

OVERBERG

DISTRICT MUNICIPALITY



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 31 DECEMBER 2023

*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 34 active projects registered on the capital budget programme for 2023/2024, after the previous two adjustment budgets amended the projects list to the current position (replacing and adding projects). With a total adjusted budget of R 13 892 054 of which an amount of R4 536 100 is financed from previous borrowing and R1 442 283 from grant funding. The grant funding exists of a portion which was funded for this financial year and a portion rolled forward from the previous financial year. See the schedule below for the details of the projects.

Capital programme 2023/2024

| DEPARTMENT | DESCRIPTION | FUNDING TYPE | BUDGET 2023/24 | ADJUSTMENT Aug 2023 | Virement | TOTAL 2023/24 | SPENDING YTD | | COMMITMENTS November 2023 | TOTAL YTD INCL COMMIT | BALANCE UNSPEND |
|------------|------------------------------------|--|----------------|---------------------|-----------|----------------|---------------|------------|---------------------------|-----------------------|-----------------|
| | | | | | | | DECEMBER 2023 | % SPENDING | | | |
| 1 | COMMITTEE, RECORDS, COUNCIL SUPPAT | DC3 Office Equipment | R35 000.00 | R0.00 | R0.00 | R35 000.00 | R0.00 | 0.00% | R0.00 | R0.00 | R35 000.00 |
| 2 | CORPORATE SERVICES - SUPPORT SERV | DC3 Fencing - Head Office | R320 000.00 | R200 000.00 | R0.00 | R520 000.00 | R197 100.00 | 37.90% | R0.00 | R197 100.00 | R322 900.00 |
| 3 | CORPORATE SERVICES - SUPPORT SERV | DC3 Furniture and Office Equipment | R40 000.00 | R0.00 | R0.00 | R40 000.00 | R5 746.00 | 14.37% | R0.00 | R5 746.00 | R34 254.00 |
| 4 | CORPORATE SERVICES - SUPPORT SERV | DC3 Aircon | R150 000.00 | R0.00 | R0.00 | R150 000.00 | R55 280.36 | 36.85% | R34 023.73 | R89 304.09 | R60 695.91 |
| 5 | CORPORATE SERVICES - SUPPORT SERV | DC3 Installation of a Power Generator and UPS back | R0.00 | R654 455.00 | R0.00 | R654 455.00 | R335 118.15 | 51.21% | R161 854.25 | R496 982.40 | R157 472.60 |
| 6 | EMERGENCY SERVICES | DC3 Restore Equipment | R10 000.00 | R0.00 | R1 000.00 | R9 000.00 | R37 078.60 | 37.45% | R4 811.95 | R42 000.55 | R55 999.45 |
| 7 | EMERGENCY SERVICES | DC3 Vehicle upgrade/refreshment | R300 000.00 | -R300 000.00 | R0.00 | R0.00 | R0.00 | #DIV/0! | R0.00 | R0.00 | R0.00 |
| 8 | EMERGENCY SERVICES | DC3 Capital Vehicle Replacement | R2 200 000.00 | R0.00 | R0.00 | R2 200 000.00 | R1 738 354.31 | 79.02% | R422 085.29 | R2 160 439.60 | R39 560.40 |
| 9 | EMERGENCY SERVICES | DC3 Capacity Project | R500 000.00 | R0.00 | R0.00 | R500 000.00 | R0.00 | 0.00% | R0.00 | R0.00 | R500 000.00 |
| 10 | EMERGENCY SERVICES | DC3 Bunker Clothing | R900 000.00 | R0.00 | R0.00 | R900 000.00 | R214 416.35 | 23.82% | R0.00 | R214 416.35 | R685 583.65 |
| 11 | EMERGENCY SERVICES | DC3 Capital Vehicle Replacement (Insurance) Bakke | R0.00 | R525 724.00 | R1 000.00 | R526 724.00 | R455 642.04 | 86.50% | R0.00 | R455 642.04 | R71 081.96 |
| 12 | EMERGENCY SERVICES | DC3 Furniture and Office Equipment | R0.00 | R50 000.00 | R0.00 | R50 000.00 | R38 699.55 | 77.34% | R0.00 | R38 699.55 | R11 300.45 |
| 13 | EMERGENCY SERVICES | DC3 Fleet Vehicles | R0.00 | R186 449.00 | R0.00 | R186 449.00 | R0.00 | 0.00% | R9.00 | R9.00 | R186 440.00 |
| 14 | EMERGENCY SERVICES | DC3 Loadshedding Mitigation | R0.00 | R842 283.00 | R0.00 | R842 283.00 | R791 411.19 | 93.99% | R133 190.34 | R924 601.53 | R17 681.47 |
| 15 | EMERGENCY SERVICES | DC3 Training Centre (Addition Classroom co-fundin | R0.00 | R300 000.00 | R0.00 | R300 000.00 | R0.00 | 0.00% | R38 010.38 | R38 010.38 | R261 989.62 |
| 16 | ENVIRONMENTAL MANAGEMENT SERVICES | DC3 Office Equipment | R6 000.00 | R0.00 | R0.00 | R6 000.00 | R4 497.13 | 74.95% | R0.00 | R4 497.13 | R1 502.87 |
| 17 | FINANCIAL SERVICES | DC3 Furniture and Office Equipment | R10 000.00 | R0.00 | R0.00 | R10 000.00 | R8 845.00 | 88.45% | R0.00 | R8 845.00 | R1 155.00 |
| 18 | ICT SERVICES | DC3 Computer and Computer Equipment | R260 000.00 | R0.00 | R0.00 | R260 000.00 | R107 310.00 | 41.29% | R3 652.19 | R111 012.19 | R148 987.81 |
| 19 | ICT SERVICES | DC3 General Equipment | R4 000.00 | R0.00 | R0.00 | R4 000.00 | R0.00 | 0.00% | R0.00 | R0.00 | R4 000.00 |
| 20 | ICT SERVICES | DC3 IT Sensivity | R30 000.00 | R0.00 | R0.00 | R30 000.00 | R0.00 | 0.00% | R0.00 | R0.00 | R30 000.00 |
| 21 | ICT SERVICES | DC3 Backup Server | R0.00 | R111 793.00 | R0.00 | R111 793.00 | R96 140.47 | 86.00% | R0.00 | R96 140.47 | R15 652.53 |
| 22 | IDP AND COMMUNICATION | DC3 Awareness Equipment | R30 000.00 | R0.00 | R0.00 | R30 000.00 | R26 855.00 | 89.52% | R0.00 | R26 855.00 | R3 145.00 |
| 23 | LED, TOURISM, RESORTS AND EPWP | DC3 Gas installation at ablation facilities | R220 000.00 | R170 250.00 | R0.00 | R390 250.00 | R167 345.40 | 42.88% | R0.00 | R167 345.40 | R222 904.60 |
| 24 | LED, TOURISM, RESORTS AND EPWP | DC3 Property Upgrade | R500 000.00 | R0.00 | R0.00 | R500 000.00 | R62 146.28 | 12.43% | R51 242.91 | R113 389.19 | R386 610.81 |
| 25 | LED, TOURISM, RESORTS AND EPWP | DC3 Furniture and Office Equipment | R200 000.00 | -R200 000.00 | R0.00 | R0.00 | R0.00 | #DIV/0! | R0.00 | R0.00 | R0.00 |
| 26 | LED, TOURISM, RESORTS AND EPWP | DC3 Ablution Facilities Upgrades - Die Dam | R0.00 | R70 000.00 | R0.00 | R70 000.00 | R0.00 | 0.00% | R0.00 | R0.00 | R70 000.00 |
| 27 | LED, TOURISM, RESORTS AND EPWP | DC3 Machinery and Equipment | R0.00 | R30 000.00 | R0.00 | R30 000.00 | R31 258.44 | 104.17% | R1 652.17 | R32 920.61 | R2 000.39 |
| 28 | LED, TOURISM, RESORTS AND EPWP | DC3 Furniture and Office Equipment - Die Dam | R0.00 | R50 000.00 | R0.00 | R50 000.00 | R0.00 | 0.00% | R0.00 | R0.00 | R50 000.00 |
| 29 | LED, TOURISM, RESORTS AND EPWP | DC3 Furniture and Office Equipment - UKM | R0.00 | R200 000.00 | R0.00 | R200 000.00 | R0.00 | 0.00% | R28 185.66 | R28 185.66 | R171 814.34 |
| 30 | LED, TOURISM, RESORTS AND EPWP | DC3 Recreational Project - Die Dam | R0.00 | R10 000.00 | R0.00 | R10 000.00 | R0.00 | 0.00% | R1 133.61 | R1 133.61 | R8 866.39 |
| 31 | MUNICIPAL HEALTH SERVICES | DC3 Mobile Aircon | R10 000.00 | R0.00 | R0.00 | R10 000.00 | R0.00 | 0.00% | R0.00 | R0.00 | R10 000.00 |
| 32 | MUNICIPAL HEALTH SERVICES | DC3 Furniture and Office Equipment | R30 000.00 | R0.00 | R0.00 | R30 000.00 | R0.00 | 0.00% | R4 948.60 | R4 948.60 | R25 051.40 |
| 33 | SOLID WASTE MANAGEMENT | DC3 KWK Infrastructure Project | R0.00 | R4 536 100.00 | R0.00 | R4 536 100.00 | R2 675 855.72 | 58.99% | R371 166.64 | R3 047 022.36 | R1 489 077.64 |
| 34 | SUPPLY CHAIN MANAGEMENT | DC3 Furniture and Office Equipment | R10 000.00 | R0.00 | R0.00 | R10 000.00 | R0.00 | 0.00% | R0.00 | R0.00 | R10 000.00 |
| | | | R6 355 000.00 | R7 537 054.00 | R0.00 | R13 892 054.00 | R7 049 111.96 | 50.74% | R1 256 026.72 | R8 305 138.71 | R5 586 915.29 |
| | | | | | | | 50.74% | 9.04% | | | 50.00% |

| Funding Sources | Type | Budget |
|-----------------------------|------|------------------------|
| Capital Replacement Reserve | 1 | R 7 913 671.00 |
| Revenue | 2 | R - |
| External Loans | 3 | R 4 536 100.00 |
| Grants | 4 | R 1 442 283.00 |
| Private Contributions | 5 | R - |
| TOTAL | | R 13 892 054.00 |

| SUMMARY | PROJECT NUMBER |
|------------------------------------|----------------|
| Corporate Services | 9 |
| Financial Services | 2 |
| Strategic Services | 1 |
| Emergency Services | 10 |
| LED/Tourism and Resorts | 8 |
| Environmental and Waste Management | 2 |
| Municipal Health Services | 2 |
| TOTAL | 34 |

To date, R7 049 111.99 (50.74%) was actually spent by 31 December 2023. However, it should be noted that there were committed cost already allocated towards identified projects, not included in this figure and the recalculated inclusive acquisition cost will jointly amounts to R8 305 198.71 (59.78%). The committed costs will realise into actual spending during the remainder of the financial year and reflect on future reporting. This progress is well received since the 50% mark for the 6-month period has been overachieved.

As illustrated in the table above, some projects have zero spending to date. These projects will commence in the second six months of the fiscal year as per the Capital procurement plan. If not executable, the projects will be evaluated to be considered for removal during the adjustment budget process. Some of the zero spending projects already commenced with the SCM processes, while others need to be revisited/reprioritized. A project coordinating forum assist with the SCM/Finance and user department collaboration in executing capital projects.

The amendments to the SCM regulations also impact the processes going forward after obtaining clarity on preferential procurement and possible amendments to SCM related policies to be reviewed by Council.

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:

- Upgrading of Roads infrastructure at Landfill site. Funded from the remaining external loans borrowed previously for the expansion and infrastructure at Karwyderskraal.
- Emergency Services vehicle replacement
- Emergency Services Bunker Protective Clothing

It should be noted that 22 of the 34 projects R11 536 806 (83%) of the capital budget 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. This will be formalized during the adjustment budget processes scheduled for February and June 2024.

OPERATING EXPENDITURE

By end of December 2023 an amount of **R 124 644 108 (45%)** of the total operational budget (expenditure) of **R 276 810 561** was spent. This percentage is considered good expenditure management as it is below the threshold of 50%.

OPERATING EXPENDITURE PER DEPARTMENT

| COST CODE | DIRECTORATE | DEPARTMENT | ORIGINAL | ADJUSTMENT | YTD ACTUAL | % TO DATE |
|------------------------------------|--------------------|---|-----------------------|-----------------------|-----------------------|---------------|
| | | | BUDGET 2023/24 | BUDGET 2023/24 | | |
| 3000 | MUNICIPAL MANAGER | Executive (Municipal Manager) | 2 066 131.00 | 2 066 131.00 | 1 044 981.68 | 50.58% |
| 3001 | MUNICIPAL MANAGER | Executive Support | 772 399.00 | 772 399.00 | 396 607.51 | 51.35% |
| 3002 | MUNICIPAL MANAGER | Internal Audit | 1 983 954.00 | 1 983 954.00 | 1 010 039.63 | 50.91% |
| 3003 | MUNICIPAL MANAGER | Council Expenditure | 7 912 757.00 | 7 912 757.00 | 3 853 153.84 | 48.70% |
| 3004 | MUNICIPAL MANAGER | Idp & Communication | 1 620 557.00 | 1 620 557.00 | 804 020.61 | 49.61% |
| 3005 | MUNICIPAL MANAGER | Performance & Risk Management | 1 491 229.00 | 1 491 229.00 | 581 205.98 | 38.97% |
| Sub-Total | | | 15 847 027.00 | 15 847 027.00 | 7 690 009.25 | 48.53% |
| 4000 | CORPORATE SERVICES | Executive (Corporate Services) | 1 324 513.00 | 1 324 513.00 | 559 070.36 | 42.21% |
| 4001 | CORPORATE SERVICES | Corporate Support | 4 441 848.00 | 4 441 848.00 | 1 553 513.92 | 34.97% |
| 4002 | CORPORATE SERVICES | Human Resources | 4 654 889.20 | 4 654 889.20 | 1 864 765.13 | 40.06% |
| 4003 | CORPORATE SERVICES | Committee, Records & Councillor Support | 3 806 418.00 | 3 806 418.00 | 2 065 693.60 | 54.27% |
| 4004 | CORPORATE SERVICES | Information Services | 3 256 900.00 | 3 256 900.00 | 2 056 970.30 | 63.16% |
| Sub-Total | | | 17 484 568.20 | 17 484 568.20 | 8 100 013.31 | 46.33% |
| 5000 | FINANCE | Executive (Finance) | 1 305 541.00 | 1 305 541.00 | 571 924.01 | 43.81% |
| 5001 | FINANCE | Financial Support | 421 883.00 | 421 883.00 | 215 285.92 | 51.03% |
| 5002 | FINANCE | Financial Services | 21 592 739.00 | 21 592 739.00 | 9 274 989.40 | 42.95% |
| 5003 | FINANCE | Revenue | 20 000.00 | 20 000.00 | 6 521.34 | 32.61% |
| 5004 | FINANCE | Expenditure | 3 047 418.00 | 3 047 418.00 | 1 394 980.43 | 45.78% |
| 5005 | FINANCE | Supply Chain Management | 3 627 071.00 | 3 627 071.00 | 1 760 940.66 | 48.55% |
| Sub-Total | | | 30 014 652.00 | 30 014 652.00 | 13 224 641.76 | 44.06% |
| 6000 | COMMUNITY SERVICES | Executive (Community Services) | 1 417 156.00 | 1 417 156.00 | 338 939.79 | 23.92% |
| 6001 | COMMUNITY SERVICES | Community Services Support | 753 039.00 | 753 039.00 | 249 143.50 | 33.09% |
| 6002 | COMMUNITY SERVICES | Municipal Health | 18 577 313.00 | 18 577 313.00 | 8 784 525.89 | 47.29% |
| 6003 | COMMUNITY SERVICES | Comprehensive Health | 181 927.00 | 181 927.00 | 81 530.86 | 44.82% |
| 6004 | COMMUNITY SERVICES | Environmental Management | 3 401 974.00 | 3 401 974.00 | 1 620 047.40 | 47.62% |
| 6005 | COMMUNITY SERVICES | Solid Waste | 9 966 919.43 | 9 966 919.43 | 3 664 526.06 | 36.77% |
| 6006 | COMMUNITY SERVICES | Emergency Services | 39 670 924.00 | 39 670 924.00 | 19 146 087.33 | 48.26% |
| 6007 | COMMUNITY SERVICES | Led, Tourism, Resorts & Epwp | 17 120 061.00 | 17 120 061.00 | 6 987 138.11 | 40.81% |
| 6008 | COMMUNITY SERVICES | Roads Function | 122 375 000.00 | 122 375 000.00 | 54 757 504.36 | 44.75% |
| Sub-Total | | | 213 464 313.43 | 213 464 313.43 | 95 629 443.30 | 44.80% |
| TOTAL OPERATING EXPENDITURE | | | 276 810 560.63 | 276 810 560.63 | 124 644 107.62 | 45.03% |

Total Operating Expenditure are below the 50% mid-way for the first six months of the financial year with all directorates ranging between 44.06% and 48.53% underspending. In the Corporate Services Directorate however, ICT services exceeded the 50% average amounting to 63.16%, but it should be noted that licencing fees and other related expenses are once off payables in the first few months of each year.

The underspending in the municipality can be due to contributing factors such as vacancies, which needs to be 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 | ADJUSTMENT | YTD ACTUAL | % TO DATE |
|---|--------------------|-------------------------------|-----------------------|-----------------------|-----------------------|---------------|
| | | | BUDGET 2023/24 | BUDGET 2023/24 | | |
| 3000 | MUNICIPAL MANAGER | Executive (Municipal Manager) | 500 000.00 | 500 000.00 | 150 000.00 | 30.00% |
| 3003 | MUNICIPAL MANAGER | Council Expenditure | 14 769 565.00 | 14 769 565.00 | 6 362 101.15 | 43.08% |
| Sub-Total | | | 15 269 565.00 | 15 269 565.00 | 6 512 101.15 | 42.65% |
| 4001 | CORPORATE SERVICES | Corporate Support | 25 200.00 | 25 200.00 | 18 638.28 | 73.96% |
| Sub-Total | | | 25 200.00 | 25 200.00 | 18 638.28 | 73.96% |
| 5002 | FINANCE | Financial Services | 95 216 000.00 | 96 158 283.00 | 68 509 057.34 | 71.25% |
| 5003 | FINANCE | Revenue | 30 000.00 | 30 000.00 | 32 540.83 | 108.47% |
| Sub-Total | | | 95 246 000.00 | 96 188 283.00 | 68 558 498.35 | 71.28% |
| 6002 | COMMUNITY SERVICES | Municipal Health | 1 020 000.00 | 1 020 000.00 | 348 015.62 | 34.12% |
| 6003 | COMMUNITY SERVICES | Comprehensive Health | 181 927.00 | 181 927.00 | 80 888.88 | 44.46% |
| 6004 | COMMUNITY SERVICES | Environmental Management | 124 000.00 | 124 000.00 | - | 0.00% |
| 6005 | COMMUNITY SERVICES | Solid Waste | 14 300 000.00 | 14 300 000.00 | 7 567 920.22 | 52.92% |
| 6006 | COMMUNITY SERVICES | Emergency Services | 5 308 046.00 | 5 308 046.00 | 2 664 070.54 | 50.19% |
| 6007 | COMMUNITY SERVICES | Led, Tourism, Resorts & Epwp | 20 129 500.00 | 20 129 500.00 | 11 116 832.54 | 55.23% |
| 6008 | COMMUNITY SERVICES | Roads Function | 122 375 000.00 | 122 375 000.00 | 37 762 389.03 | 30.86% |
| Sub-Total | | | 163 438 473.00 | 163 438 473.00 | 59 540 116.83 | 36.43% |
| TOTAL REVENUE (INCLUDING CAPITAL GRANTS) | | | 273 979 238.00 | 274 921 521.00 | 134 629 354.61 | 48.97% |

Revenue to date is 49%, however can be justified by the Roads Agency invoices still to be reimbursed for the previous two month's expenses, which will bring the revenue to achieve the projected receivables to date. Some of the identified revenue streams which did not realise to date, is 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. Other revenue streams which overperformed was interest on investments for the period, which will also be adjusted accordingly in the adjustment budget.

