>	<p>14 Nov 2022 5 Dec 2022</p>	
				<p>ICT Management</p> <p>MOU with CAM</p>	<p>ASAP- progress report to first ITC Steercom in 2023</p>	



**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22						
		7. Inadequate incident management process	<p>1. Management should ensure that the ICT Security Controls Policy is updated to include the elements listed below. Thereafter, the policy should be submitted to council for review and approval.</p> <ul style="list-style-type: none"> <li>- Incident response planning and preparation.</li> <li>- Monitoring, detecting, analyzing, and reporting of information security events and incidents.</li> <li>- Logging incident management activities.</li> <li>- Handling of forensic evidence.</li> <li>- Assessment of and decision on information security events and information security weaknesses.</li> <li>- Response including those for escalation, controlled recovery from an incident and communication to internal and external people or organizations.</li> <li>- Breach of information integrity, confidentiality, or availability expectations;                             <ul style="list-style-type: none"> <li>- Human errors;</li> </ul> </li> <li>- Non-compliance with policies or guidelines;</li> <li>- Breaches of physical security arrangements;</li> <li>- Uncontrolled system changes,</li> </ul>	ICT Management  Council	14 Nov 2022  5 Dec 2022	

**OPCAR 2021/2022**

COMAF	DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22		<ul style="list-style-type: none"> <li>- Malfunctions of software or hardware; and</li> <li>- Access violations.</li> </ul> <p>2. Management should ensure that a log of all incidents relating to the general IT environment is submitted for audit.</p>	ICT Management Internal Audit	Continuous Include in Audit plan	
<b>6</b>	<b>Application deviation on the basis of impractical or impossible – Inca Portfolio Managers – WITHDRAWN BY AG</b>				
<b>7</b>	<p><u>Procurement and contract management</u></p> <p>Awards to persons whose tax matters are in order</p> <p><b>(Also refer to COMAF 19)</b></p>	<p>User department be informed to refrain using JHH Civils on the contractors panel of T21-20/21</p> <p>Each check list for SARS compliance needs to be verified and signed off by SCM Manager</p> <p>The Internal audit unit include this check in their next audit plan</p> <p>Incidences where SARS non-compliance occurred, be added as a KPI measurement in the performance SDBIP of the SCM Manager</p>	<p>SCM Manager</p> <p>SCM Manager</p> <p>Internal Auditor</p> <p>Performance Manager</p> <p>Internal Audit - F Coetzee</p>	<p>With immediate effect</p> <p>With immediate effect</p> <p>Next audit plan</p> <p>Next performance cycle</p>	
<b>8</b>	<p><u>Consequence management</u></p> <p>Member of the disciplinary</p>	<p>Management will prepare and present an item to Council seeking the re-appointment of the applicable member of the Disciplinary Board. Management will Also ensure that a new member</p>			

**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22						
		committee exceeded the stipulated three years.	or current member be re-appointed every 3 years if Council approves.			
<b>9</b>	<u>Consequence management</u> Evidence of Investigations not produced	Enquire from the WC Department of Local Government if municipalities should perform a pre-process before items are referred to the selected committee for investigation.	Municipal Manager	Before the next Section 32 committee is held		
<b>10</b>	<u>Procurement and Contract Management</u> Deviation not reported in next council meeting	All deviations for the month will be reported verbally with reasons by the Municipal Manager to be included with full details in the SCM month end report to be submitted to Council at the next available Council meeting	Municipal Manager	At each Council meeting		
<b>11</b>	<u>Compliance:</u> Compliance with the cash management and investment policy Three quotations for new investment account were not obtain	The procedure as outline in 8.5 of the Cash Management and Investment Policy will be followed strictly in future.	Manager; Payroll, Banking & Investment CFO	With immediate effect		

**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22	<b>12</b>	<u>Property, Plant and equipment:</u>  Inadequate segregation of duties during the asset count	Review of Section 13 of Asset Management policy	Asset Accountant	31 May 2023	
	<b>13</b>	<u>Property, Plant and Equipment:</u>  Impairment on specialized vehicles and vehicles not considered.	Conduct impairment testing – POE to be documented	Asset Accountant	31 May 2023	
	<b>14</b>	<u>Property, Plant and Equipment:</u>  Incorrect classification of asset.	Management reviewed the entire population and attached the sub-classification movement impact with a net-effect of R0. (See attached)  Staff establishment – provision for additional capacity in asset department	Siyanda Consult and J Leonard (Accountant Assets) Management  CFO	23 Nov 2022  Already implemented	

**OPCAR 2021/2022**

COMAF	DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22					
<b>15</b>	<p><u>Revenue from non-exchange transactions</u></p> <p>Recognition of grant expenditure as revenue</p>	<p>Month end checklist be amended to make provision for this action</p> <p>Journal to align actual expenses recognised to actual income recognised by reducing the liability</p> <p>Management reviewed all grants for the period</p>	<p>W Crafford (Manager Finance)</p> <p>R Gertze – (Chief Clerk BTO)</p> <p>W Crafford (Manager Finance)</p>	<p>01 December 2022</p> <p>01 December 2022</p> <p>15 September 2022</p>	
<b>16</b>	<p><u>Contingent Liabilities:</u></p> <p>Incomplete Disclosure of Contingent Liabilities</p>	<p>The AFS Note 57.1 – Contingent liabilities will be updated</p>	<p>CFO</p>	<p>November 2022</p>	
<b>17</b>	<p><b>Procurement and contract management: Use of legal panels – WITHDRAWN by AG</b></p>				
<b>18</b>	<p><u>Provisions:</u></p> <p>Incorrect calculation of the leave day provision</p>	<p>A functional leave system that could calculated the split between compulsory and non-compulsory leave days be procured</p> <p>The leave provision disclosed for 2021/22 be reviewed by testing the results produced by the new leave system and restated if any material differences is found</p>	<p>Director: Corporate Services</p> <p>CFO</p>	<p>December 2022</p> <p>30 June 2023</p>	



OPCAR 2021/2022

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22	19	<p><u>Procurement and contract management –</u></p> <p>Awards to persons whose tax matters are in order</p> <p><b>(Also refer to COMAF7)</b></p>	<p>SARS Tax complaint verification will also be obtained on the day that the BAC consider making the final award on a bid</p> <p>The said issue be raised to Provincial and National Treasury to obtain feedback and possible remodifications to the CSD Tax compliance history report</p>	<p>SCM</p> <p>CFO</p>	<p>At every BAC meeting</p> <p>ASAP</p>	

**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22	20					
	20	<p><u>Expenditure:</u> Incorrect classification of expenditure</p> <p>Management will investigate the population to identify any other classification errors that may exist and adjust the financial statements accordingly.</p> <ol style="list-style-type: none"> <li>1. Management will consider in future to add lines on the MSCOA structure to split the grant expenditure cost into more classifications, that it will be possible to transact as per the nature of the expense.</li> <li>2. Management will in future provided the auditors with a complete list of all the journal corrections made in respect of any category changes</li> <li>3. Management will review the description in Note 39 and change it to maintenance of transport and other unspecified assets to ensure that there is no uncertainty to where there is any transport related maintenance included.</li> </ol>	<p>Manager: Finance</p> <p>Manager: Finance</p> <p>Manager: Finance</p>	<p>30 June 2023</p> <p>With next Budget cycle 31 August 2023</p> <p>December 2022</p>		
	21	<p><u>Property Plant and Equipment:</u> Items incorrectly capitalized and leased assets limitation capitalized at the incorrect value.</p>	<p>Matter 1: None</p> <p>Matter 2: Provide additional information</p>	<p>W Crafford</p>	<p>Provide more information in advance from user-department for next audit</p>	

**OPCAR 2021/2022**

COMAF		DESCRIPTION	ACTION	RESPONSIBLE PERSON	TARGET DATE	% COMPLETED
2021/22	22	<u>Supply Chain Management:</u> Interest other connection not declared by the employee	The staff member is required to disclose in writing/declare the relationship which was not done.  This matter will be followed up next year.	Manager: HR  AG	ASAP  2022/23 Audit Cycle	
	23	<u>VAT</u> Output VAT not declared and incorrect prior period error note	Management disagreed with the AG on Matter 1 and 2. The auditors disagree with the management comments and the finding will be included in the management report as an emerging risk. Will be followed up during the 2022-23 financial year. Opinion and further investigation regarding the matter which was referred to the PT and PAG for advice. Further update on legal opinion will also be obtain from Senior Advocate by WCDM	CFO		
	24	<u>Expenditure management</u> Reasonable steps were taken to prevent unauthorised expenditure - Withdrawn by AG				

## FINAL AUDIT CONCLUSIONS AS EXTRACTED FROM THE FINAL MANAGEMENT REPORT

COMAFNR	FINAL AUDIT CONCLUSION	PAGE NR IN FMR
1	<p>The auditors agree that the supplier only last submitted the declaration on the supplier invitation to tender for the panel and the auditor note the management comment that the Bid Evaluation Committee performs the evaluation once on invitation of the suppliers to the panel. The failure by the service provider to declare possible conflict of interest particularly by suppliers in the panel increases the risk of compromise of the supply chain process controls. Consequently, management should develop procedures to mitigate the risk. <b>The matter shall be raised as internal control deficiency in the management report under other important matters.</b></p>	53
2	<p>Management comments are noted and has agreed to the audit finding. Management should take note the finding was raised on the prior year and therefore, it is the responsibility of examine the population to which the misstatement relates to understand the cause of the misstatement and to make the appropriate adjustments. However, management has not examined the entire population and hence similar issues is identified and raised. Management to note the quotation tested in the prior year was tested for different SCM regulation requirements/criteria not for the disclosure as required by SCM regulation 45. The proposed adjustment was not made in the adjusted financial statements. <b>The finding remains and will be reported into the management report as a result of the internal control deficiency.</b></p>	56
3	<p>Management response is noted. After further management representation, comments and discussion with management the finding will remain in the management report as a result of the internal control deficiency.</p> <p>The reason for obtaining less than three quotes are documented together with the approval of the award. It is not clear whether an approval of the reasons or approval of the winning supplier is given.</p> <p><b>It is recommended that management revisit the process that deal with SCM regulation 17(1)(c) and implement the controls to address the deficiency.</b></p>	
4	<b>WITHDRAWN BY AG</b>	
5	<p>Management responses are noted. The corrective actions agreed upon by management will be followed-up during the next audit cycle.</p>	122 -137



6	<b>WITHDRAWN BY AG</b>	
7	<p>Management response is noted and the auditor's conclusion remain the same as documented on page 39 in the management report. <b>(READ TOGETHER WITH COMAF 19)</b></p> <p>COMAF 07 Management comments have been received and considered with respect to T21-2020/2021 management acknowledges the deficiencies in the municipalities systems of internal controls, consequently finding will be reported accordingly. Unfortunately, I cannot relate to the finding being considered to be raised in the past before the date of awarding tender T21-2020/2021.</p> <p>On tender T10 – 2021/22, management understanding of the date of the award is different from the auditors understanding of this date. The date of the award is the date the winning bidder is informed of the result of the adjudication process and for the auditors this date was the 08 March 2022. The tax matter of the winning bidder were on this date not declared by SARS to be in order.</p> <p><b>In conclusion, the overall assessment of the non-compliance on quotation indicates a material noncompliance with irregular expenditure not prevented by the municipality. Two audit report paragraphs will be raised under non-compliance with laws and regulations.</b></p>	42
8	<p>Management's response is noted, we encourage the municipality to appoint members on the board after three years as required by the regulation. The remedial actioned proposed by the municipality will be followed up for implementation thereof in the next audit cycle.</p> <p><b>The finding remains as a result of non-compliance identified and will be reported in the management report.</b></p>	87
9	<p>Management response is noted. After further management representation, comments and discussion with management the finding will remain in the management report due to the internal control deficiency. The auditors were unable to confirm through minutes submitted whether a proper investigation was conducted and we will follow up during the 2022/23 financial year on the actions committed by management and the process and controls implemented to address the internal control deficiency</p>	85
10	<p>Management's response is noted. However, the regulation clearly state that the accounting officer is required to record the reasons for any deviations in terms of sub-regulation (1) (a) and (b) and report them to the next meeting of council. It was however not evident that the reason for deviation was reported in the next council</p>	60



