



ANNEXURE A

DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Oversight Report

2022/2023 Annual Report

11 March 2024

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A city of excellence

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1. INTRODUCTION

The Annual Report (AR) is one of the key instruments of transparent governance and accountability. It is a post-financial year document which provides an overview of the process of financial and non-financial performance in respect of the previous financial year, in this instance the 2022/2023 financial year. The adoption of an AR is a legislative requirement in terms of the Municipal Finance Management Act (MFMA).

2. PURPOSE

The purpose of this report is to present to Council for adoption, the 2022/2023 AR as well as the Oversight Report (OR) on the 2022/2023 AR as required in terms of Section 129 of the MFMA.

3. 2022/2023 ANNUAL REPORT

3.1 LEGAL FRAMEWORK

Section 121 of the MFMA determines that Drakenstein Municipality must deal with the preparation and adoption of the 2022/2023 AR as follows:

“(1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control in accordance with section 129.

(2) The purpose of an annual report is:

- (a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;*
- (b) To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and*
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.*

Section 127(2) of the MFMA also determines with regard to the submission and tabling of ARs that the Executive Mayor must, within seven months after the end of a financial year, table in the Municipal Council the AR of Drakenstein Municipality. This was done on 30 January 2024.

Section 129 of the MFMA determines with regard to the OR on the 2022/2023 AR that:

“(1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council’s comments on the annual report, which must include a statement whether the council:

- (a) Has approved the annual report with or without reservations;*
- (b) Has rejected the annual report; or*
- (c) Has referred the annual report back for revision of those components that can be revised.”*

3.2 COMPONENTS OF THE ANNUAL REPORT

The format of the 2022/2023 AR is based on the AR template issued by National Treasury in terms of MFMA Circular 63 of 2012. The Circular requires that an AR consists of six (6) chapters and attempts to cover all the aspects that needs to be reported on as derived from the MFMA and the Local Government: Municipal Systems Act.

4. 2022/2023 ANNUAL REPORT CONSULTATION AND ADOPTION PROCESS

4.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Council established a Municipal Public Accounts Committee (MPAC) in terms of Section 79 of the Local Government: Municipal Structures Act, 1998. The Terms of Reference tasks the MPAC with the responsibility to perform an oversight role over the process of preparing the AR of Council and to produce an OR based on the AR.

As required by the MFMA the City Manager attended the Council Meeting where the 2022/2023 AR was tabled by the Executive Mayor on 30 January 2024, thereafter it was released for public comment. The MPAC convened one meeting on 11 March 2024 to deliberate on the content of the 2022/2023 AR together with the comments received on the 2022/2023 AR. The City Manager attended the MPAC meeting as required to answer questions posed by MPAC members on the 2022/2023 AR and written comments received.

The attendance of MPAC members for the purpose of compiling the OR is recorded as follows:

Table 1: MPAC Members and Attendance

Name	Capacity	Meeting Attendance: 11 March 2024
Cllr JA September	MPAC Chairperson	X
Cllr SJ Liebenberg	Member	
Cllr AJ van Santen	Member	X
Cllr EA Solomons	Member	X
Ald AC Stowman	Member	
Cllr AM Richards	Member	X
Cllr LS Sambokwe	Member	
Cllr R Nell	Member	X

4.2 ADOPTION AND PUBLIC CONSULTATION PROCESS

The Executive Mayor tabled the Draft 2022/2023 AR in Council on 31 January 2023 in compliance with the MFMA. The Draft 2022/2023 AR was made public on the municipal website within (5) days as well as within seven (7) days in the local newspapers after it was tabled at Council.

Members of the community and any other stakeholder were invited to submit written comments on the 2022/2023 AR. In addition, the 2022/2023 AR was also made available at all municipal libraries and selected municipal offices.

The 2022/2023 AR was also submitted, in terms of Section 127(5)(b) of the MFMA to the Auditor-General of South Africa (AGSA), National Treasury, Western Cape Provincial Treasury and the Western Cape Department of Local Government. The AGSA was also invited to attend the Council meeting to be held on 28 March 2024 as well as the MPAC meeting held on 11 March 2024.

The closing date for public comments were on 28 February 2024. No submissions from the public were received. Written comments were received from the AGSA, Audit Committee and from the Internal Audit Division. These comments were tabled and considered at the MPAC meeting held on 11 March 2024.

The Western Cape Provincial Treasury provided feedback in a letter, but did not raise any findings. Furthermore the Audit Committee provided verbal feedback on the AR during the Audit Committee meeting on 1 February 2024 which were incorporated. No written comments were received from the Western Cape Department of Local Government.

4.3 MATTERS DISCUSSED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The MPAC met on 11 March 2024 to discuss and consider the adoption of the 2022/2023 AR. The MPAC members, prior to these meetings, perused through the content of the 2022/2023 AR as well as the written comments received and the corrections made to the AR (attached as Appendix 1 and 2 to the Oversight Report).

In terms of Section 129(1) of the MFMA, Council must indicate whether the 2022/2023 AR is being adopted with or without reservations. The matters as discussed in Appendix 1 and 2 were finalised on 11 March 2024. As a result, the MPAC is satisfied with the content of the Final 2022/2023 AR and as such recommends to Council that the 2022/2023 AR be adopted without any reservations.

5. CONCLUSION

As Chairperson of the MPAC, I would like to thank the MPAC members, the Mayoral Committee members, the City Manager and Senior Management, as well as the various contributors to the Final 2022/2023 AR product for their diligence and constructive commitment during the oversight period.

The MPAC is satisfied that the 2022/2023 AR provides an accurate overview of the process of financial and non-financial performance during the period under review and therefore would like to recommend the adoption thereof.

6. RECOMMENDATIONS

It is recommended to Council that:

- 6.1 Council adopts the Oversight Report on the 2022/2023 Annual Report;
- 6.2 Council approves the 2022/2023 Annual Report without any reservations;
- 6.3 The Oversight Report on the 2022/2023 Annual Report be made public in accordance with Section 129(3) of the MFMA; and

6.4 The Minutes of the Oversight Committee meeting of 11 March 2024, the Oversight Report on the 2022/2023 Annual Report and the Final 2022/2023 Annual Report be submitted, in accordance with Section 129(2) and 132(2) of the MFMA, to the Auditor-General of South Africa, National Treasury, Western Cape Provincial Treasury, Western Cape Department of Local Government and the Western Cape Provincial Legislature.

7. APPENDICES

- Appendix 1: Comments received on the Draft Annual Report 2022/2023;
- Appendix 2: MPAC Minutes of 11 March 2024; and
- Appendix 3: Extract of corrections to the Draft Annual Report 2022/2023.



CLIR JA SEPTEMBER
CHAIRPERSON: MPAC

11 March 2024



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APPENDIX 1

Comments received on the Draft Annual Report

2022/2023 Financial Year

To be considered by the Municipal Public Accounts Committee on 11 March 2024

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council
1.	Auditor-General (attached hereto).	Page 218 "Error made for table 157 Page 218 - Table 157 - Correct typo for '1577'"	Error was corrected	Senior Management's response accepted.
2.	Auditor-General (attached hereto).	Page 30 "The cash and cash equivalents balance of the prior year was stated to be R229,9m. In the audited 2023 AFS, the CC&E was R189,8m"	Not Corrected: It is stated in the foreword that "cash and cash equivalents and investment balances..."	Senior Management's response accepted.
3.	Auditor-General (attached hereto).	Page 30 "In the 3rd paragraph, it's stated it's the fifteenth consecutive unqualified audit opinion, it should be sixteenth. Also correct the (8th), should be (9th)"	Was corrected in the version tabled to Council	Senior Management's response accepted.
4.	Auditor-General (attached hereto).	Page 31 Per the APR there are 41 registered informal settlements receiving refuse collection and not 43	Error was corrected	Senior Management's response accepted. Senior Management's response accepted.

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council
5.	Auditor-General (attached hereto).	Page 39 Based on the 2022/23 APR only 41 informal settlements have access to waste removal and not 43	Error was corrected	Senior Management's response accepted.
6.	Auditor-General (attached hereto).	Page 39 The sentence ending does not read well, please consider changing it: "The Municipality is still confident that the growth in medium to high income developments are increasing, albeit slower than previously ago"	Error was corrected	Senior Management's response accepted.
7.	Auditor-General (attached hereto).	Page 41 The first paragraph on page 42 indicates the repairs and maintenance to total operating expenditure was 10,1% for 2021/2022 - however in table B, the percentage is 10,3%	Was corrected in the version tabled to Council	Senior Management's response accepted.
8.	Auditor-General (attached hereto).	Page 42 In the first paragraph, the sentence starting ' Actual capital" - add in 2020/21 financial year after '2021/22 and .."	Error was corrected	Senior Management's response accepted.
9.	Auditor-General (attached hereto).	Page 56 correct the number of councillors to thirteen	Error was corrected	Senior Management's response accepted.
10.	Auditor-General (attached hereto).	Page 101 The statement '42 toilets' were provided in informal settlements. Based on the APR 62 toilets were installed.	Error was corrected	Senior Management's response accepted.
11.	Auditor-General (attached hereto).	Page 107 Based on the APR a total of 41 registered informal settlements received waste removal and not 43	Error was corrected	Senior Management's response accepted.