Equitable share had been received in advance as scheduled in the gazette, hence no matters to report in the finance directorate.

It should be noted that the roads revenue not accounted for, is currently off set against the equitable share in advance. To correctly account for the revenue received from the Roads agency expenses, the outstanding claims should in future be billed as a debtor to recognize the revenue due. The equitable share received in advance, should only be recognized in equal monthly instalments.

1.2 Any financial problems or risk facing the Municipality.

Overberg District Municipality

Risk Assist: Report

| Risk Item | Risk Category | Risk Description | Risk Background | Cause of risk | Consequences | Impact |
|-----------|-----------------------|---|---|---|--|------------|
| R698 | Financial Environment | Risk of not being able to give reasonable assurance on the adequacy and effectiveness on all the major control processes. | Not being able to give assurance all business processes. | <ol style="list-style-type: none"> 1. Capacity constraints. 2. Not comprehensive risk assessment. 3. Dependent on risk assessments not adequately performed. | <ol style="list-style-type: none"> 1. Not adding value. 2. Not giving assurance. | Immaterial |
| R710 | Financial Environment | Inaccurate charging for fire services rendered to the community. | Charge people for fire prevention activities and incidents. | <ol style="list-style-type: none"> 1. Human error. 2. Account system not streamlined. 3. Incomplete and inaccurate information provided. 4. No Synchronisation between the two systems used for the billing of fire services rendered. (Fire web and SAMRAS). | Not accurately charging for all services rendered. | Immaterial |

| | | | | | | |
|------|-----------------------|---|--|--|--|-------------|
| R711 | Financial Environment | Non recovery of income with regards to Karwyderskraal. | <ol style="list-style-type: none"> 1. Agreement in place to recover funds from participating local municipalities at the regional landfill site. 2. Income was based on estimates from consulting engineer. 3. Private users received an account. | <ol style="list-style-type: none"> 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. | <ol style="list-style-type: none"> 1. Lack of Revenue. 2. Negative impact on financial sustainability. | Moderate |
| R712 | Financial Environment | The financial impact of disputes and legal claims. | There is a dispute declared with 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 |
| R713 | Financial Environment | Financial system failure. | 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"> 1. Service provider downtime. 2. Power failure. 3. Internal ICT failure. 4. Daily processing be compromised. | <ol style="list-style-type: none"> 1. Non alignment with MSCOA schedules. 2. Audit Finding. 3. Possible withholding of funds. 4. Cash flow problems. 5. Impact on service delivery. | Major |
| R714 | Financial Environment | Non recovery of all costs for fire brigade services provided to other municipalities. | Fire brigade services are delivered on behalf of local municipalities to residents/businesses in the community with the agreement that the extinguishing of fires will be recouped. | Not billing for local municipalities for the full functions delivered. | <ol style="list-style-type: none"> 1. Loss of revenue. 2. Inaccurate charging for fire services rendered. | Significant |

| | | | | | | |
|------|-----------------------|--|--|---|--|----------|
| R715 | Financial Environment | Non submission of quality AFS to Auditor-General on time. | MFMA requirement. | Time constraint to develop the Annual Financial Statements and sufficient overview. | Unable to maintain audit outcome. | Moderate |
| R716 | Financial Environment | Not Following proper SCM processes regarding pre-approvals for deviations. | User departments that doesn't follow the correct SCM procedures for deviations. | 1. User departments not following proper SCM procedures. 2. Lack of quality Communication. | Audit findings. | Marginal |
| R717 | Financial Environment | Incomplete disclosure of SCM information in Annual Financial Statements. | 1. Received a COMAF from the AG regards to incomplete information in AFS. 2. Not Adhering to SCM Regulation 36 and 45. 3. All Deviations not recorded in AFS and suppliers relationships in service of the state not declared. | Delay in deviation process, lack of proper monitoring and business process flow. | 1. Audit finding. 2. Incorrect disclosure of information in AFS and SCM reports. | Moderate |
| R720 | Financial Environment | Inaccurate Asset register. | Asset register is currently managed manually on excel spreadsheet. | Asset register not embedded into the financial system. | 1. Financial misstatements 2. Audit findings 3. Fraud. 4. Asset register not aligned with financial transactions. | Marginal |
| R721 | Fraud and Corruption | Petrol Card Fraud. | Petrol Cards are issued for pool vehicles. | Misusing petrol cards. | 1. Fraud. 2. Impact on service delivery 3. Not reflecting the cost for service rendered. | Marginal |

| | | | | | | |
|------|-----------------------|--|--|--|---|--------------|
| R723 | Financial Environment | Possible Incompleteness of revenue. | Council approved tariffs and the possibility of not billing accordingly. | Lack of communication between departments (data sharing). | 1. Loss of revenue. 2. Fraud and corruption. | Immaterial |
| R726 | Financial Environment | VAT treatment of roads function. | VAT claimed for the road function not in accordance to AG opinion. | According to AGSA the district municipalities can claim the input vat but must also pay the output vat. COMAF received from AG on the treatment of VAT claim. | 1. Loss of reserves. 2. Possible staff retrenchments. 3. Loss of roads agency and agency fee. | Catastrophic |
| R727 | Financial Environment | Inaccurate pay to staff. | Wrong payments can be made to staff. | Inaccurate payments can result from the following: 1. Wrong categorization of employees. 2. Inaccurate information submitted by user departments. 3. Incorrect capturing of information without verification. | 1. Audit query 2. Resulting in financial losses. 3. Over and under payment of staff. | Immaterial |
| R728 | Fraud and Corruption | Unauthorised transactions against bank accounts. | Deductions from ODM bank accounts not approved. | 1. Fraudulent deductions from ODM accounts. 2. Cyber crime against bank account. | Financial losses. | Major |
| R729 | Financial Environment | Inadequate managing of Surplus funds. | Staff do not adhere to ODM Policies and procedures. | 1. COMAF received from AG on not following proper procedure to open new investment. 2. Not receiving optimal revenue from surplus funds. | 1. Fraudulent activities. 2. Not receiving optimal interest. | Marginal |

| | | | | | | |
|------|-----------------------|--|---|--|---|----------|
| R757 | Financial Environment | Compromise Financial Sustainability of a municipality. | 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. | <ol style="list-style-type: none"> 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. | <ol style="list-style-type: none"> 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 6. Non-compliance of Norms and Standards to service delivery. 7. Lack of maintenance on infrastructures. | Critical |
|------|-----------------------|--|---|--|---|----------|

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 audit and administration. An action plan (OPCAR) has been implemented to address and monitor unsolved audit findings.

| Auditor-General Report on Financial Performance Year 2022/23 | |
|--|---|
| Audit Report Status* | Unqualified Audit with no findings (Clean) |
| Non-Compliance Issues | Remedial Action Taken |
| No material non-compliance with selected legislative requirements were identified. | None |
| Internal Control Deficiencies | Remedial Action Taken |
| No significant deficiencies in internal controls were identified. | None |
| Emphasis of matters | Remedial Action Taken |
| <u>Restatement of correspondence figures</u> As disclosed in not 43 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2023. | This was rectified in the adjusted annual financial statements. |

| Auditor-General Report on Service Delivery Performance 2022/23 | |
|--|------------------------------------|
| Audit Report Status | Unqualified Audit with no findings |
| Non-Compliance Issues | Remedial Action Taken |
| There were no material findings on the reported performance information for the selected strategic goal (Strategic goal 1). | |
| (Achievements of planned targets – Refer to the annual performance report on pages 80-82 for information on the achievement of audited planned targets for the year. | |

| COMAF | | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
|---------|---|---|---|--|---|---|
| 2022/23 | 1 | | | | | |
| | | <p>Procurement and contract management</p> <p>Deviation not reported on the next council meeting</p> | <ol style="list-style-type: none"> 1. The deviations approved that does not appear in the monthly SCM report, will be provide monthly, before the next Council meeting to the Municipal Manager's office. 2. A file will be opened for all approved deviations and update accordingly with new approved deviations. 3. All deviations approved before the next Council meeting and not included in the SCM report, must be reported verbally to the next Council meeting. 4. When the SCM monthly item is discussed in the Council meeting, it be ensured that any verbal reporting by the Municipal Manager is done - even a zero report. 5. It be ensured that the verbal reporting be recorded and properly minute during the Council meeting 6. That the details of the verbal reporting be noted on the deviation and SCM monthly report | <p>SCM Manager</p> <p>Executive support officer: MIM office</p> <p>Municipal Manager</p> <p>Speaker</p> <p>Admin officer Corporate Services</p> <p>SCM Manager</p> | <p>Immediate going forward.</p> <p>Immediate going forward.</p> <p>Immediate going forward.</p> <p>Immediate going forward.</p> <p>Immediate going forward.</p> <p>Immediate going forward.</p> <p>Immediate going forward.</p> | <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
|---|--|---|---|-----------------------------------|
| COMAF | | | | |
| 2022/23 | | | | |
| 2 | <p>DESCRIPTION</p> <p>Procurement and contract management</p> <p>Reason for deviation not valid</p> | <p>Management</p> <p>Management</p> <p>Management</p> | <p>Next Audit Steercom</p> <p>Depending on the outcome of the discussion at the ASC</p> <p>Depending on the outcome in 2.</p> | <p>100%</p> <p>100%</p> <p>0%</p> |
| | <p>ACTION</p> <p>1. As Management disagrees with the audit finding, the dispute resolution process in terms of the audit engagement letter will be followed.</p> <p>2. The COMAF with response will be send to Provincial Treasury for an update on their stance regarding this specific deviation matter and possible transversal issue regarding invalid deviation findings.</p> <p>3. It this matter cannot be resolved at the engagement level; it will be requested to be escalated in terms of the audit engagement letter.</p> <p>No expenditure incurred for the period under review, however next year there will be as the deviation approved in July 2023 was extended until end of April 2024 due to objections and re-advertisement.</p> <p>An opinion was obtained from Adv Helen Venter on 27 November 2023 which supports the view from Management. This opinion was provided to PT and an update of their view is still awaited. Once received, the matter will be escalated to the AGSA BUL per written submission.</p> | CFO | Jan 2024 | 100% |
| | | | | 0% |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|--|---|---|------------------------------|--|-----------------------------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 | | | | | |
| 3 | <p>Procurement and contract management</p> <p>Insufficient documentation on the reason for deviation</p> | <p>An improved deviation format was circulated to the user departments which emphasize the guidelines on the existing deviation form.</p> | SCM Manager | 26 September 2023 | 100% |
| 4 | <p>Procurement and contract management</p> <p>Disclosure of interest: Completeness</p> | <p>Review and amend the current SCM regulation 45 SOP.</p> | Manager: SCM | Immediately 31 October 2023 | 100% |
| 5 | <p>Financial Statements</p> <p>Other expenditure Classification</p> | <p>1. Management commenced with the review the Other Expenditure: Materials' full population. 7414 transactions, some with multiple items acquired.</p> <p>2. Management is implementing the new financial web base system which will limit spending to the commodities linked to the identified expense, hence limiting wrongful allocation to expenses as per contract award to specific commodities for specific functions, goods, and services.</p> | W Crafford W Crafford | <p>Jan 2024 (will however commence with process immediately)</p> <p>Jun 2024</p> | <p>90%</p> <p>10%</p> <p>100%</p> |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|--|--|--|---|--|-------------------------------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 | | 3. Finance office will consult with user departments in Management Meeting regarding the approver function oversight requirement and explain types of expenditure cost to be utilised in various circumstances. | W Crafford | Nov 2023 | 50% |
| 6 | Financial Statements Regulation 45: Misstatement | <ol style="list-style-type: none"> 1. Review and amend the current SCM regulation 45 SOP. 2. Examine the population / disclosure note and make the appropriate adjustments. 3. Await the outcome whether to also disclose the prior year or not. | <p>Manager: SCM</p> <p>Manager: SCM</p> <p>Auditors/NT</p> | <p>Immediately</p> <p>Immediately</p> <p>When auditor's conclusion is received</p> | <p>100%</p> <p>100%</p> <p>100%</p> |
| 7 | Financial Statements Property, Plant and Equipment: Disposal | <ol style="list-style-type: none"> 1. Examine and review the population/disclosure note to classify all these disposals. 2. In future, perform adequate reviews to ensure that assets recognised as disposals meet the requirements of GRAP 17. <p>Dt PPE Cost R 316 599.56 Kt PPE Accumulated Depreciation R231 251.81 Kt Loss on Disposal R85 347.75</p> | <p>Accountant: Asset Management</p> <p>Accountant: Asset Management</p> | <p>Immediate 6 Nov 2023</p> <p>Before 30 June 2024</p> | <p>100%</p> <p>?</p> |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|--|--|---|------------------------------|---|-------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 8 | Other Compliance Expenditure Management | Management compiled a SOP to be implemented by the expenditure department and for user departments to be implemented regarding the process changes regarding payments, hence enhancing internal controls to ensure payments within 30 days after receipt. 3. | W Crafford | 15 Nov 2023 | 100% |
| 9 | Other Compliance Asset Management | The Cash and investment policy be adjusted and submitted for approval to the Finance Portfolio and Council | Manager: Payroll and Banking | 14 Nov 2023 4 Dec 2023 | 100% |
| 10 | Financial Statements Subsequent events completeness | Update of Note 53 on AFS | W Crafford | With next submission of AFS Updated 30 Nov 2023 | 100% |
| 11 | Other Compliance Consequence management | The item will be resubmitted to Council to confirm the authorization by moving the budget provision from Operating to Capital by means of a Special Adjustment Budget | W Crafford | December 2023 | 100% |
| 12 | Financial Statements Contingent Liabilities Completeness | Disclosure note will be adjusted with the additional information received for completeness. | W Crafford | Included on next AFS submission Updated 30 Nov 2023 | 100% |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|--|---|---|--------------------|--|-------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 13 | <p>Procurement and contract management</p> <p>Quotes were not evaluated in accordance with the preference point system as prescribed by the PPPF Act</p> | <p>Management's response was provided to PT SCM for comments as it seems to be a transversal finding issued at other municipalities also that disputed the finding.</p> <p>REFER TO THE ACTIONS IN COMAF 24</p> | SCM Manager | Await SCM PT's feedback | |
| 14 | <p>Financial Statements</p> <p>Repairs and maintenance disclosure note misstatement</p> | <p>The disclosure note 42 will be adjusted as proposed below taking out the JPCE costs as well as a portion (administrative portion) of Enviroserve.</p> | | When AFS is submitted with adjustments | |
| 15 | <p>Financial Statements</p> <p>Contracted services: Classification</p> | <ol style="list-style-type: none"> 1. Finance office (BTO) will review all expenditure requests incurred to validate correct UKEYs for acquisitions for all user departments. 2. New financial web-based system to be implemented locking commodities to specific expense accounts to limit wrongful selection of budget lines. | W Crafford | 01 Dec 2023 | |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|--|--|--|--------------------|------------------|-------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 | | <p>3. Review for the Maintenance of Buildings and facilities category to amend wrongful sub-classification.</p> <p>Dt Contracted Services: Other R 52 325</p> <p>Ct Contracted Services: Maintenance of Buildings R 52 325</p> | W Crafford | Immediately | |
| 16 | Property, plant and equipment Classification | Finding is resolved but needs to be followed up in next audit cycle to ensure that dissimilar assets that are aggregated are not material. | | | |
| 17 | Financial Statements Leave provision misstatement | Management will review leave sample nr 3 (Masala) that shows a difference, is due to an incorrect take on balance that will be reviewed and corrected on the Payday leave system. | HR administrator | 31 December 2023 | |
| 18 | Information Systems Audit (IT) ISA - General control review - Security Management-Final | <ol style="list-style-type: none"> 1. Conclude the implementation of the new firewall. 2. Compile specifications for the new VOIP and network tender | Pieter Britz | January 2024 | |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|--|---|---|------------------------------|-----------------------|-------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 19 | <p>Information Systems Audit (IT)</p> <p>IT- Inadequate Monitoring of Third-Party Systems</p> | <p>Management to request the SOC2 report from the service providers.</p> | Pieter Britz | December 2023 | |
| 20 | <p>Information Systems Audit (IT)</p> <p>IT Governance and UAM</p> | <p><u>MATTER 1</u> Lack of formal project governance processes 1. Review of ICT Strategic Plan / Policy 2. Communication of ICT Strategic Plan / Policy</p> <p><u>MATTER 2</u> Weaknesses in the management of user access for Active Directory (AD) Policy workshop and policy stipulations to be executed accordingly.</p> | Pieter Britz | May 2024 June 2024 | |
| 21 | <p>Information Systems Audit (IT)</p> <p>IT General control review – IT Service Continuity</p> | <p><u>MATTER 1</u> Inadequate ICT Migration and Disaster Recovery Plan (DRP) The policies will be updated to include the RPO and disaster notification and plan activation steps.</p> | Pieter Britz Pieter Britz | Feb 2024 May 2024 | |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|--|---|---|--------------------|---|-------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 | | <p>An SOP is being drafted as to how DR tests must be performed. The tests will be performed once the SOP is completed.</p> <p>Draft DR test SOP</p> <p>Update policies</p> <p>MATTER 2 Non-compliance with the ICT Data Backup and Recovery Policy</p> <p>A new backup system with separate emailed daily backup logs is already in place. A SOP is being drafted on how data restoration tests must be performed. The SOP will be tabled to the ICT SC for approval.</p> <p>Drafting of data restoration tests SOP</p> | Pieter Britz | February 2024 | |
| 22 | <p>Financial Statements</p> <p>VAT on roads function</p> | <p>Vat on the roads function</p> <p>1. Potential contingent liability be disclosed in the AFS that will remain until a ruling had been received.</p> <p>- See audit conclusion, it was not acceptable to the AGSA</p> | CFO | When submitting the final AFS with adjustments Not done | |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|--|---|--|---|--|-------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 | | <p>2. Submit follow-up letter to SARS on 18 December 2023 in follow-up of the registered letter dated 14 August that was collected on 19 September 2023 by "D Ockhuis"</p> <p>3. Obtain a binding VAT ruling from SARS, to provide a written commitment on the process that the municipality will undertake to ensure that this matter is resolved.</p> | CFO | Follow-up trace-log on registered letter - January 2023 31 May 2024 | |
| 23 | <p>Financial Statements</p> <p>Limitation of scope: Payables and motor vehicle allowance</p> | <p>MATTER 1 Management will consider the recommendations made on Matter 1 when the SCM and Credit payable modules is implemented when the financial system is upgraded to the new web-based platform.</p> <p>MATTER 2 1. Management needs to compile a policy on the Perk scheme to governing this scheme and to provide evidence supporting the applicability of these conditions to the specified employees on this scheme and that the employee contracts are subject to certain conditions governed by legislation.</p> | mSCOA Project Management team Director Corporate Services/HR | 30 June 2024. 30 June 2024 | |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|---|-------------------------------------|--|--|---|-------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 | | 2. The council resolution on the Essential scheme is outdated, and evidence need to be provided that the resolution passed in 2015 is still applicable for the 2022-23 financial year. The list of employees on the council resolution need to be updated and a policy review needs to be done annually by the municipality to confirm if employees are entitled to the motor vehicle allowance. | Director Corporate Services/HR | 30 June 2024 | |
| 24 | Procurement and contract management | <p>Matter 1</p> <ol style="list-style-type: none"> Letter submitted to NT with PT letter attachment as was done by the other 16 WC municipalities to object against the interpretation of the said PPPR 2022 regulations. Submit and item on the amended SCM Policy (based on the Amendments to the Municipal Supply Chain Management Regulations as Gazetted in Government Gazette Notice 4198 Numbered 49863) Review the PPPR 2022 policy for possible adjustments (based the George LM proposals) | <p>CFO/SCM Manager</p> <p>CFO/SCM Manager</p> <p>CFO/SCM Manager</p> | <p>14 December 2023</p> <p>31 Jan 2024</p> <p>31 Jan 2024</p> | |