	<p>meeting as the monthly reporting was not aligned with the council meeting dates. For the instance that was resolved “D01/03: Exceptional Case: Relocation of goods (Mr. Smith) - Biddulphs Removals &amp; Storage” was due to the fact that was a special council meeting of which has a specific agenda point to be discussed, based on the auditor’s professional judgement it was concluded that the matter should not be report in the special council meeting. In the event that the management decide to report the reason for deviation verbally, sufficient and appropriate audit evidence should be available to confirm that the management has reported the deviation in the next council meeting. <b>The finding remains and will be reported into the management report as a result of non-compliance.</b></p>	
11	<p>Management’s agreement with the auditing finding is noted. The remedial actioned proposed by the municipality and the implementation thereof will be follow up in the next audit cycle. <b>The finding remains as a non-compliance with the cash management and investment policy, the finding will be reported into the management report.</b></p>	63
12	<p>Management’s comments is noted. The municipality should ensure that segregation of duties is implemented in the two areas of responsibility mentioned in the finding. <b>As a result of the deficiency in the controls identified the finding will remain in the management report.</b></p>	89
13	<p>Management comments is noted.</p> <p>However, management did not perform an impairment assessment at year end to confirm that the recoverable amount was more than the carrying amount of assets. There was also no evidence to confirm the assertion made by the management, the finding remains.</p> <p>Furthermore, the recoverable amount indicated by the management for the vehicle (CS 18741), was not assessed by the management at year end as required by GRAP, as this was merely a response to a finding raised.</p> <p>Also take note that the circumstances and conditions of the vehicle (CS 18741) per the finding raised and the one compared to in the advert are not the same, as such it does not justify the basis used by the management to indicate that the recoverable amount was more than the carrying amount of the assets.</p> <p><b>The finding remains and the projected misstatement will be included in the schedule of uncorrected misstatement and in the management report.</b></p>	93

14	<p>Management's agreement is noted. However, the evidence submitted as part of the management response to support the correction of the error amounting to R106 298, 42 was not sufficient to confirm that the proposed adjustment was correct as this misclassification of subclasses of assets will impact note 9 of the financial statements.</p> <p>The impact on the property, plant and equipment (PPE) note should be assessed in the following categories:</p> <ul style="list-style-type: none"> <li>• Cost</li> <li>• Accumulated depreciation</li> <li>• Carrying value</li> <li>• Comparative year</li> </ul> <p>Management should provide the detail assessment on the impact of the finding as per note 9, as the listing evidence of the carrying value provided is not sufficient to conclude.</p> <p><b>In the absence of the detailed assessment, the projected misstatement amounting to R223 596 will be included in the schedule of uncorrected misstatement and the finding will be reported in the management report.</b></p>	100
15	<p>Management response noted and management should take note even though the communication was made to the auditors, the financial statement submitted still contains misstatements which was not detected by the municipality's internal controls prior to submitting the financial statements. Inspected the adjusted financial statements and confirmed that the correction was made by management. <b>As a result of the deficiency identified the finding will remain and reported in the management report.</b></p>	103
16	<p>Management response is noted. However, in terms of requirements of GRAP 19 as highlighted in the finding raised where any of the information required by paragraphs .101 and .106 is not disclosed because it is not practicable to do so, that fact shall be stated. The impracticality of the matter was not disclosed in the financial statement.</p>	106

	<p>The proposed adjustment by management was not made in the adjusted financial statements. The finding remains and will be reported into the management report as a result of the non-compliance with the requirements of GRAP.</p>	
17	<p><b>WITHDRAWN BY AG</b></p>	
18	<p>Management response is noted. However, as management disagree with the auditor's calculation, management should have provided the calculation to dispute the recalculated leave day's balance.</p> <p>In the absence of the calculation to substantiate the dispute for the audit flinging, the projected misstatement remains. The finding will be reported in the management.</p>	
19	<p><b>READ TOGETHER WITH COMAF 7</b></p> <p><i>Lastly with respect to T04 – 2021/22, management understanding of the date of the award is different from the auditors understanding of this date. The date of the award is the date the winning bidder is informed of the result of the adjudication process and for the auditors this date was the 17 November 2021. The supplier dispute with SARS still indicate that the tax matters of the supplier was not in order and therefore no evidence was provided by management to prove that the tax supplier was tax compliant. The tax matter of the winning bidder were on this date not declared by SARS to be in order.</i></p> <p><i>In conclusion, the overall assessment of the non-compliance on quotation indicates a material noncompliance with irregular expenditure not prevented by the municipality. Two audit report paragraphs will be raised under non-compliance with laws and regulations.</i></p>	42
20	<p>Management response is noted. The auditor's conclusion is as follows:</p> <p><b>Matter 1</b></p> <p>We have audited the journal process by the management and was appropriate. This matter is now resolved</p>	



**Matter 2**

**For item 1:**

We have audited the journal (287) provided by the management, the misstatement noted amounting to R 1 683, 39 was incorrectly posted to other expenditure – material, the misstatement still remain as was incorrectly classified

**For item 2 and 4:**

Management agree with the finding and the misstatement remain

**For item 4:**

We assessed the information submitted by the management and they are in agreement that the current classification is accurately stated as contracted services relating to the fire department. As the municipality present the expenditure by nature not as per the function, the expenditure does not relates to the fire services as defined as it was a workshop. The contractor was not assisting in providing fire services for the municipality

In conclusion: the projected misstatement amounting to R279 312, 06 remain. The finding will be reported in the management report.

**Matter 3**

Management disagreement is noted. However the mSCOA outline the classification as follows “Maintenance of Equipment: Contractors for maintaining and repairing of equipment.

Transactions allocated to this item are applicable only if the maintenance and repair does not extend the useful life of the asset and result in future cash inflows. Examples would be replacing filters or gas in an air conditioner, servicing of machinery and equipment and ordinary service of a motor vehicle. Detail of plant and equipment to be selected from the project segment.”

	<p>The expenditure incurred by the municipality relates to ordinary service of a motor vehicle and therefore we are of the view that the classification for this expenditure is incorrect under unspecified assets. The revised projected misstatement amounting to R2 030 183, 00. The finding remains and to be reported in the management report.</p> <p><b><u>Matter 4</u></b></p> <p>We have audited the journal (271) provided by the management, the misstatement noted amounting to R 5 462, 50 was incorrectly posted to employee related cost - basic salaries and wages, as the supplier is not employee as it is providing contracted services.</p> <p>The revised projected misstatement amounting to R385 025 and remain as the expenditure was incorrectly classified and such will be transfer to the schedule of uncorrected misstatement for further evaluation.</p>	
21	<p>Management comments is noted. The auditor's conclusion is as follows:</p> <p><b><u>Matter 1</u></b></p> <p>It is auditors view that the paragraph 13 of GRAP 17 apply on the initial recognition for the asset, management should take note that the cost occurred in the current year was the subsequent cost and should be dealt with in terms of paragraph 15 of GRAP 17.</p> <p>It is not appropriate to recognised the installation of red plugs as the building as it a fitting into the building. It will be appropriate that the management to recognised the red plugs as part of fixture instead of the building.</p> <p>The finding remains and will be reported in the management report</p> <p><b><u>Matter 2</u></b></p> <p>We have considered the information submitted by the management Based on the information submitted by the management the auditors are unable to determine the following</p> <ul style="list-style-type: none"> <li>o Monthly repayment amount</li> </ul>	

	<p>Management provided the allocation of the prices and not stipulated in the agreement with the service provider . Furthermore, the management should take note that GRAP 13 paragraph 26 indicate that “at the commencement of the lease term, lessees shall recognise assets acquired under finance leases as assets and the associated lease obligations as liabilities in their statement of financial position. The assets and liabilities shall be recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee’s incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognised as an asset.”</p> <p>For the recognition of the finance lease using the insured value is not in line with GRAP 13 paragraph 26.</p> <p>The auditor is unable to conclude whether the nature of the agreement should be finance lease or operating lease as the we did not provided with the following:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Monthly repayment amount as per agreement</li> <li><input checked="" type="checkbox"/> Fair value of the printers</li> <li><input checked="" type="checkbox"/> Implicit rate / Incremental borrowing rate used to calculate the present value of the minimum lease payment.</li> </ul> <p><b>The limitation will remain and to be reported in the management report.</b></p>	
22	<p>The staff member is required to disclose in writing/declare the relationship which was not done.</p> <p><b>This matter will be followed up next year.</b></p>	66
23	<p>Management response is noted. However, auditors disagree with the management comments and <b>the finding will be included in the management report as an emerging risk. Will be followed up during the 2022-23 financial year.</b></p>	49
24	<p><b>WITHDRAWN BY AG</b></p>	



#### 1.4 National and Provincial adjustments budgets

The following adjustments to certain unspent and additional grants which had an impact on the Municipality's budget.

- (a) The unspent grants on 30 June 2022 for the following grants have been submitted to Provincial and National Treasury for roll over and was successful, hence was already included in the **adjustment budget approved in December 2022:**

RURAL ROADS MANAGEMENT GRANT	R 88 000
WHOLE OF SOCIETY APPROACH (WOSA) (PT)	R 663 602
COMMUNITY DEVELOPMENT WORKERS SUPPORT GRANT (PT)	R 57 000
JOINT DISTRICT & METRO APPROACH GRANT	R 1 799 000
MUNICIPAL SERVICES AND CAPACITY BUILDING GRANT	R 350 000
<b>TOTAL</b>	<b>R 2 957 602</b>

- (b) Additional funding awarded for the 2022/2023 financial year includes

WESTERN CAPE FINANCIAL CAPACITY BUILDING GRANT – FINANCIAL SYSTEMS	R 500 000
EXTERNAL BURSARIES	R 300 000
INTERVENTION GRANT	R 300 000.
ROADS AGENCY	R 5 000 000
JOINT DISTRICT & METRO APPROACH GRANT	R 1 000 000
<b>TOTAL</b>	<b>R 7 100 000</b>

All these funds were already incorporated in the December 2022 Adjustment Budget

**The main reasons/purpose for this year's Mid-year report and the upcoming budget is to:**

- Review the projected revenue for the period prior; and anticipated revenue after the first six months of the financial year.
- Perform a reassessment on the expenditure budgeted versus incurred as well as the projected anticipated expenditure for the latter six months now needs to be determined and tabled to ensure a realistic, credible and executable implementation plan and budget to be approved by Council.
- Performance indicators and achievements
- Reprioritisation of projects
- Capital budget execution and outlook for the financial year going forward
- Overall assessment on the track of activities for the year to be achieved

### **1.5 Necessity of an adjustments budget for the Municipality**

Section 28 of the MFMA read as follow:

An adjustments budget referred to in section 28(2)(b), (d) and (f) of the MFMA will be tabled in the municipal council after the mid-year budget and performance assessment.

A municipality may revise an approved annual budget through an adjustments budget.

Apart from the unspent and additional grants as mentioned in 1.4 above, there are also other adjustments in operational and capital expenditure that had been identified.

Accordingly, a report on adjustments to the budget will be submitted for consideration by Council on 28 February 2022.

### **1.6 Non-financial performance – See part 2 (9)**

#### **1.7 Future Financial Sustainability**

On 3 October 2022, the Financial Management section under the CFO conducted a Finance Strategy Workshop with the Financial and Mayoral Committees, Budget Steering Committee and all Directors/Managers in the municipality. The focus was aimed at a revenue revival strategy and cost containment going forward to ensure the municipality remains financially sustainable in future.

Focus areas included major and minor opportunities in the following areas:

- GRANTS (Additional)
- OWN REVENUE STREAMS (Review current, potential and expansion of services)

A methodology to achieve these initiatives were identified and a model to be implemented explained. Items such as optimisation of properties and resources, cost reflective tariffs and services rendered currently not being compensated for where investigated.

A SWOT analysis for expenditure, illustrating the current threats (direct/indirect) and all areas, specifically in those identified as key expenditure items to be monitored, mitigated and controlled. Items such as Employee costs, Fuel and Security costs were some of the items to be reviewed.

All these efforts/initiatives will be researched, analysed and tested, hence to ensure the municipality is moving forward, Council and Management will work collectively to ensure the success of ODM.