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council
12.	Auditor-General (attached hereto).	Page 108 Based on the APR a total of 41 registered informal settlements received waste removal and not 43	Error was corrected	Senior Management's response accepted.
13.	Auditor-General (attached hereto).	Page 114 In table 48, it's indicated 40 toilets and 10 taps were installed in informal settlements. Per the APR 62 toilets and 13 taps were installed	Error was corrected	Senior Management's response accepted.
14.	Auditor-General (attached hereto).	Page 121 "Table 54 - Per the AFS the income foregone for refuse and sanitation amounts to R73 805 361 and not R73 748 168. Electricity income foregone amounts to R47 316 267 per the audited AFS "	Error was corrected	Senior Management's response accepted.
15.	Auditor-General (attached hereto).	Page 132 Based on the AFS building plan approval revenue amounted to R9 860 093 and not R9 525 424. The percentage (25,84%) would need to change as well	Error was corrected	Senior Management's response accepted.
16.	Auditor-General (attached hereto).	Page 205 Correct 2.784 posts to 2784	Error was corrected	Senior Management's response accepted.
17.	Auditor-General (attached hereto).	Page 237 "In table 171 - the net cash from operating activities actual outcome does not agree to the AFS amount of R497 826 542 The net cash from financing activities actual outcome does not agree to the AFS (Comparison of budget to actual) of R71 593 245"	Not corrected - This is the classification as per the Cashflow statement and not the classification	Senior Management's response accepted.

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council
			per the statement of budget comparison	
18.	Auditor-General (attached hereto).	Page 239 Table 173 - the deposits bank for 2021/22 does not agree to the AFS amount of R169 942 000 (Note 11)	Not corrected and - clarifying sentence brought in "The bank deposits for 2022/23 were made up of call deposits to the value of R351,404,153, whilst the bank deposits in 2021/22 were made up of call deposits to the value of R169,942,000 (classified as cash and cash equivalents) and notice	Senior Management's response accepted.

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council
			deposits maturing within 5 months after year-end amounting to R40,000,000 (classified as short term investments)."	
19.	Internal Audit (attached hereto)	Audit Report: Finding 1 The documented evidence provided for audit purposes differ from what has been reported in the Annual Report:	Errors were corrected	Senior Management's response accepted.

Row Number	Comments Received From	Content of Comments Received					Senior Management Response	MPAC's Response to Council		
		No	Annual Report Page & Ref No	Department	Description	Actual results reported			Audited results Evidence prov	
		•	Page 93, Table 27	Engineering Services	Total use of water by sector (cubic meters) - Total water consumed 2022/23	12,120,385	12,003,899			
		•	Page 33, Table 1	Corporate and Planning Services	Socio-Economic Status - Youth unemployment 2022/23	28.7%	27.3%			
		•	Page 34, Table 2	Corporate and Planning Services	Population by gender and age group - Total 2022/23	297,645	297,664			
		•	Page 35, Table 3	Community Services	Household composition by ethnic group - Total 2021/22	69,040	69,044			
		•	Page 35, Table 3	Community Services	Household composition by ethnic group - Total 2022/23	69,647	69,652			
		•	Page 117, Table 50	Community Services	Housing Statistics: New applications captured on the WCHDDB	359	309			
		•	Page 117, Table 50	Community Services	Housing Statistics: Number of persons assisted	5,937	5,840			
		•	Page 175, Table 106	Community Services	Number of patrons - Drakenstein swimming pool	20,781	18,876			
		•	Page 169, 98	Public Safety	Fire Service Data - Total fires attended to in the year 2022/23	1,166	867			
		•	Page 169, 98	Public Safety	Fire Service Data - Total of other incidents attended to in the year 2022/23	119	162			
		•	Page 169, 100	Public Safety	Fire Safety Training - 2022/23 Fire Investigation Course	42	NA			
20.	Internal Audit (attached hereto)	Audit Report: Finding 2 Inconsistencies between the Annual Report and Annual Performance Assessment Report							Errors were corrected	Senior Management's response accepted.

Row Number	Comments Received From	Content of Comments Received				Senior Management Response	MPAC's Response to Council
		No	Annual Report Page & Ref No	Description	Reported as per Annual Report		
		1.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2020/21	16.1%	20.1%	
		2.	Page 33, Table 1	Socio- Economic Status - Unemployment Rate 2021/22	19.7%	23.0%	
		3.	Page 33, Table 1	Socio-Economic Status - Percentage of working age population in low skilled employment 2020/21	15.70%	15.80%	
		4.	Page 33, Table 1	Socio-Economic Status - Percentage of working age population in low skilled employment 2021/22	15.60%	16.50%	
		5.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2020/21	13.00%	17.12%	
		6.	Page 33, Table 1	Socio-Economic Status - Percentage of Illiterate people older than 20 years 2021/22	13.30%	15.74%	
21.	Internal Audit (attached hereto)	<p>Audit Report: Finding 3 In line with the guidance provided by MFMA Circular 63, management should consider including:</p> <ol style="list-style-type: none"> 1. Sector departments and the sharing of functions between the municipality / entity and sector departments; 2. The internal management changes in relation to Section 56/57 managers; 3. Risk assessment, including the development and implementation of measures to mitigate the top 5 risks; and 4. Public Satisfaction on Municipal services. <p>The inclusion of the above-mentioned information will provide the various stakeholders and users of the Annual Report with an enhanced perspective of the activities of the municipality for the year under review.</p>				Additional paragraphs were included in the Annual Report	Senior Management's response accepted.

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22.	Internal Audit	<p>Corrections of calculations in tables (Totalling of columns / Percentage calculation) – Separate communication (<i>Errors have been highlighted in Red</i>)</p> <p>Table 84</p> <table border="1"> <caption>Table 84: Employees - Community Halls, Facilities and Thusong Centres</caption> <thead> <tr> <th colspan="9">Employees: Community Halls, Facilities and Thusong Centres</th> </tr> <tr> <th rowspan="2">Serial No.</th> <th rowspan="2">Job Level</th> <th>2021/22</th> <th colspan="6">2022/23</th> </tr> <tr> <th>Number of Employees</th> <th>Number of Posts</th> <th>Number of Frozen Posts (Unfunded)</th> <th>Number of Approved Funded Posts</th> <th>Number of Employees</th> <th>Number of Vacancies</th> <th>Vacancy Rate</th> </tr> <tr> <th>Column Ref.</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> <th>G</th> <th>H</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>T18 - T20</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2</td> <td>T15 - T17</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>3</td> <td>T12 - T14</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>4</td> <td>T09 - T11</td> <td>0</td> <td>2</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>5</td> <td>T06 - T08</td> <td>10</td> <td>11</td> <td>1</td> <td>10</td> <td>10</td> <td>0</td> <td>0</td> </tr> <tr> <td>6</td> <td>T03 - T05</td> <td>52</td> <td>62</td> <td>10</td> <td>52</td> <td>46</td> <td>6</td> <td>0</td> </tr> <tr> <td>7</td> <td>T01 - T02</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>8</td> <td>Total</td> <td>62</td> <td>75</td> <td>13</td> <td>62</td> <td>56</td> <td>6</td> <td>9.7%</td> </tr> </tbody> </table>	Employees: Community Halls, Facilities and Thusong Centres									Serial No.	Job Level	2021/22	2022/23						Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate	Column Ref.	A	B	C	D	E	F	G	H	1	T18 - T20	0	0	0	0	0	0	0	2	T15 - T17	0	0	0	0	0	0	0	3	T12 - T14	0	0	0	0	0	0	0	4	T09 - T11	0	2	2	0	0	0	0	5	T06 - T08	10	11	1	10	10	0	0	6	T03 - T05	52	62	10	52	46	6	0	7	T01 - T02	0	0	0	0	0	0	0	8	Total	62	75	13	62	56	6	9.7%	Error has been corrected	Senior Management's response accepted.
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11	Total	19,289	100%	15,105.51	100.00%																																																																																									