| Audit Outcome: Overberg District Municipality received an Unqualified without findings Audit Opinion for 2022/23 | | | | | |
|--|-------------|--|--------------------|-------------|-------------|
| COMAF | DESCRIPTION | ACTION | RESPONSIBLE PERSON | TARGET DATE | % COMPLETED |
| 2022/23 | | Matter 2 Implement an SOP with proposed schedules to comply with providing evidence of the points allocations for SCM adjudication for purchases between R2000 and R30 000 | SCM Manager | 28 Feb 2024 | |

| COMAF NR | FINAL AUDIT CONCLUSIONS |
|----------|---|
| 1 | Management accepted the finding. The finding will be reported into the management report as a result of the non-compliance identified. The remedial actions proposed by management will be followed up during the next audit cycle |
| 2 | <p>The management comments have been duly noted, and the conclusion is as follows:</p> <p>"In response to the remarks provided by the management, as outlined below, and considering the response from the Provincial Treasury detailed in 'Paragraphs 4.1 to 4.8':</p> <p><i>"In the previous audit cycle, two similar audit findings (COMAF 04-2021/22 and COMAF06-2021/22), were issued in this regard. However, both audit findings were removed from the management report as it was resolved per auditor's conclusion below, received on 25 November 2022."</i></p> <p>The auditor holds the view that these comments are irrelevant to the current year's deviation. The circumstances and nature of the deviation are entirely different, rendering these comments unhelpful in supporting the rationale for the current year's deviation.</p> <p>Further, in response to the remarks provided by the management to justify the basis of the deviation:</p> |

COMAF
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FINAL AUDIT CONCLUSIONS

Enquiries were made regarding whether the auditee considered the official procurement processes available to it before approving the deviation. In response, the management noted the following:”

“The alternative options of expanding the current contract would have to initiated two months before, as a Sec 116(3) process will require a Council resolution and then another month to advertised Council’s intention. To option to obtain written quotations would have require at least a month before lapsing as two weeks are needed for advertisement and then evaluation.

The deviation route that management took (as part of the SCM processes available), was similar to obtaining written quotations, as some of the local suppliers that submitted bids in the Tender process and could mobilize security services in a short period, were used to obtain the cheapest quotation.”

Management’s response above indicates that, notwithstanding their knowledge of the tender backlog issue, as well as the shortage in senior managers following the resignation of one senior manager, no consideration was had of the possibility of the tender not being awarded in time of the lapse of the existing contract.

It is therefore clear that Management only came to the realisation that the tender would not be awarded in time during the month of June 2023, at which point it was already too late to follow official procurement process. This is also supported by the fact that the entire deviation approval record (including invoices) is dated 30 June 2023, i.e., the day of the lapsing of the then existing contract. In the circumstances, Management painted itself into a corner, by not adequately planning and managing the replacement tender vs the contract expiration. The situational impracticality was therefore self-created.

Further to the above, the necessity for continuity of services does not by itself make it impractical or impossible to follow normal procurement process. In other words, the impending lapse of the contract did not by itself make it impractical to still initiate a quotation process, even on the day of the lapsing of the replacement tender. This is because the test for the deviation in question is not whether or not it is impossible or impractical to conclude a tender in time, but rather whether or not it was impossible or impractical of follow the official procurement process.

Consequently, none of the arguments made by Management demonstrates an impracticality or impossibility from following official procurement process, nor are the circumstances surrounding the deviation exception, as they were already known and avoidable. As such, reliance on regulation 36(1)(a)(v), read together with para 36(1)(a)(v) of the Policy was misplaced, and the deviation was irregular.

| FINAL AUDIT CONCLUSIONS | |
|--------------------------------|---|
| COMAF NR 3 | <p>Management comments have been noted. However, it's important to clarify that the findings pertain to an internal control deficiency, and this does not imply that the reason for the deviation is invalid. One should understand the context of the finding, as it does not result in non-compliance but rather a value add finding.</p> <p>When management disagrees with the finding, it seems that the context of the finding is not fully understood.</p> <p>As discussed with management regarding the statement that "a tender process is currently underway for the appointment of consulting engineers but has not yet concluded," when independently assessing the documentation for the reason, it is unclear what led to the impracticality of following the tender process. This necessitated the auditor to gather additional information to understand the reasons for the deviation. Thus, an internal control deficiency finding is communicated.</p> <p>The finding will be reported in the management report as a result of the identified internal control deficiency.</p> |
| 4 | <p>Management agrees with the audit finding. We will perform the necessary procedures upon receiving the adjusted financial statements to confirm that the proposed adjustments have been made.</p> <p>The corrective action proposed by management will be followed up during the 2023/24 financial period.</p> <p>The finding will be reported in the management report as a result of the internal control deficiency.</p> <p>In the event that the correction proposed by management is not implemented, the misstatement will be included in the schedule of uncorrected misstatements.</p> |
| 5 | <p>The management acknowledges the misstatement. The misstatement will be included in the summary of uncorrected misstatements.</p> <p>The corrective action proposed by management will be followed up during the 2023/24 financial period.</p> <p>The finding will be reported in the management report as a result of the internal control deficiency identified.</p> |
| 6 | <p>Management's comments have been noted, and they agree with the finding.</p> |

COMAF
NR

FINAL AUDIT CONCLUSIONS

Regarding the comments made by management, they indicate the following: "However, management would like to question the recommendation made towards the rates-based tender: "...and include a narration explaining the nature of the award". This is not required as such in terms of the said regulation and the auditors should disclose on what is their recommendation based. It is necessary to know as municipalities need to work towards consistency in disclosing this note in the AFS as required in terms of SCM regulation 45".

Management should take note that in accordance with the conceptual framework, as stated in paragraph 3.22, it is emphasized that "understandability is the quality of information that enables users to comprehend its meaning. GFRs of public sector entities should present information in a manner that responds to the needs and knowledge base of users, and to the nature of the information presented. For example, explanations of financial and non-financial information and commentary on service delivery and other achievements during the reporting period and expectations for future periods should be written in plain language, and presented in a manner that is readily understandable by users. Understandability is enhanced when information is classified, characterised, and presented clearly and concisely. Comparability also can enhance understandability". To ensure that the disclosure of the award being rate-based is clear and understandable to users of the financial statement, a relevant narration should be included in the accompanying note.

Regarding the comments made by management, they indicate the following: "with reference to the prior year, the related expenditures will also be removed. The regulation is not clear if the awards made in the previous year must also be disclosed? Attach please find a specimen of the disclosure note that was received per email circular from National Treasury on 4 July 2023, which indicate that only the current financial year should be used?". When management makes adjustments to the note, they need to ensure that the disclosure in the note complies with Regulation 45.

Regarding the comments made by management, they indicate the following: "the auditor is requested to establish from the custodian of the SCM Regulation, National Treasury, if the prior year should also be disclosed. In any event, management attached the disclosure for both financial years and will await the outcome whether to also disclose the prior year or not". Management is encouraged to contact National Treasury who provides technical and advisory support to municipalities, to obtain the required clarity on whether the prior year should also be disclosed.

The corrective action proposed by management will not be acceptable as users may find the term 'Rate based' unclear. If the narrations are not included, the misstatement will be included in the schedule of uncorrected misstatements.

The finding will be reported in the management report as a result of the internal control deficiency identified.

| COMAF NR | FINAL AUDIT CONCLUSIONS |
|----------|--|
| 7 | <p>The management has acknowledged and concurs with the findings. Management should consider the following:</p> <p>According to Clause 12.5.1 of the asset management policy (regarding the writing-off of assets), the following steps should be outlined: <i>“the process to permanently remove the assets from the asset register. Asset may be written-off after submission of and approval by the Municipal Manager or Council depending on the amount. The report must indicate:</i></p> <ul style="list-style-type: none"> • <i>The useful life of the asset has expired</i> • <i>The asset has been destroyed;</i> • <i>The asset is outdated;</i> • <i>The asset has no further useful life;</i> • <i>The asset does not exist anymore;</i> • <i>The asset has been sold;</i> • <i>Acceptable have been furnished leading to the circumstances set above”</i> <p>According to clause 12.5.3 of the asset management policy state that <i>“every Head of Department shall report to the Asset Manager of each financial year on any assets which such Head of Department wishes to have written off, stating the full reason for such recommendation. The CFO shall consolidate all such reports, and shall promptly submit a recommendation to the Disposal Committee who will make a recommendation for writing of and the method of disposal”</i></p> <p>According to GRAP 21 paragraph 20 state that <i>“an entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable service amount of the asset.”</i></p> <p>For assets not located within the municipality, they are categorized under 'the asset does not exist anymore,' as outlined in the asset management policy. However, there is a lack of evidence of approval (written-off) when no future economic benefits or service potential are expected from their use or disposal. The municipality should investigate the root cause of the missing/lost assets before commencing with the derecognition of assets in their asset register. Since this process was not followed as outlined in the policy, it may encourage employees to misappropriate assets as the investigations and consequences are not instituted. The noted internal control issues will be reported in the management report.</p> <p>For assets still within the municipality, management proposes to adjust the financial statements. However, as of the reporting date, these assets were not in use, and there was evidence of obsolescence or physical damage. Therefore, these assets need to be assessed for impairment. Unfortunately, there is no evidence that the impairment assessment was conducted.</p> |

| COMAF NR | FINAL AUDIT CONCLUSIONS |
|----------|--|
| | <p>Moreover, the misstatement was projected, and as a result, management should have provided details of the process followed to correct the population. This includes the controls implemented and an updated register reflecting the corrected population for disposal. Regrettably, this information was not provided.</p> <p>In conclusion, the proposed correction by management is not accepted due to the absence of the information mentioned above. The finding will be reported in the management report, and the misstatement will be included in the summary of uncorrected misstatements.</p> |
| 8 | <p>Management's comments have been noted, the finding remains and is reported in the management report. The payment for the supply was made 30 days after receiving the invoice, which constitutes non-compliance.</p> <p>The corrective action proposed by management will be followed up during the 2023/24 financial period.</p> |
| 9 | <p>Management's comments regarding the proposed correction of the effective date on the investment have been acknowledged. The finding remains as a result of the identified non-compliance and is reported in the management report.</p> |
| 10 | <p>Management agrees with the audit finding. We will perform the necessary procedures upon receiving the adjusted financial statements to confirm that the proposed adjustments have been made.</p> <p>The finding will be remains in the management report as a result of the internal control deficiency identified.</p> |
| 11 | <p>Management's acknowledgement of the finding noted. Due to the non-compliance identified the finding will be reported in the management report.</p> <p>The corrective action proposed by management will be followed up during the 2023/24 audit cycle.</p> |
| 12 | <p>Management agrees with the audit finding. We will perform the necessary procedures upon receiving the adjusted financial statements to confirm that the proposed adjustments have been made.</p> <p>The finding remains in the management report as a result of the internal control deficiency identified.</p> |

| FINAL AUDIT CONCLUSIONS | |
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| COMAF NR 13 | <p>Management comments have been noted; however, the PPR 2022 does not make provision for the preference point system being applicable to transactions above the R30k threshold. The preference point system applies to all procurement and does not specify thresholds but rather a Rand value. Therefore, the SCM policy of the Overberg District Municipality cannot contradict legislation. If the municipality is applying the preference system above the R30k threshold as per their SCM policy, that procurement is in contradiction to the PPR 2022 and results in irregular expenditure.</p> <p>The finding remains due to the identified non-compliance and will be reported in the management report. Refer to COMAF 24 for further auditor's conclusion on this matter.</p> |
| 14 | <p>Paragraph 14 of the Standard of Generally Recognised Accounting Practice – Property, Plant and Equipment (GRAP 17) states that:</p> <p><i>“Under the recognition principle in paragraph .07, an entity does not recognise in the carrying amount of an item of property, plant and equipment the costs of the day-to-day servicing of the item. Rather, these costs are recognised in surplus or deficit as incurred. Costs of day-to-day servicing are primarily the costs of labour and consumables, and may include the cost of small parts. The purpose of these expenditures is often described as for the ‘repairs and maintenance’ of the item of property, plant and equipment.”</i></p> <p>In terms of paragraph 88 of GRAP 17:</p> <p><i>“An entity shall separately disclose expenditure incurred to repair and maintain property, plant and equipment in the notes to the financial statements.”</i></p> <p>Paragraph 89 of GRAP 17 states:</p> <p><i>“As entities may apply different bases for determining expenditure on repairs and maintenance, an entity shall disclose information about the specific costs included in the amount of repairs and maintenance disclosed in the notes. In determining the amount disclosed in the notes to the financial statements on expenditure incurred to repair and maintain property, plant and equipment, an entity may include amounts paid to service providers, as well as amounts spent on materials and time spent by employees in repairing and maintaining the asset(s).”</i></p> <p>Based on the afore-mentioned GRAP requirements, in order for expenditure incurred to be appropriately classified and qualify for the repairs and maintenance disclosure, paragraph 14 of GRAP 17 has to be met. This requires that the costs incurred should be</p> |

| COMAF NR | <h2 style="text-align: center;">FINAL AUDIT CONCLUSIONS</h2> |
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| | <p>costs of “day to day servicing” of an underlying asset, where the primary costs relate to labour costs, consumables and may include the costs of small parts.</p> <p>The municipality should ensure that all the costs disclosed as repairs and maintenance of PPE meets these requirements.</p> <p>The municipality should also ensure that information about the specific costs included in the repairs and maintenance of PPE disclosure is disclosed in accordance with paragraph 89 of GRAP 17. This will be beneficial to the users of the financial statements and provide a basis for comparative assessments</p> <p>The municipality must ensure that the invoice from the service provider provides a detailed breakdown of the services for which the municipality is making payments. This breakdown should align with the specifications/contract outlining the scope of work for which the municipality is remitting payment.</p> <p>In the invoices, the classification of costs should clearly outline the nature of the expense, distinguishing between operational costs and those associated with repairs and maintenance of PPE.</p> <p>Management is urged to update the accounting policy and ensure that it is consistently applied for the repairs and maintenance of PPE disclosure. Management’s decisions taken in determining the costs incurred that are to be included in the repairs and maintenance disclosure note will need to be specified for the benefit of the users and to provide a basis for comparative assessments.</p> <p>We will afford management an opportunity to update their internal processes to appropriately account for the disclosure of repairs and maintenance of PPE. The disclosure will be assessed during the audit performed for the 2023-24 financial year.</p> <p>Any material misstatements identified in this area which is not corrected by management, will result in a modification of the audit opinion in that year.</p> |
| 15 | <p>Management’s acknowledgement of the misstatement identified noted.</p> <p>The auditors inspected, the journal entry for <i>Order 162099</i> processed and confirmed that the reclassification was performed and is found to be acceptable. The revised projected misstatement amount is R120 314, 80.</p> |

| COMAF NR | <h2 style="text-align: center;">FINAL AUDIT CONCLUSIONS</h2> |
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| | <p>As the misstatement was projected, management should have provided details of the process followed to correct the population including the controls put in place. Regrettably, this information was not provided. The proposed correction by management is therefore not accepted due to the absence of the information as mentioned.</p> <p>The finding will be reported in the management report, and the misstatement will be included in the summary of uncorrected misstatements.</p> <p>The corrective action proposed by management will be followed up during the 2023/24 audit cycle.</p> |
| 16 | <p>Based on the management comments and the requirement of GRAP 1, paragraph 36, and GRAP 17, paragraph 09, it is determined that each material class of similar items should be presented separately in the financial statements. However, items of a dissimilar nature or function can be presented separately unless they are immaterial.</p> <p>Considering the specific case of the fencing and kiosks container, which are of a dissimilar nature compared to the building, management needs to evaluate the significance of these items in the future to ensure that is in line with the requirement of GRAP.</p> <p>GRAP 17, paragraph 09 emphasizes that judgment is required in determining the unit of measure for recognition, and it may be appropriate to aggregate individually insignificant items.</p> <p>Upon assessing the amount associated with the fencing and kiosks container, it is concluded that these items, while dissimilar to the building, are immaterial. Therefore, to aggregate them with the building in the financial statements will be acceptable. The finding is now resolved.</p> |
| 17 | <p>The management response has been acknowledged. We have evaluated the information provided to support the modifications related to the employment conditions that affected leave calculations. After this assessment, a remaining projected misstatement of R72 332, 64 has been identified.</p> <p>Due to the persisting misstatement in the leave provision and the internal control deficiency highlighted above, this finding will be included in the management report. The remedial actions proposed by management will be monitored and followed up during the upcoming audit cycle.</p> |