## **2. RESOLUTIONS**

### **2.1 Mid-year budget and performance assessment**

- a) That cognisance be taken of the mid-year budget and performance assessment in respect of the first half of the 2022/2023 financial year;
- b) That the assessment report be submitted to Council on 30 January 2023 in terms of Section 54(1)(f) of the MFMA;

- c) That the proposed amendments to the KPI's and targets (SDBIP) be submitted to council in terms of Section 54(1)(c) for approval;
- d) That, following the above [with reference to regulation 23(1) an adjustments budget on the 2022/2023 budget be tabled for consideration at the council meeting on 27 February 2023;

### 3. EXECUTIVE SUMMARY

#### 3.1 Introduction

In accordance with Section 72(1) of the Municipal Finance Management Act (MFMA) the Accounting Officer is required to-

- (a) Assess the performance of the municipality during the first half of the financial year, taking into account-
  - (i) The monthly statements referred to in Section 71 for the first half of the financial year;
  - (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery target and performance indicators set in the service delivery and budget implementation plan;
  - (iii) The past year's annual report, and progress on resolving problems identified in the annual report.
  - (iv) The performance of every municipality entity under the sole or shared control of every municipality, considering reports in terms of Section 88 from any such entities; and
- (b) Submit a report on such assessment to-
  - (i) The Mayor of the municipality;
  - (ii) National Treasury; and
  - (iii) The relevant Provincial Treasury

It should be noted that additional funds were received from National and Provincial Treasury, but Overberg District Municipality does not anticipate the national adjustments budget and the relevant provincial adjustments budget to influence the Municipality's budget towards the end of the Financial year.

#### 3.2 Consolidated performance

The following table summarises the overall position on the capital and operating budgets:

	Capital Expenditure	Operating Expenditure	Operating Revenue
<b>Budget</b>	R 13 080 200.00	R263 040 437	R263 772 002
<b>Budget to date (BTD)</b>	R 5 652 272.73	R126 672 925	R126 720 022
<b>Year to date (YTD)</b>	R 1 229 753.48	R130 957 241	R143 174 960
<b>Variance to SDBIP</b>	-R 4 422 519.25	R4 284 316	R16 454 938
<b>YTD% Variance to SDBIP</b>	-78%	3%	13%
<b>% of Annual Budget</b>	9%	50%	54%

As per the above performance budget table revenue is above anticipated for the period to date and expenditure just a fraction below anticipated for the period to date. Capital expenditure is below budgeted with a variance of **78%**. The percentage spending against the annual budget will increase to **23.75%** if the committed cost of **R1 876 276.27** is also included in the calculation.

#### **4. IN-YEAR BUDGET STATEMENT TABLES**

The in-year budget statement tables are presented below. Supporting information and explanations of are given for each table where such information will assist with understanding the information contained in the tables.

#### 4.1 Monthly Budget Statement summary

DC3 Overberg - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	13 572	13 572	890	6 238	6 786	(548)	-8%	13 572
Investment revenue	-	2 000	2 000	372	1 672	1 000	672	67%	2 000
Transfers and subsidies	-	197 193	206 625	26 613	117 641	98 597	19 044	19%	206 625
Other own revenue	-	40 675	40 925	2 485	17 623	20 337	(2 714)	-13%	40 925
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>253 440</b>	<b>263 122</b>	<b>30 360</b>	<b>143 175</b>	<b>126 720</b>	<b>16 455</b>	<b>13%</b>	<b>263 122</b>
Employee costs	-	135 932	135 338	10 622	67 994	67 966	29	0%	135 338
Remuneration of Councillors	-	6 166	6 166	544	3 105	3 083	22	1%	6 166
Depreciation & asset impairment	-	3 626	3 626	302	1 813	1 813	-	-	3 626
Finance charges	-	3 329	3 329	214	1 340	1 665	(325)	-20%	3 329
Inventory consumed and bulk purchases	-	46 862	52 060	3 381	31 646	23 431	8 215	35%	52 060
Transfers and subsidies	-	-	3 149	-	-	-	-	-	3 149
Other expenditure	-	57 432	59 373	6 557	25 059	28 716	(3 656)	-13%	59 373
<b>Total Expenditure</b>	-	<b>253 346</b>	<b>263 040</b>	<b>21 620</b>	<b>130 957</b>	<b>126 673</b>	<b>4 284</b>	<b>3%</b>	<b>263 040</b>
<b>Surplus/(Deficit)</b>	-	<b>94</b>	<b>82</b>	<b>8 740</b>	<b>12 218</b>	<b>47</b>	<b>12 171</b>	<b>25842%</b>	<b>82</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	650	-	-	-	-	-	650
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>94</b>	<b>732</b>	<b>8 740</b>	<b>12 218</b>	<b>47</b>	<b>12 171</b>	<b>25842%</b>	<b>732</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>94</b>	<b>732</b>	<b>8 740</b>	<b>12 218</b>	<b>47</b>	<b>12 171</b>	<b>25842%</b>	<b>732</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>10 274</b>	<b>13 080</b>	<b>509</b>	<b>1 230</b>	<b>5 652</b>	<b>(4 423)</b>	<b>-78%</b>	<b>13 080</b>
Capital transfers recognised	-	-	650	-	-	-	-	-	650
Borrowing	-	39	4 900	-	-	2 227	(2 227)	-100%	4 900
Internally generated funds	-	10 235	7 530	509	1 230	3 425	(2 195)	-64%	7 530
<b>Total sources of capital funds</b>	-	<b>10 274</b>	<b>13 080</b>	<b>509</b>	<b>1 230</b>	<b>5 652</b>	<b>(4 423)</b>	<b>-78%</b>	<b>13 080</b>
<b>Financial position</b>									
Total current assets	76 491	58 057	52 623		107 108				52 623
Total non current assets	106 601	115 234	118 040		106 018				118 040
Total current liabilities	21 316	42 780	39 515		37 238				39 515
Total non current liabilities	75 209	75 591	75 591		77 154				75 591
Community wealth/Equity	86 568	54 919	55 557		98 734				55 557
<b>Cash flows</b>									
Net cash from (used) operating	-	3 958	1 330	25 208	44 235	11 597	(32 638)	-281%	1 330
Net cash from (used) investing	-	(7 774)	(10 580)	(509)	10 470	(5 137)	(15 607)	304%	(10 580)
Net cash from (used) financing	-	(3 684)	(3 684)	(308)	(1 788)	(1 842)	(54)	3%	(3 684)
<b>Cash/cash equivalents at the month/year end</b>	-	<b>44 880</b>	<b>39 445</b>	<b>-</b>	<b>97 849</b>	<b>56 997</b>	<b>(40 852)</b>	<b>-72%</b>	<b>31 998</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	1 977	1 475	58	46	44	322	120	702	4 744
<b>Creditors Age Analysis</b>									
Total Creditors	349	-	-	-	-	-	-	1	350

## 4.2 Monthly Budget Statement – Financial Performance (Standard classification)

DC3 Overberg - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		-	104 390	110 001	28 620	67 883	52 195	15 688	30%	110 001
Executive and council		-	14 651	14 897	931	5 830	7 326	(1 495)	-20%	14 897
Finance and administration		-	89 739	95 104	27 689	62 053	44 869	17 184	38%	95 104
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	28 255	28 259	2 074	13 368	14 128	(760)	-5%	28 259
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	18 273	18 278	2 009	10 536	9 137	1 400	15%	18 278
Public safety		-	5 850	5 850	25	2 388	2 925	(537)	-18%	5 850
Housing		-	-	-	-	-	-	-	-	-
Health		-	4 132	4 132	39	443	2 066	(1 623)	-79%	4 132
<i>Economic and environmental services</i>		-	108 895	113 612	(1 071)	56 307	54 448	1 859	3%	113 612
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	108 781	113 498	(1 071)	56 307	54 391	1 916	4%	113 498
Environmental protection		-	114	114	-	-	57	(57)	-100%	114
<i>Trading services</i>		-	11 900	11 900	737	5 617	5 950	(333)	-6%	11 900
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	11 900	11 900	737	5 617	5 950	(333)	-6%	11 900
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	-	253 440	263 772	30 360	143 175	126 720	16 455	13%	263 772
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		-	57 322	61 695	5 552	26 899	28 661	(1 762)	-6%	61 695
Executive and council		-	10 407	10 395	864	4 635	5 203	(568)	-11%	10 395
Finance and administration		-	45 035	49 419	4 543	21 308	22 517	(1 210)	-5%	49 419
Internal audit		-	1 880	1 880	145	956	940	16	2%	1 880
<i>Community and public safety</i>		-	73 563	74 176	6 094	34 817	36 781	(1 964)	-5%	74 176
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	16 623	16 710	1 770	9 036	8 311	725	9%	16 710
Public safety		-	36 168	36 668	2 992	16 921	18 084	(1 163)	-6%	36 668
Housing		-	-	-	-	-	-	-	-	-
Health		-	20 773	20 798	1 332	8 860	10 386	(1 526)	-15%	20 798
<i>Economic and environmental services</i>		-	113 424	118 134	9 220	65 497	56 712	8 785	15%	118 134
Planning and development		-	1 391	1 379	107	709	695	14	2%	1 379
Road transport		-	108 781	113 498	8 886	63 255	54 391	8 864	16%	113 498
Environmental protection		-	3 252	3 257	227	1 533	1 626	(93)	-6%	3 257
<i>Trading services</i>		-	9 037	9 037	755	3 743	4 518	(775)	-17%	9 037
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	9 037	9 037	755	3 743	4 518	(775)	-17%	9 037
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	-	253 346	263 040	21 620	130 957	126 673	4 284	3%	263 040
<b>Surplus/ (Deficit) for the year</b>		-	94	732	8 740	12 218	47	12 171	25842%	732

Table C2 highlights the operating budget in the standard functional classifications which are the Government Finance Statistics Functions and Sub-Functions. These are used by National Treasury to assist the compilation of accounts for comparison purposes, regardless of the unique structures used by different institutions.

The main functions include Governance and administration; Community and public safety; Economic and environmental services; and trading services.



In order to obtain a better comprehensive understanding on the Financial Performance of Overberg District Municipality the above tabled standard classification, in Table C2, are recategorized as per Municipal vote, Table C3.

#### 4.3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

DC3 Overberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue by Vote</b>	1									
Vote 1 - Municipal Manager		--	14 651	14 897	931	5 830	7 326	(1 495)	-20.4%	14 897
Vote 2 - Management Services		--	--	--	--	--	--	--	--	--
Vote 3 - Corporate Services		--	30	30	3	16	15	1	4.6%	30
Vote 4 - Finance		--	89 709	95 073	27 686	62 037	44 854	17 183	38.3%	95 073
Vote 5 - Community Services		--	149 050	153 771	1 740	75 292	74 525	767	1.0%	153 771
<b>Total Revenue by Vote</b>	2	--	253 440	263 772	30 360	143 175	126 720	16 455	13.0%	263 772
<b>Expenditure by Vote</b>	1									
Vote 1 - Municipal Manager		--	15 003	14 992	1 196	6 841	7 502	(661)	-8.8%	14 992
Vote 2 - Management Services		--	--	--	--	--	--	--	--	--
Vote 3 - Corporate Services		--	13 505	13 459	1 565	7 283	6 753	530	7.9%	13 459
Vote 4 - Finance		--	27 126	31 543	2 854	13 197	13 563	(366)	-2.7%	31 543
Vote 5 - Community Services		--	197 712	203 047	16 006	103 637	98 856	4 781	4.8%	203 047
<b>Total Expenditure by Vote</b>	2	--	253 346	263 040	21 620	130 957	126 673	4 284	3.4%	263 040
<b>Surplus/ (Deficit) for the year</b>	2	--	94	732	8 740	12 218	47	12 171	25841.8%	732

The operating revenue and expenditure budget is approved and managed at a municipal vote level in 4 main vote directorates. The municipal votes reflect the organisational structure of the municipality which consist of: Municipal Manager, Corporate Services, Financial Management, and Community Services separately.