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																																																																																					
		<p>Table 154</p> <p>Table 154: Skills Matrix</p> <table border="1"> <thead> <tr> <th colspan="9">Skills Matrix</th> </tr> <tr> <th rowspan="3">Serial No.</th> <th rowspan="3">Management Level</th> <th rowspan="3">Gender</th> <th colspan="6">Number of skilled employees required and actual as at 30 June 2023</th> </tr> <tr> <th colspan="2">Learnerships</th> <th colspan="2">Skills programmes and other short courses</th> <th colspan="2">Total</th> </tr> <tr> <th>Actual 2023</th> <th>Target</th> <th>Actual 2023</th> <th>Target</th> <th>Actual 2023</th> <th>Target</th> </tr> <tr> <th>Column Ref.</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> <th>G</th> <th>H</th> </tr> </thead> <tbody> <tr> <td>1</td> <td rowspan="2">CM and S57</td> <td>Female</td> <td>1</td> <td>1</td> <td>0</td> <td>0</td> <td>1</td> <td>1</td> </tr> <tr> <td>2</td> <td>Male</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>3</td> <td rowspan="2">Councillors, Senior Officials and Managers</td> <td>Female</td> <td>7</td> <td>7</td> <td>11</td> <td>11</td> <td>18</td> <td>18</td> </tr> <tr> <td>4</td> <td>Male</td> <td>3</td> <td>3</td> <td>16</td> <td>16</td> <td>19</td> <td>19</td> </tr> <tr> <td>5</td> <td rowspan="2">Technicians and Associate Professionals</td> <td>Female</td> <td>5</td> <td>5</td> <td>21</td> <td>21</td> <td>26</td> <td>26</td> </tr> <tr> <td>6</td> <td>Male</td> <td>1</td> <td>1</td> <td>41</td> <td>41</td> <td>42</td> <td>42</td> </tr> <tr> <td>7</td> <td rowspan="2">Professionals</td> <td>Female</td> <td>1</td> <td>1</td> <td>15</td> <td>15</td> <td>16</td> <td>16</td> </tr> <tr> <td>8</td> <td>Male</td> <td>1</td> <td>1</td> <td>9</td> <td>9</td> <td>10</td> <td>10</td> </tr> <tr> <td>9</td> <td rowspan="2">Sub-Totals</td> <td>Female</td> <td>14</td> <td>14</td> <td>47</td> <td>47</td> <td>61</td> <td>61</td> </tr> <tr> <td>10</td> <td>Male</td> <td>5</td> <td>5</td> <td>66</td> <td>66</td> <td>71</td> <td>71</td> </tr> <tr> <td>11</td> <td>Total</td> <td></td> <td>19</td> <td>19</td> <td>113</td> <td>113</td> <td>132</td> <td>132</td> </tr> </tbody> </table>	Skills Matrix									Serial No.	Management Level	Gender	Number of skilled employees required and actual as at 30 June 2023						Learnerships		Skills programmes and other short courses		Total		Actual 2023	Target	Actual 2023	Target	Actual 2023	Target	Column Ref.	A	B	C	D	E	F	G	H	1	CM and S57	Female	1	1	0	0	1	1	2	Male	0	0	0	0	0	0	3	Councillors, Senior Officials and Managers	Female	7	7	11	11	18	18	4	Male	3	3	16	16	19	19	5	Technicians and Associate Professionals	Female	5	5	21	21	26	26	6	Male	1	1	41	41	42	42	7	Professionals	Female	1	1	15	15	16	16	8	Male	1	1	9	9	10	10	9	Sub-Totals	Female	14	14	47	47	61	61	10	Male	5	5	66	66	71	71	11	Total		19	19	113	113	132	132	Error has been corrected	Senior Management's response accepted.
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4		Male	3	3	16	16	19	19																																																																																																																																	
5	Technicians and Associate Professionals	Female	5	5	21	21	26	26																																																																																																																																	
6		Male	1	1	41	41	42	42																																																																																																																																	
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<td>4</td> <td>Investment revenue</td> <td>9,673,336</td> <td>6,000,000</td> <td>35,000,000</td> <td>36,829,830</td> <td>613.83%</td> <td>105.23%</td> </tr> <tr> <td>5</td> <td>Transfers recognised – operational</td> <td>184,720,227</td> <td>252,396,304</td> <td>234,608,494</td> <td>205,179,410</td> <td>81.29%</td> <td>87.46%</td> </tr> <tr> <td>6</td> <td>Other own revenue</td> <td>194,501,379</td> <td>189,854,262</td> <td>191,618,904</td> <td>198,491,844</td> <td>104.55%</td> <td>103.59%</td> </tr> <tr> <td>7</td> <td>Total Revenue (excluding capital)</td> <td>2,632,149,205</td> <td>2,836,565,802</td> <td>2,720,210,669</td> <td>2,750,927,492</td> <td>-3.02%</td> <td>1.13%</td> </tr> <tr> <td>8</td> <td>Employee costs</td> <td>716,436,629</td> <td>797,129,150</td> <td>768,646,763</td> <td>735,660,761</td> <td>92.29%</td> <td>95.71%</td> </tr> <tr> <td>9</td> <td>Remuneration of Councillors</td> <td>31,654,070</td> <td>35,255,123</td> <td>35,255,123</td> <td>33,213,291</td> <td>94.21%</td> <td>94.21%</td> </tr> <tr> <td>10</td> <td>Depreciation</td> <td>244,514,391</td> <td>246,074,231</td> <td>255,000,000</td> <td>246,678,677</td> <td>100.25%</td> <td>96.74%</td> </tr> <tr> <td>11</td> <td>Finance charges</td> <td>180,161,755</td> <td>176,521,240</td> <td>176,521,240</td> <td>176,390,519</td> <td>99.93%</td> <td>99.93%</td> </tr> <tr> <td>12</td> <td>Materials and bulk purchases</td> <td>1,038,903,119</td> <td>1,114,608,983</td> <td>1,039,914,863</td> <td>1,033,398,650</td> <td>92.71%</td> <td>99.37%</td> </tr> <tr> <td>13</td> <td>Transfers and grants</td> <td>15,343,997</td> <td>27,160,000</td> <td>25,638,195</td> <td>24,907,428</td> <td>91.71%</td> <td>97.15%</td> </tr> <tr> <td>14</td> <td>Other expenditure</td> <td>380,511,094</td> <td>481,254,502</td> <td>516,956,526</td> <td>477,476,961</td> <td>99.22%</td> <td>92.36%</td> </tr> <tr> <td>15</td> <td>Total expenditure</td> <td>2,607,525,055</td> <td>2,878,003,229</td> <td>2,817,932,710</td> <td>2,727,726,286</td> <td>-5.22%</td> <td>-3.20%</td> </tr> <tr> <td>16</td> <td>Surplus (Deficit)</td> <td>24,624,151</td> <td>-41,437,427</td> <td>-97,722,041</td> <td>23,201,206</td> <td>-55.99%</td> <td>-23.74%</td> </tr> <tr> <td>17</td> <td>Transfers recognised – capital</td> <td>118,252,168</td> <td>79,249,152</td> <td>129,985,727</td> <td>119,514,248</td> <td>150.81%</td> <td>91.94%</td> </tr> <tr> <td>18</td> <td>Contributions recognised – capital and</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>19</td> <td>Surplus (Deficit) after capital transfers</td> <td>142,876,319</td> <td>37,811,725</td> <td>32,263,686</td> <td>142,715,453</td> <td>277.44%</td> <td>342.34%</td> </tr> <tr> <td>20</td> <td>Share of surplus/(deficit) of associate</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>21</td> <td>Surplus (Deficit) for the year</td> <td>142,876,319</td> <td>37,811,725</td> <td>32,263,686</td> <td>142,715,453</td> <td>377.44%</td> <td>442.34%</td> </tr> <tr> <td>22</td> <td colspan="7">Capital Expenditure and Fund Sources</td> <td></td> </tr> <tr> <td>23</td> <td>Transfers recognised – capital</td> <td>112,773,339</td> <td>79,249,152</td> <td>119,178,391</td> <td>115,698,279</td> <td>145.99%</td> <td>97.08%</td> </tr> <tr> <td>24</td> <td>Public contributions and donations</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>25</td> <td>Borrowing</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>26</td> <td>Internally generated funds</td> <td>42,995,638</td> <td>51,360,000</td> <td>76,875,531</td> <td>75,206,208</td> <td>146.43%</td> <td>97.83%</td> </tr> <tr> <td>27</td> <td>Total sources of capital funds</td> <td>155,768,977</td> <td>130,609,152</td> <td>196,053,922</td> <td>190,904,487</td> <td>46.16%</td> <td>-2.63%</td> </tr> <tr> <td>28</td> <td colspan="7">Financial Position</td> <td></td> </tr> <tr> <td>29</td> <td>Total current assets</td> <td>736,538,961</td> <td>676,275,704</td> <td>632,630,803</td> <td>928,273,532</td> <td>137.26%</td> <td>146.73%</td> </tr> <tr> <td>30</td> <td>Total non-current assets</td> <td>6,683,911,138</td> <td>6,358,748,979</td> <td>6,424,193,749</td> <td>6,647,414,686</td> <td>104.54%</td> <td>103.47%</td> </tr> <tr> <td>31</td> <td>Total current liabilities</td> <td>-503,514,152</td> <td>-611,467,394</td> <td>-611,467,394</td> <td>-553,789,111</td> <td>90.57%</td> <td>90.57%</td> </tr> <tr> <td>32</td> <td>Total non-current liabilities</td> <td>-1,997,771,319</td> <td>-1,968,951,716</td> <td>-1,968,951,716</td> <td>-1,960,095,150</td> <td>99.55%</td> <td>99.55%</td> </tr> <tr> <td>33</td> <td>Community wealth/ Equity</td> <td>-4,919,164,628</td> <td>-4,454,605,573</td> <td>-4,476,405,442</td> <td>-5,061,803,957</td> <td>113.63%</td> <td>113.08%</td> </tr> </tbody> </table>	Financial Summary								Serial No.	Description	2021/22	2022/23			Positive / (Negative) % Variance		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	Column	A	B	C	D	E	F	G	1	Financial Performance								2	Property rates	416,883,724	421,689,006	434,101,418	437,182,803	103.67%	100.71%	3	Service charges	1,826,370,540	1,966,626,230	1,824,881,853	1,873,243,605	95.25%	102.65%	4	Investment revenue	9,673,336	6,000,000	35,000,000	36,829,830	613.83%	105.23%	5	Transfers recognised – operational	184,720,227	252,396,304	234,608,494	205,179,410	81.29%	87.46%	6	Other own revenue	194,501,379	189,854,262	191,618,904	198,491,844	104.55%	103.59%	7	Total Revenue (excluding capital)	2,632,149,205	2,836,565,802	2,720,210,669	2,750,927,492	-3.02%	1.13%	8	Employee costs	716,436,629	797,129,150	768,646,763	735,660,761	92.29%	95.71%	9	Remuneration of Councillors	31,654,070	35,255,123	35,255,123	33,213,291	94.21%	94.21%	10	Depreciation	244,514,391	246,074,231	255,000,000	246,678,677	100.25%	96.74%	11	Finance charges	180,161,755	176,521,240	176,521,240	176,390,519	99.93%	99.93%	12	Materials and bulk purchases	1,038,903,119	1,114,608,983	1,039,914,863	1,033,398,650	92.71%	99.37%	13	Transfers and grants	15,343,997	27,160,000	25,638,195	24,907,428	91.71%	97.15%	14	Other expenditure	380,511,094	481,254,502	516,956,526	477,476,961	99.22%	92.36%	15	Total expenditure	2,607,525,055	2,878,003,229	2,817,932,710	2,727,726,286	-5.22%	-3.20%	16	Surplus (Deficit)	24,624,151	-41,437,427	-97,722,041	23,201,206	-55.99%	-23.74%	17	Transfers recognised – capital	118,252,168	79,249,152	129,985,727	119,514,248	150.81%	91.94%	18	Contributions recognised – capital and	0	0	0	0	0.00%	0.00%	19	Surplus (Deficit) after capital transfers	142,876,319	37,811,725	32,263,686	142,715,453	277.44%	342.34%	20	Share of surplus/(deficit) of associate	0	0	0	0	0.00%	0.00%	21	Surplus (Deficit) for the year	142,876,319	37,811,725	32,263,686	142,715,453	377.44%	442.34%	22	Capital Expenditure and Fund Sources								23	Transfers recognised – capital	112,773,339	79,249,152	119,178,391	115,698,279	145.99%	97.08%	24	Public contributions and donations	0	0	0	0	0.00%	0.00%	25	Borrowing	0	0	0	0	0.00%	0.00%	26	Internally generated funds	42,995,638	51,360,000	76,875,531	75,206,208	146.43%	97.83%	27	Total sources of capital funds	155,768,977	130,609,152	196,053,922	190,904,487	46.16%	-2.63%	28	Financial Position								29	Total current assets	736,538,961	676,275,704	632,630,803	928,273,532	137.26%	146.73%	30	Total non-current assets	6,683,911,138	6,358,748,979	6,424,193,749	6,647,414,686	104.54%	103.47%	31	Total current liabilities	-503,514,152	-611,467,394	-611,467,394	-553,789,111	90.57%	90.57%	32	Total non-current liabilities	-1,997,771,319	-1,968,951,716	-1,968,951,716	-1,960,095,150	99.55%	99.55%	33	Community wealth/ Equity	-4,919,164,628	-4,454,605,573	-4,476,405,442	-5,061,803,957	113.63%	113.08%	Error has been corrected	Senior Management's response accepted.
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16	Surplus (Deficit)	24,624,151	-41,437,427	-97,722,041	23,201,206	-55.99%	-23.74%																																																																																																																																																																																																																																																																																																						
17	Transfers recognised – capital	118,252,168	79,249,152	129,985,727	119,514,248	150.81%	91.94%																																																																																																																																																																																																																																																																																																						
18	Contributions recognised – capital and	0	0	0	0	0.00%	0.00%																																																																																																																																																																																																																																																																																																						
19	Surplus (Deficit) after capital transfers	142,876,319	37,811,725	32,263,686	142,715,453	277.44%	342.34%																																																																																																																																																																																																																																																																																																						
20	Share of surplus/(deficit) of associate	0	0	0	0	0.00%	0.00%																																																																																																																																																																																																																																																																																																						
21	Surplus (Deficit) for the year	142,876,319	37,811,725	32,263,686	142,715,453	377.44%	442.34%																																																																																																																																																																																																																																																																																																						
22	Capital Expenditure and Fund Sources																																																																																																																																																																																																																																																																																																												
23	Transfers recognised – capital	112,773,339	79,249,152	119,178,391	115,698,279	145.99%	97.08%																																																																																																																																																																																																																																																																																																						
24	Public contributions and donations	0	0	0	0	0.00%	0.00%																																																																																																																																																																																																																																																																																																						
25	Borrowing	0	0	0	0	0.00%	0.00%																																																																																																																																																																																																																																																																																																						
26	Internally generated funds	42,995,638	51,360,000	76,875,531	75,206,208	146.43%	97.83%																																																																																																																																																																																																																																																																																																						
27	Total sources of capital funds	155,768,977	130,609,152	196,053,922	190,904,487	46.16%	-2.63%																																																																																																																																																																																																																																																																																																						
28	Financial Position																																																																																																																																																																																																																																																																																																												
29	Total current assets	736,538,961	676,275,704	632,630,803	928,273,532	137.26%	146.73%																																																																																																																																																																																																																																																																																																						
30	Total non-current assets	6,683,911,138	6,358,748,979	6,424,193,749	6,647,414,686	104.54%	103.47%																																																																																																																																																																																																																																																																																																						
31	Total current liabilities	-503,514,152	-611,467,394	-611,467,394	-553,789,111	90.57%	90.57%																																																																																																																																																																																																																																																																																																						
32	Total non-current liabilities	-1,997,771,319	-1,968,951,716	-1,968,951,716	-1,960,095,150	99.55%	99.55%																																																																																																																																																																																																																																																																																																						
33	Community wealth/ Equity	-4,919,164,628	-4,454,605,573	-4,476,405,442	-5,061,803,957	113.63%	113.08%																																																																																																																																																																																																																																																																																																						