| FINAL AUDIT CONCLUSIONS | |
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| COMAF NR 18 | Management responses for the remedial action is noted. The corrective actions will be followed-up during the next audit cycle. |
| 19 | Management comments are noted. Management would need to request the Service Organization Controls (SOC 2) or reports of a similar nature from the service provider. Furthermore, the report should be assessed and reviewed to establish whether there are any deficiencies noted. If any deficiencies are noted, Management should follow up with the service provider and evidence thereof should be maintained. The corrective actions will be followed-up during the next audit cycle. |
| 20 | <p><u>MATTER 1</u> Management responses are noted. Additional information was provided relating to the costing of the SAMRAS system for the payroll module that was previously used and replaced with the current Payday System which would form part of the business case. However, we could still not obtain evidence of the project documentation related to functional requirements specifications, system testing documentation for Payday during system implementation including evidence of the requirements analysis, change management and benefits realisation processes being followed during the development of the business case.</p> <p>Management needs to ensure that these processes and documentation are in place for development of a business case for future system implementations. The remedial actions for the IT Strategic Plan will be reviewed in the next audit cycle.</p> <p><u>MATTER 2</u> Management responses for the remedial action is noted. Management should ensure that user access reviews are performed as required by the policy. A list of user access rights would need to be generated from the system by the administrator and sent to the line managers for the review.</p> <p>The administrator activities on Payday would need to be monitored (creation, modification and deactivation of user accounts and password resets), including the responsible person who conducts the review and for which specific period. The review would need to be performed by an individual independent of the administrator function.</p> <p>The corrective actions agreed upon by management will be followed-up during the next audit cycle.</p> |
| 21 | <u>MATTER 1</u> Management comments are noted. The corrective actions will be followed-up during the next audit cycle. |

| COMAF NR | <h2 style="text-align: center;">FINAL AUDIT CONCLUSIONS</h2> |
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| 22 | <p>MATTER 2 Management responses for the remedial action are noted. Management should ensure that primary and secondary backups are being monitored and performed. Furthermore, data restoration tests should be performed on Active Directory, Samras and Payday. The corrective actions agreed upon by management will be followed-up during the next audit cycle.</p> <p>Based on the assessment of the contracts with the contractors (third parties), it was concluded that it does not bind the third parties and the department and as a result, the district municipality is trading with third parties on its own account.</p> <p>It is therefore our view that an agent-principal relationship does not exist for VAT purposes, as the district municipality is not acting on behalf of the department. Section 54 of the VAT Act is therefore not applicable. Our view did not change from the prior year.</p> <p>It was also considered whether the revenue would meet the definition of a grant as per the VAT Act and the following view was determined:</p> <p>Section 1(1) of the VAT Act defines a grant as follows: “grant’ means any appropriation, grant in aid, subsidy or contribution transferred, granted or paid to a vendor by a public authority, municipality or constitutional institution listed in Schedule 1 to the Public Finance Management Act, 1999 (Act No. 1 of 1999), but does not include—</p> <p>(a) a payment made for the supply of any goods or services to that public authority or municipality, including all goods or services supplied to a public authority, municipality or constitutional institution listed in Schedule 1 to the Public Finance Management Act, 1999 (Act No. 1 of 1999) in accordance with a procurement process prescribed—</p> <p>(i) in terms of the Regulations issued under section 76 (4) (c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999); or</p> <p>(ii) in terms of Chapter 11 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), or any other similar process; or</p> <p>(b) a payment contemplated in section 8 (23).”</p> <p>Further clarity and explanation is provided in paragraph 4.5.1 of the VAT 419 Guide for Municipalities, which states:</p> |

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| COMAF NR | <p style="text-align: center;">FINAL AUDIT CONCLUSIONS</p> <p><i>“A ‘grant’ as defined in section 1(1) is a gratuitous or ‘unrequited’ payment by the grantor. Where the recipient is required to perform minor actions concerning the grant, such as providing the grantor with a report on how the grant funds were spent, those actions are not regarded as an actual taxable supply of ‘services’ by the grantee to the grantor.”</i></p> <p>This is confirmed in Interpretation Note 39 (Issue 3) dated 29 March 2017 with subject: VAT TREATMENT OF PUBLIC AUTHORITIES AND GRANTS which states that:</p> <p>“Similarly, to qualify as a ‘grant’ (as defined), it is a requirement that there is no reciprocal (actual) supply of goods or services by the vendor in return for the payment. In other words, there is no supply made by the vendor because of the unrequited nature of a grant.”</p> <p>As per the agreement, the payment from the department is received to construct, maintain, repair, protect and manage the proclaimed provisional roads. As the district municipality is required to perform major actions i.e. repairs and construction before the payment is received from the department, the consideration received does not meet the definition of a grant as defined in the VAT Act, as the payment is not gratuitous or unrequited. The supply of these services are therefore not a deemed supply under section 8(5A) of the VAT Act and the zero-rating under section 11(2)(t) of the VAT Act is not permissible.</p> <p>The payment by the department to the municipality is therefore consideration for the supply of services as defined in section 1 of the VAT Act. The municipality must therefore levy VAT at the standard rate of 15% in terms of section 7(1)(a) of the VAT Act on the consideration received.</p> <p>Based on the above, the municipality has a present obligation in terms of the VAT Act in respect of the output VAT. A liability should therefore be recognised for the output VAT due to the South African Revenue Service (SARS).</p> <p>The inclusion of a contingent liability in the annual financial statements is not appropriate, as it is probable that there will be an outflow of resources and the amount of the liability can be measured with sufficient reliability.</p> <p>As the district municipality is making taxable supplies through the service it provides to the department, it will be allowed to claim input tax on the expenditure incurred to provide the service, where permissible. The input tax may only be claimed if the district municipality has documentary proof that substantiates its’ entitlement to the input tax (i.e. valid tax invoices) and if the other requirements for the claiming of input tax as per the VAT Act is adhered to.</p> |
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| COMAF NR | <h2 style="text-align: center;">FINAL AUDIT CONCLUSIONS</h2> |
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| | <p>As the municipality is providing goods and services to the department, in exchange for the funds received, of an approximately equal value, the transaction should be accounted for as an exchange transaction in terms of the Standard of Generally Recognised Accounting Practice - Revenue from Exchange Transactions (GRAP 9) or Construction Contracts (GRAP 11), depending on the nature of the specific services performed and the related allocations received.</p> <p>The municipality must obtain a binding VAT ruling from SARS, to eliminate any uncertainty that the municipality may have with regards to the VAT treatment of the road's transaction. The municipality must engage with the Provincial Treasury and the National Treasury, who have committed to assist in ensuring that this matter is consistently dealt with. This will be done through engagement with all role players, including a tax expert. These engagements should ensure that there is no conflicting treatment and that the prior and future treatment of the VAT on these transactions is consistent.</p> <p>The municipality must provide a written commitment by 31 May 2024 on the process that the municipality will undertake to ensure that this matter is resolved.</p> <p>The municipality must also consider the VAT treatment of other funds received from the provincial and national government and ensure that the requirements of the VAT Act and GRAP are adhered to for these funds.</p> <p>To ensure that a reasonable opportunity is afforded to make the necessary changes to the municipality's internal controls, processes, policies et cetera, we will afford management an opportunity to update their internal processes to appropriately account for VAT on the roads function and other funds received from the provincial government.</p> <p>The recognition and measurement of the VAT on these functions will therefore be assessed during the audit performed for the 2023-24 financial year. Any material misstatements identified in this area which is not corrected by management, will result in a modification of the audit opinion in that year.</p> |
| 23 | <p>Matter 1 Management's comments have been noted. The limitation of scope has been resolved for items 1, 3, and 4. However, for item 5, the limitation of scope persists, as the submitted information is insufficient to confirm that the goods were received before year-end.</p> <p>Regarding item 3, it has been clarified that the goods were received after June 30, 2023. Consequently, this does not align with the definition of payables, resulting in a misstatement in payables.</p> |

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| COMAF NR | <p data-bbox="225 1151 277 1868">FINAL AUDIT CONCLUSIONS</p> <p data-bbox="296 367 360 1868">The remaining projected misstatement totals R672 068, 92 and is assessed as not material. This misstatement will be transferred to the uncorrected misstatements schedule.</p> <p data-bbox="400 1756 427 1868">Matter 2</p> <p data-bbox="432 797 459 1868">Management's comments have been acknowledged, and the conclusion is as follows:</p> <p data-bbox="493 327 620 1868">Concerning senior managers appointed under sections 56/57, we reviewed Government Gazette No. 37245, Section 39, which stipulates that "a senior manager must have a motor vehicle available for the proper performance of his or her duties: Provided that he must secure his or her own financing for the vehicle." Since the municipality has indicated that the aforementioned gazette is applicable to senior managers, the limitation of scope is now resolved.</p> <p data-bbox="655 327 751 1868">Regarding the statement indicating, "in respect of other employees that was allowed onto the essential transport allowance scheme, a contract is entered into these employees. Copies of the said agreements was provided per RFI 81 and 87 on the CONFIDENTAL Payroll RFI folder on the share drive."</p> <p data-bbox="786 266 882 1868">Furthermore, during the engagement with management, it was explained that the Perk Scheme, granting the allowance, officially ceased in 2015 when the municipality transitioned from the Van der Merwe system to the TASK system in 2016. The allowance amount was then fixed to the amount they received before termination.</p> <p data-bbox="917 416 944 1868">For the essential scheme, an extract of the council meeting held on 23 November 2015 was provided to the auditors.</p> <p data-bbox="979 1032 1007 1868">Overall conclusion on the essential scheme and perk scheme:</p> <p data-bbox="1042 311 1169 1868">Perk scheme - the municipality needs to acknowledge that employee contracts are subject to certain conditions governed by legislation. However, there is no evidence supporting the applicability of these conditions to the specified employees. The auditors are unable to determine which employees are entitled to these allowances, and this limitation arises due to the absence of a policy governing this scheme within the municipality.</p> <p data-bbox="1204 266 1300 1868">Essential scheme - the council resolution is outdated, and there is no evidence that the resolution passed in 2015 is still applicable for the 2022-23 financial year. The list of employees on the council resolution is also outdated. This signifies that there is no policy reviewed annually by the municipality to confirm if employees are entitled to the motor vehicle allowance.</p> |
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| COMAF NR | <h2 style="text-align: center;">FINAL AUDIT CONCLUSIONS</h2> |
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| | <p>Based on the above, the limitation of scope for the motor vehicle allowance policy (perk scheme and essential scheme) remains.</p> <p>The finding will be reported in the management report due to the misstatement and the internal control deficiencies identified.</p> |
| 24 | <p>Matter 1</p> <p>On 02 November 2020, the Supreme Court of Appeal (SCA) declared the PPR 2017 invalid, however, the invalidity was suspended for 12 months to afford the Minister of Finance the opportunity to make necessary adjustments on the PPR 2017. Instead of making necessary adjustments the Minister of Finance appealed the decision of the SCA at the Constitutional Court (CC). The appeal suspended the order of the SCA. On 16 February 2022, the CC handed down the judgement which dismissed the Minister's appeal application with costs. However, no specific order was made with regards to 12 months suspension of the declaration of invalidity. This prompted the Minister to institute, on an urgent basis, an application to the CC for a variation of the 16 February 2022 Judgment, for purposes of clarifying the legal position regarding the computation of the 12-month period of the suspension of the declaration of invalidity by the SCA.</p> <p>On 30 May 2022, the CC issued a judgment wherein it dismissed the Minister's application for variation of the 16 February 2022 judgment. In this judgment, the CC clarified the legal position in relation to the effect of the Minister's appeal against the SCA judgment, and found that the countdown of the 12-month period of suspension had been interrupted by the Minister's lodgement of the leave to appeal application, with the effect that the countdown of the period was suspended on its 21st day until the day the CC handed down its judgment on the appeal, i.e. 16 February 2022. The effect of this is that the declaration of invalidity of the PPR 2017 remained suspended until 26 January 2023, unless new regulations are promulgated before that date.</p> <p>On 04 November 2022, the Minister of Finance promulgated the PPR 2022 with effect from 16 January 2023. With specific reference, regulation 4(1) has now removed the minimum threshold of R30 000 which was found in the corresponding regulations in both PPR 2017 and 2011. As a result of this removal, the preference points systems, in this case 80/20, must be applied and calculated in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of applicable taxes. While the PPR 2022 does not define an invitation, we apply the simple grammatical meaning as contained in the Oxford dictionary which defines an invitation as "a spoken or written request to someone to do something or to go somewhere." Therefore, our view is that regulation 4(1) is applicable to all written offers in the form as determined by an organ of state in response to an invitation to provide goods and services through price quotations, competitive tendering process or any other method envisaged by legislation.</p> |

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FINAL AUDIT CONCLUSIONS

We acknowledge that there are differences in legal interpretations and practical challenges which was noted in a letter from Provincial Treasury to the National Treasury. Despite this, we are still of the position that **this will result in non-compliance** and any expenditure incurred as a result must be considered as irregular expenditure. We have resolved **that for the current 2022-23 MFMA audit cycle, we will not elevate this non-compliance to audit report but limit our reporting to the management report.** To enable due process to follow and resolution between Provincial Treasury and National Treasury, we will only consider any non-compliance identified in relation to this regulation for materiality evaluation for any applicable award made **on and after 1 March 2024, i.e.,** we will report the material non-compliance identified in the audit report for the 2023-24 MFMA cycle.

We have taken note of the adjustment proposed by management to disclose irregular expenditure and confirm that the adjustment was made in the financial statement.

Matter 2

In response to the comments made by management, it was noted that available supporting documentation, as per PPR 2022 3(1) and SCM Regulation 18(1)(d), was attached to the provided documentation. Instances where necessary documentation was not available were explicitly indicated on the RFI document as "not available" (NA). Despite this, **no additional information was submitted by the management.** Consequently, **the limitation of scope will be reported in the management report.**

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 2023 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 August and December 2023:**

| | |
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| RURAL ROADS MANAGEMENT GRANT | R 101 630 |
| WHOLE OF SOCIETY APPROACH (WOSA) (PT) | R 216 755. |
| WESTERN CAPE FINANCIAL CAPACITY GRANT | R 112 012. |
| MUNICIPAL INTERVENTION GRANT | R 175 563 |
| JOINT DISTRICT & METRO APPROACH GRANT | R 1 000 000 |
| EMERGENCY MUNICIPAL LOADSHEDDING RELIEF GRANT | R 843 626 |
| TOTAL | R 2 449 586 |

- (b) Additional funding awarded for the 2023/2024 financial year includes.

| | |
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| WESTERN CAPE FINANCIAL CAPACITY BUILDING GRANT – FINANCIAL SYSTEMS | R 500 000 |
| WHOLE OF SOCIETY APPROACH (WOSA) (PT) | R 1 560 000 |
| FIRE CAPACITY PROJECT | R 500 000 |
| TOTAL | R 2 560 000 |

All these funds were already incorporated in the August and December 2023 Adjustment Budgets

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

- Review the projected versus actual revenue for the prior period; and anticipated expected revenue for the remainder 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 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 versus the procurement plan.
- 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 in February 2024.

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

1.7 Future Financial Sustainability

The Financial Management section under the CFO conducted sessions with the Mayoral Committee, Budget Steering Committee, and all Directors/Managers in the municipality on a frequent basis.

Focus areas during these sessions included major and minor opportunities in the following areas:

- BUDGET MANAGEMENT
- GRANTS (Additional)
- OWN REVENUE STREAMS (Review current, potential and expansion of services)
- EXPENDITURE cuts, synergies, and collaboration with local b-municipalities

The municipality is in the process to revise the long-term financial sustainability plan within the last six months of the financial year, to assist in the SWOT analysis going forward.

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 2023/2024 financial year;
- b) That the assessment report be submitted to Council on 29 January 2024 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;

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 |
|-------------------------------|---------------------|-----------------------|-------------------|
| Budget | R 13 892 054.00 | R276 810 561 | R274 921 521 |
| Budget to date (BTD) | R 3 170 502.00 | R138 405 378 | R136 739 628 |
| Year to date (YTD) | R 7 049 111.99 | R124 644 108 | R134 629 355 |
| Variance to SDBIP | R 3 878 609.99 | -R 13 761 270.38 | -R 2 110 273.39 |
| YTD% Variance to SDBIP | 122% | -10% | -2% |
| % of Annual Budget | 51% | 45% | 49% |

As per the above performance budget table revenue and expenditure are below anticipated for the period to date. The lower revenue results are due to the final roads agency invoice not yet paid for the period to date. Capital expenditure is above anticipated with a 51% spend to date. The percentage spending against the annual budget will increase to more than **59%** if the committed cost of **R1 256 086.72** 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 - M06 December

| Description | 2022/23 | Budget Year 2023/24 | | | | | | | |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Financial Performance | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - |
| Service charges | - | 15 800 | 15 800 | 1 483 | 8 377 | 7 900 | 477 | 6% | 15 800 |
| Investment revenue | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - Operational | - | 4 000 | 4 000 | 664 | 3 721 | 2 000 | 1 721 | 86% | 4 000 |
| Other own revenue | - | 253 679 | 253 679 | 39 098 | 122 531 | 126 840 | (4 309) | -3% | - |
| Total Revenue (excluding capital transfers and contributions) | - | 273 479 | 273 479 | 41 244 | 134 629 | 136 740 | (2 110) | -2% | 273 479 |
| Employee costs | - | 138 697 | 138 697 | 11 162 | 73 261 | 69 349 | 3 913 | | 138 697 |
| Remuneration of Councillors | - | 6 340 | 6 340 | 514 | 3 505 | 3 170 | 335 | | 6 340 |
| Depreciation and amortisation | - | 3 654 | 3 654 | 304 | 1 827 | 1 827 | (0) | | 3 654 |
| Interest | - | 2 753 | 2 753 | 741 | 1 039 | 1 377 | (337) | | 2 753 |
| Inventory consumed and bulk purchases | - | 62 521 | 62 521 | 4 065 | 21 482 | 31 261 | (9 779) | | 62 521 |
| Transfers and subsidies | - | - | - | - | - | - | - | | - |
| Other expenditure | - | 62 846 | 62 846 | 4 237 | 23 530 | 31 423 | (7 893) | -25% | 62 846 |
| Total Expenditure | - | 276 811 | 276 811 | 21 025 | 124 644 | 138 405 | (13 761) | -10% | 276 811 |
| Surplus/(Deficit) | - | (3 331) | (3 331) | 20 219 | 9 985 | (1 666) | 11 651 | -699% | (3 331) |
| Transfers and subsidies - capital (monetary) | - | 500 | 1 442 | - | - | 250 | (250) | -100% | - |
| Transfers and subsidies - capital (in-kind) | - | - | - | - | - | - | - | | - |
| Surplus/(Deficit) after capital transfers & contributions | - | (2 831) | (1 889) | 20 219 | 9 985 | (1 416) | 11 401 | -805% | (3 331) |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | | - |
| Surplus/ (Deficit) for the year | - | (2 831) | (1 889) | 20 219 | 9 985 | (1 416) | 11 401 | -805% | (3 331) |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | - | 6 355 | 13 892 | 749 | 7 049 | 3 171 | 3 879 | 122% | 13 892 |
| Capital transfers recognised | - | 500 | 1 442 | - | 791 | 250 | 541 | 217% | 1 442 |
| Borrowing | - | - | 4 536 | 494 | 2 676 | - | 2 676 | #DN/0! | 4 536 |
| Internally generated funds | - | 5 855 | 7 914 | 255 | 3 582 | 2 921 | 661 | 23% | 7 914 |
| Total sources of capital funds | - | 6 355 | 13 892 | 749 | 7 049 | 3 171 | 3 879 | 122% | 13 892 |
| Financial position | | | | | | | | | |
| Total current assets | - | 50 777 | 44 183 | | 99 222 | | | | 50 777 |
| Total non current assets | - | 123 605 | 131 142 | | 112 908 | | | | 123 605 |
| Total current liabilities | - | 26 214 | 26 214 | | 36 885 | | | | 26 214 |
| Total non current liabilities | - | 67 687 | 67 687 | | 65 131 | | | | 67 687 |
| Community wealth/Equity | - | 80 481 | 81 424 | | 110 114 | | | | 80 481 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | - | 1 826 | 1 826 | 13 005 | 10 047 | 10 954 | 907 | 8% | 1 826 |
| Net cash from (used) investing | - | (4 355) | (11 892) | (749) | (7 049) | (2 178) | 4 872 | -224% | (11 892) |
| Net cash from (used) financing | - | (5 365) | (5 365) | (1 656) | (1 656) | (2 682) | (1 026) | 38% | (5 365) |
| Cash/cash equivalents at the month/year end | - | 35 691 | 29 097 | - | 86 137 | 50 622 | (35 515) | -70% | 69 364 |
| Debtors & creditors analysis | 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 |
| Debtors Age Analysis | | | | | | | | | |
| Total By Income Source | 3 199 | 2 312 | 105 | 36 | 32 | 29 | 1 482 | 841 | 8 037 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 641 | - | - | - | - | - | - | 1 | 642 |

