

**1. REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / VERSLAG: ARTIKEL 52  
VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER / INGXELO: U MHLATHI 52 -  
UXANDUVA LUKA SODOLOPHU**

(6/18/7)

17 January 2024

**REPORT FROM THE EXECUTIVE MAYOR (M BOOYSEN)**

**2. PURPOSE OF THE REPORT**

The quarterly report for second quarter is tabled to Council in terms of Section 52(d) as required in terms of the Municipal Finance Management Act 56 of 2003.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

According to the MFMA Section 52, the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

**5. RECOMMENDATION**

That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 31 December 2023.

## **AANBEVELING**

*Dat die Raad kennis neem van die kwartaalverslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot datum en die kwartaal geëindig 31 Desember 2023.*

## **ISINDULULO**

Sesokuba iBhunga lithathele ingqalelo ingxelo ngokumiselwa kolwabiwo-mali kunye nemicimbi yezemali zomasipala zonyaka uzakuthi ga ngoku kunye nexesha eliphela ngomhla 31 EyoMnga 2023.

## **6. DISCUSSION / CONTENTS**

### **6.1 BACKGROUND**

Section 52 of the Municipal Finance Management Act 2003 (No.56) (MFMA) requires the Mayor to report to Council on the financial affairs of the municipality.

#### **Section 52 (d)**

**The mayor of a municipality –**

**Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality**

### **6.2 FINANCIAL IMPLICATIONS**

As contained in the attached report.

### **6.3 LEGAL IMPLICATIONS**

The following legislation applies:

- Municipal Finance Management Act, No 56 of 2003, section 52
- Municipal Budget and Reporting Regulations, 17 April 2009

### **6.4 STAFF IMPLICATION**

None

#### **6.5 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS**

There are no previous or relevant Council resolutions related to this matter.

#### **6.6 RISK IMPLICATIONS**

There are no foreseen risks

### **ANNEXURE**

Section 52 Report

\*



## SECTION 52

### QUARTERLY FINANCIAL MANAGEMENT REPORT – Q2 ended 31 December 2023



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## Glossary

**Annual Budget** – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

**Adjustment Budget** – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revised its annual budget during the year.

**Allocations (Transfers – see DORA)** – Money received from Provincial or National Government.

**Budget Related Policy (ies)** – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

**Capital Expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and Wasteful Expenditure** – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

**MFMA** – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

**MSCOA** – Municipal Standard Chart of Account

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.

**Operating Expenditure** – The day-to-day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

**Strategic Objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised Expenditure** – Generally, spending without, or in excess of, an Approved Budget.

**Virement** – A transfer of funds.

**Virement Policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – One of the main segments into which a budget is divided. In Garden Route District this means the different GFS classification the budget is divided.

**YTDB** – Year to Date Budget

**YTDA** – Year to Date Actual

### **Legislative Framework**

This report has been prepared in terms of the following enabling legislation:

#### **The Municipal Finance Management Act – Act No. 56 of 2003**

- Section 52: Quarterly budget statements

**Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations**



## **PART 1 – IN-YEAR REPORT**

### **SECTION 1 – MAYORAL FOREWORD**

Honourable Speaker, leaders of the opposition, honourable members of the Garden Route District Council on both sides of the house, the Municipal Manager and his Executive Management Team, staff members, members of the media, interest groups and the citizens of the Garden Route District. I would like to express a hearty warm welcome to you all.

*Herewith an executive summary of the performance of the Council for the Second Quarter ending 31 December 2023. The actual and budgeted figures reported include the Roads Operational Budget.*

These figures are presented in terms of Section 52 of the MFMA. The information is presented for the Second Quarter ending 31 December 2023.

#### **Revenue by source**

The total revenue received by source for the Second Quarter amounts to **R129,884,000** against an adjusted budget of **R530,804,000 (YTDA: R270,569,000 and YTDB: R264,900,000)**. This represents a **25%** recording of revenue for the second quarter, which is in line with the expected performance of 25% for the second quarter. A total of 47% of the revenue received for the second quarter relates to Transfers and Subsidies revenue, which includes the second instalment of the Equitable Share to the amount of R59,209,000. A total of 43% of the revenue relates to the Roads Agency function and amounts to R55,990,000. The other 10% revenue received was derived from (among other) interest on investments, fire services revenue, health services revenue and resorts revenue.

#### **Operating Expenditure by type**

For the Second Quarter of the financial year, the municipality recorded expenditure performance of **R126,287,000** against an adjusted budget of **R532,490,000 (YTDA: R229,728,000 and YTDB: R266,232,000)**, representing **24%** of expenditure for the second quarter, which is in line the expected performance of 25% for the quarter.

The Employee costs expenditure for the second quarter was **R82,369,000** to an adjusted budget of **R300,766,000** (which includes contributions to post-retirement benefits), representing **27%** spending of the budget for the second quarter. This is slightly above the

25% quarterly expectation; however, it should be noted that bonuses were paid to employees in November 2023 and December 2023 (full thirteenth cheque).

The Remuneration of councillors expenditure for the second quarter amounted to **R2,992,000** to an adjusted budget of **R14,216,000**, representing **21%** of the budget.

Spending on contracted services was **R8,998,000** in the second quarter, representing **11%** spending of an adjusted budget of **R80,280,000 (YTDA: R14,676,000 and YTDB: R37,994,000)** for the quarter. This was not in line with the expected performance of 25% for the quarter. Majority of the difference in the YTDA amount compared to the YTDB amount is due to:

- No expenditure in relation to contracted services for the landfill site, operational tender for regional landfill site is in SCM process stage (circa R35m).
- Under spending in Firefighting section with regards to the aerial resources expenditure vote as anticipated. It is expected that this will increase significantly during the high fire season (December – March).

The expenditure in respect of the Roads agency function is integrated in the financial system and is reported as a department of the GRDM financial system.

Spending on other operational expenditure was **R16,291,000** in the second quarter, representing **24%** spending of an adjusted budget of **R68,630,000 (YTDA: R29,896,000 and YTDB: R36,625,000)** (including Roads Budget) for the quarter. This was in line with the expected performance of 25% for the quarter.

### **Capital Expenditure**

The approved adjusted capital budget for the 2023/24 financial year totals **R162,400,075**. R144m relates to the construction of the Regional Waste Management Facility (RWMF) and commenced in quarter 3 of the financial year 2022/2023.

For the second quarter, capital expenditure was **R8,745,000**, representing **5%** spending of an adjusted budget of R162,400,075 (**YTDA: R20,313,000 and YTDB: R80,711,000**).

Refer to detailed capital expenditure performance on page 40.

## **SECTION 2 – RESOLUTIONS**

### **Municipal Financial Management Act, 56 of 2003 - SECTION 52: General responsibilities of the Mayor**

This is the resolution being presented to Council in the quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 52 of the Municipal Finance Management Act 56 of 2003.

#### **RECOMMENDATION:**

That Council takes note of the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 31 December 2023.

## **SECTION 3 – EXECUTIVE SUMMARY**

### **3.1 Introduction**

These figures are presented in terms of section 52(d) of the MFMA. The information is presented for the Second Quarter ending 31 December 2023.

### **3.2 Consolidated performance**

#### **3.2.1 Against annual budget (adjusted)**

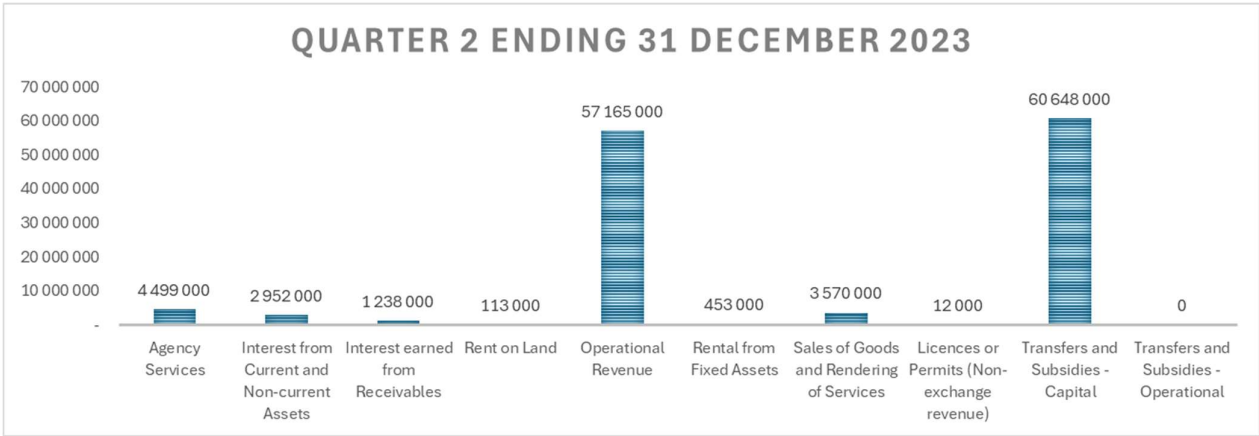
*The actual and budgeted figures reported, includes the Roads function.*

#### **Revenue by source**

The total revenue received by source for the Second Quarter amounts to **R129,884,000** against an adjusted budget of **R530,804,000 (YTDA: R270,569,000 and YTDB: R264,900,000)**. This represents a **25%** recording of revenue for the second quarter, which is in line with the expected performance of 25% for the second quarter.

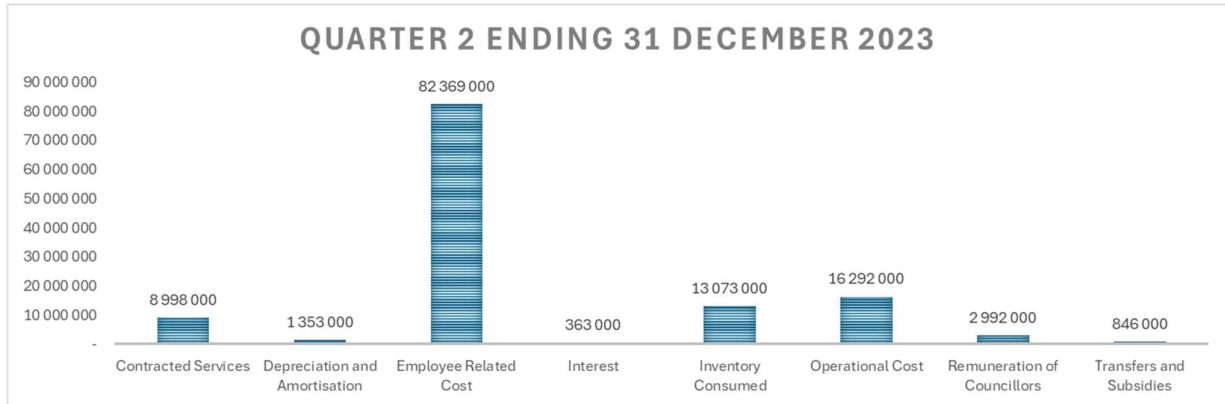
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received was derived from (among other) interest on investments, rental income, fire services revenue, health services revenue and resorts revenue.



## Operating Expenditure by type

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## Capital Expenditure

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For the second quarter, capital expenditure incurred was **R8,745,000**, representing **5%** spending of an adjusted budget of R162,400,075 (**YTDA: R20,313,000 and YTDB: R80,711,000**).