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																																																																																																																																																																																																																																																																											
		<p>Table 162</p> <p>Table 162: Operating and Capital Transfers and Grants</p> <table border="1"> <thead> <tr> <th colspan="7">Operating and Capital Transfers and Grants</th> </tr> <tr> <th colspan="7">R'000</th> </tr> <tr> <th rowspan="2">Serial No.</th> <th rowspan="2">Description</th> <th>2021/22</th> <th colspan="2">2022/23</th> <th colspan="2">2022/23 Variance</th> </tr> <tr> <th>Actual</th> <th>Budget</th> <th>Adjustment Budget</th> <th>Actual</th> <th>Original Budget (%)</th> <th>Adjustment Budget (%)</th> </tr> <tr> <th>Column</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> <th>G</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Operating Transfers and Grants</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>National Government:</td> <td>254,832,000</td> <td>262,643,130</td> <td>278,033,000</td> <td>278,033,000</td> <td>5.9%</td> <td>0.0%</td> </tr> <tr> <td>3</td> <td>Equitable Share</td> <td>171,259,000</td> <td>194,355,000</td> <td>194,355,000</td> <td>194,355,000</td> <td>100.0%</td> <td>100.0%</td> </tr> <tr> <td>4</td> <td>IUDG</td> <td>52,326,000</td> <td>53,903,478</td> <td>61,989,000</td> <td>61,989,000</td> <td>115.0%</td> <td>100.0%</td> </tr> <tr> <td>5</td> <td>Finance Management Grant (FMG)</td> <td>1,550,000</td> <td>1,550,000</td> <td>1,550,000</td> <td>1,550,000</td> <td>100.0%</td> <td>100.0%</td> </tr> <tr> <td>6</td> <td>Electrification Grant (INEP)</td> <td>18,315,000</td> <td>8,695,652</td> <td>16,000,000</td> <td>16,000,000</td> <td>184.0%</td> <td>100.0%</td> </tr> <tr> <td>7</td> <td>Expanded Public Works Grant (EPWP)</td> <td>3,287,000</td> <td>4,139,000</td> <td>4,139,000</td> <td>4,139,000</td> <td>100.0%</td> <td>100.0%</td> </tr> <tr> <td>8</td> <td>Electricity Demandside Grant</td> <td>4,095,000</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>9</td> <td>Water Infrastructure Grant (WSIG)</td> <td>4,000,000</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>10</td> <td>Provincial Department:</td> <td>29,336,535</td> <td>49,751,000</td> <td>32,105,550</td> <td>21,975,162</td> <td>-55.8%</td> <td>-31.6%</td> </tr> <tr> <td>11</td> <td>1068 Houses</td> <td>49,919</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>12</td> <td>Carterville Housing Project</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>13</td> <td>Chester Williams, Lovers Lane</td> <td>124,700</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>14</td> <td>Community Development Workers</td> <td>799,480</td> <td>113,000</td> <td>204,223</td> <td>203,836</td> <td>180.4%</td> <td>99.8%</td> </tr> <tr> <td>15</td> <td>Development of Sport & Recreation</td> <td>899,906</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>16</td> <td>Drom 181/1407 HSDG</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>17</td> <td>Amstelhof</td> <td>10,348</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>18</td> <td>Paarl East</td> <td>52,296</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>19</td> <td>Public Employment</td> <td>2,000,000</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>20</td> <td>Electricity Planning</td> <td>0</td> <td>800,000</td> <td>800,000</td> <td>799,993</td> <td>100.0%</td> <td>100.0%</td> </tr> <tr> <td>21</td> <td>Financial Management Capacity Building Grant</td> <td>242,035</td> <td>0</td> <td>450,000</td> <td>409,398</td> <td>0.0%</td> <td>91.0%</td> </tr> <tr> <td>22</td> <td>Financial Management Capacity Building Grant</td> <td>686,664</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>23</td> <td>Financial Management Support Grant</td> <td>942,941</td> <td>0</td> <td>80,175</td> <td>80,037</td> <td>0.0%</td> <td>99.8%</td> </tr> <tr> <td>24</td> <td>Kingston/Lantana</td> <td>151,981</td> <td>0</td> <td>0</td> <td>0</td> <td>100.0%</td> <td>0.0%</td> </tr> <tr> <td>25</td> <td>Kingston Transfers</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>26</td> <td>Mbekweni 557</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>27</td> <td>Municipal Accreditation and Capacity Building</td> <td>125,460</td> <td>256,000</td> <td>256,000</td> <td>256,000</td> <td>0.0%</td> <td>100.0%</td> </tr> <tr> <td>28</td> <td>P59 Fairyland</td> <td>0</td> <td>12,210,000</td> <td>1550,000</td> <td>1,080,868</td> <td>0.0%</td> <td>69.7%</td> </tr> <tr> <td>29</td> <td>Public Works and Transport (Roads)</td> <td>16,811,909</td> <td>780,000</td> <td>780,000</td> <td>780,723</td> <td>100.1%</td> <td>100.1%</td> </tr> <tr> <td>30</td> <td>Public Works and Transport (Roads)1</td> <td>686,100</td> <td>0</td> <td>2,737,000</td> <td>2,737,000</td> <td>0.0%</td> <td>100.0%</td> </tr> <tr> <td>31</td> <td>Rsep</td> <td>1,300,000</td> <td>600,000</td> <td>600,000</td> <td>600,000</td> <td>0.0%</td> <td>100.0%</td> </tr> <tr> <td>32</td> <td>Schoongezicht</td> <td>4,452,796</td> <td>14,800,000</td> <td>11,576,152</td> <td>9,027,308</td> <td>0.0%</td> <td>78.0%</td> </tr> <tr> <td>33</td> <td>Other Housing</td> <td>0</td> <td>20,192,000</td> <td>7,072,000</td> <td>0</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>34</td> <td>Municipal Load Shedding Relief Grant</td> <td>0</td> <td>0</td> <td>6,000,000</td> <td>6,000,000</td> <td>0.0%</td> <td>100.0%</td> </tr> <tr> <td>35</td> <td>Other Grants</td> <td>4,335,430</td> <td>1,250,022</td> <td>4,142,108</td> <td>2,664,943</td> <td>113.2%</td> <td>-35.7%</td> </tr> </tbody> </table>	Operating and Capital Transfers and Grants							R'000							Serial No.	Description	2021/22	2022/23		2022/23 Variance		Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustment Budget (%)	Column	A	B	C	D	E	F	G	1	Operating Transfers and Grants							2	National Government:	254,832,000	262,643,130	278,033,000	278,033,000	5.9%	0.0%	3	Equitable Share	171,259,000	194,355,000	194,355,000	194,355,000	100.0%	100.0%	4	IUDG	52,326,000	53,903,478	61,989,000	61,989,000	115.0%	100.0%	5	Finance Management Grant (FMG)	1,550,000	1,550,000	1,550,000	1,550,000	100.0%	100.0%	6	Electrification Grant (INEP)	18,315,000	8,695,652	16,000,000	16,000,000	184.0%	100.0%	7	Expanded Public Works Grant (EPWP)	3,287,000	4,139,000	4,139,000	4,139,000	100.0%	100.0%	8	Electricity Demandside Grant	4,095,000	0	0	0	0.0%	0.0%	9	Water Infrastructure Grant (WSIG)	4,000,000	0	0	0	0.0%	0.0%	10	Provincial Department:	29,336,535	49,751,000	32,105,550	21,975,162	-55.8%	-31.6%	11	1068 Houses	49,919	0	0	0	0.0%	0.0%	12	Carterville Housing Project	0	0	0	0	0.0%	0.0%	13	Chester Williams, Lovers Lane	124,700	0	0	0	0.0%	0.0%	14	Community Development Workers	799,480	113,000	204,223	203,836	180.4%	99.8%	15	Development of Sport & Recreation	899,906	0	0	0	0.0%	0.0%	16	Drom 181/1407 HSDG	0	0	0	0	0.0%	0.0%	17	Amstelhof	10,348	0	0	0	0.0%	0.0%	18	Paarl East	52,296	0	0	0	0.0%	0.0%	19	Public Employment	2,000,000	0	0	0	0.0%	0.0%	20	Electricity Planning	0	800,000	800,000	799,993	100.0%	100.0%	21	Financial Management Capacity Building Grant	242,035	0	450,000	409,398	0.0%	91.0%	22	Financial Management Capacity Building Grant	686,664	0	0	0	0.0%	0.0%	23	Financial Management Support Grant	942,941	0	80,175	80,037	0.0%	99.8%	24	Kingston/Lantana	151,981	0	0	0	100.0%	0.0%	25	Kingston Transfers	0	0	0	0	0.0%	0.0%	26	Mbekweni 557	0	0	0	0	0.0%	0.0%	27	Municipal Accreditation and Capacity Building	125,460	256,000	256,000	256,000	0.0%	100.0%	28	P59 Fairyland	0	12,210,000	1550,000	1,080,868	0.0%	69.7%	29	Public Works and Transport (Roads)	16,811,909	780,000	780,000	780,723	100.1%	100.1%	30	Public Works and Transport (Roads)1	686,100	0	2,737,000	2,737,000	0.0%	100.0%	31	Rsep	1,300,000	600,000	600,000	600,000	0.0%	100.0%	32	Schoongezicht	4,452,796	14,800,000	11,576,152	9,027,308	0.0%	78.0%	33	Other Housing	0	20,192,000	7,072,000	0	0.0%	0.0%	34	Municipal Load Shedding Relief Grant	0	0	6,000,000	6,000,000	0.0%	100.0%	35	Other Grants	4,335,430	1,250,022	4,142,108	2,664,943	113.2%	-35.7%	Error has been corrected	Senior Management's response accepted.
Operating and Capital Transfers and Grants																																																																																																																																																																																																																																																																																																																															
R'000																																																																																																																																																																																																																																																																																																																															
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		Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustment Budget (%)																																																																																																																																																																																																																																																																																																																								
Column	A	B	C	D	E	F	G																																																																																																																																																																																																																																																																																																																								
1	Operating Transfers and Grants																																																																																																																																																																																																																																																																																																																														
2	National Government:	254,832,000	262,643,130	278,033,000	278,033,000	5.9%	0.0%																																																																																																																																																																																																																																																																																																																								
3	Equitable Share	171,259,000	194,355,000	194,355,000	194,355,000	100.0%	100.0%																																																																																																																																																																																																																																																																																																																								
4	IUDG	52,326,000	53,903,478	61,989,000	61,989,000	115.0%	100.0%																																																																																																																																																																																																																																																																																																																								
5	Finance Management Grant (FMG)	1,550,000	1,550,000	1,550,000	1,550,000	100.0%	100.0%																																																																																																																																																																																																																																																																																																																								
6	Electrification Grant (INEP)	18,315,000	8,695,652	16,000,000	16,000,000	184.0%	100.0%																																																																																																																																																																																																																																																																																																																								
7	Expanded Public Works Grant (EPWP)	3,287,000	4,139,000	4,139,000	4,139,000	100.0%	100.0%																																																																																																																																																																																																																																																																																																																								
8	Electricity Demandside Grant	4,095,000	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
9	Water Infrastructure Grant (WSIG)	4,000,000	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
10	Provincial Department:	29,336,535	49,751,000	32,105,550	21,975,162	-55.8%	-31.6%																																																																																																																																																																																																																																																																																																																								
11	1068 Houses	49,919	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
12	Carterville Housing Project	0	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
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14	Community Development Workers	799,480	113,000	204,223	203,836	180.4%	99.8%																																																																																																																																																																																																																																																																																																																								
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17	Amstelhof	10,348	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
18	Paarl East	52,296	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
19	Public Employment	2,000,000	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
20	Electricity Planning	0	800,000	800,000	799,993	100.0%	100.0%																																																																																																																																																																																																																																																																																																																								
21	Financial Management Capacity Building Grant	242,035	0	450,000	409,398	0.0%	91.0%																																																																																																																																																																																																																																																																																																																								
22	Financial Management Capacity Building Grant	686,664	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
23	Financial Management Support Grant	942,941	0	80,175	80,037	0.0%	99.8%																																																																																																																																																																																																																																																																																																																								
24	Kingston/Lantana	151,981	0	0	0	100.0%	0.0%																																																																																																																																																																																																																																																																																																																								
25	Kingston Transfers	0	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
26	Mbekweni 557	0	0	0	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
27	Municipal Accreditation and Capacity Building	125,460	256,000	256,000	256,000	0.0%	100.0%																																																																																																																																																																																																																																																																																																																								
28	P59 Fairyland	0	12,210,000	1550,000	1,080,868	0.0%	69.7%																																																																																																																																																																																																																																																																																																																								
29	Public Works and Transport (Roads)	16,811,909	780,000	780,000	780,723	100.1%	100.1%																																																																																																																																																																																																																																																																																																																								
30	Public Works and Transport (Roads)1	686,100	0	2,737,000	2,737,000	0.0%	100.0%																																																																																																																																																																																																																																																																																																																								
31	Rsep	1,300,000	600,000	600,000	600,000	0.0%	100.0%																																																																																																																																																																																																																																																																																																																								
32	Schoongezicht	4,452,796	14,800,000	11,576,152	9,027,308	0.0%	78.0%																																																																																																																																																																																																																																																																																																																								
33	Other Housing	0	20,192,000	7,072,000	0	0.0%	0.0%																																																																																																																																																																																																																																																																																																																								
34	Municipal Load Shedding Relief Grant	0	0	6,000,000	6,000,000	0.0%	100.0%																																																																																																																																																																																																																																																																																																																								
35	Other Grants	4,335,430	1,250,022	4,142,108	2,664,943	113.2%	-35.7%																																																																																																																																																																																																																																																																																																																								