4.2 Monthly Budget Statement – Financial Performance (Standard classification)

DC3 Overberg - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | - | 110 541 | 111 483 | 30 209 | 75 089 | 55 270 | 19 819 | 36% | 111 483 |
| Executive and council | | - | 15 270 | 15 270 | 1 050 | 6 512 | 7 635 | (1 123) | -15% | 15 270 |
| Finance and administration | | - | 95 271 | 96 213 | 29 159 | 68 577 | 47 636 | 20 942 | 44% | 96 213 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | - | 26 639 | 26 639 | 1 836 | 14 210 | 13 320 | 890 | 7% | 26 639 |
| Community and social services | | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | 20 130 | 20 130 | 1 760 | 11 117 | 10 065 | 1 052 | 10% | 20 130 |
| Public safety | | - | 5 308 | 5 308 | 14 | 2 664 | 2 654 | 10 | 0% | 5 308 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | 1 202 | 1 202 | 61 | 429 | 601 | (172) | -29% | 1 202 |
| <i>Economic and environmental services</i> | | - | 122 499 | 122 499 | 7 874 | 37 762 | 61 250 | (23 487) | -38% | 122 499 |
| Planning and development | | - | - | - | - | - | - | - | - | - |
| Road transport | | - | 122 375 | 122 375 | 7 874 | 37 762 | 61 188 | (23 425) | -38% | 122 375 |
| Environmental protection | | - | 124 | 124 | - | - | 62 | (62) | -100% | 124 |
| <i>Trading services</i> | | - | 14 300 | 14 300 | 1 325 | 7 568 | 7 150 | 418 | 6% | 14 300 |
| Energy sources | | - | - | - | - | - | - | - | - | - |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | - | 14 300 | 14 300 | 1 325 | 7 568 | 7 150 | 418 | 6% | 14 300 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | - | 273 979 | 274 922 | 41 244 | 134 629 | 136 990 | (2 360) | -2% | 274 922 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | - | 63 896 | 63 896 | 3 806 | 28 799 | 31 948 | (3 149) | -10% | 63 896 |
| Executive and council | | - | 10 751 | 10 751 | 778 | 5 295 | 5 376 | (81) | -2% | 10 751 |
| Finance and administration | | - | 51 161 | 51 161 | 2 876 | 22 494 | 25 580 | (3 086) | -12% | 51 161 |
| Internal audit | | - | 1 984 | 1 984 | 153 | 1 010 | 992 | 18 | 2% | 1 984 |
| <i>Community and public safety</i> | | - | 75 550 | 75 550 | 5 644 | 34 999 | 37 775 | (2 776) | -7% | 75 550 |
| Community and social services | | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | 17 120 | 17 120 | 1 107 | 6 987 | 8 560 | (1 573) | -18% | 17 120 |
| Public safety | | - | 39 671 | 39 671 | 3 230 | 19 146 | 19 835 | (689) | -3% | 39 671 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | 18 759 | 18 759 | 1 307 | 8 866 | 9 380 | (514) | -5% | 18 759 |
| <i>Economic and environmental services</i> | | - | 127 398 | 127 398 | 10 104 | 57 182 | 63 699 | (6 517) | -10% | 127 398 |
| Planning and development | | - | 1 621 | 1 621 | 128 | 804 | 810 | (6) | -1% | 1 621 |
| Road transport | | - | 122 375 | 122 375 | 9 685 | 54 758 | 61 188 | (6 430) | -11% | 122 375 |
| Environmental protection | | - | 3 402 | 3 402 | 292 | 1 620 | 1 701 | (81) | -5% | 3 402 |
| <i>Trading services</i> | | - | 9 967 | 9 967 | 1 471 | 3 665 | 4 983 | (1 319) | -26% | 9 967 |
| Energy sources | | - | - | - | - | - | - | - | - | - |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | - | 9 967 | 9 967 | 1 471 | 3 665 | 4 983 | (1 319) | -26% | 9 967 |
| <i>Other</i> | | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | - | 276 811 | 276 811 | 21 025 | 124 644 | 138 405 | (13 761) | -10% | 276 811 |
| Surplus/ (Deficit) for the year | | - | (2 831) | (1 889) | 20 219 | 9 985 | (1 416) | 11 401 | -805% | (1 889) |

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) - M06 December

| Vote Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - Municipal Manager | | - | 15 270 | 15 270 | 1 050 | 6 512 | 7 635 | (1 123) | -14.7% | 15 270 |
| Vote 2 - Management Services | | - | - | - | - | - | - | - | - | - |
| Vote 3 - Corporate Services | | - | 25 | 25 | 3 | 19 | 13 | 6 | 47.9% | 25 |
| Vote 4 - Finance | | - | 95 246 | 96 188 | 29 156 | 68 558 | 47 623 | 20 935 | 44.0% | 96 188 |
| Vote 5 - Community Services | | - | 163 438 | 163 438 | 11 035 | 59 540 | 81 719 | (22 179) | -27.1% | 163 438 |
| Total Revenue by Vote | 2 | - | 273 979 | 274 922 | 41 244 | 134 629 | 136 960 | (2 360) | -1.7% | 274 922 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - Municipal Manager | | - | 15 847 | 15 847 | 1 131 | 7 690 | 7 924 | (234) | -2.9% | 15 847 |
| Vote 2 - Management Services | | - | - | - | - | - | - | - | - | - |
| Vote 3 - Corporate Services | | - | 17 485 | 17 485 | 962 | 8 100 | 8 742 | (642) | -7.3% | 17 485 |
| Vote 4 - Finance | | - | 30 015 | 30 015 | 1 720 | 13 225 | 15 007 | (1 783) | -11.9% | 30 015 |
| Vote 5 - Community Services | | - | 213 464 | 213 464 | 17 213 | 95 629 | 106 732 | (11 103) | -10.4% | 213 464 |
| Total Expenditure by Vote | 2 | - | 276 811 | 276 811 | 21 025 | 124 644 | 138 405 | (13 761) | -9.9% | 276 811 |
| Surplus/ (Deficit) for the year | 2 | - | (2 831) | (1 889) | 20 219 | 9 985 | (1 416) | 11 401 | -805.3% | (1 889) |

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 Services, 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) - M06 December

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | Full Year Forecast | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|---------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | | |
| R thousands | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | | | 200 | 200 | 68 | 406 | 100 | 306 | 306% | 200 | |
| Service charges - Water | | | - | - | 8 | 15 | - | 15 | #DIV/0! | - | |
| Service charges - Waste Water Management | | | 1 300 | 1 300 | 82 | 389 | 650 | (261) | -40% | 1 300 | |
| Service charges - Waste management | | | 14 300 | 14 300 | 1 325 | 7 568 | 7 150 | 418 | 6% | 14 300 | |
| Sale of Goods and Rendering of Services | | | 9 223 | 9 223 | 304 | 2 726 | 4 612 | (1 886) | -41% | 9 223 | |
| Agency services | | | 12 770 | 12 770 | 1 050 | 6 362 | 6 385 | (23) | 0% | 12 770 | |
| Interest | | | - | - | - | - | - | - | - | - | |
| Interest earned from Receivables | | | 50 | 50 | 34 | 123 | 25 | 98 | 392% | 50 | |
| Interest from Current and Non Current Assets | | | 4 000 | 4 000 | 664 | 3 721 | 2 000 | 1 721 | 86% | 4 000 | |
| Dividends | | | - | - | - | - | - | - | - | - | |
| Rent on Land | | | - | - | - | - | - | - | - | - | |
| Rental from Fixed Assets | | | 13 825 | 13 825 | 1 141 | 7 819 | 6 912 | 907 | 13% | 13 825 | |
| Licence and permits | | | 1 000 | 1 000 | 48 | 348 | 500 | (152) | -30% | 1 000 | |
| Operational Revenue | | | 423 | 423 | 54 | 2 996 | 211 | 2 785 | 1318% | 423 | |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | | | - | - | - | - | - | - | - | - | |
| Surcharges and Taxes | | | - | - | - | - | - | - | - | - | |
| Fines, penalties and forfeits | | | - | - | - | - | - | - | - | - | |
| Licence and permits | | | - | - | - | - | - | - | - | - | |
| Transfers and subsidies - Operational | | | 214 389 | 214 389 | 36 467 | 102 157 | 107 194 | (5 038) | -5% | 214 389 | |
| Interest | | | - | - | - | - | - | - | - | - | |
| Fuel Levy | | | - | - | - | - | - | - | - | - | |
| Operational Revenue | | | - | - | - | - | - | - | - | - | |
| Gains on disposal of Assets | | | 2 000 | 2 000 | - | - | 1 000 | (1 000) | -100% | 2 000 | |
| Other Gains | | | - | - | - | - | - | - | - | - | |
| Discontinued Operations | | | - | - | - | - | - | - | - | - | |
| Total Revenue (excluding capital transfers and contributions) | | | - | 273 479 | 273 479 | 41 244 | 134 629 | 136 740 | (2 110) | -2% | 273 479 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | | | 138 697 | 138 697 | 11 162 | 73 261 | 69 349 | 3 913 | 6% | 138 697 | |
| Remuneration of councillors | | | 6 340 | 6 340 | 514 | 3 505 | 3 170 | 335 | 11% | 6 340 | |
| Bulk purchases - electricity | | | 200 | 200 | - | 175 | 100 | 75 | 75% | 200 | |
| Inventory consumed | | | 62 321 | 62 321 | 4 065 | 21 307 | 31 161 | (9 853) | -32% | 62 321 | |
| Debt impairment | | | 100 | 100 | - | - | 50 | (50) | -100% | 100 | |
| Depreciation and amortisation | | | 3 654 | 3 654 | 304 | 1 827 | 1 827 | (0) | 0% | 3 654 | |
| Interest | | | 2 753 | 2 753 | 741 | 1 039 | 1 377 | (337) | -24% | 2 753 | |
| Contracted services | | | 30 074 | 30 074 | 2 904 | 11 267 | 15 037 | (3 770) | -25% | 30 074 | |
| Transfers and subsidies | | | - | - | - | - | - | - | - | - | |
| Irrecoverable debts written off | | | - | - | - | - | - | - | - | - | |
| Operational costs | | | 32 672 | 32 672 | 1 333 | 12 263 | 16 336 | (4 073) | -25% | 32 672 | |
| Losses on Disposal of Assets | | | - | - | - | - | - | - | - | - | |
| Other Losses | | | - | - | - | - | - | - | - | - | |
| Total Expenditure | | | - | 276 811 | 276 811 | 21 025 | 124 644 | 138 405 | (13 761) | -10% | 276 811 |
| Surplus/(Deficit) | | | - | (3 331) | (3 331) | 20 219 | 9 985 | (1 666) | 11 651 | (0) | (3 331) |
| Transfers and subsidies - capital (monetary allocations) | | | | 500 | 1 442 | - | - | 250 | (250) | (0) | |
| Transfers and subsidies - capital (in-kind) | | | | - | - | - | - | - | - | - | |
| Surplus/(Deficit) after capital transfers & contributions | | | - | (2 831) | (1 889) | 20 219 | 9 985 | (1 416) | | | (3 331) |
| Income Tax | | | - | - | - | - | - | - | - | - | |
| Surplus/(Deficit) after income tax | | | - | (2 831) | (1 889) | 20 219 | 9 985 | (1 416) | | | (3 331) |
| Share of Surplus/Deficit attributable to Joint Venture | | | - | - | - | - | - | - | - | - | |
| Share of Surplus/Deficit attributable to Minorities | | | - | - | - | - | - | - | - | - | |
| Surplus/(Deficit) attributable to municipality | | | - | (2 831) | (1 889) | 20 219 | 9 985 | (1 416) | | | (3 331) |
| Share of Surplus/Deficit attributable to Associate | | | - | - | - | - | - | - | - | - | |
| Intercompany/Parent subsidiary transactions | | | - | - | - | - | - | - | - | - | |
| Surplus/ (Deficit) for the year | | | - | (2 831) | (1 889) | 20 219 | 9 985 | (1 416) | | | (3 331) |

Reasons for variances:

Revenue

- Year to date operating revenue amounts to 49% of the total budgeted for the financial year.

- Revenue to date recognised is less than anticipated however a significant Roads Agency invoice still needs to be settled.

Expenditure

- Expenditure to date amount to 45% with a variance of 5%. 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) - M06 December

| Vote Description | Ref | Budget Year 2023/24 | | | | | | | | |
|---|-----|-------------------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | 2022/23 Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 2 - Management Services | | - | - | - | - | - | - | - | - | - |
| Vote 3 - Corporate Services | | - | - | - | - | 335 | - | 335 | #DIV/0! | - |
| Vote 4 - Finance | | - | - | - | - | - | - | - | - | - |
| Vote 5 - Community Services | | - | - | - | 494 | 2 676 | - | 2 676 | #DIV/0! | - |
| Total Capital Multi-year expenditure | 4,7 | - | - | - | 494 | 3 011 | - | 3 011 | #DIV/0! | - |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - Municipal Manager | | - | 30 | 30 | - | 27 | 15 | 12 | 79% | 30 |
| Vote 2 - Management Services | | - | - | - | - | - | - | - | - | - |
| Vote 3 - Corporate Services | | - | 1 339 | 2 305 | 6 | 462 | 668 | (206) | -31% | 2 305 |
| Vote 4 - Finance | | - | 20 | 20 | - | 9 | 5 | 4 | 77% | 20 |
| Vote 5 - Community Services | | - | 4 966 | 11 537 | 249 | 3 541 | 2 483 | 1 058 | 43% | 11 537 |
| Total Capital single-year expenditure | 4 | - | 6 355 | 13 892 | 255 | 4 038 | 3 171 | 868 | 27% | 13 892 |
| Total Capital Expenditure | | - | 6 355 | 13 892 | 749 | 7 049 | 3 171 | 3 879 | 122% | 13 892 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | - | 1 359 | 2 325 | 6 | 806 | 673 | 133 | 20% | 2 325 |
| Executive and council | | - | - | - | - | - | - | - | - | - |
| Finance and administration | | - | 1 359 | 2 325 | 6 | 806 | 673 | 133 | 20% | 2 325 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | - | 4 960 | 6 995 | 249 | 3 536 | 2 480 | 1 056 | 43% | 6 995 |
| Community and social services | | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | 920 | 1 250 | 18 | 261 | 460 | (199) | -43% | 1 250 |
| Public safety | | - | 4 000 | 5 704 | 231 | 3 276 | 2 000 | 1 276 | 64% | 5 704 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | 40 | 40 | - | - | 20 | (20) | -100% | 40 |
| Economic and environmental services | | - | 36 | 4 572 | - | 31 | 18 | 13 | 74% | 4 572 |
| Planning and development | | - | 30 | 30 | - | 27 | 15 | 12 | 79% | 30 |
| Road transport | | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | 6 | 4 542 | - | 4 | 3 | 1 | 50% | 4 542 |
| Trading services | | - | - | - | 494 | 2 676 | - | 2 676 | #DIV/0! | - |
| Energy sources | | - | - | - | - | - | - | - | - | - |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | 494 | 2 676 | - | 2 676 | #DIV/0! | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | - | 6 355 | 13 892 | 749 | 7 049 | 3 171 | 3 879 | 122% | 13 892 |
| Funded by: | | | | | | | | | | |
| National Government | | - | - | - | - | - | - | - | - | - |
| Provincial Government | | - | 500 | 1 442 | - | 791 | 250 | 541 | 217% | 1 442 |
| District Municipality | | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) | | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | | - | 500 | 1 442 | - | 791 | 250 | 541 | 217% | 1 442 |
| Borrowing | 6 | - | - | 4 536 | 494 | 2 676 | - | 2 676 | #DIV/0! | 4 536 |
| Internally generated funds | | - | 5 855 | 7 914 | 255 | 3 582 | 2 921 | 661 | 23% | 7 914 |
| Total Capital Funding | | - | 6 355 | 13 892 | 749 | 7 049 | 3 171 | 3 879 | 122% | 13 892 |

4.6 Monthly Budget Statement – Financial Position

DC3 Overberg - Table C6 Monthly Budget Statement - Financial Position - M06 December