CAPITAL BUDGET SPENDING AS AT 31 DECEMBER 2023						
Number	Capital item	Budget	Expenditure	Orders	Available	% Spent
1	Upgrading of buildings - Retrofitting EEDS	4 000 000	484 921	-	3 515 079	12%
2	Wireless Access Points	35 052	17 052	17 561	439	99%
3	QNAP Backup Storage	72 741	-	-	72 741	0%
4	Monitor	2 477	2 477	-	-	100%
5	Network Equipment	12 000	10 312	-	1 688	86%
6	Inverters	114 730	-	113 432	1 298	99%
7	USB Type-C Port Replicators	8 000	5 480	-	2 520	69%
8	Medical Chair	5 000	4 331	-	669	87%
9	Flood Response Vehicle	2 500 000	-	-	2 500 000	0%
10	Mobile Generator Trailer	73 451	-	-	73 451	0%
11	Mobile Generators	1 526 549	1 526 549	-	0	100%
12	Firestation: George	4 638 075	4 462 938	-	175 137	96%
13	Firestation: George	3 000 000	2 511 449	-	488 551	84%
14	Firefighting Vehicle (bakkie)	981 000	-	-	981 000	0%
15	Vehicle (bakkie)	800 000	-	-	800 000	0%
16	Hazmat Rescue & Fire Equipment	150 000	-	130 195	19 805	87%
17	Hazardous Materials Equipment	500 000	-	-	500 000	0%
18	Landfill Site: PPE	143 981 000	11 287 205	169 129	132 524 666	8%
		<b>162 400 075</b>	<b>20 312 714</b>	<b>430 317</b>	<b>141 657 044</b>	<b>13%</b>
<b>Percentage spent</b>						
<b>Colour</b>						
0% - 50%						
51% - 75%						
76% - 100%						

### **3.3 Material variances from SDBIP**

Attached to this report as Annexure is the SDBIP report for the Second Quarter ending 31 December 2023.

Management of the SDBIP and achievement of actuals against KPI target are done via the Performance Management Section situated in the Office of the Municipal Manager.

### **3.4 Conclusion**

Detailed analysis of the municipal performance for the Second Quarter ending 31 December 2023 will be presented under the different sections of the report. More information regarding the municipal performance and explanations will be provided below.

## SECTION 4 – IN-YEAR BUDGET STATEMENT TABLES

### 4.1 Monthly budget statement

#### 4.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	37 688	37 688	–	–	18 844	(18 844)	-100%	37 688
Investment revenue	10 253	–	–	–	–	–	–		–
Transfers and subsidies - Operational	189 810	212 004	212 290	60 246	141 121	106 132	34 989	33%	212 290
Other own revenue	215 857	268 245	268 245	22 105	122 940	134 122	(11 182)	-8%	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>415 921</b>	<b>517 937</b>	<b>518 223</b>	<b>82 351</b>	<b>264 061</b>	<b>259 098</b>	<b>4 963</b>	<b>2%</b>	<b>518 223</b>
Employee costs	279 902	300 666	301 604	25 709	152 779	151 216	1 563	1%	301 604
Remuneration of Councillors	12 306	14 216	14 216	1 001	6 543	7 108	(565)	-8%	14 216
Depreciation and amortisation	5 766	5 106	5 106	451	2 707	2 553	154	6%	5 106
Interest	148	8 820	8 820	116	603	4 410	(3 807)	-86%	8 820
Inventory consumed and bulk purchases	51 426	51 861	49 263	4 235	21 506	23 332	(1 826)	-8%	49 263
Transfers and subsidies	4 642	2 501	2 397	406	1 049	1 045	4	0%	2 397
Other expenditure	79 533	149 034	151 084	6 746	44 540	76 567	(32 027)	-42%	151 084
<b>Total Expenditure</b>	<b>433 724</b>	<b>532 204</b>	<b>532 490</b>	<b>38 665</b>	<b>229 728</b>	<b>266 232</b>	<b>(36 503)</b>	<b>-14%</b>	<b>532 490</b>
<b>Surplus/(Deficit)</b>	<b>(17 803)</b>	<b>(14 267)</b>	<b>(14 267)</b>	<b>43 686</b>	<b>34 333</b>	<b>(7 133)</b>	<b>41 466</b>	<b>-581%</b>	<b>(14 267)</b>
Transfers and subsidies - capital (monetary)	3 765	8 481	12 581	–	6 481	6 218	263	4%	12 581
Transfers and subsidies - capital (in-kind)	3 284	–	–	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(10 755)</b>	<b>(5 786)</b>	<b>(1 686)</b>	<b>43 686</b>	<b>40 814</b>	<b>(915)</b>	<b>41 729</b>	<b>-4559%</b>	<b>(1 686)</b>
Share of surplus/ (deficit) of associate	108	–	–	–	27	–	27	#DIV/0!	–
<b>Surplus/ (Deficit) for the year</b>	<b>(10 647)</b>	<b>(5 786)</b>	<b>(1 686)</b>	<b>43 686</b>	<b>40 841</b>	<b>(915)</b>	<b>41 756</b>	<b>-4561%</b>	<b>(1 686)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>39 537</b>	<b>158 300</b>	<b>162 400</b>	<b>783</b>	<b>20 313</b>	<b>81 127</b>	<b>(60 815)</b>	<b>-75%</b>	<b>162 400</b>
Capital transfers recognised	3 149	8 481	12 581	–	4 523	6 218	(1 695)	-27%	12 581
Borrowing	18 192	143 981	143 981	769	11 287	71 990	(60 703)	-84%	143 981
Internally generated funds	18 196	5 838	5 838	14	4 503	2 919	1 584	54%	5 838
<b>Total sources of capital funds</b>	<b>39 537</b>	<b>158 300</b>	<b>162 400</b>	<b>783</b>	<b>20 313</b>	<b>81 127</b>	<b>(60 815)</b>	<b>-75%</b>	<b>162 400</b>
<b>Financial position</b>									
Total current assets	173 080	149 940	167 995		155 494				167 995
Total non current assets	314 101	482 146	472 763		330 901				472 763
Total current liabilities	84 581	62 133	74 173		59 668				74 173
Total non current liabilities	135 824	316 731	313 202		155 571				313 202
Community wealth/Equity	266 777	253 223	253 383		271 156				253 383
<b>Cash flows</b>									
Net cash from (used) operating	16 093	(4 936)	(941)	28 360	42 463	(696)	(43 159)	6200%	(941)
Net cash from (used) investing	(26 809)	(158 272)	(162 372)	(783)	(20 313)	(81 127)	(60 814)	75%	(162 372)
Net cash from (used) financing	711	135 455	162 201	(1 175)	13 996	78 124	64 128	82%	170 946
<b>Cash/cash equivalents at the month/year end</b>	<b>132 053</b>	<b>93 520</b>	<b>135 292</b>	<b>–</b>	<b>102 315</b>	<b>132 704</b>	<b>30 389</b>	<b>23%</b>	<b>73 803</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	16 350	19 359	577	551	542	578	8 411	38 068	84 436
<b>Creditors Age Analysis</b>									
Total Creditors	44	333	–	–	–	–	305	421	1 104

#### 4.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

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
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>240 643</b>	<b>275 990</b>	<b>268 354</b>	<b>63 126</b>	<b>163 768</b>	<b>134 091</b>	29 677	22%	<b>268 354</b>
Executive and council		238 879	274 960	259 482	62 294	160 561	129 655	30 906	24%	259 482
Finance and administration		1 763	1 029	8 873	831	3 207	4 436	(1 229)	-28%	8 873
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>9 762</b>	<b>15 036</b>	<b>23 686</b>	<b>2 187</b>	<b>5 191</b>	<b>11 843</b>	(6 652)	-56%	<b>23 686</b>
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		9 382	14 597	14 154	2 149	4 666	7 077	(2 411)	-34%	14 154
Public safety		-	-	9 094	16	305	4 547	(4 242)	-93%	9 094
Housing		-	-	-	-	-	-	-	-	-
Health		380	439	439	22	220	219	0	0%	439
<i><b>Economic and environmental services</b></i>		<b>172 672</b>	<b>195 060</b>	<b>198 431</b>	<b>17 038</b>	<b>101 610</b>	<b>99 216</b>	2 395	2%	<b>198 431</b>
Planning and development		-	-	3 371	416	2 315	1 685	629	37%	3 371
Road transport		172 594	194 878	194 878	16 615	99 245	97 439	1 806	2%	194 878
Environmental protection		78	183	183	7	51	91	(41)	-44%	183
<i><b>Trading services</b></i>		<b>-</b>	<b>40 332</b>	<b>40 332</b>	<b>-</b>	<b>-</b>	<b>20 166</b>	(20 166)	-100%	<b>40 332</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	40 332	40 332	-	-	20 166	(20 166)	-100%	40 332
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>423 077</b>	<b>526 418</b>	<b>530 804</b>	<b>82 351</b>	<b>270 569</b>	<b>265 316</b>	<b>5 253</b>	<b>2%</b>	<b>530 804</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>145 063</b>	<b>182 063</b>	<b>182 249</b>	<b>11 757</b>	<b>77 625</b>	<b>91 116</b>	(13 491)	-15%	<b>182 249</b>
Executive and council		50 821	55 515	55 515	3 389	21 509	27 757	(6 249)	-23%	55 515
Finance and administration		91 397	123 362	123 548	8 103	54 468	61 765	(7 298)	-12%	123 548
Internal audit		2 846	3 186	3 186	265	1 649	1 593	56	4%	3 186
<i><b>Community and public safety</b></i>		<b>81 518</b>	<b>91 305</b>	<b>91 333</b>	<b>7 940</b>	<b>41 280</b>	<b>45 626</b>	(4 346)	-10%	<b>91 333</b>
Community and social services		6 644	8 016	8 116	850	3 865	4 054	(189)	-5%	8 116
Sport and recreation		11 458	14 322	14 322	894	5 004	7 161	(2 157)	-30%	14 322
Public safety		27 355	28 546	28 546	2 879	13 173	14 273	(1 100)	-8%	28 546
Housing		-	-	-	-	-	-	-	-	-
Health		36 061	40 421	40 349	3 318	19 238	20 138	(900)	-4%	40 349
<i><b>Economic and environmental services</b></i>		<b>202 446</b>	<b>218 159</b>	<b>218 231</b>	<b>18 507</b>	<b>107 866</b>	<b>109 151</b>	(1 286)	-1%	<b>218 231</b>
Planning and development		20 239	18 300	18 300	1 305	8 592	9 150	(558)	-6%	18 300
Road transport		178 721	195 904	195 904	16 857	97 325	97 952	(627)	-1%	195 904
Environmental protection		3 486	3 955	4 027	345	1 948	2 049	(101)	-5%	4 027
<i><b>Trading services</b></i>		<b>2 057</b>	<b>38 047</b>	<b>38 047</b>	<b>339</b>	<b>1 947</b>	<b>19 023</b>	(17 076)	-90%	<b>38 047</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 057	38 047	38 047	339	1 947	19 023	(17 076)	-90%	38 047
<i><b>Other</b></i>		<b>2 639</b>	<b>2 630</b>	<b>2 630</b>	<b>121</b>	<b>1 010</b>	<b>1 315</b>	(305)	-23%	<b>2 630</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>433 724</b>	<b>532 204</b>	<b>532 490</b>	<b>38 665</b>	<b>229 728</b>	<b>266 232</b>	<b>(36 503)</b>	<b>-14%</b>	<b>532 490</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(10 647)</b>	<b>(5 786)</b>	<b>(1 686)</b>	<b>43 686</b>	<b>40 841</b>	<b>(915)</b>	<b>41 756</b>	<b>-4561%</b>	<b>(1 686)</b>

This table reflects the operating budget (Financial Performance) in the standard classifications that is the Government Finance Statistics Functions and Sub-function. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services.