Row Number	Comments Received From	Content of Comments Received								Senior Management Response	MPAC's Response to Council
36	Training Grant	864,535	0	1,957,271	1,430,707	0.0%	-26.9%				
37	Neumarkt	3,470,895	1,250,022	2,184,837	1,234,236	98.7%	56.5%				
38	District Municipality	5,545,047	650,000	1,541,000	1,254,752	193.0%	81.4%				
39	Cape Winelands (Tourism)	5,545,047	150,000	150,000	113,042	0.0%	75.4%				
40	Cape Winelands	0	500,000	300,000	269,037	0.0%	89.7%				
41	Cape Winelands	0	0	91,000	58,638	0.0%	64.4%				
42	Cape Winelands	0	0	1,000,000	814,035	0.0%	81.4%				
43	Donations and Other Contributions	9,127,648	0	28,818,563	21,846,659	0.0%	75.8%				
44	Santam Risk and Resilience Project	0	0	0	243,581	0.0%	0.0%				
45	Berg en Dal Development	0	0	0	8,568,858	0.0%	0.0%				
46	Honeydew Estate	0	0	0	3,082,155	0.0%	0.0%				
47	Hugo Rust Primary	0	0	0	89,376	0.0%	0.0%				
48	Mountain Dew Sevelopment	0	0	0	2,155,595	0.0%	0.0%				
49	Park Sinage	0	0	0	18,916	0.0%	0.0%				
50	Sportsman Warehouse	0	0	0	1,541,790	0.0%	0.0%				
51	The Acres	0	0	0	5,804,388	0.0%	0.0%				
52	Vesting Public Places	0	0	0	326,000	0.0%	0.0%				
53	Vesting Reserves	0	0	0	16,000	0.0%	0.0%				
54	Other Capital in kind	9,127,648	0	28,818,563	0	0.0%	0.0%				
55	Total Operating Transfers and Grants	303,176,674	314,294,152	344,640,221	325,774,526	3.7%	0.0%				