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|--------------------|----------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast | |
| R thousands | 1 | | | | | | |
| ASSETS | | | | | | | |
| Current assets | | | | | | | |
| Cash and cash equivalents | | | 35 691 | 29 097 | 86 137 | 35 691 | |
| Trade and other receivables from exchange transactions | | | 4 551 | 4 551 | 9 123 | 4 551 | |
| Receivables from non-exchange transactions | | | 534 | 534 | 548 | 534 | |
| Current portion of non-current receivables | | | 2 154 | 2 154 | 1 863 | 2 154 | |
| Inventory | | | 1 873 | 1 873 | 1 551 | 1 873 | |
| VAT | | | 5 975 | 5 975 | - | 5 975 | |
| Other current assets | | | - | - | - | - | |
| Total current assets | | | - | 50 777 | 44 183 | 99 222 | 50 777 |
| Non current assets | | | | | | | |
| Investments | | | - | - | - | - | |
| Investment property | | | 12 769 | 12 769 | 12 790 | 12 769 | |
| Property, plant and equipment | | | 86 033 | 93 570 | 79 816 | 86 033 | |
| Biological assets | | | - | - | - | - | |
| Living and non-living resources | | | - | - | - | - | |
| Heritage assets | | | - | - | - | - | |
| Intangible assets | | | 3 | 3 | 5 | 3 | |
| Trade and other receivables from exchange transactions | | | - | - | - | - | |
| Non-current receivables from non-exchange transactions | | | 24 800 | 24 800 | 20 297 | 24 800 | |
| Other non-current assets | | | - | - | - | - | |
| Total non current assets | | | - | 123 605 | 131 142 | 112 908 | 123 605 |
| TOTAL ASSETS | | | - | 174 382 | 175 324 | 212 130 | 174 382 |
| LIABILITIES | | | | | | | |
| Current liabilities | | | | | | | |
| Bank overdraft | | | - | - | - | - | |
| Financial liabilities | | | 4 706 | 4 706 | 5 365 | 4 706 | |
| Consumer deposits | | | 8 | 8 | 8 | 8 | |
| Trade and other payables from exchange transactions | | | 5 019 | 5 019 | (549) | 5 019 | |
| Trade and other payables from non-exchange transactions | | | 446 | 446 | 19 705 | 446 | |
| Provision | | | 16 035 | 16 035 | 12 038 | 16 035 | |
| VAT | | | - | - | 317 | - | |
| Other current liabilities | | | - | - | - | - | |
| Total current liabilities | | | - | 26 214 | 26 214 | 36 885 | 26 214 |
| Non current liabilities | | | | | | | |
| Financial liabilities | | | 6 519 | 6 519 | 9 568 | 6 519 | |
| Provision | | | 61 168 | 61 168 | 55 562 | 61 168 | |
| Long term portion of trade payables | | | - | - | - | - | |
| Other non-current liabilities | | | - | - | - | - | |
| Total non current liabilities | | | - | 67 687 | 67 687 | 65 131 | 67 687 |
| TOTAL LIABILITIES | | | - | 93 901 | 93 901 | 102 015 | 93 901 |
| NET ASSETS | 2 | | - | 80 481 | 81 424 | 110 114 | 80 481 |
| COMMUNITY WEALTH/EQUITY | | | | | | | |
| Accumulated surplus/(deficit) | | | 67 481 | 68 424 | 89 114 | 67 481 | |
| Reserves and funds | | | 13 000 | 13 000 | 21 000 | 13 000 | |
| Other | | | - | - | - | - | |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | | - | 80 481 | 81 424 | 110 114 | 80 481 |

4.7 Monthly Budget Statement – Cash Flow

DC3 Overberg - Table C7 Monthly Budget Statement - Cash Flow - M06 December

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|----------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast | |
| R thousands | 1 | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | | - | - | - | - | - | - | - | - | |
| Service charges | | | 15 800 | 15 800 | 1 474 | 8 356 | 7 900 | 456 | 6% | 15 800 | |
| Other revenue | | | 37 140 | 37 140 | 3 627 | 16 740 | 18 570 | (1 830) | -10% | 37 140 | |
| Transfers and Subsidies - Operational | | | 214 389 | 214 389 | 26 952 | 106 271 | 122 490 | (16 219) | -13% | 214 389 | |
| Transfers and Subsidies - Capital | | | 500 | 500 | - | 500 | 250 | 250 | 100% | 500 | |
| Interest | | | 4 050 | 4 050 | 664 | 3 721 | 2 025 | 1 696 | 84% | 4 050 | |
| Dividends | | | - | - | - | - | - | - | - | - | |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | | (268 219) | (268 219) | (18 970) | (124 502) | (139 364) | (14 862) | 11% | (268 219) | |
| Interest | | | (1 834) | (1 834) | (741) | (1 039) | (917) | 122 | -13% | (1 834) | |
| Transfers and Subsidies | | | - | - | - | - | - | - | - | - | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | | - | 1 826 | 1 826 | 13 005 | 10 047 | 10 954 | 907 | 8% | 1 826 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | | 2 000 | 2 000 | - | - | 1 000 | (1 000) | -100% | 2 000 | |
| Decrease (increase) in non-current receivables | | | - | - | - | - | - | - | - | - | |
| Decrease (increase) in non-current investments | | | - | - | - | - | - | - | - | - | |
| Payments | | | | | | | | | | | |
| Capital assets | | | (6 355) | (13 892) | (749) | (7 049) | (3 178) | 3 872 | -122% | (13 892) | |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | | - | (4 355) | (11 892) | (749) | (7 049) | (2 178) | 4 872 | -224% | (11 892) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | - | - | - | - | - | - | - | - | |
| Borrowing long term/refinancing | | | - | - | - | - | - | - | - | - | |
| Increase (decrease) in consumer deposits | | | - | - | - | - | - | - | - | - | |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | | (5 365) | (5 365) | (1 656) | (1 656) | (2 682) | (1 026) | 38% | (5 365) | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | | - | (5 365) | (5 365) | (1 656) | (1 656) | (2 682) | (1 026) | 38% | (5 365) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | | - | (7 894) | (15 431) | 10 600 | 1 342 | 6 094 | | | (15 431) |
| Cash/cash equivalents at beginning: | | | 43 585 | 44 528 | | 84 795 | 44 528 | | | | 84 795 |
| Cash/cash equivalents at month/year end: | | | - | 35 691 | 29 097 | | 86 137 | 50 622 | | | 69 364 |

Although the cash balance is very healthy, more attention should be focussed 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. VAT claims in investments contribute largely to this current situation. 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 - M06 December

| Description | NT Code | Budget Year 2023/24 | | | | | | | | | Total | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts 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 | | | | | |
| R thousands | | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 13 | 1 | 0 | - | 1 | - | 38 | 3 | 57 | 42 | | | |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 88 | 6 | 1 | 1 | 0 | - | 3 | 4 | 103 | 8 | | | |
| 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 | - | - | - | - | - | - | - | 25 | 25 | 25 | | | |
| Interest on Anear Debtor Accounts | 1810 | 3 | 14 | 1 | 0 | 0 | 1 | 69 | 29 | 118 | 99 | | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | | | |
| Other | 1900 | 3 095 | 2 291 | 103 | 35 | 30 | 29 | 1 372 | 780 | 7 734 | 2 246 | | | |
| Total By Income Source | 2000 | 3 199 | 2 312 | 105 | 38 | 32 | 29 | 1 482 | 841 | 8 037 | 2 421 | | | |
| 2022/23 - totals only | | | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | | |
| Organs of State | 2200 | 2 085 | 746 | 0 | - | - | 0 | 1 204 | 4 | 4 039 | 1 208 | | | |
| Commercial | 2300 | 1 | 6 | 62 | 0 | 2 | 4 | 89 | 401 | 566 | 497 | | | |
| Households | 2400 | 1 114 | 100 | 43 | 36 | 30 | 26 | 188 | 436 | 1 973 | 716 | | | |
| Other | 2500 | (2) | 1 461 | - | - | - | - | - | - | 1 459 | - | | | |
| Total By Customer Group | 2600 | 3 199 | 2 312 | 105 | 38 | 32 | 29 | 1 482 | 841 | 8 037 | 2 421 | | | |

2. Creditor's Analysis (Table SC4)

DC3 Overberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

| Description | NT Code | Budget Year 2023/24 | | | | | | | | | Total | Prior year totals for chart (same period) |
|--|-------------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|----------|------------|---|
| | | 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 | | | | | | | | | | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | | | |
| Bulk Electricity | 0100 | - | - | - | - | - | - | - | - | - | - | - |
| Bulk Water | 0200 | - | - | - | - | - | - | - | - | - | - | - |
| PAYE deductions | 0300 | - | - | - | - | - | - | - | - | - | - | - |
| VAT (output less input) | 0400 | 641 | - | - | - | - | - | - | - | - | 641 | - |
| Pensions / Retirement deductions | 0500 | - | - | - | - | - | - | - | - | - | - | - |
| Loan repayments | 0600 | - | - | - | - | - | - | - | - | - | - | - |
| Trade Creditors | 0700 | - | - | - | - | - | - | - | - | - | - | - |
| Auditor General | 0800 | - | - | - | - | - | - | - | - | - | - | - |
| Other | 0900 | - | - | - | - | - | - | - | 1 | - | 1 | - |
| Total By Customer Type | 1000 | 641 | - | - | - | - | - | - | - | 1 | 642 | - |

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 | | | | | | | |
| Municipality | | | | | | | |
| Absa - 9287550641 | | Depositor Plus | 4 085 | 47 | (4 225) | 94 | - |
| Nedbank - 037881714042 | | Call Account | 7 770 | 239 | (54 000) | 51 700 | 5 709 |
| Absa - 9358892970 | | Investment Tracker | 60 636 | 1 168 | (29 000) | 14 000 | 46 804 |
| Asba - 9374585345 | | Investment Tracker | 25 440 | 569 | - | - | 26 009 |
| Nedbank - 037881183454 | | Call Account | - | 34 | - | 4 404 | 4 438 |
| | | | | | | | - |
| | | | | | | | - |
| Municipality sub-total | | | 97 930 | | (87 225) | 70 198 | 82 959 |
| TOTAL INVESTMENTS AND INTEREST | 2 | | 97 930 | | (87 225) | 70 198 | 82 959 |

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

DC3 Overberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| RECEIPTS: | 1,2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | - | 89 475 | 89 475 | 28 146 | 67 154 | 59 650 | 7 504 | 12.6% | 89 475 |
| Local Government Equitable Share | | | 84 437 | 84 437 | 28 146 | 63 328 | 56 291 | 7 037 | -12.5% | 84 437 |
| Finance Management | | | 1 000 | 1 000 | - | 1 000 | 667 | 333 | 50.0% | 1 000 |
| EPWP Incentive | | | 1 192 | 1 192 | - | 834 | 795 | 39 | 4.9% | 1 192 |
| Rural Roads Asset Management Grant | | | 2 846 | 2 846 | - | 1 992 | 1 897 | 95 | 5.0% | 2 846 |
| Other transfers and grants [insert description] | 3 | | | | | | | | | |
| Provincial Government: | | - | 124 914 | 124 914 | (1 194) | 40 324 | 62 840 | (22 516) | -35.8% | 124 914 |
| Roads Function | | | 122 375 | 122 375 | (1 208) | 38 106 | 61 308 | (23 202) | -37.8% | 122 375 |
| Seta | | | 240 | 240 | - | 21 | - | 21 | #DIV/0! | 240 |
| Health Subsidy | | | 182 | 182 | 13 | 81 | 121 | (40) | -33.3% | 182 |
| CDW Operational Support Grant | 4 | | 57 | 57 | - | 57 | 38 | 19 | 50.0% | 57 |
| Fire Safety Plan | | | 1 560 | 1 560 | - | 1 560 | 1 040 | 520 | 50.0% | 1 560 |
| Grant WCFMC Capability | | | 500 | 500 | - | 500 | 333 | 167 | 50.0% | 500 |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | | | |
| Total Operating Transfers and Grants | 5 | - | 214 389 | 214 389 | 26 952 | 107 478 | 122 490 | (15 012) | -12.3% | 214 389 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | - | - | - | - | - | - | - | | - |
| Other capital transfers [insert description] | | | | | | | | | | |
| Provincial Government: | | - | 500 | 500 | - | 500 | 250 | 250 | 100.0% | 500 |
| Fire Service Capacity Building Grant | | | 500 | 500 | - | 500 | 250 | 250 | 100.0% | 500 |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | | | |
| Total Capital Transfers and Grants | 5 | - | 500 | 500 | - | 500 | 250 | 250 | 100.0% | 500 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | - | 214 889 | 214 889 | 26 952 | 107 978 | 122 740 | (14 762) | -12.0% | 214 889 |

DC3 Overberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | Full Year Forecast |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | |
| R thousands | | | | | | | | | | |
| EXPENDITURE | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | - | 89 475 | 89 475 | 28 490 | 64 723 | 44 738 | 19 985 | 44.7% | 89 475 |
| Local Government Equitable Share | | | 84 437 | 84 437 | 28 146 | 63 328 | 42 219 | 21 109 | 50.0% | 84 437 |
| Finance Management | | | 1 000 | 1 000 | 83 | 341 | 500 | (159) | -31.8% | 1 000 |
| EPWP Incentive | | | 1 192 | 1 192 | 103 | 596 | 596 | 0 | 0.1% | 1 192 |
| Rural Roads Asset Management Grant | | | 2 846 | 2 846 | 158 | 458 | 1 423 | (965) | -67.8% | 2 846 |
| | | | | | | | | - | | |
| Other transfers and grants [insert description] | | | | | | | | - | | |
| Provincial Government: | | - | 124 914 | 124 914 | 7 977 | 37 434 | 62 457 | (24 903) | -39.9% | 124 914 |
| Roads Function | | | 122 375 | 122 375 | 7 874 | 36 898 | 61 188 | (24 289) | -39.7% | 122 375 |
| Seta | | | 240 | 240 | - | - | 120 | | | 240 |
| Health Subsidy | | | 182 | 182 | 13 | 81 | 91 | (10) | -11.1% | 182 |
| CDW Operational Support Grant | | | 57 | 57 | - | - | 29 | (29) | -100.0% | 57 |
| Fire Safety Plan | | | 1 560 | 1 560 | 90 | 426 | 780 | (354) | -45.4% | 1 560 |
| Grant WCFMC Capability | | | 500 | 500 | - | 29 | 250 | (221) | -88.5% | 500 |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | - | | |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | - | | |
| Total operating expenditure of Transfers and Grants: | | - | 214 389 | 214 389 | 36 467 | 102 157 | 107 194 | (4 918) | -4.6% | 214 389 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | - | - | - | - | - | - | - | | - |
| Other capital transfers [insert description] | | | | | | | | - | | |
| Provincial Government: | | - | 500 | 500 | - | - | - | - | | 500 |
| | | | 500 | 500 | - | - | - | - | | 500 |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| Total capital expenditure of Transfers and Grants | | - | 500 | 500 | - | - | - | - | | 500 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | - | 214 889 | 214 889 | 36 467 | 102 157 | 107 194 | (4 918) | -4.6% | 214 889 |

5. Councillor allowances and employee benefits (Table SC8)

DC3 Overberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

| Summary of Employee and Councillor remuneration | Ref | 2022/23 | | Budget Year 2023/24 | | | | | | |
|---|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | A | B | C | | | | | | D |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | | 4 401 | 4 401 | 366 | 2 472 | 2 201 | 271 | 12% | 4 401 |
| Pension and UIF Contributions | | | 145 | 145 | 5 | 34 | 72 | (39) | -54% | 145 |
| Medical Aid Contributions | | | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | | 1 350 | 1 350 | 108 | 743 | 675 | 68 | 10% | 1 350 |
| Cellphone Allowance | | | 444 | 444 | 35 | 256 | 222 | 34 | 16% | 444 |
| Housing Allowances | | | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | | - | - | - | - | - | - | - | - |
| Sub Total - Councillors | | | 6 340 | 6 340 | 514 | 3 505 | 3 170 | 335 | 11% | 6 340 |
| % increase | 4 | | #DIV/0! | #DIV/0! | | | | | | #DIV/0! |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | | | 4 224 | 4 224 | 245 | 1 471 | 2 112 | (641) | -30% | 4 224 |
| Pension and UIF Contributions | | | 478 | 478 | 27 | 164 | 239 | (75) | -31% | 478 |
| Medical Aid Contributions | | | - | - | - | - | - | - | - | - |
| Overtime | | | - | - | - | - | - | - | - | - |
| Performance Bonus | | | 151 | 151 | - | - | 75 | (75) | -100% | 151 |
| Motor Vehicle Allowance | | | 272 | 272 | 15 | 92 | 136 | (44) | -32% | 272 |
| Cellphone Allowance | | | 78 | 78 | 5 | 30 | 39 | (9) | -23% | 78 |
| Housing Allowances | | | 4 | 4 | 0 | 1 | 2 | (1) | -51% | 4 |
| Other benefits and allowances | | | - | - | - | - | - | - | - | - |
| Payments in lieu of leave | | | - | - | - | - | - | - | - | - |
| Long service awards | | | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | | | - | - | - | - | - | - | - | - |
| Entertainment | | | - | - | - | - | - | - | - | - |
| Scarcity | | | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | | 75 | 75 | - | - | 37 | (37) | -100% | 75 |
| In kind benefits | | | - | - | - | - | - | - | - | - |
| Sub Total - Senior Managers of Municipality | | | 5 281 | 5 281 | 293 | 1 759 | 2 640 | (882) | -33% | 5 281 |
| % increase | 4 | | #DIV/0! | #DIV/0! | | | | | | #DIV/0! |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | | 88 793 | 88 793 | 7 139 | 49 142 | 44 397 | 4 745 | 11% | 88 793 |
| Pension and UIF Contributions | | | 15 333 | 15 333 | 1 301 | 7 820 | 7 667 | 154 | 2% | 15 333 |
| Medical Aid Contributions | | | 5 428 | 5 428 | 444 | 2 654 | 2 714 | (59) | -2% | 5 428 |
| Overtime | | | 1 750 | 1 750 | 168 | 1 042 | 875 | 167 | 19% | 1 750 |
| Performance Bonus | | | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | | 4 489 | 4 489 | 375 | 2 239 | 2 245 | (5) | 0% | 4 489 |
| Cellphone Allowance | | | 442 | 442 | 35 | 201 | 221 | (20) | -9% | 442 |
| Housing Allowances | | | 321 | 321 | 24 | 137 | 161 | (24) | -15% | 321 |
| Other benefits and allowances | | | 9 046 | 9 046 | 706 | 4 415 | 4 523 | (108) | -2% | 9 046 |
| Payments in lieu of leave | | | 200 | 200 | 100 | 379 | 100 | 279 | 279% | 200 |
| Long service awards | | | 804 | 804 | 48 | 289 | 402 | (113) | -28% | 804 |
| Post-retirement benefit obligations | | | 6 532 | 6 532 | 503 | 3 017 | 3 266 | (250) | -8% | 6 532 |
| Entertainment | | | - | - | - | - | - | - | - | - |
| Scarcity | | | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | | 278 | 278 | 25 | 167 | 139 | 28 | 20% | 278 |
| In kind benefits | | | - | - | - | - | - | - | - | - |
| Sub Total - Other Municipal Staff | | | 133 416 | 133 416 | 10 869 | 71 502 | 66 708 | 4 794 | 7% | 133 416 |
| % increase | 4 | | #DIV/0! | #DIV/0! | | | | | | #DIV/0! |
| Total Parent Municipality | | | 145 037 | 145 037 | 11 676 | 76 766 | 72 519 | 4 247 | 6% | 145 037 |
| Unpaid salary, allowances & benefits in arrears: | | | | | | | | | | |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | | 145 037 | 145 037 | 11 676 | 76 766 | 72 519 | 4 247 | 6% | 145 037 |
| % increase | 4 | | #DIV/0! | #DIV/0! | | | | | | #DIV/0! |
| TOTAL MANAGERS AND STAFF | | | 138 697 | 138 697 | 11 162 | 73 261 | 69 349 | 3 913 | 6% | 138 697 |