#### 4.4 Monthly Budget Statement – Financial Performance (revenue and expenditure)

DC3 Overberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates			-	-	-	-	-	-	-	-
Service charges - electricity revenue		400	400	400	94	283	200	83	42%	400
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		600	600	600	58	436	300	136	45%	600
Service charges - refuse revenue		12 572	12 572	12 572	737	5 519	6 286	(767)	-12%	12 572
Rental of facilities and equipment		12 730	12 730	12 730	1 056	6 568	6 365	203	3%	12 730
Interest earned - external investments		2 000	2 000	2 000	372	1 672	1 000	672	67%	2 000
Interest earned - outstanding debtors		200	200	200	51	51	100	(49)	-49%	200
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-
Licences and permits		2 500	2 500	2 500	39	390	1 250	(860)	-69%	2 500
Agency services		11 351	11 597	11 597	931	5 589	5 676	(87)	-2%	11 597
Transfers and subsidies		197 193	206 625	206 625	26 613	117 641	98 597	19 044	19%	206 625
Other revenue		11 394	11 398	11 398	408	5 026	5 697	(671)	-12%	11 398
Gains		2 500	2 500	2 500	-	-	1 250	(1 250)	-100%	2 500
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	253 440	263 122	30 360	143 175	126 720	16 455	13%	263 122
<b>Expenditure By Type</b>										
Employee related costs			135 932	135 338	10 622	67 994	67 966	29	0%	135 338
Remuneration of councillors			6 166	6 166	544	3 105	3 083	22	1%	6 166
Debt impairment			200	200	-	-	100	(100)	-100%	200
Depreciation & asset impairment			3 626	3 626	302	1 813	1 813	-	-	3 626
Finance charges			3 329	3 329	214	1 340	1 665	(325)	-20%	3 329
Bulk purchases - electricity			400	400	-	39	200	(161)	-81%	400
Inventory consumed			46 462	51 660	3 381	31 607	23 231	8 376	36%	51 660
Contracted services			23 792	25 181	2 084	8 489	11 896	(3 407)	-29%	25 181
Transfers and subsidies			-	3 149	-	-	-	-	-	3 149
Other expenditure			33 440	33 992	4 472	16 570	16 720	(149)	-1%	33 992
Losses			-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		-	253 346	263 040	21 620	130 957	126 673	4 284	3%	263 040
<b>Surplus/(Deficit)</b>		-	94	82	8 740	12 218	47	12 171	0	82
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			-	650	-	-	-	-	-	650
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	94	732	8 740	12 218	47			732
Taxation										
<b>Surplus/(Deficit) after taxation</b>		-	94	732	8 740	12 218	47			732
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		-	94	732	8 740	12 218	47			732
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		-	94	732	8 740	12 218	47			732

#### Reasons for variances:

##### Revenue

- Year to date operating revenue amounts to 54% of the total budgeted for the financial year.
- Revenue to date is more than anticipated with no variance compared to projected income projected.

## Expenditure

- Expenditure to date amount to 50% with a variance of 3%. This is considered good expenditure management as we are halfway through the financial year.

### 4.5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)

DC3 Overberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 2 - Management Services		-	-	-	-	-	-	-		-
Vote 3 - Corporate Services		-	50	1 270	457	457	591	(134)	-23%	1 270
Vote 4 - Finance		-	-	-	-	-	-	-		-
Vote 5 - Community Services		-	39	4 900	-	-	2 227	(2 227)	-100%	4 900
<b>Total Capital Multi-year expenditure</b>	4,7	-	89	6 170	457	457	2 818	(2 361)	-84%	6 170
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Municipal Manager		-	350	15	-	-	7	(7)	-100%	15
Vote 2 - Management Services		-	-	-	-	-	-	-		-
Vote 3 - Corporate Services		-	5 065	937	-	425	427	(2)	-1%	937
Vote 4 - Finance		-	1 200	53	1	1	24	(23)	-94%	53
Vote 5 - Community Services		-	3 570	5 906	51	346	2 376	(2 030)	-85%	5 906
<b>Total Capital single-year expenditure</b>	4	-	10 185	6 910	52	773	2 834	(2 062)	-73%	6 910
<b>Total Capital Expenditure</b>		-	10 274	13 080	509	1 230	5 652	(4 423)	-78%	13 080
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		-	6 665	2 292	459	883	1 056	(173)	-16%	2 292
Executive and council		-	200	-	-	-	-	-		-
Finance and administration		-	6 315	2 292	459	883	1 056	(173)	-16%	2 292
Internal audit		-	150	-	-	-	-	-		-
<i>Community and public safety</i>		-	3 479	5 517	51	284	2 200	(1 915)	-87%	5 517
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	339	1 790	39	64	800	(736)	-92%	1 790
Public safety		-	2 355	3 685	12	193	1 380	(1 187)	-86%	3 685
Housing		-	-	-	-	-	-	-		-
Health		-	785	42	-	28	20	8	38%	42
<i>Economic and environmental services</i>		-	130	372	-	62	2 396	(2 334)	-97%	372
Planning and development		-	-	15	-	-	7	(7)	-100%	15
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	130	357	-	62	2 390	(2 328)	-97%	357
<i>Trading services</i>		-	-	4 900	-	-	-	-		4 900
Energy sources		-	-	-	-	-	-	-		-
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	4 900	-	-	-	-		4 900
<i>Other</i>		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure - Functional Classification</b>	3	-	10 274	13 080	509	1 230	5 652	(4 423)	-78%	13 080
<b>Funded by:</b>										
National Government		-	-	-	-	-	-	-		-
Provincial Government		-	-	650	-	-	-	-		650
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-		-
Transfers recognised - capital		-	-	650	-	-	-	-		650
Borrowing	6	-	39	4 900	-	-	2 227	(2 227)	-100%	4 900
Internally generated funds		-	10 235	7 530	509	1 230	3 425	(2 195)	-64%	7 530
<b>Total Capital Funding</b>		-	10 274	13 080	509	1 230	5 652	(4 423)	-78%	13 080



#### 4.6 Monthly Budget Statement – Financial Position

DC3 Overberg - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		1 928	24 880	19 445	1 671	19 445
Call investment deposits		43 004	20 000	20 000	96 178	20 000
Consumer debtors		13 010	2 987	2 987	2 972	2 987
Other debtors		14 745	7 058	7 058	2 716	7 058
Current portion of long-term receivables		1 931	1 982	1 982	1 931	1 982
Inventory		1 873	1 150	1 150	1 640	1 150
<b>Total current assets</b>		<b>76 491</b>	<b>58 057</b>	<b>52 623</b>	<b>107 108</b>	<b>52 623</b>
<b>Non current assets</b>						
Long-term receivables		22 192	24 895	24 895	22 192	24 895
Investments		–	–	–	–	–
Investment property		12 797	12 781	12 781	12 790	12 781
Investments in Associate		–	–	–	–	–
Property, plant and equipment		71 605	77 544	80 357	71 029	80 357
Biological		–	–	–	–	–
Intangible		8	13	7	8	7
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>106 601</b>	<b>115 234</b>	<b>118 040</b>	<b>106 018</b>	<b>118 040</b>
<b>TOTAL ASSETS</b>		<b>183 092</b>	<b>173 291</b>	<b>170 663</b>	<b>213 126</b>	<b>170 663</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		5 988	4 120	4 120	4 200	4 120
Consumer deposits		8	8	8	8	8
Trade and other payables		5 222	22 767	19 502	22 944	19 502
Provisions		10 098	15 885	15 885	10 086	15 885
<b>Total current liabilities</b>		<b>21 316</b>	<b>42 780</b>	<b>39 515</b>	<b>37 238</b>	<b>39 515</b>
<b>Non current liabilities</b>						
Borrowing		15 232	11 112	11 112	15 232	11 112
Provisions		59 977	64 479	64 479	61 922	64 479
<b>Total non current liabilities</b>		<b>75 209</b>	<b>75 591</b>	<b>75 591</b>	<b>77 154</b>	<b>75 591</b>
<b>TOTAL LIABILITIES</b>		<b>96 525</b>	<b>118 372</b>	<b>115 107</b>	<b>114 392</b>	<b>115 107</b>
<b>NET ASSETS</b>	2	<b>86 568</b>	<b>54 919</b>	<b>55 557</b>	<b>98 734</b>	<b>55 557</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		73 568	45 499	46 137	85 734	46 137
Reserves		13 000	9 420	9 420	13 000	9 420
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>86 568</b>	<b>54 919</b>	<b>55 557</b>	<b>98 734</b>	<b>55 557</b>

## 4.7 Monthly Budget Statement – Cash Flow

DC3 Overberg - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates			-	-	-	-	-	-		-	
Service charges			13 572	13 572	884	5 898	6 786	(888)	-13%	13 572	
Other revenue			37 775	38 025	2 779	16 228	18 888	(2 660)	-14%	38 025	
Transfers and Subsidies - Operational			197 193	204 010	43 708	137 975	113 332	24 643	22%	204 010	
Transfers and Subsidies - Capital			-	-	-	-	-	-		-	
Interest			2 200	2 200	423	1 723	1 100	623	57%	2 200	
Dividends			-	-	-	-	-	-		-	
<b>Payments</b>											
Suppliers and employees			(244 467)	(251 012)	(22 373)	(116 249)	(127 351)	(11 101)	9%	(251 012)	
Finance charges			(2 315)	(2 315)	(214)	(1 340)	(1 158)	182	-16%	(2 315)	
Transfers and Grants			-	(3 149)	-	-	-	-		(3 149)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			-	3 958	1 330	25 208	44 235	11 597	(32 638)	-281%	1 330
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			2 500	2 500	-	11 700	-	11 700	#DIV/0!	2 500	
Decrease (increase) in non-current receivables			-	-	-	-	-	-		-	
Decrease (increase) in non-current investments			-	-	-	-	-	-		-	
<b>Payments</b>											
Capital assets			(10 274)	(13 080)	(509)	(1 230)	(5 137)	(3 907)	76%	(13 080)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			-	(7 774)	(10 580)	(509)	10 470	(5 137)	(15 607)	304%	(10 580)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			-	-	-	-	-	-		-	
Borrowing long term/refinancing			-	-	-	-	-	-		-	
Increase (decrease) in consumer deposits			-	-	-	-	-	-		-	
<b>Payments</b>											
Repayment of borrowing			(3 684)	(3 684)	(308)	(1 788)	(1 842)	(54)	3%	(3 684)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			-	(3 684)	(3 684)	(308)	(1 788)	(1 842)	(54)	3%	(3 684)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			-	(7 499)	(12 933)	24 391	52 918	4 618		(12 933)	
Cash/cash equivalents at beginning:			52 379	52 379		44 932	52 379			44 932	
Cash/cash equivalents at month/year end:			-	44 880	39 445		97 849	56 997		31 998	

Although the cash balance is stable, more attention should be given to ensure long-term sustainable cash management through strong financial management and discipline. This cash surplus includes grants received to date; hence the cash flow position will decline towards the end of the financial year. Possible contingent liabilities can easily absorb the municipality's cashflow, therefore it is crucial to plan for each scenario effective, efficient and economically.

## PART 2: SUPPORTING DOCUMENTATION

### 1. Debtor's Analysis (Table SC3)

DC3 Overberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2022/23										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L.L.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	5	4	3	4	1	3	4	-	23	12			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	72	7	1	1	1	-	-	3	84	4			
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-			
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-			
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-			
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	26	26	26			
Interest on Arrear Debtor Accounts	1810	-	-	-	-	0	-	-	-	0	0			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	1 900	1 465	54	42	43	318	116	673	4 611	1 191			
<b>Total By Income Source</b>	<b>2000</b>	<b>1 977</b>	<b>1 475</b>	<b>58</b>	<b>46</b>	<b>44</b>	<b>322</b>	<b>120</b>	<b>702</b>	<b>4 744</b>	<b>1 234</b>			
2021/22 - totals only														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	1 054	-	-	-	15	-	0	1	1 071	17			
Commercial	2300	42	16	9	7	2	300	46	348	769	703			
Households	2400	682	112	49	39	27	21	74	352	1 558	514			
Other	2500	(2)	1 348	-	-	-	-	-	-	1 346	-			
<b>Total By Customer Group</b>	<b>2600</b>	<b>1 977</b>	<b>1 475</b>	<b>58</b>	<b>46</b>	<b>44</b>	<b>322</b>	<b>120</b>	<b>702</b>	<b>4 744</b>	<b>1 234</b>			

### 2. Creditor's Analysis (Table SC4)

DC3 Overberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description	NT Code	Budget Year 2022/23									Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	349	-	-	-	-	-	-	-	-	349
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	1	1
<b>Total By Customer Type</b>	<b>1000</b>	<b>349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>350</b>