## **Operating Revenue**

Table C2 reflects the financial performance per Standard Classification and shows that most of the municipal funds are received under the Executive and Council classification and the Roads Transport classification for the roads function performed on behalf of Provincial Government. This is because the municipality budgets most of its income under the Governance and Administration function of the Government Financial Statistics (GFS) classification.

The total revenue received by source for the Second Quarter amounts to **R129,884,000** against an adjusted budget of **R530,804,000 (YTDA: R270,569,000 and YTDB: R264,900,000)**. This represents a **25%** recording of revenue for the second quarter, which is in line with the expected performance of 25% for the second quarter.

A total of 47% of the revenue received for the second quarter relates to Transfers and Subsidies revenue, which includes the second instalment of the Equitable Share to the amount of R59,209,000. A total of 43% of the revenue relates to the Roads Agency function and amounts to R55,990,000. The other 10% revenue received was derived from (among other) interest on investments, fire services revenue, health services revenue and resorts revenue.

## **Operating Expenditure**

For the Second Quarter of the financial year, the municipality recorded expenditure performance of **R126,287,000** against an adjusted budget of **R532,490,000 (YTDA: R229,728,000 and YTDB: R266,232,000)**, representing **24%** of expenditure for the second quarter, which is in line the expected performance of 25% for the quarter.

More details regarding the operational expenditures are included in the report below under expenditure by type.

#### 4.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

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 - Office of the Municipal Manager		238 879	274 960	259 482	62 294	160 561	129 655	30 906	23,8%	259 482
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		(4)	-	6 358	330	1 998	3 179	(1 181)	-37,1%	6 358
Vote 4 - Financial Services (cont)		-	-	-	-	(0)	-	(0)	#DIV/0!	-
Vote 5 - Corporate Services		1 764	1 029	1 473	501	802	736	66	8,9%	1 473
Vote 6 - Corporate Services (cont)		-	-	1 042	-	402	521	(119)	-22,8%	1 042
Vote 7 - Community Services		380	439	439	22	220	219	0	0,2%	439
Vote 8 - Community Services (cont)		78	40 515	49 609	21	341	24 804	(24 463)	-98,6%	49 609
Vote 9 - Planning and Economic Development		4	-	-	2	20	-	20	#DIV/0!	-
Vote 10 - Planning and Economic Development (cont)		5 701	7 612	10 540	1 308	5 300	5 270	30	0,6%	10 540
Vote 11 - Planning and Economic Development(cont2)		3 681	6 985	6 985	1 257	1 680	3 493	(1 812)	-51,9%	6 985
Vote 12 - Roads		172 594	194 878	194 878	16 615	99 245	97 439	1 806	1,9%	194 878
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	423 077	526 418	530 804	82 351	270 569	265 316	5 253	2,0%	530 804
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		58 788	63 758	63 758	3 888	27 476	31 879	(4 403)	-13,8%	63 758
Vote 2 - Office of the Municipal Manager (cont)		6 265	6 734	6 734	523	3 551	3 367	184	5,5%	6 734
Vote 3 - Financial Services		17 787	22 124	22 124	1 655	9 932	11 062	(1 130)	-10,2%	22 124
Vote 4 - Financial Services (cont)		5 803	6 511	6 511	686	3 492	3 255	237	7,3%	6 511
Vote 5 - Corporate Services		19 658	37 456	37 703	2 203	12 044	18 874	(6 830)	-36,2%	37 703
Vote 6 - Corporate Services (cont)		23 395	29 874	29 813	1 512	14 144	14 876	(732)	-4,9%	29 813
Vote 7 - Community Services		46 997	52 804	52 832	4 740	25 110	26 375	(1 265)	-4,8%	52 832
Vote 8 - Community Services (cont)		31 715	69 242	69 314	3 396	16 446	34 693	(18 247)	-52,6%	69 314
Vote 9 - Planning and Economic Development		18 107	20 176	20 176	1 376	8 812	10 088	(1 276)	-12,6%	20 176
Vote 10 - Planning and Economic Development (cont)		23 424	23 326	23 326	1 709	10 375	11 663	(1 288)	-11,0%	23 326
Vote 11 - Planning and Economic Development(cont2)		3 221	4 296	4 296	118	1 021	2 148	(1 127)	-52,5%	4 296
Vote 12 - Roads		114 056	124 074	124 074	10 706	66 239	62 037	4 202	6,8%	124 074
Vote 13 - Roads (cont)		64 508	71 830	71 830	6 152	31 086	35 915	(4 829)	-13,4%	71 830
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	433 724	532 204	532 490	38 665	229 728	266 232	(36 503)	-13,7%	532 490
Surplus/ (Deficit) for the year	2	(10 647)	(5 786)	(1 686)	43 686	40 841	(915)	41 756	-4561,5%	(1 686)

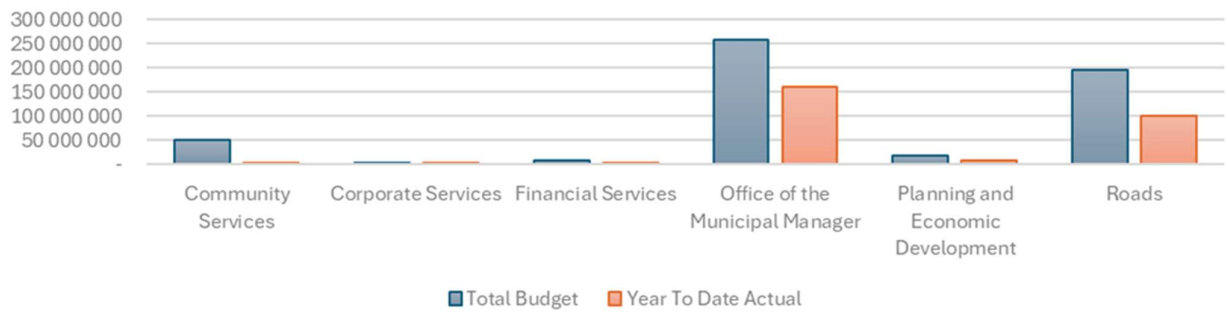
Reporting per municipal vote provides details on the spread of spending over the various functions of council.

Most of the municipal income is budgeted under the Office of the Municipal Manager vote and Roads vote. Planning and Economic Development (income from resorts) is the other main municipal function where income budgeting is recorded.

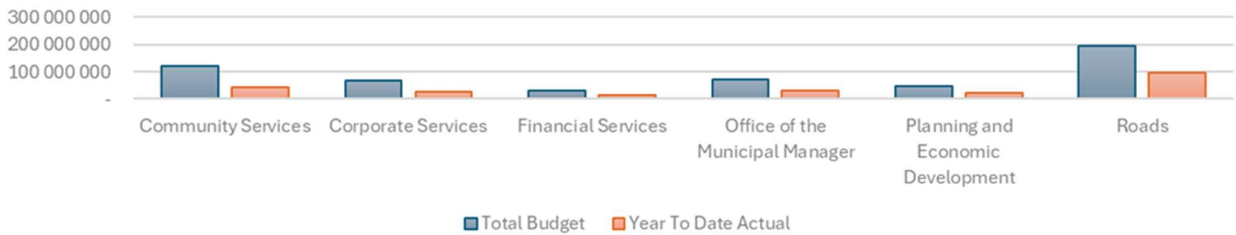
Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where expenditure is allocated. This is done to ensure implementation of the Integrated Development Plan (IDP) and for Annual Reporting.

Refer to the charts below indicating the revenue and expenditure per vote (total budgeted amount vs year-to-date actual amount):

### Revenue per Vote: Total Budget vs Year To Date Actual



### Expenditure per Vote: Total Budget vs Year To Date Actual



**\*4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)**

\*

**DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter**

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year ID actual	Year ID budget	YTD variance	YTD variance %	Full Year
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity								–	0%	
Service charges - Water								–	0%	
Service charges - Waste Water Management								–	0%	
Service charges - Waste management		–	37 688	37 688	–	–	18 844	(18 844)	-100%	37 688
Sale of Goods and Rendering of Services		15 181	26 779	26 779	2 216	4 998	13 390	(8 391)	-63%	26 779
Agency services		188 140	214 389	21 239	1 500	8 998	10 619	(1 622)	-15%	21 239
Interest								–	0%	
Interest earned from Receivables		4 189	3 371	3 708	416	2 477	1 854	623	34%	3 708
Interest from Current and Non Current Assets		10 253	10 134	10 134	492	4 198	5 067	(869)	-17%	10 134
Dividends								–	0%	
Rent on Land		573	627	627	38	226	313	(87)	-28%	627
Rental from Fixed Assets		1 315	3 377	3 377	146	812	1 688	(877)	-52%	3 377
Licence and permits								–	0%	
Operational Revenue		6 385	9 386	202 199	17 292	101 196	101 100	96	0%	202 199
Non-Exchange Revenue										
Property rates								–	0%	
Surcharges and Taxes		–	–	–	–	–	–	–	0%	–
Fines, penalties and forfeits								–	0%	
Licence and permits		78	183	183	5	36	91	(55)	-61%	183
Transfers and subsidies - Operational		189 810	212 004	212 290	60 246	141 121	106 132	34 989	33%	212 290
Interest								–	0%	
Fuel Levy								–	0%	
Operational Revenue								–	0%	
Gains on disposal of Assets								–	0%	
Other Gains		(4)	–	–	–	–	–	–	0%	–
Discontinued Operations								–	0%	
Total Revenue (excluding capital transfers and contributions)		415 921	517 937	518 223	82 351	264 061	259 098	4 963		518 223
									2%	
Expenditure By Type										
Employee related costs		279 902	300 666	301 604	25 709	152 779	151 216	1 563	1%	301 604
Remuneration of councillors		12 306	14 216	14 216	1 001	6 543	7 108	(565)	-8%	14 216
Bulk purchases - electricity								–	0%	
Inventory consumed		51 426	51 861	49 263	4 235	21 506	23 332	(1 826)	-8%	49 263
Debt impairment		6 577	–	–	–	–	–	–	0%	–
Depreciation and amortisation		5 766	5 106	5 106	451	2 707	2 553	154	6%	5 106
Interest		148	8 820	8 820	116	603	4 410	(3 807)	-86%	8 820
Contracted services		32 200	81 910	80 280	3 020	14 676	39 325	(24 649)	-63%	80 280
Transfers and subsidies		4 642	2 501	2 397	406	1 049	1 045	4	0%	2 397
Irrecoverable debts written off		2 160	2 100	2 100	–	–	1 050	(1 050)	-100%	2 100
Operational costs		38 407	64 950	68 630	3 726	29 896	36 155	(6 258)	-17%	68 630
Losses on Disposal of Assets		136	–	–	–	–	–	–	0%	–
Other Losses		53	75	75	–	(33)	37	(70)	-187%	75
Total Expenditure		433 724	532 204	532 490	38 665	229 728	266 232	(36 503)	-14%	532 490
Surplus/(Deficit)		(17 803)	(14 267)	(14 267)	43 686	34 333	(7 133)	41 466	-581%	(14 267)
Transfers and subsidies - capital (monetary allocations)										
		3 765	8 481	12 581	–	6 481	6 218	263	4%	12 581
Transfers and subsidies - capital (in-kind)		3 284	–	–	–	–	–	–	0%	–
Surplus/(Deficit) after capital transfers & contributions		(10 755)	(5 786)	(1 686)	43 686	40 814	(915)			(1 686)
Income Tax								–	–	
Surplus/(Deficit) after income tax		(10 755)	(5 786)	(1 686)	43 686	40 814	(915)			(1 686)
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		(10 755)	(5 786)	(1 686)	43 686	40 814	(915)			(1 686)
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions		108	–	–	–	27	–			–
Surplus/ (Deficit) for the year		(10 647)	(5 786)	(1 686)	43 686	40 841	(915)			(1 686)

## **Revenue by Source**

Revenue by source explains the types of income budgeted for and the performance of these items individually.