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council																																																																																																																																																												
		<p>Table 163</p> <table border="1"> <thead> <tr> <th colspan="4">Grants received from sources other than Division of Revenue Act (DORA)</th> </tr> <tr> <th>Serial No.</th> <th>Description</th> <th>2021/22 Actual</th> <th>2022/23 Actual</th> </tr> <tr> <th>Column Ref.</th> <th>A</th> <th>B</th> <th>C</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Grants other than from DORA</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Provincial Department</td> <td>46,023,624</td> <td>29,682,559</td> </tr> <tr> <td>3</td> <td>Community Development Workers</td> <td>446,676</td> <td>233,508</td> </tr> <tr> <td>4</td> <td>Drom 181/407 (HSDG)</td> <td>0</td> <td>569,695</td> </tr> <tr> <td>5</td> <td>Siyahlala</td> <td>0</td> <td>1,569,723</td> </tr> <tr> <td>6</td> <td>Mbekweni 557</td> <td>0</td> <td>693,482</td> </tr> <tr> <td>7</td> <td>1068 Houses</td> <td>0</td> <td>52,225</td> </tr> <tr> <td>8</td> <td>Carterville Housing</td> <td>0</td> <td>956,503</td> </tr> <tr> <td>9</td> <td>Chester Williams, Lovers Lane</td> <td>0</td> <td>542,009</td> </tr> <tr> <td>10</td> <td>Drommedaris EHP</td> <td>0</td> <td>168,249</td> </tr> <tr> <td>11</td> <td>Financial Management Capacity Building</td> <td>0</td> <td>507,965</td> </tr> <tr> <td>12</td> <td>Financial Management Capacity Building</td> <td>0</td> <td>80,462</td> </tr> <tr> <td>13</td> <td>Kings ton Town Transfers</td> <td>0</td> <td>53,000</td> </tr> <tr> <td>14</td> <td>Municipal Accreditation and capacity building</td> <td>0</td> <td>616,652</td> </tr> <tr> <td>15</td> <td>P 59 Fairy Lands</td> <td>0</td> <td>3,594,655</td> </tr> <tr> <td>16</td> <td>RSEP</td> <td>1,300,000</td> <td>600,000</td> </tr> <tr> <td>17</td> <td>Kings ton / Lantana</td> <td>51,981</td> <td>0</td> </tr> <tr> <td>18</td> <td>1068 Houses</td> <td>49,919</td> <td>0</td> </tr> <tr> <td>19</td> <td>Paarl East</td> <td>52,296</td> <td>0</td> </tr> <tr> <td>20</td> <td>Amstelhof</td> <td>10,348</td> <td>0</td> </tr> <tr> <td>21</td> <td>Chester Williams, Lovers Lane</td> <td>124,700</td> <td>0</td> </tr> <tr> <td>22</td> <td>Finance Management Support</td> <td>931,383</td> <td>0</td> </tr> <tr> <td>23</td> <td>Western Cape Finance and Administration</td> <td>0</td> <td>6,000,000</td> </tr> <tr> <td>24</td> <td>Electricity Planning</td> <td>0</td> <td>800,000</td> </tr> <tr> <td>25</td> <td>Proclaimed Roads</td> <td>17,498,009</td> <td>3,517,723</td> </tr> <tr> <td>26</td> <td>Mbekweni Thusong Centre</td> <td>343,332</td> <td>0</td> </tr> <tr> <td>27</td> <td>Schoongezicht</td> <td>4,452,796</td> <td>9,027,308</td> </tr> <tr> <td>28</td> <td>Employee Bursaries</td> <td>242,035</td> <td>0</td> </tr> <tr> <td>29</td> <td>Public Employment</td> <td>2,000,000</td> <td>0</td> </tr> <tr> <td>30</td> <td>Sport Development</td> <td>899,906</td> <td>0</td> </tr> <tr> <td>31</td> <td>Capacity Building</td> <td>0</td> <td>0</td> </tr> <tr> <td>32</td> <td>Accelerated Housing</td> <td>125,460</td> <td>0</td> </tr> <tr> <td>33</td> <td>Other Grants</td> <td>4,335,430</td> <td>5,363,167</td> </tr> <tr> <td>34</td> <td>Training Grant</td> <td>864,535</td> <td>2,650,986</td> </tr> <tr> <td>35</td> <td>Neumark</td> <td>3,470,894</td> <td>2,712,181</td> </tr> <tr> <td>36</td> <td>District Municipality</td> <td>5,545,047</td> <td>1,697,203</td> </tr> </tbody> </table>	Grants received from sources other than Division of Revenue Act (DORA)				Serial No.	Description	2021/22 Actual	2022/23 Actual	Column Ref.	A	B	C	1	Grants other than from DORA			2	Provincial Department	46,023,624	29,682,559	3	Community Development Workers	446,676	233,508	4	Drom 181/407 (HSDG)	0	569,695	5	Siyahlala	0	1,569,723	6	Mbekweni 557	0	693,482	7	1068 Houses	0	52,225	8	Carterville Housing	0	956,503	9	Chester Williams, Lovers Lane	0	542,009	10	Drommedaris EHP	0	168,249	11	Financial Management Capacity Building	0	507,965	12	Financial Management Capacity Building	0	80,462	13	Kings ton Town Transfers	0	53,000	14	Municipal Accreditation and capacity building	0	616,652	15	P 59 Fairy Lands	0	3,594,655	16	RSEP	1,300,000	600,000	17	Kings ton / Lantana	51,981	0	18	1068 Houses	49,919	0	19	Paarl East	52,296	0	20	Amstelhof	10,348	0	21	Chester Williams, Lovers Lane	124,700	0	22	Finance Management Support	931,383	0	23	Western Cape Finance and Administration	0	6,000,000	24	Electricity Planning	0	800,000	25	Proclaimed Roads	17,498,009	3,517,723	26	Mbekweni Thusong Centre	343,332	0	27	Schoongezicht	4,452,796	9,027,308	28	Employee Bursaries	242,035	0	29	Public Employment	2,000,000	0	30	Sport Development	899,906	0	31	Capacity Building	0	0	32	Accelerated Housing	125,460	0	33	Other Grants	4,335,430	5,363,167	34	Training Grant	864,535	2,650,986	35	Neumark	3,470,894	2,712,181	36	District Municipality	5,545,047	1,697,203	Error has been corrected	Senior Management's response accepted.
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1	New Connection BICL's	0	28,500,000	28,449,225	0.0%	0.2%																																																																																										
2	Fleet Annual Replacement Programme	4,200,000	15,358,045	14,645,221	100.0%	4.6%																																																																																										
3	MV Substations	8,695,652	14,534,482	14,534,483	-67.1%	0.0%																																																																																										
4	ICT Equipment Computer Related	3,570,000	9,989,594	10,008,321	-180.3%	-0.2%																																																																																										
5	Replace/Upgrade Water Reticulation	5,000,000	8,379,018	8,378,775	-67.6%	0.0%																																																																																										