### 3. Investment portfolio analysis (Table SC5)

DC3 Overberg - Supporting Table SC5 Monthly Budget Statement

Investments by maturity Name of institution & investment ID	Ref	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands							
<b>Municipality</b>							
Absa - 92 8755 1045		Depositor Plus	12 257	101	(19 773)	7 415	(0)
Absa - 92 8755 0641		Depositor Plus	2 809	39	-	303	3 151
Nedbank - 03 788 171 4042		Call Account	5 990	193	(59 800)	89 200	35 582
Absa - 93 5889 2970		Investment Tracker	42 940	711	(5 726)	-	37 925
Standard Bank 078810361		Fixed Deposit	1 000	31	(1 031)	-	-
Absa - 9374585345		Investment Tracker	-	167	-	19 773	19 940
<b>Municipality sub-total</b>			<b>64 995</b>		<b>(86 330)</b>	<b>116 691</b>	<b>96 598</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>		<b>64 995</b>		<b>(86 330)</b>	<b>116 691</b>	<b>96 598</b>



#### 4. Allocation and grant receipts and expenditure (Tables SC6 and SC7)

DC3 Overberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
National Government:		-	86 444	86 444	26 890	62 181	57 629	4 552	7.9%	86 444
Local Government Equitable Share			81 486	81 486	26 890	58 669	54 324	4 345	8.0%	81 486
Finance Management			1 000	1 000	-	1 000	667	333	50.0%	1 000
EPWP Incentive			1 123	1 123	-	787	749	38	5.1%	1 123
Rural Roads Asset Management Grant			2 835	2 835	-	1 725	1 890	(165)	-8.7%	2 835
Municipal Disaster Relief Grant			-	-	-	-	-	-	-	-
Other transfers and grants [insert description]			-	-	-	-	-	-	-	-
Provincial Government:		-	110 749	117 566	16 818	75 794	55 702	20 091	36.1%	115 466
Health Subsidy			182	182	-	53	121	(68)	-55.9%	182
CDW Operational Support Grant			56	56	-	56	37	19	50.0%	56
Human Capacity Building Grant			-	-	-	-	-	-	-	-
Fire Safety Plan			1 500	1 500	-	1 500	1 000	500	50.0%	1 500
Roads Function			108 781	113 498	16 818	74 184	54 391	19 794	36.4%	113 498
mSCOA Support Grant			-	-	-	-	-	-	-	-
SETA			230	230	-	-	153	(153)	-100.0%	230
Local Government Graduate Internship Grant			-	-	-	-	-	-	-	-
Municipal Finance Improvement Program - Resorts			-	-	-	-	-	-	-	-
Municipal Service Delivery and Capacity Building Grant - Fire			-	-	-	-	-	-	-	-
LG Support Grant - Human Relief			-	-	-	-	-	-	-	-
Grant WCFMC Capability			-	800	-	-	-	-	-	-
Grant Intervention	4		-	300	-	-	-	-	-	-
Grant JDMA 2022 Projects			-	1 000	-	-	-	-	-	-
Other transfers and grants [insert description]			-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]			-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]			-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	-	197 193	204 010	43 708	137 975	113 332	24 643	21.7%	201 910
<b>Capital Transfers and Grants</b>										
National Government:		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant			-	-	-	-	-	-	-	-
Other capital transfers [insert description]			-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Fire Service Capacity Building Grant			-	-	-	-	-	-	-	-
Fire Safety Plan			-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]			-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]			-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	-	-	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	197 193	204 010	43 708	137 975	113 332	24 643	21.7%	201 910

DC3 Overberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		–	86 444	86 532	27 631	60 856	43 222	17 634	40.8%	86 532
Local Government Equitable Share			81 486	81 486	26 890	58 669	40 743	17 926	44.0%	81 486
Finance Management			1 000	1 000	87	434	500	(66)	-13.2%	1 000
EPWP Incentive			1 123	1 123	374	980	562	419	74.6%	1 123
Rural Roads Asset Management Grant			2 835	2 923	280	773	1 418	(645)	-45.5%	2 923
Municipal Disaster Relief Grant			–	–	–	–	–	–		–
Other transfers and grants [insert description]			–	–	–	–	–	–		–
<b>Provincial Government:</b>		–	110 749	120 093	(1 017)	56 785	55 375	1 410	2.5%	120 093
Health Subsidy			182	182	–	53	91	(37)	-41.2%	182
CDW Operational Support Grant			56	113	–	6	28	(22)	-77.8%	113
Human Capacity Building Grant			–	–	–	–	–	–		–
Fire Safety Plan			1 500	1 514	54	430	750	(320)	-42.7%	1 514
Roads Function			108 781	113 498	(1 071)	56 295	54 391	1 905	3.5%	113 498
mSCOA Support Grant			–	–	–	–	–	–		–
SETA			230	537	–	–	115	(115)	-100.0%	537
Local Government Graduate Internship Grant			–	–	–	–	–	–		–
Municipal Finance Improvement Program - Resorts			–	–	–	–	–	–		–
Municipal Service Delivery and Capacity Building Grant - Fire			–	–	–	–	–	–		–
LG Support Grant - Human Relief			–	–	–	–	–	–		–
Grant WCFMC Capability			–	800	–	–	–	–		800
Grant Intervention			–	300	–	–	–	–		300
Grant JDMA 2022 Projects			–	3 149	–	–	–	–		3 149
Other transfers and grants [insert description]			–	–	–	–	–	–		–
District Municipality:			–	–	–	–	–	–		–
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]			–	–	–	–	–	–		–
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
[insert description]			–	–	–	–	–	–		–
<b>Total operating expenditure of Transfers and Grants:</b>		–	197 193	206 625	26 613	117 641	98 597	19 044	19.3%	206 625
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		–	–	–	–	–	–	–		–
Municipal Disaster Relief Grant			–	–	–	–	–	–		–
Other capital transfers [insert description]			–	–	–	–	–	–		–
<b>Provincial Government:</b>		–	–	650	–	–	–	–		650
Fire Service Capacity Building Grant			–	–	–	–	–	–		–
Fire Safety Plan			–	650	–	–	–	–		650
District Municipality:		–	–	–	–	–	–	–		–
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
<b>Total capital expenditure of Transfers and Grants</b>		–	–	650	–	–	–	–		650
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		–	197 193	207 275	26 613	117 641	98 597	19 044	19.3%	207 275

### 5. Councillor allowances and employee benefits (Table SC8)

DC3 Overberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages			4 270	4 270	372	2 158	2 135	23	1%	4 270
Pension and UIF Contributions			140	140	12	70	70	(0)	0%	140
Medical Aid Contributions			-	-	-	-	-	-	-	-
Motor Vehicle Allowance			1 311	1 311	109	655	656	(0)	0%	1 311
Cellphone Allowance			444	444	52	222	222	-	-	444
Housing Allowances			-	-	-	-	-	-	-	-
Other benefits and allowances			-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>			6 166	6 166	544	3 105	3 083	22	1%	6 166
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages			4 367	4 267	302	1 508	2 184	(676)	-31%	4 267
Pension and UIF Contributions			310	310	29	158	155	3	2%	310
Medical Aid Contributions			-	-	-	-	-	-	-	-
Overtime			-	-	-	-	-	-	-	-
Performance Bonus			180	180	-	-	90	(90)	-100%	180
Motor Vehicle Allowance			396	323	17	102	198	(96)	-48%	323
Cellphone Allowance			72	61	5	30	36	(6)	-17%	61
Housing Allowances			26	25	1	1	13	(12)	-90%	25
Other benefits and allowances			0	0	-	-	0	(0)	-100%	0
Payments in lieu of leave			-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-
Post-retirement benefit obligations			-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>			5 351	5 166	353	1 799	2 676	(876)	-33%	5 166
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			86 349	86 340	6 511	45 005	43 174	1 831	4%	86 340
Pension and UIF Contributions			15 690	15 690	1 191	7 113	7 845	(732)	-9%	15 690
Medical Aid Contributions			5 688	5 688	398	2 374	2 844	(470)	-17%	5 688
Overtime			2 150	2 150	506	1 610	1 075	535	50%	2 150
Performance Bonus			-	-	-	-	-	-	-	-
Motor Vehicle Allowance			4 722	4 322	373	2 214	2 361	(148)	-6%	4 322
Cellphone Allowance			470	470	35	203	235	(31)	-13%	470
Housing Allowances			334	334	23	131	167	(36)	-22%	334
Other benefits and allowances			8 211	8 211	652	3 944	4 105	(161)	-4%	8 211
Payments in lieu of leave			220	220	15	201	110	91	83%	220
Long service awards			744	744	45	273	372	(99)	-27%	744
Post-retirement benefit obligations			6 002	6 002	521	3 127	3 001	126	4%	6 002
<b>Sub Total - Other Municipal Staff</b>			130 580	130 172	10 270	66 195	65 290	905	1%	130 172
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
<b>Total Parent Municipality</b>			142 097	141 504	11 167	71 099	71 049	51	0%	141 504
Unpaid salary, allowances & benefits in arrears:										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>			142 097	141 504	11 167	71 099	71 049	51	0%	141 504
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
<b>TOTAL MANAGERS AND STAFF</b>			135 932	135 338	10 622	67 994	67 966	29	0%	135 338



## 6. Material variances to the service delivery and budget implementation plan

<b>SUMMARY INCOME &amp; EXPENDITURE 2022/2023 EXCLUDING ROADS AGENCY</b>				
<b>Revenue by Source</b>	<b>Budget</b>	<b>Month Actual</b>	<b>YTD Actual</b>	<b>YTD Budget</b>
SERVICES CHARGES - ELECTRICITY	R 400 000.00	R 93 974.51	R 283 217.71	R 200 000.00
SERVICES CHARGES - REFUSE	R 12 572 000.00	R 737 233.09	R 5 518 932.90	R 6 286 000.00
SERVICES CHARGES - SEWERAGE	R 600 000.00	R 58 449.84	R 436 302.94	R 300 000.00
RENT OF FACILITIES&EQUIPMENT	R 12 730 000.00	R 1 055 720.44	R 6 557 073.02	R 6 364 995.00
INTEREST EARNED-EXTERNAL INVES	R 2 000 000.00	R 371 768.50	R 1 672 364.42	R 1 000 000.00
INTEREST EARNED-OUTST DEBTORS	R 200 000.00	R 51 130.44	R 51 130.44	R 100 000.00
LICENSES & PERMITS	R 2 500 000.00	R 39 347.97	R 389 593.20	R 1 250 000.00
INCOME FOR AGENCY SERVICES	R 11 597 174.00	R 931 482.92	R 5 588 897.52	R 5 675 543.48
GRANT&SUBSIDIES (OPERATING)	R 93 126 661.00	R 27 684 590.02	R 61 345 327.73	R 44 205 900.00
GRANT&SUBSIDIES (CAPITAL)	R 650 000.00	R -	R -	R -
OTHER REVENUE	R 11 397 917.00	R 407 474.92	R 5 025 231.89	R 5 696 958.50
PROFIT ON SALE	R 2 500 000.00	R -	R -	R 1 250 000.00
	R 150 273 752.00	R 31 431 172.65	R 86 868 071.77	R 72 329 396.98
<b>Expenditure by Type</b>	<b>Budget</b>	<b>Month Actual</b>	<b>YTD Actual</b>	<b>YTD Budget</b>
EMPLOYEE COSTS-WAGES&SALARIES	R 86 380 970.00	R 6 298 225.32	R 39 640 001.64	R 43 287 327.38
REMUNERATION OF COUNCILLORS	R 6 165 582.00	R 544 452.00	R 3 104 961.86	R 3 082 791.00
BAD DEBTS	R 200 000.00	R -	R -	R 100 000.00
DEPRECIATION	R 3 625 515.00	R 302 126.25	R 1 812 757.50	R 1 812 757.50
BULK PURCHASES	R 400 000.00	R -	R 38 601.73	R 200 000.00
OTHER MATERIAL	R 4 003 237.00	R 578 373.66	R 2 850 001.24	R 1 761 075.00
INTEREST EXPENSE - EXTERNAL	R 3 008 417.00	R 190 987.06	R 1 203 193.10	R 1 504 208.50
CONTRACTED SERVICES	R 22 521 058.00	R 1 862 781.27	R 7 586 208.24	R 10 565 940.50
GRANTS & SUBSIDIES PAID	R 3 149 000.00	R -	R -	R -
GENERAL EXPENSES - OTHER	R 20 088 408.00	R 2 957 218.41	R 11 466 570.80	R 9 968 200.50
LOSS ON DISPOSAL OF ASSETS	R -	R -	R -	R -
	R 149 542 187.00	R 12 734 163.97	R 67 702 296.11	R 72 282 300.38
<b>Total</b>	R 731 565.00	R 18 697 008.68	R 19 165 775.66	R 47 096.60

### Revenue by source

Reasons for variance:

Total income to date is higher than projected with a variance of 20.1%. The largest contributor is the second equitable share portion being disbursed. Revenue sources not realising or not performing will be reviewed and reassessed at the mid-year adjustment budget.