Refer to the below comparison of the year-to-date revenue compared to the year-to-date budget:

Revenue	Year To Date Actual (YTDA) - December 2023	Year To Date Budget (YTDB) - December 2023	YTDA/YTDB	Comment
Agency Services	8 997 826,08	10 619 498,00	85%	In line with expectations
Intercompany/ Parent Subsidiary Transactions	26 875,00	-	YTDB was R0 but revenue was recognised	Immaterial
Interest from Current and Non-current Assets	4 197 656,32	5 066 798,00	83%	In line with expectations
Interest earned from Receivables	2 477 431,16	1 853 940,00	134%	Increased outstanding debtor accounts resulted in higher than expected interest in 2023
Rent on Land	226 086,66	313 327,00	72%	Rental agreements to be renewed, in process
Operational Revenue	101 195 572,68	101 099 590,00	100%	In line with expectations
Rental from Fixed Assets	811 601,73	1 688 434,00	48%	Rental agreements to be renewed, in process
Sales of Goods and Rendering of Services	4 998 438,51	13 389 575,00	37%	Majority of fire fighting fees are received during high season December - March
Service Charges - Waste Management	-	18 844 082,00	0%	Landfill site not yet operational
Licences or Permits (Non-exchange revenue)	35 835,69	91 282,00	39%	Licenses/permits issued by EHP
Transfers and Subsidies - Capital	6 481 000,00	5 801 109,00	112%	Grants received as per transfer payment agreement
Transfers and Subsidies - Operational	141 120 809,62	106 131 968,00	133%	Grants received as per transfer payment agreement
<b>Grand Total</b>	<b>270 569 133,45</b>	<b>264 899 603,00</b>	<b>102%</b>	

### Interest earned from Current and Non-Current Assets / External Investments.

This reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. The bulk of the investments have not matured yet, it is invested for longer periods than 30 days, and the interest will only be realised on the date of maturity. The interest for the second quarter ending 31 December 2023 amounts to R2,952,000 (YTDA: R4,198,000 and YTDB: R5,067,000). The YTDA amount is in line with the YTDB amount.

### Interest earned from Receivables / Outstanding debtors.

Interest on outstanding debtors for the second quarter ending 31 December 2023 amounted to R1,238,000 (YTDA: R2,477,000 and YTDB: R1,854,000). The YTDA interest amount is more than the YTDB amount which means that higher than expected debtors are not paying their overdue accounts on a timely basis. Debtor system is in process with debt collection procedures as per policy. Most of the debtors are firefighting debtors.

### Agency services

The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation and 6% on any additional allocations. An amount of R4,499,000 (YTDA: R8,998,000 and YTDB: R10,619,000) was recorded for the second quarter ending 31 December 2023. The YTDA amount is in line with the YTDB amount.

### Rental from Fixed Assets / facilities and equipment:

Rental of facilities and equipment for the second quarter ending 31 December 2023 amounted to R453,000 (YTDA: R812,000 and YTDB: R1,688,000). The YTDA performance is 52% less than the year-to-date budget. The expectation is that the income will increase within the next quarter. The property section in the Planning and Economic Development Department is in process of reviewing expired lease agreements and compilation of new lease agreements. Once this is finalized, leases can be billed on the debtor system which will increase the revenue from facilities.

### Transfers recognised – operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively. The first instalment of R74,305,000 (Total allocation R178,333,000) for the Equitable Share and R1,560,000 for Safety Implementation Grant (WOSA) was received during July 2023, this is the total grant allocation received in full. The municipality also received R1,046,000 in respect of the SETA funding (Skills Mecca) during July 2023 as per the SLA.

The municipality received R1,000,000 for the FMG, the first instalment of R545,000 for the EPWP Grant, R1,928,000 for the Rural Roads Assets Management Grant and R2,000,000 for the Energy Efficiency and Demand Side Management Grant, during the month of August 2023, from National Treasury. The municipality received R4,481,000 from Provincial Treasury for the Fire Service Capacity Grant during the month of September 2023. For the month of October 2023, the municipality did not receive any operational grant funding. During the month of November 2023, the municipality received R401,940 in respect of the SETA funding.

The municipality received R1,037,100 in respect of the SETA funding and R59,209,000 for the equitable share portion during the month of December 2023.

#### Sales of Goods and Rendering of Services:

The income for rental of facilities and equipment reported for the second quarter ending 31 December 2023 amounts to R3,570,000 (YTDA: R4,998,000 and YTDB: R13,390,000). Majority of the income for this item consists of camping fees from resorts. The shortfall in YTDA vs YTDB is due to a lower occupancy rate than anticipated on the revenue from camping fees and fire services. Camping fees has however increased (as anticipated) by 216% from November 2023 (R651,670) to December 2023 (R2,061,145) due to the holiday season influx. The possibility of increases in fire services during the high fire season (December – March) are also highly likely, as these are the typical high fire months.

#### Rent on Land

The income received from rental on land amounts to R113,000 (YTDA: R226,000 and YTDB: R313,000) for the quarter ending 31 December 2023. The legal and Property sections are in process with rental contract renewals / new renewal contracts, of which higher income is expected once the contracts have been concluded.

#### Licences and permits.

The income received for licences and permits for the second quarter ending 31 December 2023 amounts to R12,000 (YTDA: R36,000 and YTDB: R91,000).

#### Operational Revenue

Operational revenue reflects an amount of R57,165,000 (YTDA: R101,196,000 and YTDB: R101,100,000) for the second quarter ending 31 December 2023. Included under Operational Revenue is the revenue received from Department of Transport whereby GRDM performs the road function on behalf of the Department. The YTDA amount is in line with the YTDB amount.

## **Expenditure by Type**

Expenditure by type reflects the operational budget per main type/category of expenditure.

Refer to the below comparison of the year-to-date revenue compared to the year-to-date budget:

Expenditure	Year To Date Actual (YTDA) - December 2023	Year To Date Budget (YTD B) - December 2023	YTDA/YTD B	Comment
				No expenditure in relation to contracted services for the landfill site, operational tender for regional landfill site is in SCM process stage.
				Under spending in the Training and development section with regards to service providers appointed to provide training services.
				Under spending in Firefighting section with regards to the aerial resources expenditure vote. It is expected that this will increase during high fire season (December - March)
Contracted Services	14 676 456,65	37 944 357,00	39%	
Depreciation and Amortisation	2 707 175,16	2 553 223,00	106%	In line with expectations
Employee Related Cost	152 779 103,45	149 636 366,00	102%	In line with expectations
Interest	603 053,95	4 410 190,00	14%	Relates to interest paid on loan for landfill site which is not yet operational
Inventory	32 513,49	37 281,00	-87%	Immaterial monetary decrease - relates to an increase in net realisable value
Inventory Consumed	21 506 221,97	25 022 614,00	86%	In line with expectations
Irrecoverable Debts Written Off	-	650 000,00	0%	Reports to be submitted to council for approval of write-offs
Operating Leases	377 724,54	298 233,00	127%	In line with expectations
Operational Cost	29 518 699,59	37 326 328,00	79%	In line with expectations
Remuneration of Councillors	6 543 345,23	7 107 997,00	92%	In line with expectations
Transfers and Subsidies	1 048 917,11	1 245 091,00	84%	In line with expectations
<b>Grand Total</b>	<b>229 728 184,16</b>	<b>266 231 680,00</b>	<b>86%</b>	

## **Employee Related cost / Remuneration of councillors**

Remuneration related expenditure (councillors and staff) for the second quarter ending 31 December 2023 amounted to R85,361,000 (YTDA: R159,322,000 and YTD B: R156,744,000) of an adjusted budgeted amount of R315,820,000. This represents 27% of the budgeted amount, slightly above the 25% expectation; however, the bonuses of employees were paid in November and December.

## **Depreciation and asset impairment**

Depreciation of R1,353,000 (YTDA: R2,707,000 and YTD B: R2,553,000) was recognised for the second quarter ending 31 December 2023.

These items account for non-cash budgeted items. The fixed asset register module must be implemented at Garden Route DM by the service provider (Phoenix) of the financial system. The Asset Verification module has been implemented – the GRAP implementation testing will be performed during the 2023/2024 financial year. Template is being populated for the import of the audited Excel FAR into the Collaborator FAR. Thereafter,



reconciliations must be performed on the data and various set-ups done to movement accounts, etc.

#### Inventory Consumed

Other materials consist of all inventories consumed purchases for materials and supplies and amounts to R13,073,000 (YTDA: R21,506,000 and YTDB: R25,023,000) for the second quarter ended 31 December 2023 against an adjusted budgeted amount of R49,263,000. The YTDA amount is in line with the YTDB amount.

#### Contracted services

Contracted services amounted to R8,998,000 (YTDA: R14,676,000 and YTDB: R37,944,000) for the second quarter ending 31 December 2023 against a total adjusted budgeted amount of R80,280,000.

Majority of the difference in the YTDA amount compared to the YTDB amount is due to:

- No expenditure in relation to contracted services for the landfill site, circa R35m, operational tender for regional landfill site is in SCM process stage.
- Under spending in Firefighting section with regards to the aerial resources expenditure vote. It is expected that this will increase during high fire season (December – March).

#### Transfers and subsidies

The transfers and subsidies expenditure for the second quarter ended 31 December 2023 amounts to R846,000 (YTDA: R1,049,000 and YTDB: R1,245,000) against an adjusted budgeted amount of R2,397,000.

### Operational costs

Operational costs reflect all other expenses not specifically mentioned and amounts to R16,291,000 (YTDA: R29,896,000 and YTDB: R37,625,000) for the second quarter ended 31 December 2023 against an adjusted budgeted amount of R68,630,000.