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23.	R Najaar (Chairperson: Audit Committee)	Page 42: Should consider noting whether we foresee any adverse impact due to spending below norm?	Additional sentence added to Annual Report " – due to the non-achievement of the norm - on assets are	Senior Management's response accepted.																																																																																																																																						

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council
			foreseen, as there has been considerable capital expenditure in the past decade on the upgrading and replacement of existing infrastructure. There will also will be a significant spending on the waste water networks in the foreseeable future with the R1.4 billion BFI grant that was awarded to	

Row Number	Comments Received From	Content of Comments Received	Senior Management Response	MPAC's Response to Council
			the Municipality over the period 2023/24 – 2025/26.”	
24.	R Najaar (Chairperson: Audit Committee)	Page 46: Was the achievement with in-house capacity always the case for all 16 years or for the current year only?		Senior Management's response accepted.
25.	R Najaar (Chairperson: Audit Committee)	Page 59 & 60 – Correction of the chairperson's qualifications	The error was corrected	Senior Management's response accepted.
26.	R Najaar (Chairperson: Audit Committee)	Page 250 - the 2 committees are separate - put comma or and between the 2 committees where a Councillor is allocated more than 1 Committee	Semi-colons were included	Senior Management's response accepted.
26.	R Najaar (Chairperson: Audit Committee)	Page 274 - Are there any (“PPP”) currently in operation?	Added to the sentence: “& none are in operation”	Senior Management's response accepted.
27.	Provincial Treasury	The Municipality is fully compliant with the legislative requirements as per MFMA Section 75,121 and 127. It is recommended that the Municipality incorporate the above-mentioned aspects (see section 2.2 and 3) in order to improve the quality of the annual report. <i>The following items were identified to improve the quality of the annual report:</i>		



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Review of the 2022/23 Annual Report

2023/24

February 2023

AUDIT RESULTS SNAPSHOT

Review of the 2022/23 Annual Report	
SUMMARY OF FINDINGS	
1.	Reported Performance Information Inaccurate
2.	Inconsistency between Draft AR and Annual Performance Assessment report
3.	Proposed enhancements to Annual Report information considering MFMA Circular 63
Did management agree to implement the necessary action plans in response to Internal Audit findings?	
Yes	
Is there anything the City Manager should take note of, or intervention required?	
No	
Responsibility	Chief Financial Officer ED: Engineering Services ED: Corporate and Planning Services ED: Community Services ED: Public Safety

Dr. Johan Leibbrandt
The City Manager
Drakenstein Municipality
Civic Centre, Bergriver Boulevard
P.O. Box 1
Paarl
7622

Dear Dr. Leibbrandt

INTERNAL AUDIT – REVIEW OF THE 2022/23 ANNUAL REPORT

We have pleasure in submitting our final report on the agreed internal audit work performed in respect of the Review of the 2022/23 Annual Report, as approved in the 2023/24 Internal Audit Plan. The attached report records our internal audit findings and recommends possible ways in which the controls could be improved to address the identified weaknesses or increase business efficiency.

It must be appreciated that the matters included in the attached report came to our attention during the execution of our internal audit procedures on the Review of the 2022/23 Annual Report. The nature and scope of these internal audit procedures did not constitute an audit of the financial records in accordance with International Standards on Auditing.

Whilst our report details those errors and weaknesses that came to our attention during our review, the responsibility for the prevention and detection of irregularities and fraud rests with management. We planned our review in such a manner, that should weaknesses and deficiencies in the system of internal control exist, we would have a reasonable expectation of detecting these. Our review, however, should not be relied upon to disclose all irregularities that may exist.

Based on the outcome of an external quality assurance assessment conducted in June 2020, the Internal Audit activity generally conforms to the International Standards for the Professional Practice of Internal Auditing.

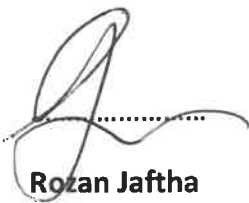
The audit findings have been discussed with the relevant managers as well as the responsible Executive Director (EDs) and their comments have been taken into account and included in this report. The comments provided were not validated. We would like to express our

appreciation to the various staff members of the municipality who assisted us in performing our work.

This report has been prepared for the sole use of the Drakenstein municipality's management and staff.

We would be pleased to provide you with any further assistance and request that you do not hesitate to contact us.

Yours sincerely



Rozan Jaftha

Chief Audit Executive

Date: 29 FEB 2024

Acknowledgement of receipt of report by management:

I hereby acknowledge receipt of the report.

.....

City Manager

.....

Date

Table of Contents Page

1. Background.....	6
2. Audit Objectives & Scope	7
3. Definitions and Reporting Framework.....	8
4. High Level Summary of Engagement Results.....	10
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DETAILED AUDIT FINDINGS	13

Executive Summary

1. Background

The Annual Report is compiled in terms of the Local Government: Municipal Finance Management Act, 2003, and the Local Government: Municipal Systems Act, 2000. The audit is therefore a legislative audit and not included in the IA plan based on a specific risk. The draft Annual Report received December 2023 was used as the basis for this audit.