### Expenditure by type:

Reasons for variance:

Expenditure to date varies with 6.34% compared to the budgeted figures. Employee cost savings due to interim vacancies contributed to the lower expenditure in conjunction with repairs and maintenance projects which have not been implemented. There are also contracted service functions that will only occur in the last part of the financial year, impacting and aligning the budgeted to actual for the expenditure on the line item.

<b>SUMMARY INCOME &amp; EXPENDITURE 2022/2023 ROADS AGENCY</b>				
<b>Revenue by Source</b>	<b>Budget</b>	<b>Month Actual</b>	<b>YTD Actual</b>	<b>YTD Budget</b>
SERVICES CHARGES - ELECTRICITY	R -	R -	R -	R -
SERVICES CHARGES - REFUSE	R -	R -	R -	R -
SERVICES CHARGES - SEWERAGE	R -	R -	R -	R -
RENT OF FACILITIES&EQUIPMENT	R -	R -	R 10 489.06	R -
INTEREST EARNED-EXTERNAL INVES	R -	R -	R -	R -
INTEREST EARNED-OUTST DEBTORS	R -	R -	R -	R -
LICENSES & PERMITS	R -	R -	R -	R -
INCOME FOR AGENCY SERVICES	R -	R -	R -	R -
GRANT&SUBSIDIES (OPERATING)	R 113 498 250.00	R -1 071 205.36	R 56 295 319.21	R 54 390 625.00
GRANT&SUBSIDIES (CAPITAL)	R -	R -	R -	R -
OTHER REVENUE	R -	R 180.00	R 1 080.00	R -
PROFIT ON SALE	R -	R -	R -	R -
	R 113 498 250.00	R -1 071 025.36	R 56 306 888.27	R 54 390 625.00
<b>Expenditure by Type</b>	<b>Budget</b>	<b>Month Actual</b>	<b>YTD Actual</b>	<b>YTD Budget</b>
EMPLOYEE COSTS-WAGES&SALARIES	R 48 957 000.00	R 4 324 242.99	R 28 354 383.16	R 24 678 500.00
REMUNERATION OF COUNCILLORS	R -	R -	R -	R -
BAD DEBTS	R -	R -	R -	R -
DEPRECIATION	R -	R -	R -	R -
BULK PURCHASES	R -	R -	R -	R -
OTHER MATERIAL	R 47 657 000.00	R 2 802 271.14	R 28 757 351.84	R 21 470 000.00
INTEREST EXPENSE - EXTERNAL	R 321 000.00	R 22 750.00	R 136 500.00	R 160 500.00
CONTRACTED SERVICES	R 2 660 000.00	R 221 675.75	R 902 914.25	R 1 330 000.00
GRANTS & SUBSIDIES PAID	R -	R -	R -	R -
GENERAL EXPENSES - OTHER	R 13 903 250.00	R 1 515 240.54	R 5 103 795.85	R 6 751 625.00
LOSS ON DISPOSAL OF ASSETS	R -	R -	R -	R -
	R 113 498 250.00	R 8 886 180.42	R 63 254 945.10	R 54 390 625.00
<b>Total</b>	R -	R -9 957 205.78	R -6 948 056.83	R -

### **Revenue by source**

#### **Reasons for variances:**

Total roads agency revenue actual versus budget varies with 3.52% overcollection currently. This increase is due to additional funding received for the financial year, contributing to additional income recognised for the year.

### **Expenditure by type**

#### **Reasons for variances:**

Total expenditure is also higher with 16.30%, in alignment with the additional income received to date, since provincial year-ends differ and the roads agency needs to try and spend most of their funding before provincial year end, 31<sup>st</sup> of March of each year.



## 7. Capital programme performance

### CAPITAL PROGRAMME - BUDGET 2022/23

DEPARTMENT	DESCRIPTION	FUNDING TYPE	BUDGET 2022/23	ADJUSTMENT Dec 2022	TOTAL 2022/23	SPENDING YTD Dec 2022	% SPENDING
COMMITTEE, RECORDS AND COUNCIL SUPPORT	DC3_Binder	1	R12 000	-R2 400	R9 600	R9 522.73	99.20%
CORPORATE SERVICES : SUPPORT SERVICES	DC3_Fending - Head Office	1	R250 000		R250 000	R8 157.98	3.26%
CORPORATE SERVICES : SUPPORT SERVICES	DC3_Installation of a Power Generator and UPS back	1	R1 300 000	-R30 000	R1 270 000	R457 252.65	36.00%
CORPORATE SERVICES : SUPPORT SERVICES	DC3_Furniture and Office Equipment	1	R42 000		R42 000	R0.00	0.00%
EMERGENCY SERVICES	DC3_Rescue Equipment	1	R100 000		R100 000	R0.00	0.00%
EMERGENCY SERVICES	DC3_Vehicle upgrade/refurbishment	1	R300 000		R300 000	R10 235.00	3.41%
EMERGENCY SERVICES	DC3_Capital Vehicle Replacement	1	R2 150 000		R2 150 000	R114 955.65	5.35%
EMERGENCY SERVICES	DC3_Capital Vehicle Replacement (Insurance) Bakkle	1	R405 000	-R405 000	R0	R0.00	#DIV/0!
EMERGENCY SERVICES	DC3_Furniture and Office Equipment	1	R80 000		R80 000	R67 357.16	84.20%
ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Organic Waste Diversion	3	R4 900 000	-R4 900 000	R0	R0.00	#DIV/0!
ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Drone	1	R32 000		R32 000	R0.00	0.00%
ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Alrcan	1	R55 000		R55 000	R29 033.95	52.79%
ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Carports	1	R50 000		R50 000	R33 000.00	66.00%
ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Office Accommodation Project	1	R220 000		R220 000	R0.00	0.00%
FINANCIAL SERVICES	DC3_Alrcan	1	R30 000		R30 000	R0.00	0.00%
FINANCIAL SERVICES	DC3_Furniture and Office Equipment	1	R23 000		R23 000	R1 478.69	6.43%
ICT SERVICES	DC3_Backup Server	1	R365 000		R365 000	R238 337.89	65.30%
IDP AND COMMUNICATION	DC3_Banners	1	R15 000	-R15 000	R0	R0.00	#DIV/0!
INFORMATION SERVICES	DC3_Replacement of old and broken Computer Equipme	1	R270 000		R270 000	R168 528.00	62.42%
LED, TOURISM, RESORTS AND EPWP	DC3_Gas Installation at ablution facilities	1	R150 000	-R150 000	R0	R0.00	#DIV/0!
LED, TOURISM, RESORTS AND EPWP	DC3_Honeysucker	1	R1 200 000		R1 200 000	R0.00	0.00%
LED, TOURISM, RESORTS AND EPWP	DC3_Pumps	1	R40 000		R40 000	R0.00	0.00%
LED, TOURISM, RESORTS AND EPWP	DC3_Furniture and Fittings	1	R50 000		R50 000	R40 841.73	81.68%
LED, TOURISM, RESORTS AND EPWP	DC3_Gas Geysers	1	R150 000		R150 000	R0.00	0.00%
LED, TOURISM, RESORTS AND EPWP	DC3_Upgrade of Bungalows and Amenities	1	R50 000		R50 000	R23 391.30	46.78%
LED, TOURISM, RESORTS AND EPWP	DC3_Uitenkransmond - Property Erosion Project	1	R120 000		R120 000	R0.00	0.00%
MUNICIPAL HEALTH SERVICES	DC3_Mobile Alrcan	1	R8 000	-R1 400	R6 600	R6 577.80	99.66%
MUNICIPAL HEALTH SERVICES	DC3_Gazebos	1	R12 000		R12 000	R0.00	0.00%
MUNICIPAL HEALTH SERVICES	DC3_Printer	1	R3 000	-R1 000	R2 000	R1 999.00	99.95%
MUNICIPAL HEALTH SERVICES	DC3_Furniture and Office Equipment	1	R21 000		R21 000	R19 083.95	90.88%
SOCIAL DEVELOPMENT	DC3_Gazebos	1	R12 000		R12 000	R0.00	0.00%
SOCIAL DEVELOPMENT	DC3_Project Equipment	1	R20 000		R20 000	R0.00	0.00%
EMERGENCY SERVICES	DC3_Trailers	4	R0	R400 000	R400 000	R0.00	0.00%
EMERGENCY SERVICES	DC3_Radio Communication	4	R0	R100 000	R100 000	R0.00	0.00%
EMERGENCY SERVICES	DC3_Surveillance Hotspot	4	R0	R150 000	R150 000	R0.00	0.00%
EMERGENCY SERVICES	DC3_Bakkle	1	R0	R405 000	R405 000	R0.00	0.00%
LED, TOURISM, RESORTS AND EPWP	DC3_Ablution Facilities Upgrades - Die Dam	1	R0	R150 000	R150 000	R0.00	0.00%
LED, TOURISM, RESORTS AND EPWP	DC3_Generator - Die Dam	1	R0	R15 000	R15 000	R0.00	0.00%
LED, TOURISM, RESORTS AND EPWP	DC3_Generator - Uitenkransmond	1	R0	R15 000	R15 000	R0.00	0.00%
IDP AND COMMUNICATION	DC3_Awareness Equipment	1	R0	R15 000	R15 000	R0.00	0.00%
SOLID WASTE MANAGEMENT	DC3_KWK Infrastructure Project	3	R0	R4 900 000	R4 900 000	R0.00	0.00%
			R12 435 000	R645 200	R13 080 200	R1 229 753.48	9.40%

\*Please note that these figures exclude the commitments to date of R1 876 276.27 amounting to a total commitment and spending for the year of 23.75%.

## 8. Capital budget expenditure (SC12)

### DC3 Overberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q2 Second Quarter

Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July		856	856	0	0	856	856	100.0%	0%
August		856	856	10	10	1 712	1 702	99.4%	0%
September		856	856	20	30	2 568	2 538	98.8%	0%
October		856	856	335	365	3 425	3 059	89.3%	4%
November		856	856	355	720	4 281	3 560	83.2%	7%
December		856	856	509	1 230	5 137	3 907	76.1%	12%
January		856	856			5 993	-		
February		856	856			6 849	-		
March		856	856			7 705	-		
April		856	856			8 561	-		
May		856	856			9 417	-		
June		856	3 663			13 080	-		
<b>Total Capital expenditure</b>		-	10 274	13 080	1 230				



## 9. ***Non-financial performance***

The assessment on the performance of the Top Layer SDBIP for the first six months of the financial year (01 July 2022 – 31 December 2022) includes a detail review of: -

- The actual and year-to-date performance on the Top Layer SDBIP against the service delivery targets contained in the approved Top Layer SDBIP for 2022/2023 financial year (Annexure A). The report includes performance comments, corrective measures and the outcome on the KPI's performed.

The graphs that follow indicate the year-to-date performance of the Top Layer SDBIP as at 31 December 2022.

During this period, 26 (56.52%) of the 46 KPI's were measured in the first six months of the financial year, which includes 1 KPI's with target dates June 2023 (TL 14). The KPI are currently being addressed to ensure that the annual targets are met at June 2023. The report reflects this KPI as "*well met*" during the period under review.

The report indicates that 17 (65.4%) of the 26 KPI's measured during the period were met, 5 (19.23%) KPI's well met, 3 (11.54%) extremely well met and 1 (3.85%) KPI was *not met*. Reasons were provided why targets were not met. During the semester corrective measures were put in place where targets were not performed as planned.

Considering the 20 (43.48%) KPI's not yet applicable (measured), with target dates set in the second semester, the Municipal Manager must ensure that appropriate measures are put in place by the Directors and responsible Officials to meet the targets as per timeframe. If targets are not closely monitored, it can be a significant risk for the Municipality to execute its core mandate and implementation of the IDP.