The operational costs consist of the following (among other):

- Travel and Subsistence
- Operating leases
- Operating Projects (own funds)
- Bank Charges
- Advertisements
- Telephone costs
- Municipal Accounts
- Software licenses
- Internet fees

#### 4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-		-
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-		-
Vote 3 - Financial Services		-	-	-	-	-	-	-		-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-		-
Vote 5 - Corporate Services		-	-	5	-	4	5	(1)	-13%	5
Vote 6 - Corporate Services (cont)		499	250	245	14	35	120	(85)	-71%	245
Vote 7 - Community Services		2 844	8 619	10 219	-	8 501	5 037	3 464	69%	10 219
Vote 8 - Community Services (cont)		18 328	144 631	147 131	769	11 287	73 565	(62 278)	-85%	147 131
Vote 9 - Planning and Economic Development		-	-	-	-	-	-	-		-
Vote 10 - Planning and Economic Development (cont)		2 970	4 800	4 800	-	485	2 400	(1 915)	-80%	4 800
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-		-
Vote 12 - Roads		-	-	-	-	-	-	-		-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>24 641</b>	<b>158 300</b>	<b>162 400</b>	<b>783</b>	<b>20 313</b>	<b>81 127</b>	<b>(60 815)</b>	<b>-75%</b>	<b>162 400</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Office of the Municipal Manager		3 870	-	-	-	-	-	-		-
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-		-
Vote 3 - Financial Services		20	-	-	-	-	-	-		-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-		-
Vote 5 - Corporate Services		5	-	-	-	-	-	-		-
Vote 6 - Corporate Services (cont)		2 500	-	-	-	-	-	-		-
Vote 7 - Community Services		1 587	-	-	-	-	-	-		-
Vote 8 - Community Services (cont)		-	-	-	-	-	-	-		-
Vote 9 - Planning and Economic Development		62	-	-	-	-	-	-		-
Vote 10 - Planning and Economic Development (cont)		3 425	-	-	-	-	-	-		-
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-		-
Vote 12 - Roads		-	-	-	-	-	-	-		-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		3 427	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	<b>14 897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Total Capital Expenditure</b>		<b>39 537</b>	<b>158 300</b>	<b>162 400</b>	<b>783</b>	<b>20 313</b>	<b>81 127</b>	<b>(60 815)</b>	<b>-75%</b>	<b>162 400</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>12 844</b>	<b>8 869</b>	<b>8 869</b>	<b>14</b>	<b>7 014</b>	<b>4 435</b>	<b>2 579</b>	<b>58%</b>	<b>8 869</b>
Executive and council		6 370	-	-	-	-	-	-		-
Finance and administration		6 474	8 869	8 869	14	7 014	4 435	2 579	58%	8 869
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		<b>5 337</b>	<b>1 450</b>	<b>5 550</b>	<b>-</b>	<b>1 527</b>	<b>2 702</b>	<b>(1 176)</b>	<b>-44%</b>	<b>5 550</b>
Community and social services		1 329	-	1 600	-	1 527	727	799	110%	1 600
Sport and recreation		3 498	800	800	-	-	400	(400)	-100%	800
Public safety		504	650	3 150	-	-	1 575	(1 575)	-100%	3 150
Housing		-	-	-	-	-	-	-		-
Health		7	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		<b>3 164</b>	<b>4 000</b>	<b>4 000</b>	<b>-</b>	<b>485</b>	<b>2 000</b>	<b>(1 515)</b>	<b>-76%</b>	<b>4 000</b>
Planning and development		3 164	4 000	4 000	-	485	2 000	(1 515)	-76%	4 000
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		<b>18 192</b>	<b>143 981</b>	<b>143 981</b>	<b>769</b>	<b>11 287</b>	<b>71 990</b>	<b>(60 703)</b>	<b>-84%</b>	<b>143 981</b>
Energy sources		-	-	-	-	-	-	-		-
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		18 192	143 981	143 981	769	11 287	71 990	(60 703)	-84%	143 981
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>39 537</b>	<b>158 300</b>	<b>162 400</b>	<b>783</b>	<b>20 313</b>	<b>81 127</b>	<b>(60 815)</b>	<b>-75%</b>	<b>162 400</b>
<b>Funded by:</b>										
National Government		2 970	4 000	4 000	-	485	2 000	(1 515)	-76%	4 000
Provincial Government		179	4 481	8 581	-	4 038	4 218	(180)	-4%	8 581
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-		-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		<b>3 149</b>	<b>8 481</b>	<b>12 581</b>	<b>-</b>	<b>4 523</b>	<b>6 218</b>	<b>(1 695)</b>	<b>-27%</b>	<b>12 581</b>
<b>Borrowing</b>	6	<b>18 192</b>	<b>143 981</b>	<b>143 981</b>	<b>769</b>	<b>11 287</b>	<b>71 990</b>	<b>(60 703)</b>	<b>-84%</b>	<b>143 981</b>
<b>Internally generated funds</b>		<b>18 196</b>	<b>5 838</b>	<b>5 838</b>	<b>14</b>	<b>4 503</b>	<b>2 919</b>	<b>1 584</b>	<b>54%</b>	<b>5 838</b>
<b>Total Capital Funding</b>		<b>39 537</b>	<b>158 300</b>	<b>162 400</b>	<b>783</b>	<b>20 313</b>	<b>81 127</b>	<b>(60 815)</b>	<b>-75%</b>	<b>162 400</b>

The approved adjusted capital budget for the 2023/24 financial year totals **R162,400,075**. R144m relates to the construction of the Regional Waste Management Facility (RWMF) and commenced in quarter 3 of the financial year 2022/2023.

For the second quarter, capital expenditure was **R8,745,000**, representing **5%** spending of an adjusted budget of R162,400,075 (**YTDA: R20,313,000 and YTDB: R80,711,000**).

#### 4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	Year to Date actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		135 244	100 110	141 818	102 315	141 818
Trade and other receivables from exchange transactions		(61 746)	16 279	(195 363)	38 620	(195 363)
Receivables from non-exchange transactions		46	–	46	46	46
Current portion of non-current receivables		4 246	4 293	4 293	4 293	4 293
Inventory		3 483	2 979	3 409	3 219	3 409
VAT		5 300	6 060	7 105	7 004	7 105
Other current assets		86 507	20 220	206 687	(3)	206 687
<b>Total current assets</b>		<b>173 080</b>	<b>149 940</b>	<b>167 995</b>	<b>155 494</b>	<b>167 995</b>
<b>Non current assets</b>						
Investments		27	28	28	28	28
Investment property		55 720	64 187	65 948	65 909	65 948
Property, plant and equipment		198 967	355 193	346 225	203 670	346 225
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		675	(26)	474	1 206	474
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		58 711	62 764	60 088	60 088	60 088
Other non-current assets						
<b>Total non current assets</b>		<b>314 101</b>	<b>482 146</b>	<b>472 763</b>	<b>330 901</b>	<b>472 763</b>
<b>TOTAL ASSETS</b>		<b>487 181</b>	<b>632 086</b>	<b>640 758</b>	<b>486 395</b>	<b>640 758</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Financial liabilities		1 099	100	663	663	663
Consumer deposits		711	468	637	1 324	637
Trade and other payables from exchange transactions		59 663	27 928	46 470	15 835	46 470
Trade and other payables from non-exchange transactions		(1 689)	4 588	2 649	4 500	2 649
Provision		25 598	26 843	22 791	30 601	22 791
VAT		(801)	2 207	963	6 746	963
Other current liabilities						
<b>Total current liabilities</b>		<b>84 581</b>	<b>62 133</b>	<b>74 173</b>	<b>59 668</b>	<b>74 173</b>
<b>Non current liabilities</b>						
Financial liabilities		650	170 315	170 892	14 495	170 892
Provision		12 088	12 024	12 085	12 110	12 085
Long term portion of trade payables						
Other non-current liabilities		123 086	134 391	130 224	128 966	130 224
<b>Total non current liabilities</b>		<b>135 824</b>	<b>316 731</b>	<b>313 202</b>	<b>155 571</b>	<b>313 202</b>
<b>TOTAL LIABILITIES</b>		<b>220 405</b>	<b>378 864</b>	<b>387 375</b>	<b>215 239</b>	<b>387 375</b>
<b>NET ASSETS</b>	2	<b>266 777</b>	<b>253 223</b>	<b>253 383</b>	<b>271 156</b>	<b>253 383</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		216 302	200 293	210 492	228 265	210 492
Reserves and funds		50 475	52 930	42 891	42 891	42 891
Other						
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>266 777</b>	<b>253 223</b>	<b>253 383</b>	<b>271 156</b>	<b>253 383</b>

## Financial ratios:

<b>Current Ratio:</b>		(Current Assets / Current Liabilities)			
		Norm: 1.5 - 2.1			
			<b>31 December 2023</b>	<b>30 June 2023</b>	
Current Assets			180 248 000	165 471 656	
Current Liabilities			59 668 000	82 598 391	
Current ratio			<b>3,02</b>	<b>2,00</b>	times
<b>Comment</b>					
The purpose of the current ratio is to determine whether GRDM has the ability to pay its short term liabilities					
The norm is 1.5 - 2.1 times. As at 31 December 2023, GRDM's current ratio is 3,02 times, which is higher than the norm.					

Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants):						
	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)					
	Norm: 1-3 months					
			31 December 2023	30 June 2023		
Cash and cash equivalents			102 314 825	136 403 451		
Unspent conditional grants			- 2 912 134	- 2 649 255		
			99 402 691	133 754 196		
Total expenditure			229 728 184	429 811 158		
Depreciation and Amortisation			- 2 707 175	- 5 766 102		
Provision for bad debts			- 46 817 805	- 46 817 805		
			180 203 204	377 227 251		
Monthly average			15 016 934	31 435 604		
Cost cover			6,6	4,3	times	
Comment						
The purpose of this ratio is to determine the amount of cash available to pay monthly operating expenses.						
The norm is 1-3 months - GRDM is above the norm.						

<b>Net debtor days:</b>			(((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365		
			Norm: 30 days		
				</	

#### 4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

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
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates								-		
Service charges		-	37 688	37 688	-	-	18 844	(18 844)	-100%	37 688
Other revenue		(204 127)	54 770	247 920	4 800	110 276	123 960	(13 684)	-11%	247 920
Transfers and Subsidies - Operational		339 196	405 154	212 290	63 684	145 216	106 132	39 085	37%	212 290
Transfers and Subsidies - Capital		6 600	8 481	12 581	-	6 481	6 218	263	4%	12 581
Interest		3 289	10 134	10 134	492	2 257	5 067	(2 810)	-55%	10 134
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(128 864)	(512 343)	(512 733)	(40 616)	(221 767)	(256 507)	(34 740)	14%	(512 733)
Interest		-	(8 820)	(8 820)	-	-	(4 410)	(4 410)	100%	(8 820)
Transfers and Subsidies								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>16 093</b>	<b>(4 936)</b>	<b>(941)</b>	<b>28 360</b>	<b>42 463</b>	<b>(696)</b>	<b>(43 159)</b>	<b>6200%</b>	<b>(941)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments		27	28	28	-	-	-	-		28
<b>Payments</b>										
Capital assets		(26 836)	(158 300)	(162 400)	(783)	(20 313)	(81 127)	(60 814)	75%	(162 400)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(26 809)</b>	<b>(158 272)</b>	<b>(162 372)</b>	<b>(783)</b>	<b>(20 313)</b>	<b>(81 127)</b>	<b>(60 814)</b>	<b>75%</b>	<b>(162 372)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing		-	143 732	170 309	-	13 912	82 497	(68 585)	-83%	170 309
Increase (decrease) in consumer deposits		711	468	637	(1 059)	687	-	687	#DIV/0!	637
<b>Payments</b>										
Repayment of borrowing		-	(8 745)	(8 745)	(116)	(603)	(4 373)	(3 770)	86%	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>711</b>	<b>135 455</b>	<b>162 201</b>	<b>(1 175)</b>	<b>13 996</b>	<b>78 124</b>	<b>64 128</b>	<b>82%</b>	<b>170 946</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(10 005)</b>	<b>(27 753)</b>	<b>(1 111)</b>	<b>26 402</b>	<b>36 146</b>	<b>(3 699)</b>			<b>7 634</b>
Cash/cash equivalents at beginning:		142 058	121 273	136 403	66 169	66 169	136 403			66 169
Cash/cash equivalents at month/year end:		132 053	93 520	135 292		102 315	132 704			73 803

The municipal bank balance at 31 December 2023 totals R23,314,825 and the total balance of short term deposits were R75,000,000 and call account deposits amounted to R4,000,000. Total cash and cash equivalents available at month end are R102,315,000.