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

| SUMMARY INCOME & EXPENDITURE 2022/2023 EXCLUDING ROADS AGENCY | | | | |
|--|------------------|---------------------|-------------------|-------------------|
| Revenue by Source | Budget | Month Actual | YTD Actual | YTD Budget |
| SERVICES CHARGES - ELECTRICITY | R 200 000.00 | R 67 694.22 | R 406 136.64 | R 100 002.00 |
| SERVICES CHARGES - REFUSE | R 14 300 000.00 | R 1 325 448.74 | R 7 567 920.22 | R 7 150 002.00 |
| SERVICES CHARGES - SEWERAGE | R 1 300 000.00 | R 81 690.02 | R 388 667.83 | R 649 998.00 |
| SERVICES CHARGES - WATER | R - | R 7 817.39 | R 14 764.26 | R - |
| SALE OF GOODS AND SERVICES | R 9 223 046.00 | R 303 654.35 | R 2 725 746.25 | R 4 611 528.00 |
| RENT OF FACILITIES&EQUIPMENT | R 13 825 000.00 | R 1 140 966.35 | R 6 956 506.16 | R 6 912 498.00 |
| INTEREST EARNED-EXTERNAL INVES | R 4 000 000.00 | R 664 007.48 | R 3 721 355.38 | R 1 999 998.00 |
| INTEREST EARNED-OUTST DEBTORS | R 50 000.00 | R 34 199.82 | R 122 939.86 | R 25 002.00 |
| LICENSES & PERMITS | R 1 000 000.00 | R 47 686.47 | R 348 015.62 | R 499 998.00 |
| INCOME FOR AGENCY SERVICES | R 12 769 565.00 | R 1 050 038.82 | R 6 362 101.15 | R 6 384 780.00 |
| GRANT&SUBSIDIES (OPERATING) | R 92 013 927.00 | R 28 593 422.18 | R 65 258 284.62 | R 46 006 968.00 |
| GRANT&SUBSIDIES (CAPITAL) | R 1 442 283.00 | R - | R - | R 250 002.00 |
| OTHER REVENUE | R 422 700.00 | R 53 625.95 | R 2 994 527.59 | R 211 350.00 |
| PROFIT ON SALE | R 2 000 000.00 | R - | R - | R 1 000 002.00 |
| | R 152 546 521.00 | R 33 370 251.79 | R 96 866 965.58 | R 75 802 128.00 |
| Expenditure by Type | Budget | Month Actual | YTD Actual | YTD Budget |
| EMPLOYEE COSTS-WAGES&SALARIES | R 88 052 327.00 | R 6 449 416.85 | R 42 186 418.66 | R 44 026 194.00 |
| REMUNERATION OF COUNCILLORS | R 6 339 757.00 | R 514 344.35 | R 3 504 664.30 | R 3 169 878.00 |
| BAD DEBTS | R 100 000.00 | R - | R - | R 49 998.00 |
| DEPRECIATION | R 3 653 586.43 | R 304 465.54 | R 1 826 793.24 | R 1 826 796.00 |
| BULK PURCHASES | R 200 000.00 | R - | R 174 619.37 | R 100 002.00 |
| OTHER MATERIAL | R 4 790 200.00 | R 433 182.89 | R 2 179 048.25 | R 2 395 086.00 |
| INTEREST EXPENSE - EXTERNAL | R 2 433 186.00 | R 716 053.17 | R 886 888.17 | R 1 216 596.00 |
| CONTRACTED SERVICES | R 26 973 918.20 | R 2 091 594.82 | R 9 184 105.55 | R 13 486 968.00 |
| GRANTS & SUBSIDIES PAID | R - | R - | R - | R - |
| GENERAL EXPENSES - OTHER | R 21 892 586.00 | R 831 006.81 | R 9 944 065.72 | R 10 946 346.00 |
| LOSS ON DISPOSAL OF ASSETS | R - | R - | R - | R - |
| | R 154 435 560.63 | R 11 340 064.43 | R 69 886 603.26 | R 77 217 864.00 |
| Total | R -1 889 039.63 | R 22 030 187.36 | R 26 980 362.32 | R -1 415 736.00 |

Revenue by source

Reasons for variance:

Electricity receivable was higher than projected. The budget will be amended with the adjustment budget in February 2024.

Interest earned to date is significantly higher due to VAT funds currently invested. Adjustment budget will make provisions for more revenue from this source for the period.

Equitable share to date received for the next quarter in advance cause the actual to be above the projected budget to date and will play off in the upcoming months.

Other revenue currently received will be investigated to see if allocations to other revenue sources (service charges) can be done.

Expenditure by type:

Reasons for variance:

Employee cost is below anticipated, even after bonus payments was made for the year, hence a current saving exists due to vacancies still to be filled for the year.

All expenses will be reviewed to adjust budget provisions more accurate to actual expenditure to date, hence providing better guidance and indication to perform forecasts for the remainder of the financial year.

AGENCY ROADS

| SUMMARY INCOME & EXPENDITURE 2022/2023 ROADS AGENCY | | | | | |
|--|------------------|---------------------|-------------------|-------------------|-----|
| Revenue by Source | Budget | Month Actual | YTD Actual | YTD Budget | |
| SERVICES CHARGES - ELECTRICITY | R - | R - | R - | R - | R - |
| SERVICES CHARGES - REFUSE | R - | R - | R - | R - | R - |
| SERVICES CHARGES - SEWERAGE | R - | R - | R - | R - | R - |
| SALE OF GOODS AND SERVICES | R - | R - | R - | R - | R - |
| RENT OF FACILITIES&EQUIPMENT | R - | R - | R 862 665.25 | R - | R - |
| INTEREST EARNED-EXTERNAL INVES | R - | R - | R - | R - | R - |
| INTEREST EARNED-OUTST DEBTORS | R - | R - | R - | R - | R - |
| LICENSES & PERMITS | R - | R - | R - | R - | R - |
| INCOME FOR AGENCY SERVICES | R - | R - | R - | R - | R - |
| GRANT&SUBSIDIES (OPERATING) | R 122 375 000.00 | R 7 873 869.82 | R 36 898 261.31 | R 61 187 514.00 | R - |
| GRANT&SUBSIDIES (CAPITAL) | R - | R - | R - | R - | R - |
| OTHER REVENUE | R - | R 180.00 | R 1 462.47 | R - | R - |
| GAINS | R - | R - | R - | R - | R - |
| | R 122 375 000.00 | R 7 874 049.82 | R 37 762 389.03 | R 61 187 514.00 | R - |
| Expenditure by Type | Budget | Month Actual | YTD Actual | YTD Budget | |
| EMPLOYEE COSTS-WAGES&SALARIES | R 50 645 000.00 | R 4 712 524.65 | R 31 074 875.02 | R 25 322 496.00 | R - |
| REMUNERATION OF COUNCILLORS | R - | R - | R - | R - | R - |
| BAD DEBTS | R - | R - | R - | R - | R - |
| DEPRECIATION | R - | R - | R - | R - | R - |
| BULK PURCHASES | R - | R - | R - | R - | R - |
| OTHER MATERIAL | R 57 531 000.00 | R 3 632 210.02 | R 19 128 183.22 | R 28 765 506.00 | R - |
| INTEREST EXPENSE - EXTERNAL | R 320 000.00 | R 25 417.00 | R 152 502.00 | R 160 002.00 | R - |
| CONTRACTED SERVICES | R 3 100 000.00 | R 812 375.57 | R 2 083 027.58 | R 1 550 004.00 | R - |
| GRANTS & SUBSIDIES PAID | R - | R - | R - | R - | R - |
| GENERAL EXPENSES - OTHER | R 10 779 000.00 | R 502 384.69 | R 2 318 916.54 | R 5 389 506.00 | R - |
| LOSS ON DISPOSAL OF ASSETS | R - | R - | R - | R - | R - |
| | R 122 375 000.00 | R 9 684 911.93 | R 54 757 504.36 | R 61 187 514.00 | R - |
| Total | R - | R -1 810 862.11 | R -16 995 115.33 | R - | R - |

Revenue by source

Reasons for variances:

November and December agency invoices to be collected from the Department of Infrastructure amounting to R26 119 748.35 collectively for the period, hence aligning to the budget to date.

Expenditure by type

Reasons for variances:

Currently a significant saving is evident on the employee cost to date.

7. Capital programme performance

| DEPARTMENT | DESCRIPTION | FUNDING TYPE | BUDGET 2023/24 | ADJUSTMENT Aug 2023 | Virement | TOTAL 2023/24 | SPENDING YTD DECEMBER 2023 | % SPENDING | |
|------------|------------------------------------|--|----------------|---------------------|---------------|---------------|----------------------------|---------------|---------|
| 1 | COMMITTEE, RECORDS, COUNCIL SUPPRT | DC3 Office Equipment | 1 | R35 000.00 | R0.00 | R0.00 | R35 000.00 | R0.00 | 0.00% |
| 2 | CORPORATE SERVICES : SUPPORT SERV | DC3 Fencing - Head Office | 1 | R320 000.00 | R200 000.00 | R0.00 | R520 000.00 | R197 100.00 | 37.90% |
| 3 | CORPORATE SERVICES : SUPPORT SERV | DC3 Furniture and Office Equipment | 1 | R40 000.00 | R0.00 | R0.00 | R40 000.00 | R5 746.00 | 14.37% |
| 4 | CORPORATE SERVICES : SUPPORT SERV | DC3 Aircon | 1 | R150 000.00 | R0.00 | R0.00 | R150 000.00 | R55 280.36 | 36.85% |
| 5 | CORPORATE SERVICES : SUPPORT SERV | DC3 Installation of a Power Generator and UPS back | 1 | R0.00 | R654 455.00 | R0.00 | R654 455.00 | R335 118.15 | 51.21% |
| 6 | EMERGENCY SERVICES | DC3 Rescue Equipment | 1 | R100 000.00 | R0.00 | -R1 000.00 | R99 000.00 | R37 078.60 | 37.45% |
| 7 | EMERGENCY SERVICES | DC3 Vehicle upgrade/refurbishment | 1 | R300 000.00 | -R300 000.00 | R0.00 | R0.00 | R0.00 | #DIV/0! |
| 8 | EMERGENCY SERVICES | DC3 Capital Vehicle Replacement | 1 | R2 200 000.00 | R0.00 | R0.00 | R2 200 000.00 | R1 738 354.31 | 79.02% |
| 9 | EMERGENCY SERVICES | DC3 Capacity Project | 4 | R500 000.00 | R0.00 | R0.00 | R500 000.00 | R0.00 | 0.00% |
| 10 | EMERGENCY SERVICES | DC3 Bunker Clothing | 1 | R900 000.00 | R0.00 | R0.00 | R900 000.00 | R214 416.35 | 23.82% |
| 11 | EMERGENCY SERVICES | DC3 Capital Vehicle Replacement (Insurance) Bakkie | 1 | R0.00 | R525 724.00 | R1 000.00 | R526 724.00 | R455 642.04 | 86.50% |
| 12 | EMERGENCY SERVICES | DC3 Furniture and Office Equipment | 1 | R0.00 | R50 000.00 | R0.00 | R50 000.00 | R38 669.55 | 77.34% |
| 13 | EMERGENCY SERVICES | DC3 Fleet Vehicles | 1 | R0.00 | R186 449.00 | R0.00 | R186 449.00 | R0.00 | 0.00% |
| 14 | EMERGENCY SERVICES | DC3 Loadshedding Mitigation | 4 | R0.00 | R942 283.00 | R0.00 | R942 283.00 | R791 411.19 | 83.99% |
| 15 | EMERGENCY SERVICES | DC3 Training Centre (Addition Classroom co-fundin | 1 | R0.00 | R300 000.00 | R0.00 | R300 000.00 | R0.00 | 0.00% |
| 16 | ENVIRONMENTAL MANAGEMENT SERVICES | DC3 Office Equipment | 1 | R6 000.00 | R0.00 | R0.00 | R6 000.00 | R4 497.13 | 74.95% |
| 17 | FINANCIAL SERVICES | DC3 Furniture and Office Equipment | 1 | R10 000.00 | R0.00 | R0.00 | R10 000.00 | R8 845.00 | 88.45% |
| 18 | ICT SERVICES | DC3 Computer and Computer Equipment | 1 | R260 000.00 | R0.00 | R0.00 | R260 000.00 | R107 360.00 | 41.29% |
| 19 | ICT SERVICES | DC3 General Equipment | 1 | R4 000.00 | R0.00 | R0.00 | R4 000.00 | R0.00 | 0.00% |
| 20 | ICT SERVICES | DC3 IT Security | 1 | R530 000.00 | R0.00 | R0.00 | R530 000.00 | R0.00 | 0.00% |
| 21 | ICT SERVICES | DC3 Backup Server | 1 | R0.00 | R111 793.00 | R0.00 | R111 793.00 | R96 140.47 | 86.00% |
| 22 | IDP AND COMMUNICATION | DC3 Awareness Equipment | 1 | R30 000.00 | R0.00 | R0.00 | R30 000.00 | R26 855.00 | 89.52% |
| 23 | LED, TOURISM, RESORTS AND EPWP | DC3 Gas installation at ablution facilities | 1 | R220 000.00 | R170 250.00 | R0.00 | R390 250.00 | R167 345.40 | 42.88% |
| 24 | LED, TOURISM, RESORTS AND EPWP | DC3 Property Upgrade | 1 | R500 000.00 | R0.00 | R0.00 | R500 000.00 | R62 146.28 | 12.43% |
| 25 | LED, TOURISM, RESORTS AND EPWP | DC3 Furniture and Office Equipment | 1 | R200 000.00 | -R200 000.00 | R0.00 | R0.00 | R0.00 | #DIV/0! |
| 26 | LED, TOURISM, RESORTS AND EPWP | DC3 Ablution Facilities Upgrades - Die Dam | 1 | R0.00 | R70 000.00 | R0.00 | R70 000.00 | R0.00 | 0.00% |
| 27 | LED, TOURISM, RESORTS AND EPWP | DC3 Machinery and Equipment | 1 | R0.00 | R30 000.00 | R0.00 | R30 000.00 | R31 250.44 | 104.17% |
| 28 | LED, TOURISM, RESORTS AND EPWP | DC3 Furniture and Office Equipment - Die Dam | 1 | R0.00 | R50 000.00 | R0.00 | R50 000.00 | R0.00 | 0.00% |
| 29 | LED, TOURISM, RESORTS AND EPWP | DC3 Furniture and Office Equipment - UKM | 1 | R0.00 | R200 000.00 | R0.00 | R200 000.00 | R0.00 | 0.00% |
| 30 | LED, TOURISM, RESORTS AND EPWP | DC3 Recreational Project - Die Dam | 1 | R0.00 | R10 000.00 | R0.00 | R10 000.00 | R0.00 | 0.00% |
| 31 | MUNICIPAL HEALTH SERVICES | DC3 Mobile Aircon | 1 | R10 000.00 | R0.00 | R0.00 | R10 000.00 | R0.00 | 0.00% |
| 32 | MUNICIPAL HEALTH SERVICES | DC3 Furniture and Office Equipment | 1 | R30 000.00 | R0.00 | R0.00 | R30 000.00 | R0.00 | 0.00% |
| 33 | SOLID WASTE MANAGEMENT | DC3 KWK Infrastructure Project | 3 | R0.00 | R4 536 100.00 | R0.00 | R4 536 100.00 | R2 675 855.72 | 58.99% |
| 34 | SUPPLY CHAIN MANAGEMENT | DC3 Furniture and Office Equipment | 1 | R10 000.00 | R0.00 | R0.00 | R10 000.00 | R0.00 | 0.00% |
| | | | | R6 355 000.00 | R7 537 054.00 | R0.00 | R13 892 054.00 | R7 049 111.99 | 50.74% |
| | | | | | | | | 50.74% | |

*Please note that these figures exclude the commitments to date of R1 256 086.72 amounting to a total commitment and spending for the year of 59.77%.

8. Capital budget expenditure (SC12)

DC3 Overberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

| Month | 2022/23 | Budget Year 2023/24 | | | | | | | |
|--|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|----------------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | % spend of Original Budget |
| R thousands | | | | | | | | | |
| Monthly expenditure performance trend | | | | | | | | | |
| July | | 530 | 530 | - | 0 | 530 | 530 | 100.0% | 0% |
| August | | 530 | 530 | 339 | 339 | 1 059 | 720 | 68.0% | 5% |
| September | | 530 | 530 | 1 300 | 1 639 | 1 589 | (50) | -3.1% | 26% |
| October | | 530 | 530 | 2 813 | 4 451 | 2 118 | (2 333) | -110.1% | 70% |
| November | | 530 | 530 | 1 849 | 6 300 | 2 648 | (3 652) | -137.9% | 99% |
| December | | 530 | 530 | 749 | 7 049 | 3 178 | (3 872) | -121.8% | 111% |
| January | | 530 | 530 | | | 3 707 | - | | |
| February | | 530 | 530 | | | 4 237 | - | | |
| March | | 530 | 530 | | | 4 766 | - | | |
| April | | 530 | 530 | | | 5 296 | - | | |
| May | | 530 | 530 | | | 5 825 | - | | |
| June | | 530 | 8 067 | | | 13 892 | - | | |
| Total Capital expenditure | - | 6 355 | 13 892 | 7 049 | | | | | |

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 2023 – 31 December 2023) 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 2023/2024 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 on the Top Layer SDBIP on 31 December 2023.

During this period, 31 (65.96%) of the 47 KPI's were measured in the first six months of the financial year.

The report indicates that 21 (67.74%) of the 31 KPI's measured during the period were met, 4 (12.9%) KPI's well met, 1 (3.23%) KPI's extremely well met and 5 (16.13%) KPI's were 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 16 (34%) KPI's not yet measured, with target dates set in the second semester, the Municipal Manager must ensure that appropriate measures are set 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:-

- TL1 – People employed in the three highest levels.
- TL24 – Pool Fleet Management.
- TL42 – Upgrading of roads.
- TL43 – Roads re-gravelled.
- TL46 – Progress report on the RED & Tourism Strategy.

TL 42 and TL 43 were impacted by the extensive flood damages occurred on several roads in the Overberg Area at the end of September 2023. Re-gravel and Upgrading work were put on hold until all roads are repaired and opened and safe to travel on by road users and the public.

KPI's almost met during the period:-

- None

KPI's not met during the period:-

- TL5 – Execute audit projects.

- TL31 – Food samples.
- TL32 – Sewerage samples.

TL44 – Roads bladed.

■ KPI'S that were extremely well met during the period:-

- TL30 – Drinking water.

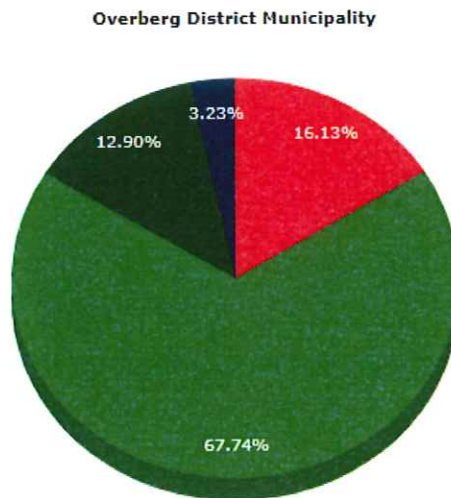
The report (Annexure A) indicates which KPI's need to be amended and the reason for the amendments.