### KPI's not met during the period: -

- TL 2 –Quarterly Audit and Performance Audit Committee meetings

### KPI's that were well met during the period: -

- TL 26 – Drinking water samples
- TL 27 – Food samples
- TL 28 – Sewerage final outflow samples
- TL 38 – Roads regravelled
- TL 42 – Kilometres of road resealed

### KPI's that were extremely well met during the period: -

- TL 17 – Ordinary Council meetings
- TL 46 – Ownership of Uilenkraalsmond - resorts

### KPI's currently being addressed: -

- TL 14 – Health and safety drills

The report (Annexure A) indicates which KPI's need to be amended and the reasons for the amendments.

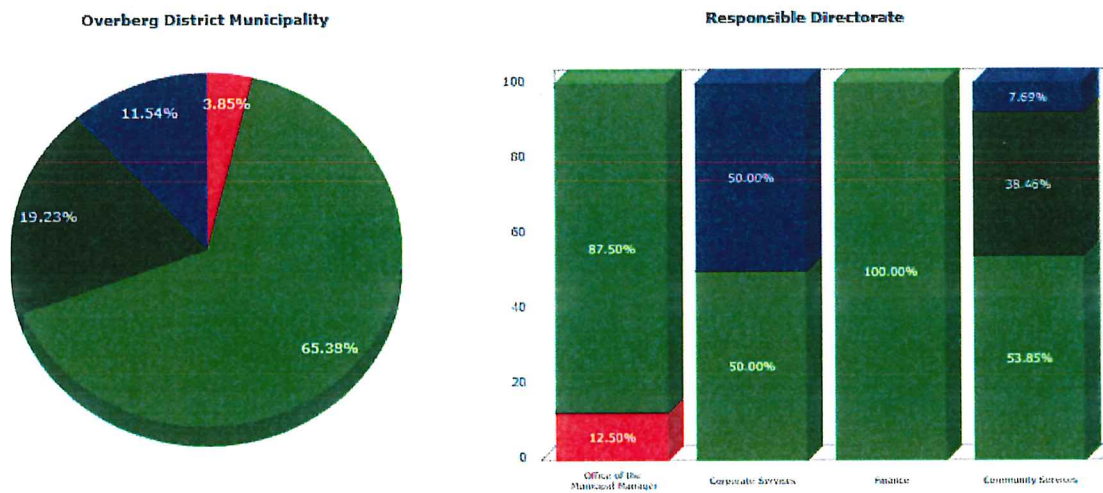
It is also necessary to adjust the capital projects and time periods after the re-evaluation of the Capital Budget needs.

**Conclusion:**

It is recommended that the 2022/2023 SDBIP be amended after the approval of the adjustments budget.

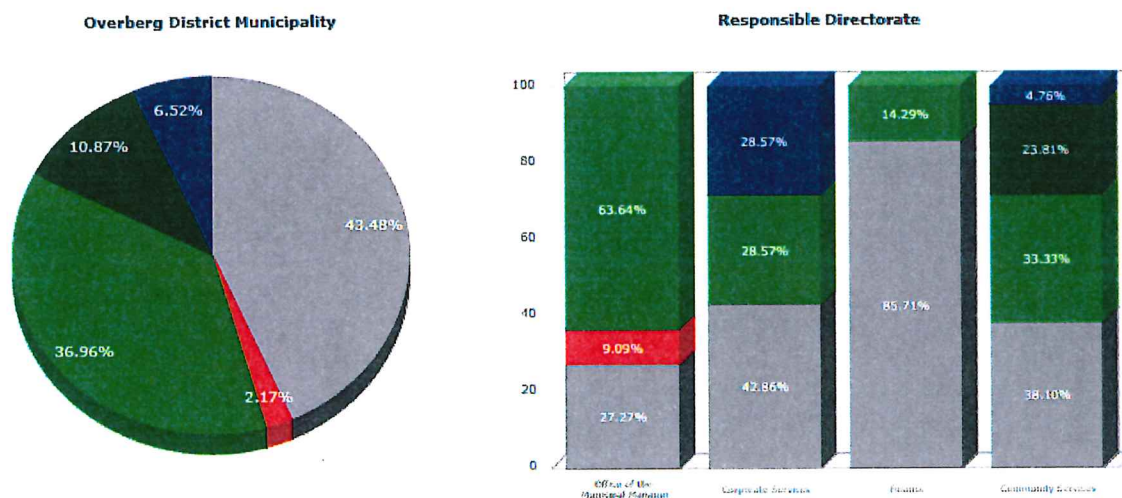
**GRAPHS 1**

*Top Layer SDBIP for the first six months of the financial year – ending December 2022*



**GRAPH 2**

*Top Layer SDBIP performance for the first six months of the financial year vs. the targets set for the financial year.*



10.

**OVERBERG DISTRICT MUNICIPALITY  
HALF-YEARLY REPORT BY THE AUDIT AND PERFORMANCE AUDIT COMMITTEE:  
1 JULY TO 31 DECEMBER 2022**

**1. Introduction**

The Audit Committee of the Overberg District Municipality, appointed in terms of section 166 of the Municipal Finance Management Act, no 56 of 2003 was also appointed by the Council to serve as the Performance Audit Committee in accordance with Regulation 14(2)(a) published in Government Notice R796 of 24 August 2001 in terms of the Local Government Municipal Systems Act, no 32 of 2000. In accordance with regulation 14(4)(a)(iii) of the same Regulations an audit and performance audit committee must at least twice during the financial year submit an audit report to the municipal council concerned. This report is submitted in compliance with the requirement and covers the period 1 July to 31 December 2022.

**2. Membership**

The Audit and Performance Audit Committee consists of four members:

PAL Strauss (Chairperson)
CCC Pieterse
T Blok
D Smith

**3. Meetings**

<u>Dates</u>	<u>Topic</u>	<u>PAL Strauss</u>	<u>CCC Pieterse</u>	<u>T Blok</u>	<u>D Smith</u>
26/8/2022	Review Annual Financial Statements, Performance report and the AGSA Strategic Plan.	√	√	√	
18/11/2022	Quarterly Meeting	√	√	√	√

#### **4. Quarterly reports**

Section 45 of the Municipal Systems Act, 32 of 2000 provides that the results of performance measurements must be audited as part of the Council's internal auditing processes. In terms of regulation 14(1)(b) of the Municipal Planning and Performance Management Regulations the auditing must include assessments of the following:

- (i) The functionality of the municipality's performance management system;
- (ii) Whether the performance management system complies with the Act; and
- (iii) The extent to which the performance measurements are reliable in measuring performance.

In compliance with the abovementioned requirements the Council's Internal Audit Services performed an audit on the Municipality's measurements, also referred to as Predetermined Objectives for the first quarter of 2022/2023 financial year, including the Top Level SDBIP reports. The Committee considered the Internal Audit report and any comments and recommendations were recorded and submitted to the Council.

The following reports have been reviewed by the Committee during the reporting period:

- Review of Annual Financial Statements prior to submitting to Auditor-General.
- Risk management activities for 1<sup>st</sup> quarter of 2022/2023.
- Internal Audit Findings status Report.
- Financial Report for September 2022.
- Internal Audit Report on year-end stock count.
- OPCAR as at 5 October 2022.
- Internal Audit Report on SCM.
- Internal Audit Report on new tariffs.
- Internal Audit Report on POPI Act.
- Internal Audit Report on work performed on behalf of the AGSA.
- Internal Audit Report on Performance Management 4<sup>th</sup> quarter of 2021/2022.
- Internal Audit Report on Performance Management 1<sup>st</sup> quarter of 2022/2023.

#### **5. Annual Internal Audit Report on Performance Management 2020/2021**

The committee considered the Internal Audit reports on the audit of the municipality's performance assessment, also referred to as Predetermined Objectives for the 4<sup>th</sup> quarter of 2021/2022 and the 1<sup>st</sup> quarter of 2022/2023. The objectives of the Internal Audit review were to ensure that the performance information was adequate, complete, correct and reliable, that the relevant laws and regulations were complied with in the overall performance management system, processes and procedures and that the performance measurements were reliable in measuring the performance of the municipality.

Based on the review it was concluded that the system complied with MFMA, Circular no 63 and MSA S45(a) and that, based on the samples selected, performance information was adequate reliable.

#### **6. Areas of Concern**

- a) The possible implementation of a new financial system.
- b) Non-compliance to supply chain management regulations regarding Procurement and Contract management.
- c) Prevention of irregular expenditure required by section 62(1)(d) of the MFMA.
- d) ICT integration and aged IT systems.

**7. Areas of Satisfaction**

- a) Filling of key positions. Director Community Services was appointed during the year and all senior management positions are filled.

**8. Continuous monitoring required**

The following areas need continuous monitoring by Council and Management:

- a) Supply chain and supply chain practises
- b) Clearing of audit findings and resolving of outstanding matters

**9. Audit outcomes for the 2021/2022 Financial Year.**

The Municipality received an unqualified audit opinion with one material finding for the financial year. Management indicated that the Municipality will be objecting the finding through an agreed dispute resolution process with the Auditor-General. The Audit Committee support this decision.

**10. Conclusion**

We want to thank the Executive Mayor, MAYCO and Management for their cooperation and trust that the Committee will continue to assist the Council in providing the best services to the public of the Overberg.

PAL Strauss  
Chairperson  
January 2023



11. **Municipal Manager's Quality Certification**

**QUALITY CERTIFICATE**

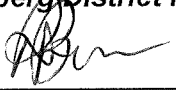
*I, R Bosman, Municipal Manager of Overberg District Municipality, hereby certify that-*

- the monthly budget statement*
- quarterly report on the implementation of the budget and financial state affairs of the municipality*
- mid-year budget and performance assessment*

*For the month of December 2022 has been prepared in accordance with the Municipal Finance Management Act and regulation made under that Act.*

**Print Name** Richard Bosman

**Municipal Manager of Overberg District Municipality –DC3**

**Signature** 

**Date** 2023/01/25

ODM - 2022-2023: Top Layer KPI Report - Mid-year ending 31 December 2021

Ref	Responsible Directorate	Municipal KPA	KPI Name	Description of Unit of Measurement	Original Annual Target	Quarter ending September 2022				Quarter ending December 2022				Overall Performance for Quarter ending September 2022 to Quarter ending December 2022		Corrective Measures on Mid-Year Performance	
						Target	Actual	R	Performance Comment	Corrective Measures	Target	Actual	R	Performance Comment	Corrective Measures		Target
TL1	Office of the Municipal Manager	Municipal Transformation & Institutional Development	People from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan. (Reg)	Number of people employed in the three highest levels of management per annum	2	1	1	G	Director: Corporate Services was appointed from 1 July 2022	0	0	N/A	0	0	1	G	None required
TL2	Office of the Municipal Manager	Good Governance and Community Participation	Coordinate quarterly Audit & Performance Audit Committee meetings	Number of meetings held per annum	4	1	0	R	The quarterly meeting was postponed until October/November, however, a special APAC meeting was held on 26/8/2022 to discuss AFS and AGSA Strategic plan.	1	1	G	Meeting held on 18/11/2022	2	1	R	The outstanding meeting on the first quarter is scheduled to be take place in January 2023.
TL3	Office of the Municipal Manager	Good Governance and Community Participation	Develop a Risk-based Audit Plan for the next financial year and table to the Audit & Performance Audit Committee by 30 June	Risk-based audit plan developed and tabled	1	0	0	N/A	Services was appointed from 1 July 2022	0	0	N/A	0	0	0	N/A	None required
TL4	Office of the Municipal Manager	Good Governance and Community Participation	Execute audit projects in terms of the Risk Base Audit Plan (RBAP)	Number of audit projects executed per annum	18	4	5	G	Audits completed: POPI Compliance Performance Management SCM Tariffs Year end stock count. Although the audit on stock was performed on year end, the report could only be issued during July.	5	4	0	Audits completed: Records management Compliance Asset Reconciliation Performance Management Scheduled audit on Municipal Staff Regulations was not done due to the non-availability of governance documents	9	9	G	Project/Audit will be completed once the information becomes available. Target met at Year-to-date.
TL5	Office of the Municipal Manager	Good Governance and Community Participation	Facilitate IDP Awareness initiatives in the district	Number of IDP awareness initiatives facilitated per annum	2	0	0	N/A	Meeting date to be determined to address the backlog.	1	1	G	IDP Awareness was held on 28 November 2022.	1	1	G	None required
TL6	Office of the Municipal Manager	Good Governance and Community Participation	Facilitate District IGR (IDP Managers & PPComm) engagement with Local Municipalities	Number of engagements coordinated per annum	8	2	2	G	District IDP Managers Forum meeting was held on 22 July 2022. PPComm engagements was held on 27 July 2022	2	2	G	Engagements were held on: IDP Managers - 2 November 2022. PPComm - 16 November 2022	4	4	G	None required
TL7	Office of the Municipal Manager	Good Governance and Community Participation	Publishing of bi-annual External Newsletter to stakeholders	Number of External Newsletters published per annum	2	0	0	N/A		1	1	G	External Newsletter was published on 21 December 2022.	1	1	G	None required