## PART 2 – SUPPORTING DOCUMENTATION

### SECTION 5 – DEBTORS' ANALYSIS

#### Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2023/24											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	11	11	11	–	–	–
Interest on Arrear Debtor Accounts	1810	407	409	408	412	412	409	2 509	8 518	13 484	12 260	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	15 944	18 950	168	139	130	169	5 902	29 540	70 942	35 880	–	–	–
Total By Income Source	2000	16 350	19 359	577	551	542	578	8 411	38 068	84 436	48 151	–	–	–
2022/23 - totals only										–	–			
Debtors Age Analysis By Customer Group														
Organs of State	2200	(18)	26	26	27	26	33	618	2 347	3 084	3 050	–	–	–
Commercial	2300	16 326	19 192	476	458	476	543	7 780	35 585	80 836	44 842	–	–	–
Households	2400	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	2500	43	140	75	66	40	1	14	137	516	258	–	–	–
Total By Customer Group	2600	16 350	19 359	577	551	542	578	8 411	38 068	84 436	48 151	–	–	–

Long outstanding debtors that mainly consist of old sundry debt and fire accounts, remains a concern for the municipality and management will continue to report in terms of progress made.

Most of the firefighting accounts are disputed with regards to the origin of the fire and who is responsible for the payment of the account. The fire section have implemented an electronic system which will assist in the future with disputes.

The municipality is required to submit debtors aged analysis data strings monthly.

Currently, the debtor section initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process.



## SECTION 6 – CREDITORS' ANALYSIS

### Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description R thousands	NT Code	Budget Year 2023/24									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	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	44	333	-	-	-	-	305	421	1 104	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	44	333	-	-	-	-	305	421	1 104	-

The municipality is required to submit creditors aged analysis data strings monthly.

The reasons for long outstanding creditors include invoices not submitted by suppliers or unresolved disputes on certain invoices.

The municipality is continuously working towards resolving outstanding disputes on invoices and obtaining outstanding invoices.

## SECTION 7 – INVESTMENT PORTFOLIO ANALYSIS

### 7.1 Investment monitoring information

The municipality invests surplus funds to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investment Policy of council. Monies were invested for longer periods to maximise investment revenue.

		Movements for the quarter					
	Balance as at 01 October 2023	Investments matured	Investments made	Interest capitalised	Balance as at 31 December 2023	Interest earned Quarter 2	Interest earned Year to date
<i>Garden Route District Municipality</i>							
<i>Standard Bank</i>	32 000 000,00	-25 000 000,00	20 000 000,00		27 000 000,00	1 023 345,21	1 023 345,21
<i>ABSA</i>	32 500 000,00	-15 000 000,00	12 000 000,00		29 500 000,00	1 243 162,33	1 243 162,33
<i>Nedbank</i>	20 500 000,00	-10 000 000,00	8 000 000,00		18 500 000,00	768 630,84	768 630,84
<b>BANK DEPOSITS</b>	<b>85 000 000,00</b>	<b>-50 000 000,00</b>	<b>40 000 000,00</b>	<b>-</b>	<b>75 000 000,00</b>	<b>3 035 138,38</b>	<b>3 035 138,38</b>

## SECTION 8 – ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### 8.1 Supporting Table C6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year1D actual	Year1D budget	Y1D variance	Y1D variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		180 655	185 267	185 267	59 209	136 987	92 634	44 353	47,9%	185 267
Local Government Equitable Share		172 721	178 333	178 333	59 209	133 514	89 167	44 347	49,7%	178 333
Energy Efficiency and Demand Side Management Grant		1 000	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		2 440	2 180	2 180	–	545	1 090	(545)	-50,0%	2 180
Infrastructure Skills Development Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant		1 000	1 000	1 000	–	1 000	500	500	100,0%	1 000
Municipal Systems Improvement Grant		–	1 000	1 000	–	–	500	(500)	-100,0%	1 000
Public Transport Network Grant		900	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		2 594	2 754	2 754	–	1 928	1 377	551	40,0%	2 754
<b>Provincial Government:</b>		8 938	6 560	6 846	–	1 560	3 410	(1 850)	-54,3%	6 846
Capacity Building		8 938	6 560	6 846	–	1 560	3 410	(1 850)	-54,3%	6 846
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		117	20 177	20 177	1 037	2 574	10 089	(7 515)	-74,5%	20 177
Other Grants Received		117	20 177	20 177	1 037	2 574	10 089	(7 515)	-74,5%	20 177
<b>Total Operating Transfers and Grants</b>	5	189 710	212 004	212 290	60 246	141 121	106 132	34 989	33,0%	212 290
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		3 765	4 000	4 000	–	2 000	2 000	(0)	0,0%	4 000
Energy Efficiency and Demand Side Management Grant		3 765	4 000	4 000	–	2 000	2 000	(0)	0,0%	4 000
<b>Provincial Government:</b>		–	4 481	8 581	–	4 481	4 218	263	6,2%	8 581
Infrastructure		–	4 481	4 481	–	4 481	2 240	2 241	100,0%	4 481
Infrastructure		–	–	–	–	–	–	–	–	–
Capacity Building		–	–	4 100	–	–	1 977	(1 977)	-100,0%	4 100
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		3 284	–	–	–	–	–	–	–	–
[insert description]		3 284	–	–	–	–	–	–	–	–
<b>Total Capital Transfers and Grants</b>	5	7 049	8 481	12 581	–	6 481	6 218	263	4,2%	12 581
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	196 759	220 485	224 871	60 246	147 602	112 350	35 252	31,4%	224 871

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act.

## 8.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearID actual	YearID budget	YID variance	YID variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		174 939	185 267	185 799	16 076	89 141	93 165	(4 024)	-4,3%	185 799
Equitable Share		165 907	178 333	178 823	15 412	85 775	89 656	(3 881)	-4,3%	178 823
Energy Efficiency and Demand Side Management Grant		1 170	–	42	–	36	42	(5)	-13,0%	42
Expanded Public Works Programme Integrated Grant		2 810	2 180	2 180	384	2 152	1 090	1 062	97,4%	2 180
Local Government Financial Management Grant		1 013	1 000	1 000	38	260	500	(240)	-48,0%	1 000
Municipal Systems Improvement Grant		–	1 000	1 000	–	–	500	(500)	-100,0%	1 000
Rural Road Asset Management Systems Grant		3 034	2 754	2 754	242	917	1 377	(460)	-33,4%	2 754
Public Transport Network Grant		1 005	–	–	–	–	–	–		–
Provincial Government:		182 968	199 710	198 296	17 040	98 588	98 285	303	0,3%	198 296
Infrastructure		174 099	193 150	191 450	16 615	95 956	94 875	1 081	1,1%	191 450
Capacity Building		8 869	6 560	6 846	425	2 632	3 410	(777)	-22,8%	6 846
Other grant providers:		2 830	17 776	17 776	605	2 630	8 888	(6 259)	-70,4%	17 776
Expenditure on Other Grants		2 830	17 776	17 776	605	2 630	8 888	(6 259)	-70,4%	17 776
Total operating expenditure of Transfers and Grants:		360 737	402 753	401 871	33 721	190 358	200 338	(9 980)	-5,0%	401 871
Capital expenditure of Transfers and Grants										
National Government:		2 970	4 000	4 000	–	485	2 000	(1 515)	-75,8%	4 000
Energy Efficiency and Demand Side Management Grant		2 970	4 000	4 000	–	485	2 000	(1 515)	-75,8%	4 000
Provincial Government:		179	4 481	8 581	–	4 038	4 218	(180)	-4,3%	8 581
Capacity Building		179	4 481	8 581	–	4 038	4 218	(180)	-4,3%	8 581
District Municipality:		–	–	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		3 149	8 481	12 581	–	4 523	6 218	(1 695)	-27,3%	12 581
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		363 886	411 234	414 452	33 721	194 881	206 556	(11 674)	-5,7%	414 452

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act that stipulates reporting on all grant performance should be done from the receiving officer. RSC Equitable Share is an unconditional grant; hence the day-to-day running of the business is dependent on it.

## SECTION 9 – EXPENDITURE ON COUNCILLOR AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

Supporting Table C8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration		Ref	2022/23	Budget Year 2023/24							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year ID actual	Year ID budget	YID variance	YTD variance %	Full Year Forecast
R thousands			A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>											
Basic Salaries and Wages			7 666	11 153	11 153	587	4 039	5 577	(1 538)	-28%	11 153
Pension and UIF Contributions			395	263	263	38	196	131	64	49%	263
Medical Aid Contributions			261	162	162	12	89	81	8	10%	162
Motor Vehicle Allowance			2 042	1 251	1 251	162	1 001	626	375	60%	1 251
Cellphone Allowance			1 040	627	627	85	564	314	250	80%	627
Housing Allowances			766	478	478	64	383	239	144	60%	478
Other benefits and allowances			136	281	281	54	272	141	131	93%	281
<b>Sub Total - Councillors</b>			<b>12 306</b>	<b>14 216</b>	<b>14 216</b>	<b>1 001</b>	<b>6 543</b>	<b>7 108</b>	<b>(565)</b>	<b>-8%</b>	<b>14 216</b>
<b>% increase</b>		4		<b>15,5%</b>	<b>15,5%</b>						<b>15,5%</b>
<b>Senior Managers of the Municipality</b>		3									
Basic Salaries and Wages			5 315	6 223	6 223	461	2 676	3 111	(435)	-14%	6 223
Pension and UIF Contributions			(14 048)	2 093	2 093	66	372	1 046	(674)	-64%	2 093
Medical Aid Contributions			269	220	220	20	122	110	11	10%	220
Overtime									-		
Performance Bonus			511	777	777	472	505	388	117	30%	777
Motor Vehicle Allowance			(1 109)	908	908	70	406	454	(48)	-11%	908
Cellphone Allowance			171	207	207	11	69	104	(35)	-34%	207
Housing Allowances			325	392	392	22	124	196	(72)	-37%	392
Other benefits and allowances			12	22	22	1	8	11	(3)	-27%	22
Pay ments in lieu of leave			-	-	-	-	-	-	-		-
Long service awards			-	-	-	-	-	-	-		-
Post-retirement benefit obligations									-		
Entertainment											
Scarcity											
Acting and post related allowance			(383)	4	4	-	(2)	2			4
In kind benefits											
<b>Sub Total - Senior Managers of Municipality</b>			<b>(8 937)</b>	<b>10 846</b>	<b>10 846</b>	<b>1 124</b>	<b>4 280</b>	<b>5 423</b>	<b>(1 143)</b>	<b>-21%</b>	<b>10 846</b>
<b>% increase</b>		4		<b>-221,4%</b>	<b>-221,4%</b>						<b>-221,4%</b>
<b>Other Municipal Staff</b>											
Basic Salaries and Wages			168 877	177 307	178 307	14 897	89 313	89 599	(286)	0%	178 307
Pension and UIF Contributions			28 714	30 745	30 745	2 518	14 943	15 373	(429)	-3%	30 745
Medical Aid Contributions			36 587	26 234	26 234	2 076	12 750	13 117	(367)	-3%	26 234
Overtime			5 409	4 255	4 255	229	2 948	2 127	821	39%	4 255
Performance Bonus			19 449	13 309	13 309	1 605	13 541	6 655	6 886	103%	13 309
Motor Vehicle Allowance			13 004	13 787	13 787	1 044	6 355	6 893	(539)	-8%	13 787
Cellphone Allowance			130	131	131	10	60	65	(6)	-9%	131
Housing Allowances			2 427	2 929	2 929	204	1 217	1 464	(247)	-17%	2 929
Other benefits and allowances			9 696	7 132	7 132	1 195	3 939	3 566	374	10%	7 132
Pay ments in lieu of leave			(4 583)	5 608	5 608	731	2 938	2 804	134	5%	5 608
Long service awards			-	-	-	-	-	-	-		-
Post-retirement benefit obligations			7 677	7 163	7 163	-	-	3 582	(3 582)	-100%	7 163
Entertainment									-		
Scarcity									-		
Acting and post related allowance			1 452	1 220	1 158	77	495	548	(53)	-10%	1 158
In kind benefits									-		
<b>Sub Total - Other Municipal Staff</b>			<b>288 839</b>	<b>289 820</b>	<b>290 758</b>	<b>24 585</b>	<b>148 499</b>	<b>145 793</b>	<b>2 706</b>	<b>2%</b>	<b>290 758</b>
<b>% increase</b>		4		<b>0,3%</b>	<b>0,7%</b>						<b>0,7%</b>
<b>Total Parent Municipality</b>			<b>292 208</b>	<b>314 882</b>	<b>315 820</b>	<b>26 710</b>	<b>159 322</b>	<b>158 324</b>	<b>998</b>	<b>1%</b>	<b>315 820</b>

Remuneration related expenditure (councillors and staff) for the second quarter ending 31 December 2023 amounted to **R85,361,000 (YTDA: R159,322,000 and YTD: R156,744,000)** of an adjusted budgeted amount of **R315,820,000**. This represents **27%** of the budgeted amount, slightly above the 25% expectation; however, the bonuses of employees were paid in November and December.