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

Conclusion:

It is recommended that the 2023/2024 SDBIP be amended after the approval of the adjustments budget.

Top Layer SDBIP for the first six months of the financial year – ending December 2023.



**OVERBERG DISTRICT MUNICIPALITY
 HALF-YEARLY REPORT BY THE AUDIT AND PERFORMANCE AUDIT COMMITTEE:
 1 JULY TO 31 DECEMBER 2023**

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 2023.

2. Membership

The Audit and Performance Audit Committee consists of four members:

| |
|---|
| PAL Strauss (Chairperson) Term ended 28 November 2023 |
| CCC Pieterse – Term ended 28 November 2023 |
| T Blok |
| DH Smith |
| J Steyl – Appointed with effect from 29 November 2023 |
| J Fairbairn – Appointed with effect from 29 November 2023 |

3. Meetings

| <u>Dates</u> | <u>Topic</u> | <u>PAL Strauss</u> | <u>CCC Pieterse</u> | <u>T Blok</u> | <u>DH Smith</u> |
|--------------|--|--------------------|---------------------|---------------|-----------------|
| 7/7/2023 | Special meeting to approve Risk Based Audit Plan for 2023/2024 | √ | √ | √ | √ |
| 16/8/2023 | Discussion of Draft Annual Financial Statements | √ | √ | √ | √ |

| | | | | | |
|------------|--|---|---|---|---|
| 29/8/2023 | Discussion of AGSA Strategic Plan and Performance Report | √ | √ | √ | √ |
| 29/9/2023 | Quarterly Meeting | √ | √ | √ | √ |
| 27/11/2023 | Quarterly meeting and discussion of Draft AGSA Report | √ | √ | √ | √ |

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 as Predetermined Objectives for the first quarter of 2023/2024 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.
- AGSA Strategic Plan and Engagement Letter.
- Risk management activities for 1st quarter of 2023/2024.
- Internal Audit Findings status Report.
- Financial Report for May 2023 YTD.
- Financial Report for August 2023 YTD.
- Progress reports on RBAP.
- Quarterly Reports on the OPCAR.
- Internal Audit Report on year-end stock count as at 30 June 2023.
- Internal Audit Report on conformance with Municipal Staff Regulations.
- Internal Audit Report on Performance Management 4th quarter of 2022/2023.
- Internal Audit SWOT analysis.
- AGSA Report for 2022/2023.
- Financial Report for September 2023 YTD.
- Internal Audit Report on Performance Management 1st quarter of 2023/2024.
- Internal Audit Report on new Tariffs.

5. Performance Management

- a) The committee considered the Internal Audit reports on the audit of the municipality's performance assessment, also referred to as Predetermined Objectives for the 4th quarter of 2022/2023 and the 1st quarter of 2023/2024. 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.
- b) 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 adequately reliable.
- c) The flooding which occurred during September 2023 had an impact on Municipal Health Services relating to the KPI's e.g. more water samples were taken than planned for. The execution of KPI's related to the Roads function were also negatively affected by the flooding and it will be necessary to review the targets.

6. 2022/2023 Year-end Performance evaluation of Section 556/57 employees

The annual performance appraisal of the Municipal Manager and the officials directly accountable to him, was done in accordance with the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager, R805 of 2006 as amended by Government Notice no 21 dated 17 January 2014.

The annual appraisals of the Municipal Manager, CFO and Director Corporate Services were conducted on 7 December 2023 and attended by the chairperson, Mr. DH Smith as a member of the performance evaluation panel with the purpose of oversight.

The appraisal sessions were conducted in a professional manner, ably chaired by the Executive Mayor and the Municipal Manager respectively.

7. Areas of Concern

- a) The risks associated with the implementation of a new financial web-based 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) Non-integration of ICT software systems.
- e) Aged IT hardware.
- f) VAT situation regarding the Road Agency Function.
- g) Uilenkraalsmond ownership.

8. Continuous monitoring required

The following areas need continuous monitoring by Council and Management:

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

9. Area of Satisfaction: Audit outcomes for the 2022/2023 Financial Year.

The Municipality received an unqualified audit opinion with no material finding (clean audit) for the second consecutive financial year.

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.

DH Smith
Chairperson
January 2024

ODM - 2023/2024: Top Layer KPI Report: Mid-year ending 31 December 2023

| Ref TL | Responsible Directorate | KPI Name | Description of Unit of Measurement | Original Annual Target | Quarter ending September 2023 | | | | Quarter ending December 2023 | | | | Overall Performance for Quarter ending September 2023 to Quarter ending December 2023 | | Corrective Measurement on Mid-year Performance | |
|--------|---------------------------------|--|--|------------------------|-------------------------------|--------|---|--|------------------------------|--------|--------|---|---|---------------------|--|--|
| | | | | | Target | Actual | R | Performance Comment | Corrective Measures | Target | Actual | R | Performance Comment | Corrective Measures | | Original Target |
| 1 | Office of the Municipal Manager | 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 | 1 | 0 | R | Due to a delay in the verification of candidates no appointment was made. | Will submit a report to Council in the next quarter. | 0 | 0 | N/A | Report tabled to Council on 02/10/2023, item AAA - Position was re-advertised in October 2023. | 1 | 0 | R | Comment: Target date to be amended to February 2024 as the position was re-advertised in October 2023. |
| 2 | Office of the Municipal Manager | Percentage Capital budget actually spend 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% | N/A | | | 0% | 0% | N/A | | 0% | 0% | N/A | None required |
| 3 | Office of the Municipal Manager | Coordinate the functioning of the Audit & Performance Audit Committee during the financial year | Number of meetings held per annum | 4 | 1 | G | Quarterly meeting held on 25/09/2023 | | 1 | 1 | G | Meeting held on 27/11/2023 | 2 | 2 | G | None required |
| 4 | Office of the Municipal Manager | 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 | N/A | | | 0 | 0 | N/A | | 0 | 0 | N/A | None required |
| 5 | Office of the Municipal Manager | Execute audit projects in terms of the Risk Base Audit Plan (RBAP) | Number of audit projects executed per annum | 16 | 4 | G2 | New tariffs Year-end stock take MSR Chapter 3 & 5 OPCAR | | 4 | 5 | G2 | Validation Fire Brigade Services POE's MM Year-end performance assessment POE's CFO year-end performance assessment POE's MSR - Performance Management Q1 | 8 | 10 | G2 | None required |
| 6 | Office of the Municipal Manager | Facilitate IDP Awareness initiatives in the district | Number of IDP awareness initiatives facilitated per annum | 2 | 0 | N/A | | | 1 | 1 | G | IDP Awareness held on 6/12/2023 | 1 | 1 | G | None required |
| 7 | Office of the Municipal Manager | Facilitate District IGR (IDP Managers & PPComm) engagement with Local Municipalities | Number of engagements facilitated per annum | 8 | 2 | G | District IDP Forum - 4 August 2023 District PPComm - 1 September 2023 | | 2 | 2 | G | District IDP - 26 & 27 October 2023 PPComm - 17 November 2023 | 4 | 4 | G | None required |
| 8 | Office of the Municipal Manager | Publishing of bi-annual External Newsletter to stakeholders | Number of External Newsletters published per annum | 2 | 0 | N/A | | | 1 | 1 | G | Published on 8/12/2023 | 1 | 1 | G | None required |

Annexure A

| | | | | | | | | | | | | | | | | | |
|----|---------------------------------|---|--|-------|----|----|-----|--|--|--|----|-----|--|--|----|-----|--|
| 9 | Office of the Municipal Manager | 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 | N/A | | | | 0 | N/A | | | 0 | N/A | None required |
| 10 | Office of the Municipal Manager | 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 | N/A | | | | 0 | N/A | | | 0 | N/A | None required |
| 11 | Office of the Municipal Manager | Compilation and submission of Draft Annual Performance Report to the AG by 31 August | Annual Performance Report submitted | 1 | 1 | 1 | G | Report was submitted on 31 August 2023 | | | 0 | N/A | | | 1 | G | None required |
| 12 | Corporate Services | Percentage of Municipal budget to be spent on the implementation of the Workplace Skills Plan by 30 June (Reg) | % of Municipal Budget spent per annum on the WSP (Actual spent on Training/Total Budget) | 0.35% | 0% | 0% | N/A | | | | 0% | N/A | | | 0% | N/A | Comment: Annual target to be aligned with adjustment budget. |
| 13 | Corporate Services | Report Municipal Staff Regulation Implementation Plan progress quarterly to Corporate Portfolio Committee | Number of progress reports submitted per annum | 4 | 1 | 1 | G | Report tabled on 11 September 2023, Item 6.1.4 | | | 1 | G | Tabled on 13 November 2023, Item 6.1.1 | | 2 | G | None required |
| 14 | Corporate Services | Quarterly implementation of HR Roadmap to keep staff informed of HR policies and processes | Number of staff engagements held per annum | 4 | 1 | 1 | G | Visit all departs during September 2023 | | | 1 | G | Staff engagements conducted before 31 November 2023 | | 2 | G | None required |
| 15 | Corporate Services | Arrange Bi-annual sexual harassment staff awareness campaigns. | Number of awareness campaigns arranged per annum | 2 | 0 | 0 | N/A | | | | 1 | G | Sexual harassment awareness conducted during the quarter at various depts. | | 1 | G | None required |
| 16 | Corporate Services | Create temporary work opportunities through the municipality's EPWP programme by 30 June | Number of temporary EPWP work opportunities created per annum | 131 | 0 | 0 | N/A | | | | 0 | N/A | | | 0 | N/A | None required |
| 17 | Corporate Services | Coordinate quarterly Ordinary Council Meetings | Number of Ordinary Council meetings coordinated per annum | 4 | 1 | 1 | G | Council meeting held on 21 August 2023 | | | 1 | G | Ordinary Council meeting held on 4/12/2023. | | 2 | G | None required |
| 18 | Corporate Services | Review Records Management Policy and table to Council by December | Reviewed policy tabled to Council | 1 | 0 | 0 | N/A | | | | 1 | G | Tabled Records Management Policy to Council on 04/12/2023, Item A33 | | 1 | G | None required |
| 19 | Corporate Services | Table quarterly progress report on Electronic Document Management System to Corporate Services Portfolio Committee. | Number of progress reports tabled per annum | 4 | 1 | 1 | G | Report tabled on 11 September 2023, Item 6.2.2 | | | 1 | G | Report tabled on 13 November 2023, Item 6.2.2 | | 2 | G | None required |

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| 20 | Corporate Services | Table bi-annual progress report on remedial actions from WC Archives & Record Services to Portfolio Committee. | Number of progress reports tabled per annum | 2 | 0 | 1 | B | Report submitted on 11 September 2023, Item 6.3.3 | | | 1 | 0 | R | Progress report was tabled in September 2023. | 1 | 1 | G | None required |
| 21 | Corporate Services | Table quarterly progress report on ICT Remediation Plan to Corporate Services Portfolio Committee. | Number of progress reports tabled per annum | 4 | 1 | 1 | G | Report tabled on 11 September 2023, Item 6.4.2 | | | 1 | 1 | G | Report was tabled on 13 November 2023, Item 6.4.1 | 2 | 2 | G | None required |
| 22 | Corporate Services | Review ICT Steering Committee Terms of Reference and table to Council by March each year. | Revised TOR tabled to Council | 1 | 0 | 0 | N/A | | | | 0 | 0 | N/A | | 0 | 0 | N/A | None required |
| 23 | Corporate Services | Table quarterly activity report on Building Management and Support Services to Corporate Services Portfolio Committee. | Number of activity reports tabled per annum | 4 | 1 | 1 | G | Tabled report on 11 September 2023, Item 6.3.1 | | | 1 | 1 | G | | 2 | 2 | G | None required |
| 24 | Corporate Services | Table quarterly Pool Fleet Management Meeting Minutes to Corporate Services Portfolio Committee. | Number of minutes tabled per annum | 4 | 1 | 0 | R | Fleet management report was tabled to portfolio committee on 11 September 2023, Item 6.3.2. The KPI and measurement was wrongly determined and must read reports instead of minutes. | | To revise the KPI. | 1 | 0 | R | Pool fleet management report was tabled on 13 November 2023, Item 6.3.2 | 2 | 0 | R | Comments: To amend the KPI to be measure "Quarterly Fleet Management Reports" in stead of minutes as no committee exist for function. |
| 25 | Finance | Measured financial viability in terms of the municipality's ability to meet it's service debt obligations by 30 June (Debt coverage) (Reg) | The number of times the municipality was able to meet it's Debt obligation ((Total operating revenue received - operating grants)/(debt service payments)) | 7 | 0 | 0 | N/A | | | | 0 | 0 | N/A | | 0 | 0 | N/A | Comment: Annual target to be aligned with adjustment budget. |
| 26 | Finance | 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) | 1.5 | 0 | 0 | N/A | | | | 0 | 0 | N/A | | 0 | 0 | N/A | Comment: Annual target to be aligned with adjustment budget. |
| 27 | Finance | 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) | 15% | 0% | 0% | N/A | | | | 0% | 0% | N/A | | 0% | 0% | N/A | Comment: Annual target to be aligned with adjustment budget. |
| 28 | Finance | 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 | N/A | | | | 1 | 1 | G | Tabled report on 4/12/2023, Item A30 | 1 | 1 | G | None required |
| 29 | Finance | Invite service providers to register on the suppliers database by 30 June | Invitation placed on ODM website and in external media | 1 | 0 | 0 | N/A | | | | 0 | 0 | N/A | | 0 | 0 | N/A | None required |

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| 30 | Community Services | Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended) | Number of samples taken per annum | 672 | 168 | 235 | G2 | 235 samples were taken. Additional samples were taken in Overstrand municipal area as the water supply infrastructure were affected by the flooding. (Daily sampling on Jojo tanks and water trucks) | 168 | 304 | B | 304 samples were taken. Additional samples were taken in Overstrand municipal area as daily sampling were implemented as the water supply infrastructure were affected by September 2023 flooding disaster. | 336 | 539 | B | None required |
| 31 | Community Services | Take food samples to monitor the quality of Food Ito the FCD Act and legislative requirements | Number of samples taken per annum | 400 | 100 | 121 | G2 | 121 Samples were taken. Additional food samples were taken during the water shortage in Overstrand, to determine the safety of food. | 100 | 113 | G2 | 113 Samples were taken. Additional samples were taken due to non-compliance of samples and a private request for 4 samples. | 200 | 234 | G2 | None required |
| 32 | Community Services | Take water sample at Sewerage Final Outflow to monitor water quality (National Water Act: General Standards) | Number of samples taken per annum | 180 | 45 | 51 | G2 | 51 samples taken. Additional follow-up samples were taken. | 45 | 43 | 0 | 43 Samples were taken. Under performance was due to vacant positions. | 90 | 94 | G2 | None required |
| 33 | Community Services | 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 tabled on 11 September 2023, Item 7.1 | 1 | 1 | G | Report tabled on 13 November 2023, Item 7.1 | 2 | 2 | G | None required |
| 34 | Community Services | Report annually to the Community Services Portfolio Committee on the outcome of Karwyderskraal 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 |
| 35 | Community Services | 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 | Table report on 11 September 27.1023, Item 7.1 | 1 | 1 | G | Report tabled on 13 November 2023, Item 7.1 | 2 | 2 | G | None required |
| 36 | Community Services | 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 tabled on 11 September 2023, Item 7.1 | 1 | 1 | G | Report tabled on 13 November 2023, Item 7.1 | 2 | 2 | G | None required |
| 37 | Community Services | 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 |
| 38 | Community Services | 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 |
| 39 | Community Services | Present annually the revised winter readiness plan to the Community Services Portfolio Committee | Number of revised Winter readiness plans submitted per annum | 1 | 0 | 0 | N/A | | 0 | 0 | N/A | | 0 | 0 | N/A | None required |

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| 40 | Community Services | 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 | Presented to the on 01/12/2023, item 5.4 | 1 | 1 | G | None required |
| 41 | Community Services | Rollout formal Training programmes by fire services training centre | Number of formal fire training programmes rolled out by fire training centre per annum | 2 | 0 | 0 | N/A | 1 | 1 | G | Fire-fighter Two training started October 2023 and finalised December 2023 | 1 | 1 | G | None required |
| 42 | Community Services | Upgrade roads to permanent surface (MR276 - 2,28km) (DR 1206 - 3,40km) | Number of kilometres road upgraded per annum | 5.66 | 0 | 0 | N/A | 2.28 | 0 | R | MR 276 not finalised. Construction resources re-deployed to attend to flood damage repairs occurred in September 2023 | 2.28 | 0 | R | Comment: To amend the KPI and annual target to only focus on road MR276 (2.28 km) and to set the target date for the 2.28 km for June 2024. The amendment is necessitated by the flooding that occurred during September 2023. Priority was given to the repair of damage roads. Transfer the upgrade of road DR1206 to the 2024/2025 financial Year. |
| 43 | Community Services | Kilometres of gravel roads to be regravelled | Number of kilometres road regravelled per annum | 52.2 | 15 | 11.97 | 0 | 11.2 | 1.5 | R | Request to amend target downwards as further flood damages occurred at the end of September 2023 and resources were re-deployed to attend to flood damages. | 26.2 | 13.47 | R | Comment: Annual Target to be amended to 24.93 km. The amendment is necessitated by the flooding that occurred during September 2023. Priority was given on the repair of damage roads. |
| 44 | Community Services | Kilometres of gravel roads to be bladed | Number of kilometres roads bladed per annum | 6 500 | 1 850 | 2 089.13 | G2 | 1 550 | 1 685.58 | G2 | 2089.13 kms of road bladed. More kms of road were bladed as dry blading was applied and the availability of essential plant. | 3 400 | 3 774.71 | G2 | None required |
| 45 | Community Services | Submit annually the Business Plan for Provincial Roads budget allocation to Department of Infrastructure by 31 March | Annual Business Plan submitted | 1 | 0 | 0 | N/A | 0 | 0 | N/A | | 0 | 0 | N/A | None required |
| 46 | Community Services | 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 | G | 1 | 0 | R | Progress report was not tabled to the Portfolio Committee, due to late submission of item for agenda. | 2 | 1 | R | None required |

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| 47 Community Services | Report quarterly on the progress in respect of social development implementation Plan to the Community Services Portfolio Committee | Number of progress reports tabled per annum | 4 | 1 | 0 R Report omitted at portfolio committee meeting held in September 2023 as report was not sent for inclusion in agenda. | Report to be included in the next portfolio meeting. | 1 | 2 B The implementation Plans for the periods April - June and July - September 2023 were tabled to the Community Portfolio Meeting held on 13 November 2023, item 11.2 | | 2 | 2 | G | None required |
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