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TLL8	Office of the Municipal Manager	Good Governance and Community Participation	Prepare Top Layer Service Delivery budget implementation plan for approval by the Mayor within 28 days after the adoption of the Budget.	Top Layer SDBIP Submitted to the Mayor for approval	1	0	0	0	0	0	0	0	0	0	N/A	None required
TLL9	Office of the Municipal Manager	Good Governance and Community Participation	Review annually the TL SDBIP to inform Council should a revised TL SDBIP be necessary and table the report to Council	Report (Sec 72) tabled to Council by January	1	0	0	0	0	0	0	0	0	0	N/A	None required
TLL10	Office of the Municipal Manager	Good Governance and Community Participation	Compilation and submission of Draft Annual Performance Report to the AG by 31 August	Annual Performance Report submitted	1	1	1	1	1	1	1	1	1	1	G	None required
TLL11	Office of the Municipal Manager	Good Governance and Community Participation	Coordinate quarterly Fraud and Risk Management Committee meetings	Number of quarterly meetings coordinated	4	1	1	1	1	1	1	1	1	1	G	None required
TLL12	Corporate Services	Municipal Transformation & Institutional Development	Coordinate Local Labour Forum (LLF) meetings accordance with the Main Collective Agreement	Number of LLF meetings held per annum	10	3	3	3	3	3	3	3	3	3	G	None required
TLL13	Corporate Services	Municipal Transformation & Institutional Development	Compilation and submission of Workplace Skills Plan (WSP) by 30 April in accordance with LGSETA requirements	Number of WSP submitted	1	0	0	0	0	0	0	0	0	0	N/A	None required
TLL14	Corporate Services	Municipal Transformation & Institutional Development	Coordinate OH&S evacuation drills at ODM workstations as per OH&S Act	Number of evacuation drills coordinated	2	0	0	0	0	0	0	0	0	0	B	None required
TLL15	Corporate Services	Municipal Transformation & Institutional Development	Percentage of Municipal budget actually spend on the implementation of the Workplace Skills Plan by 30 June (Reg)	% of budget spent on the WSP per annum (Actual spent on Training/Total Budget)	0.20%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A	Comment: Annual target to be aligned with adjustment budget.
TLL16	Corporate Services	Municipal Transformation & Institutional Development	Completion and submission of EE Plan by 15 January to Department of Labour	Number of plans submitted	1	0	0	0	0	0	0	0	0	0	N/A	None required
TLL17	Corporate Services	Good Governance and Community Participation	Coordinate quarterly Ordinary Council Meetings	Number of Ordinary Council meetings coordinated per annum	4	1	1	1	1	1	1	1	1	1	B	None required
TLL18	Corporate Services	Good Governance and Community Participation	Review Records Management Policy and table to Council by December	Reviewed Records Management Policy tabled to Council	1	0	0	0	0	0	0	0	0	0	G	None required

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TL19	Finance	Municipal Financial Viability and Management	Measured financial viability in terms of the municipality's ability to meet its service debt obligations by 30 June (Debt coverage) (Reg)	The number of times the municipality was able to meet its Debt obligation (Total operating revenue received - operating grants)/debt service payments)	6	0	0	0	0	0	0	0	0	N/A	0	0	0	N/A	Comments: Annual target to be aligned with adjustment budget.
TL20	Finance	Municipal Financial Viability and Management	Measured financial viability in terms of the available cash to cover fixed operating expenditure by 30 June (Cost coverage) (Reg)	Number of months cash were available to cover fixed operating expenditure (All available cash at a particular time + investments)/monthly fixed operating expenditure)	2	0	0	0	0	0	0	0	0	N/A	0	0	0	N/A	None required
TL21	Finance	Municipal Financial Viability and Management	Measured financial viability in terms of percentage outstanding service debtors by 30 June (Service Debtors) (Reg)	% Outstanding service debtors per annum (Total outstanding service debtors/annual revenue received for services)	28%	0%	0%	0%	0%	0%	0%	0%	0%	N/A	0%	0%	0%	N/A	Comments: Annual target to be aligned with adjustment budget.
TL22	Finance	Municipal Financial Viability and Management	Report on Percentage Capital budget actually spent on capital projects by 30 June (Reg)	% of capital budget actually spent on capital projects for the annum (Actual spent on capital projects/total capital budget)	80%	0%	0%	0%	0%	0%	0%	0%	0%	N/A	0%	0%	0%	N/A	None required
TL23	Finance	Municipal Financial Viability and Management	Percentage of financial policies reviewed and submitted to Council by 31 May	% Financial policies submitted to Council (Number financial policies reviewed/Number of existing financial policies)	100%	0%	0%	0%	0%	0%	0%	0%	0%	N/A	0%	0%	0%	N/A	None required
TL24	Finance	Municipal Financial Viability and Management	Report bi-annually to Council on the performance of service providers for quotations and tenders above R30000	Number of reports submitted to Council per annum	2	0	0	0	0	0	0	0	0	N/A	1	1	1	G	Report submitted to Council on 5 December 2022, Item A36
TL25	Finance	Regional Economic Development	Invite service providers to register on the suppliers database by 30 June	Invitation placed on ODM website and in external media	1	0	0	0	0	0	0	0	0	N/A	0	0	0	N/A	None required
TL26	Community Services	Basic Services and Infrastructure	Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	576	144	146	146	146	144	148	148	148	G	288	294	G	None required	
TL27	Community Services	Basic Services and Infrastructure	Take food samples to monitor the quality of Food for the FCD Act and legislative requirements	Number of samples taken per annum	400	100	101	101	101	100	102	102	G	200	203	G	None required		



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TL28	Community Services	Basic Services and Infrastructure	Take water sample at Sewerage Final Outflow to monitor water quality (National Water Act: General Standards)	Number of samples taken per annum	160	40	43	G2	July - 13 Aug - 14 Sep - 16		40	42	G2	Oct - 13 Nov - 15 Dec - 14		80	85	G2	None required
TL29	Community Services	Basic Services and Infrastructure	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Coastal Committee	Number of reports submitted per annum	4	1	1	G	Report was submitted on 19 September 2022, Item 7.1			1	1	G	Report submitted 14 November 2022, Item 7.1	2	2	G	None required
TL30	Community Services	Basic Services and Infrastructure	Report annually to the Community Services Portfolio Committee on the outcome of Karwiderskraal Landfill site adherence to the permit conditions	Report submitted to the Community Portfolio Committee per annum	1	0	0	N/A				0	0	N/A		0	0	N/A	None required
TL31	Community Services	Basic Services and Infrastructure	Report quarterly to the Community Services Portfolio Committee on the activities of the Regional Waste Forum	Number of reports submitted per annum	4	1	1	G	Report submitted on 19 September 2022, Item 7.1			1	1	G	Report submitted on 14 November 2022, Item 7.1	2	2	G	None required
TL32	Community Services	Basic Services and Infrastructure	Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Climate Change & Biodiversity Forum	Number of reports submitted per annum	4	1	1	G	Report was submitted on 19 September 2022, Item 7.1			1	1	G	Report submitted on 14 November 2022, Item 7.1	2	2	G	None required
TL33	Community Services	Basic Services and Infrastructure	Table the revised Disaster Risk Management Plan to Council by June	Revised Disaster Risk Management plan tabled to Council	1	0	0	N/A				0	0	N/A		0	0	N/A	None required
TL34	Community Services	Basic Services and Infrastructure	Table to Council the revised Disaster Management Framework by June	Revised Disaster Management Framework tabled to Council	1	0	0	N/A				0	0	N/A		0	0	N/A	None required
TL35	Community Services	Basic Services and Infrastructure	Revise annually Safer Community Project Plan and table to the Community Services Portfolio Committee by June	Number of Revised Safer Community Project Plan tabled per annum	1	0	0	N/A				0	0	N/A		0	0	N/A	None required
TL36	Community Services	Basic Services and Infrastructure	Present annually the revised Festive and Fire Season Readiness Plan to DCFTech	Number of revised Festive and Fire Season readiness plan presented per annum	1	0	0	N/A				1	1	G	Present Festive and Fire Season Readiness Plan to DCFTech on 23 November 2022, Item 5.7	1	1	G	None required
TL37	Community Services	Basic Services and Infrastructure	Upgrade roads to permanent surface by 30 June (MR 276)	Number of kilometres road upgraded per annum	2.42	0	0	N/A				0	0	N/A		0	0	N/A	None required
TL38	Community Services	Basic Services and Infrastructure	Kilometres of gravel roads to be regavelled	Number of kilometres road regavelled per annum	43	11	13.09	G2	13.09 Km of roads regavelled for the quarter. 13.09 Km's regavelled (Backlog of 0.32km of previous year was also addressed.)			11	17.21	B	17.21 Km of roads regavelled. More km's of road was regavelled than planned due to short hauling distance of gravel.	22	30.3	G2	Comment: Annual target to be amended from 43 km to 63.32 km to address the backlog of the previous financial year.



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TL39	Community Services	Basic Services and Infrastructure	Kilometres of gravel roads to be bladed	Number of kilometres roads bladed per annum	6 500	1 700	2 109.56	2 109.56 km of roads were bladed during the quarter.	1 500	1 581.85	1 581.85 km of roads were bladed during the quarter. Due to the availability of all essential plant, more kilometers of road were bladed.	3 200	3 691.41	None required
TL40	Community Services	Basic Services and Infrastructure	Submit annually the Business Plan for Provincial Roads budget allocation to Department of Transport and Public Works by 31 March	Annual Business Plan submitted	1	0	0		0	0		0	0	None required
TL41	Community Services	Regional Economic Development	Review Municipal EPWP policy and submit to Community Corporate Services Portfolio Committee by June	Revised Municipal EPWP policy submitted	1	0	0		0	0		0	0	Comment: Re-assign the responsible directorate from Community Services to Corporate Service (KPI was impacted by the approval of revised organisational structure).
TL42	Community Services	Regional Economic Development	Report quarterly to the Community Portfolio committee on the progress of planned deliverables in RED & Tourism Strategy	Number of progress reports tabled per annum	4	1	1	Report was tabled on 19 September 2022, Item 10.4	1	1	Report submitted on 19 September 2022, Item 10.4	2	2	None required
TL43	Community Services	Regional Economic Development	Coordinate open day for SMMEs and Local Municipalities in the district.	Number of open days coordinated per annum	1	0	0		1	1	RED/SCM open day held on 12/13 October 2022 in Hermanus (Overberg Tourism Capacity Building Workshop)	1	1	None required
TL44	Community Services	Regional Economic Development	Create temporary work opportunities through the municipality's EPWP programme by 30 June	Number of temporary EPWP work opportunities created per annum	83	0	0		0	0		0	0	Comment: Re-assign the responsible directorate from Community Services to Corporate Service and also amend the KPI name. (KPI was impacted by the approval of revised organisational structure)
TL45	Community Services	Regional Economic Development	Report Bi-annually on the progress in respect of social development implementation Plan to the Community Services Portfolio Committee	Number of progress reports tabled per annum	2	0	0		1	1	Report submitted on 14 November 2022, Item 11.1	1	1	None required

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TL46	Community Services	Regional Economic Development	Submit bi-annually progress report to the Community Services Portfolio Committee on the application for ownership (Uitenkraismond) and funding to investigate the sustainability of ODM resorts	Number of progress reports submitted per annum	2	0	1	None1	1	1	1	1	1	1	1	1	2	B	Comments: To amend the KPI name by deleting "....and funding to investigate the sustainability of ODM resorts." Reason for amendments: We first have to address the ownership of Uitenkraismond before any funding can be sourced. Annual target to amend from 2 bi-annual reports to 4 quarterly reporting's per annum.
								Report on the progress to the Portfolio Committee on 19 September 2022 on the Ownership of Uitenkraismond as part of Uitenkraismond quarterly report.											