## **SECTION 10 – MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

The measurement of performance of the Municipality in terms of the implementation of the Service Delivery and Budget Implementation plan are reported in the indicated section below.

## **SECTION 11 – CAPITAL PROGRAMME PERFORMANCE**

The table below provides information on capital budget spending:

SCOA config	Nr.	Project description	Original Budget R'000	Adjusted budget R'	YTD Expenditure R'	Status of project	Any challenges identified that is resulting in delays?
71010110001	1	Upgrading of buildings - Retrofitting EEDS	4 000 000	4 000 000	484 921	In Process	No challenges anticipated
71207230002	2	Replacing ICT Capital Equipment beyond economical	250 000	0	0	N/A - R0 per the Adjusted budget	No challenges anticipated
71801310001	3	Firestation: George	4 638 075	4 638 075	4 462 938	In Process	Delay in the Fire station project as the Contractor's revised construction program indicated a revised completion date of 30 January 2024.
71801310002	4	Firestation: George	3 000 000	3 000 000	2 511 449	In Process	Delay in the Fire station project as the Contractor's revised construction program indicated a revised completion date of 30 January 2024.
71801330001	5	Firefighting Vehicle (bakkie)	981 000	981 000	0	In Process	No challenges anticipated
73602102302	6	Vehicle (bakkie)	800 000	800 000	0	In Process	No challenges anticipated
72305230001	7	Hazmat Rescue & Fire Equipment	150 000	150 000	0	Order Issued to Supplier	No challenges anticipated
72305230005	8	Hazardous Materials Equipment	500 000	500 000	0	In Process	No challenges anticipated
74402100901	9	Landfill Site: PPE	143 981 000	143 981 000	11 287 205	Order Issued to Supplier	Weekly progress provided to Management Committee and standing agenda item in Council meetings
71207104112	10	Wireless Access Points	0	35 052	17 052	Order Issued to Supplier	No challenges anticipated
71207104144	11	QNAP Backup Storage	0	72 741	0	In Process	No challenges anticipated
71207104145	12	Monitor	0	2 477	2 477	Completed	Completed
71207104165	13	Network Equipment	0	12 000	10 312	In Process	No challenges anticipated
71207104168	14	USB Type-C Port Replicators	0	8 000	5 480	In Process	No challenges anticipated
71207104167	15	Inverters	0	114 730	0	Order Issued to Supplier	No challenges anticipated
71207104080	16	Medical Chair	0	5 000	4 331	Completed	Completed
71602102321	17	Mobile Generators	0	1 526 549	1 526 549	Completed	No challenges anticipated
71801330002	18	Flood Response Vehicle	0	2 500 000	0	In Process	No challenges anticipated
71602102250	19	Mobile Generator Trailer	0	73 451	0	In Process	No challenges anticipated
<b>Totals</b>			<b>158 300 075</b>	<b>162 400 075</b>	<b>20 312 714</b>		

Commitments against capital for the month December 2023				
71207104112	10	Wireless Access Points		17 561,25
71207104167	15	Inverters		113 431,82
72305230001	7	Hazmat Rescue & Fire Equipment		130 194,59
74402100901	9	Landfill Site: PPE		169 129,31
		<b>Total Commitments</b>		<b>430 316,97</b>




## SECTION 12 – OPERATIONAL PROJECTS PERFORMANCE

Refer to table below for the actual expenditure against the budgeted amounts for the largest operational projects budgeted for in the 2023/24 financial year:

Cost Centre	Description	FULL YEAR TOTAL BUDGET	Quarter 1	Quarter 2	Year to date actual at the end of the 2nd Quarter 2023/24	% Spent
Office: of the Executive Mayor	Donations	394 750	162 500	109 163	271 663	69%
Office: of the Executive Mayor	Donations - Christmas Hampers	194 750	-	160 874	160 874	83%
Section 79/80 committees	Projects and donations - Portfolio: Strategic	50 000	3 000	-	3 000	6%
Marketing publicity& media cor	Municipal Newsletters -ExpOther expenditure	48 339	26 086	-	26 086	54%
Training & Development	Bursaries	293 223	18 420	-	18 420	6%
Training & Development	Facilitator - MMC	1 291 810	94 664	-	94 664	7%
OHS	Maintenance of Fire Equipment	85 280	10 244	53 919	64 163	75%
OHS	Medical for Employees	117 260	-	750	750	1%
Led	SCEP - Monetary allocations	300 000	-	191 304	191 304	64%
Led	Film Office	205 000	-	-	-	0%
Led	SME Support Programme	600 000	-	600 000	600 000	100%
Regional planning	Maintenance of equipment	294 000	22 818	22 041	44 858	15%
Regional planning	Maintenance of :Sanitation Infrastructure	82 400	-	14 492	14 492	18%
Regional planning	Maintenance of Water supply Infrastructure	360 000	-	20 765	20 765	6%
Regional planning	Maintenance of building: municipal offices	964 000	235 901	61 060	296 961	31%
Tourism	Cater Care Project	223 750	-	-	-	0%
Tourism	Tourism Marketing	240 000	-	208 696	208 696	87%
EPWP Projects	EPWP Projects	2 179 000	1 100 044	1 051 853	2 151 898	99%
Fire fighting	Maintenance of Transport Assets	106 600	370	35 839	36 209	34%
Fire fighting	Maintenance of Transport Assets:Emergency	314 675	33 112	80 124	113 236	36%
Fire fighting	Maintenance of Mechanical Equipment	79 950	-	11 185	11 185	14%
Fire fighting	Maintenance of Transport Assets:Conditional Ba	129 847	5 100	40 022	45 122	35%
Municipal Health Services: Adm	Samples and Specimens -ExpOther expenditure	1 388 204	240 025	430 219	670 244	48%
Resorts: Swartvlei	Maintenance of Sanitation infrastructure	278 736	-	-	-	0%
Resorts: Swartvlei	Maintenance of Community assets:sport and Recr	74 304	-	-	-	0%
Resorts: Swartvlei	Maintenance of Community assets:Outdoor Facili	79 950	-	-	-	0%
Resorts: Victoriabaai	Maintenance of Community assets- outdoor facil	90 665	-	22 266	22 266	25%
Resorts: Victoriabaai	Maintenance of sanitation infrastructure	51 010	-	-	-	0%
Resorts: Calitzdorp Spa Resort	Maintenance of :Sanitation Infrastructure	150 000	-	-	-	0%
Resorts: Calitzdorp Spa Resort	Maintenance of Buildings and Facilities -ExpOt	220 000	52 784	-	52 784	24%
Resorts: Calitzdorp Spa Resort	Maintenance of Community Assets: Outdoor Facil	150 000	30 361	2 273	32 633	22%
Resorts: De Hoek Mountain Res	Maintenance of Community Assets:Sport and Recr	74 620	-	-	-	0%
Resorts: De Hoek Mountain Res	Maintenance of Sanitation infrastructure Capit	174 620	-	-	-	0%
Resorts: De Hoek Mountain Res	Maintenance of Community Assets:Outdoor Facili	122 461	6 845	15 036	21 881	18%
Bulk infrastructure:(m hubbe)	Contracted Services	541 850	-	-	-	0%
Enviromental Management	GREF database maintenance and development and	138 977	-	60 500	60 500	44%
Air quality control	Air Quality Sampling	150 000	130 647	-	130 647	87%



## SECTION 13 – SECTION 11 WITHDRAWALS

 <b>PROVINCIAL TREASURY</b> <b>Withdrawals from Municipal Bank Accounts</b> <b>In accordance with Section 11, Sub-section 1 (b) to (j)</b> 																									
<b>NAME OF MUNICIPALITY:</b>	GARDEN ROUTE DISTRICT MUNICIPALITY																								
<b>MUNICIPAL DEMARCATION CODE:</b>	DC4																								
<b>QUARTER ENDED:</b>	31-Dec-23																								
<b>MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i>, or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only -</b>	<table border="1"> <thead> <tr> <th>Amount</th> <th>Reason for withdrawal</th> </tr> </thead> <tbody> <tr> <td>(b) to defray expenditure authorised in terms of section 26(4);</td> <td>none</td> </tr> <tr> <td>(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);</td> <td>none</td> </tr> <tr> <td>(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;</td> <td>none</td> </tr> <tr> <td>(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -</td> <td>none</td> </tr> <tr> <td>(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or</td> <td>none</td> </tr> <tr> <td>(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;</td> <td>none</td> </tr> <tr> <td>(f) to refund money incorrectly paid into a bank account;</td> <td>none</td> </tr> <tr> <td>(g) to refund guarantees, sureties and <i>security</i> deposits;</td> <td>none</td> </tr> <tr> <td>(h) for cash management and <i>investment</i> purposes in accordance with section 13;</td> <td>R 40 000 000,00 Investments made for Quarter 2</td> </tr> <tr> <td>(i) to defray increased expenditure in terms of section 31; or</td> <td></td> </tr> <tr> <td>(j) for such other purposes as may be <i>prescribed</i>.</td> <td>R 126 287 027,00 Quarter 2 expenditure</td> </tr> </tbody> </table>	Amount	Reason for withdrawal	(b) to defray expenditure authorised in terms of section 26(4);	none	(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	none	(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;	none	(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -	none	(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or	none	(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;	none	(f) to refund money incorrectly paid into a bank account;	none	(g) to refund guarantees, sureties and <i>security</i> deposits;	none	(h) for cash management and <i>investment</i> purposes in accordance with section 13;	R 40 000 000,00 Investments made for Quarter 2	(i) to defray increased expenditure in terms of section 31; or		(j) for such other purposes as may be <i>prescribed</i> .	R 126 287 027,00 Quarter 2 expenditure
Amount	Reason for withdrawal																								
(b) to defray expenditure authorised in terms of section 26(4);	none																								
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(4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -	<b>Name and Surname:</b> M Stratu																								
(a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and	<b>Rank/Position:</b> Municipal Manager																								
(b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	<b>Signature:</b> 																								
<b>Tel number</b>	<b>Fax number</b>																								
448 031 320																									
<b>Email Address</b>																									
geraldine@grdm.gov.za																									
<p>The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: <a href="mailto:enkuna@pgwc.gov.za">enkuna@pgwc.gov.za</a> on or before the 15th of the month following the end of each quarter.</p>																									

## SECTION 14 – MUNICIPAL MANAGER’S QUALITY CERTIFICATE



54 York Street,  
George  
Western Cape  
6529

PO Box 12,  
George,  
Western Cape  
6530

Tel: 044 803 1300  
Fax: 086 555 6303  
E-mail: [info@gardenroute.gov.za](mailto:info@gardenroute.gov.za)  
[www.gardenroute.gov.za](http://www.gardenroute.gov.za)

### OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek  
Reference: 6/1/1 – 23/24  
Date: 16 January 2024

Provincial Treasury  
Local Government Budget Analysis  
Private Bag X9165  
CAPE TOWN  
8000

National Treasury  
Local Government Budget Analysis  
Private Bag X115  
PRETORIA

Sir / Madam

### QUALITY CERTIFICATE

I, M STRATU, the accounting officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**, hereby certify that the–

- ☐ The monthly budget statement
- ☐ **Quarterly report on the implementation of the budget and financial state of affairs of the municipality**
- ☐ Mid- year budget and performance assessment

for the quarter ended **31 December 2023**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name

*Monde Stratu*

Accounting Officer (acting) of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**.

Signature

Date

*[Signature]*  
*17/1/2024*



## **PERFORMANCE MANAGEMENT**

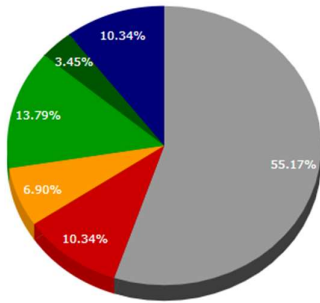
### **Quarter 2**

**October - December 2023**

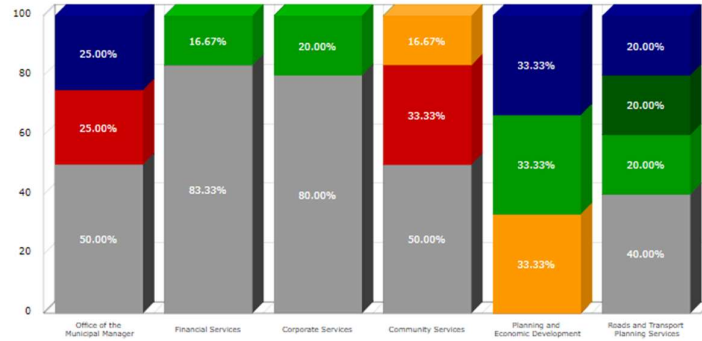
## Top Layer KPI Report

Report drawn on 12 January 2024 at 12:32  
for the months of Quarter ending December 2023 to Quarter ending December 2023.

Garden Route District Municipality



Responsible Directorate



	Garden Route District Municipality	Responsible Directorate						
		Office of the Municipal Manager	Financial Services	Corporate Services	Community Services	Planning and Economic Development	Roads and Transport Planning Services	[Unspecified]
Not Yet Applicable	16 (55.17%)	2 (50.00%)	5 (83.33%)	4 (80.00%)	3 (50.00%)	-	2 (40.00%)	-
Not Met	3 (10.34%)	1 (25.00%)	-	-	2 (33.33%)	-	-	-
Almost Met	2 (6.90%)	-	-	-	1 (16.67%)	1 (33.33%)	-	-
Met	4 (13.79%)	-	1 (16.67%)	1 (20.00%)	-	1 (33.33%)	1 (20.00%)	-
Well Met	1 (3.45%)	-	-	-	-	-	1 (20.00%)	-
Extremely Well Met	3 (10.34%)	1 (25.00%)	-	-	-	1 (33.33%)	1 (20.00%)	-
<b>Total:</b>	<b>29</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>-</b>
	<b>100%</b>	<b>13.79%</b>	<b>20.69%</b>	<b>17.24%</b>	<b>20.69%</b>	<b>10.34%</b>	<b>17.24%</b>	<b>-</b>

### Performance Key:

KPI not applicable = Target not set for the term under review

KPI not Met = 0 %< = Actual/Target< = 74.9%

Almost Met = 75 %< = Actual/Target < = 99.99%

Met = 100% Actual meets Target

KPI Well Met = 100.001% < = Actual/Target < = 149.9%

KPI Extremely Well Met = 150 000 %< = Actual/Target

Annexure A

OFFICE OF THE MUNICIPAL MANAGER										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2023				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL1	Complete 85% of the Risk Based Audit Plan (RBAP) for the 2023/24 financial year by 30 June 2024 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan completed by 30 June 2024	Good Governance	93%	25%	38%	B	-	85%	38%
TL2	The percentage of the municipal capital budget spent on capital projects by 30 June 2024 [(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]	% of capital budget spent by 30 June 2024	Financial Viability	59%	15%	13%	R	GRDM has agreed to procure required materials through existing GRDM Roads tenders. An addendum to the SLA with TEFLA is currently underway to enable this, which will further expedite the procurement of materials	95%	13%
TL3	Award 10 external bursaries to qualifying candidates by 31 March 2024	Number of external bursaries awarded by March 2024	Good Governance	7	0	0	N/A		10	N/A
TL4	Strategic Risk register of the Organization submitted to Council by 30 June 2024	Submit the Strategic Risk register to Council by 30 June 2024	Good Governance	1	0	0	N/A	-	1	N/A

FINANCIAL SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2023				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL5	Review the budget, cash and cash reserve policies in preparation for the final budget of 2023/24 and submit to Council by 31 March 2024	Reviewed policies submitted to Council for approval by 31 March 2024	Financial Viability	1	N/A	N/A	N/A	-	1	N/A
TL6	Achieve cash coverage ratio of 3 months. Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2024[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months that available cash is sufficient to cover the monthly operating expenditure	Financial Viability	3.62	3	3	G	-	3	6.6
TL7	Achieve a current ratio of 1.5 (Current assets: Current liabilities) by 30 June 2024	Number of times the Municipality can pay back its short term- liabilities with its short-term assets by 30 June 2024	Financial Viability	1.84	N/A	N/A	N/A	-	1.5	N/A

FINANCIAL SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2023				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL8	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2024 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage	Financial Viability	0.04%	N/A	N/A	N/A	-	45%	N/A
TL9	Compilation of the Annual Financial Statements (AFS) for the 2022/23 financial year and submit to the Auditor- General (AG) by 31 August 2023	Compilation and submission of the AFS to the AG by 31 August 2023	Financial Viability	1	N/A	N/A	N/A	-	1	1
TL10	Compile the Mid-year Financial Statements for the 2023/24 financial year and submit to Audit Performance and Audit Committee (APAC) by 28 February 2024	Compilation and submission of the Mid-year Financial Statements to APAC by 28 February 2024	Financial Viability	1	N/A	N/A	N/A	-	1	N/A

PLANNING AND ECONOMIC DEVELOPMENT										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2023				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL11	Report bi-annually to Council on the progress in terms of the Growth and Development Strategy initiatives within the District	Number of reports submitted	Growing an Inclusive District Economy	2	1	1	G	-	2	1
TL12	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organisation by 30 June 2024	Number of job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2024	Growing an Inclusive District Economy	486	100	477	B	-	312	477
TL13	Spend 95% of the project budget for upgrade of buildings (retrofitting) in terms of the Energy Efficiency Demand Side Management (EEDSM) by 30 June 2024 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	Growing an Inclusive District Economy	95%	15%	13.84%	O	Finalization of payments are currently underway	95%	12.12%



CORPORATE SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2023				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL14	Develop an Organisational Skills Development Plan for 2024/25 and submit to Council by 30 June 2024	Organisational Skills Development Plan for 2024/25 submitted by 30 June 2024	Skilled Workforce and Community	1	N/A	N/A	N/A	-	1	N/A
TL15	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2023/24 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Skilled Workforce and Community	1	N/A	N/A	N/A	-	1	N/A
TL16	Spend 1% of personnel budget on training by 30 June 2024 [(Actual total training expenditure/total personnel budget) x 100]	% of the personnel budget spent on training by 30 June 2024	Skilled Workforce and Community	1%	N/A	N/A	N/A	-	1%	N/A
TL17	Limit vacancy rate to 10% of budgeted post by 30 June 2024[(Number of funded posts vacant/number of funded posts) x 100]	% vacancy rate	Skilled Workforce and Community	9.25%	N/A	N/A	N/A	-	10%	N/A
TL18	Submit the GRSM Skills Mecca Progress reports linking to the Growth and Development Strategy to Council on a quarterly basis	Number of reports submitted	Skilled Workforce and Community	4	1	1	G	-	4	2

COMMUNITY SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2023				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL19	Spend 95% of the project budget for the Fire station in George by 31 December 2023 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	Healthy and Socially Stable Communities	100%	95%	91%	O	The project subsequently have an extension of time and confirmed to conclude on 31 January 2024. the last invoice and payment will be affected at the end of January 2024 and the expenditure target will be met and reflect in February 2024.	95%	91%
TL20	Spend 95% of the project budget for the Regional Landfill Facility by 30 June 2024 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	Sustainable Environmental Management and Public Safety	50.32%	N/A	N/A	N/A	-	95%	N/A
TL21	Spend 95% of the project budget for Hazmat Rescue, Fire Equipment by 30 June 2024 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	Healthy and Socially Stable Communities	91%	70%	0%	R	The LDV 4x4 Vehicle & Skid Unit has been advertised. Advertisement closes on 18 January 2024. The Equipped Hazmat Trailer Tender is in award stage. Smoke Detector Project Grant â ?" R500 000 grant gazetted.	95%	0%

COMMUNITY SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2023				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL22	Purchase a Fire Fighting Light Duty Vehicle (LDV) by 30 June 2024	Number of Fire Fighting LDV Vehicles purchased	Sustainable Environmental Management and Public Safety	New Performance Indicator for 2023/2024	N/A	N/A	N/A	-	1	N/A
TL23	Conduct 12 air quality emission testing methodologies by 30 June 2024	Number of air quality emission testing methodologies conducted	Healthy and Socially Stable Communities	9	3	2	0	Still waiting on results for December 2023 from Lab	12	3
TL24	Conduct a Garden Route Clean Fires Air Quality Awareness Campaign at Primary Schools by 30 June 2024	Number of awareness campaigns conducted	Sustainable Environmental Management and Public Safety	New Performance Indicator for 2023/2024	N/A	N/A	N/A	-	1	N/A

ROADS AND TRANSPORT SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2023				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL25	Create 60 job opportunities through the Roads Services by 30 June 2024	Number of Jobs created by 30 June 2024	Skilled Workforce and Community	136	30	97	B	-	60	97
TL26	Spent 95% of the roads budget allocation by 31 March 2024 (Actual expenditure divided by approved allocation received)	% of the roads spent by 31 March 2024	Financial Viability and Sustainability	98.8%	50%	67%	G2	-	95%	67%
TL27	Reseal 41.09 km of roads by 30 June 2024	Number of km's of roads resealed	Bulk Infrastructure Co-ordination	28.09	N/A	N/A	N/A	-	41.09	N/A
TL28	Regravel 29.52 km of roads by 30 June 2024	Number of km's of roads regavelled by 30 June 2024	Bulk Infrastructure Co-ordination	15.41	N/A	N/A	N/A	-	29.52	N/A
TL29	Submit the Integrated Transport Plan for approval to Council by 31 December 2023	Plan submitted by 31 December 2023	Bulk Infrastructure Co-ordination	New Performance Indicator for 2023/2024	1	1	G	-	1	1