2. Audit Objectives & Scope

The table below outlines the specific audit objectives and scope of the audit performed. The audit scope covers the period 01 July 2022 to 30 June 2023.

No.	Risk Treatment (RT)	Business Process Covered	Engagement Objective	Extent of RT Coverage
1.	The audit is a legislative compliance audit which is required by Chapter 5.2 of the National Treasury's Framework for Managing Programme Performance Information (FMPPi).	Annual Reporting Process.	<ul style="list-style-type: none"> • To review the validity, accuracy, and completeness of the municipality's Annual Report.; and • To follow-up on implementation of management action plans agreed in the prior audit cycle. 	<ul style="list-style-type: none"> • Compliance testing in accordance with the template requirements. • A sample of pages in the Annual Report were selected for testing; and • Consistency between information reported in the Annual Performance Report and Annual Report.

3. Definitions and Reporting Framework

Report Rating Definitions

The three rating system used to draw an overall conclusion on internal control adequacy has been approved by management and the Audit Committee and consists of:

Report Rating for Internal Audit Reviews	
Satisfactory	No control matters of concern were noted. Some needed control enhancements and other issues may have been identified, which should be addressed within a reasonable timeframe
Needs Improvement	One or more substantial control matters of concern were noted, which, if not corrected promptly, could result in unacceptable levels of risk
Unsatisfactory	One or more critical control matters of concern and/ or a preponderance of important issues were noted that exposes the organization to an unacceptable level of risk.

Reporting Framework

The reporting framework used is presented below. The framework was developed to assist in assessing the severity of the items being reported. It is based on the following classification:

High Priority	An issue of such fundamental significance to the municipality that it requires the immediate attention of the line and senior management where the weakness is occurring and priority action for immediate resolution.
Medium Priority	An issue of substantial importance which requires the immediate attention of the responsible line management where the weakness is occurring and an agreed action plan for prompt resolution as soon as possible.
Low Priority	An issue which does not necessarily warrant immediate attention but which should have an agreed action plan for resolution within a reasonable timeframe.

4. High Level Summary of Engagement Results

4.1 Overall Conclusion on System of Internal Controls

Cast and cross casting of the Annual Report tables	Satisfactory
Validity, Accuracy and Completeness of the Annual Report	Need improvement
Consistency between information reported in the Annual Report and Annual Performance Report	Need improvement
Compliance requirements of the Annual Report	Satisfactory

Finding No.	Executive Summary of Findings	Priority Rating	Intervention Required by City Manager	Management Action Plan	Responsible Official & Due Date	Responsible Executive Director/ Divisional Head
1.	Reported performance information inaccurate	Medium	No	Sign-off of the draft annual report by each Director /Senior Manager with the final draft, before submission to Internal Audit for review.	All Executive and Managers reporting to the City Manager – 15 December 2024	CFO
2.	Inconsistencies were identified between statistics reported in	Medium	No	Corrections will be made to the Annual Report. The Manager IDP/ PM will be required to sign-off the relevant sections in the	I. Engelmoehr 29 February 2024 C. September 15 December 2024	CFO Manager: IDP/ PM

Finding No.	Executive Summary of Findings	Priority Rating	Intervention Required by City Manager	Management Action Plan	Responsible Official & Due Date	Responsible Executive Director/ Divisional Head
	the Annual Report vs the Annual Performance Report			final draft annual report before submission to Internal Audit for review.		
3.	Proposed enhancements to Annual Report information considering MFMA Circular 63	Medium	No	Corrections will be made to the Annual Report. Amendments will be made to the City Manager's foreword.	I. Engelmoor 29 February 2024	CFO
					I Engelmoor 29 February 2024	CFO

5. Distribution List

This report has been prepared for the sole and exclusive use of Drakenstein Municipality. Therefore, it may not be made available to anyone other than authorized persons within the organization, or relied upon by any third party. No part of this work may be reproduced or transmitted in any form by any means, electronic or mechanical, including photocopying and recording, or by information storage or retrieval system except as permitted, in writing by the City Manager.

Drakenstein Municipal Staff	To Take Action	To Secure Action	For Information
Dr. J Leibbrandt City Manager			✓
Mr. B. Brown Chief Financial Officer	✓		
Mr. G Esau Executive Director: Community Services	✓		
Mr. S. Johaar Executive Director: Corporate and Planning Services	✓		
Mr. L. Pienaar Executive Director: Engineering Services	✓		
Ms. E. Barnard Executive Director: Public Safety	✓		
Ms. C. September Manager: IDP & PM	✓		
Mr. G. Dippenaar Chief Risk Officer			✓
Office of the Auditor General			✓
Audit Committee			✓

DETAILED AUDIT FINDINGS

1. Reported Performance Information Inaccurate

Rating

Medium Priority

Criteria

The Annual Report information is compiled on a continuous basis throughout the financial year, to support the results reported in the Annual Report. Management review and supervisory checks are performed to ensure the validity, accuracy, and completeness of supporting information.

Audit Finding

In respect of the following reported information in the Annual Report for the 2022/23 financial year, the actual annual report results reported was inaccurate when compared to the supporting evidence submitted for audit purposes.

The details are as follow:

Reported Performance Measurements Inaccurate

No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment
1.	Page 93, Table 27	Engineering Services	Total use of water by sector (cubic meters) - Total water consumed 2022/23	12,120,385	12,003,899	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
2.	Page 33, Table 1	Corporate and Planning Services	Socio-Economic Status - Youth unemployment 2022/23	28.7%	27.3%	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
3.	Page 34, Table 2	Corporate and Planning Services	Population by gender and age group - Total 2022/23	297,645	297,664	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
4.	Page 35, Table 3	Community Services	Household composition by ethnic group - Total 2021/22	69,040	69,044	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
5.	Page 35, Table 3	Community Services	Household composition by ethnic group - Total 2022/23	69,647	69,652	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.

No	Annual Report Page & Ref No	Department	Description	Actual results reported	Audited results as per Evidence provided	Comment
6.	Page 117, Table 50	Community Services	Housing Statistics: New applications captured on the WCHDDB	359	309	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
7.	Page 117, Table 50	Community Services	Housing Statistics: Number of persons assisted	5,937	5,840	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
8.	Page 175, Table 106	Community Services	Number of patrons - Drakenstein swimming pool	20,781	18,876	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
9.	Page 169, 98	Public Safety	Fire Service Data - Total fires attended to in the year 2022/23	1,166	867	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
10.	Page 169, 98	Public Safety	Fire Service Data - Total of other incidents attended to in the year 2022/23	119	162	The documented evidence provided for audit purposes differ from what has been reported in the Annual Report.
11.	Page 169, 100	Public Safety	Fire Safety Training - 2022/23 Fire Investigation Course	42	NA	PoE to support the Annual report, reported information, was not provided for audit review.

Root Cause

Inadequate management review and supervisory checks to ensure that the statistics reported in the Annual Report are accurate and agrees with the supporting PoE.

Effect

The reported information may be incorrect which could negatively impact the user's perception of the credibility of the information reported by the municipality.

Recommendations and Management's Response

No.	Recommendations	Management's Response & Action Plan	Action Owner	Due Date
1.	Management review and supervisory checks should include the review of the supporting evidence to ensure consistency between the evidence provided and the results reported in the Annual Report.	Requirement for the sign-off of the draft annual report by each Director/ Senior Manager with the draft final document, before submission to Internal Audit for review.	All Executive Directors and Managers reporting to the City Manager	15 December 2024
2.	Management should update the reported information and/or update the supporting evidence to accurately reflect the reported performance information.	Each Executive Director to implement quality assurance controls to ensure that information is correctly captured, agrees to the portfolio of evidence and is correctly presented in the Annual Report.	All Executive Directors and Managers reporting to the City Manager	15 December 2024
2.	Management should update the reported information and/or update the supporting evidence to accurately reflect the reported performance information.	After the receipt of the corrected information from the respective departments, corrections will be made to the Annual Report.	I Engelmoor	29 February 2024

Auditor's Response

Management's response is noted. Changes to the Annual Report will be verified before the Annual Report is finalised.

2. Inconsistencies between the Annual Report and Annual Performance Assessment Report

Rating

Medium Priority

Criteria

Performance related information is consistently recorded and reported between the various strategic documents (IDP, SDBIP, Annual Performance Report and Annual Report) used in the Performance Management System.

Audit Finding .

In respect of the following information, inconsistencies were identified when comparing the 2022/23 Annual Report and 2022/23 Annual Performance Assessment Report.

The details are as follow:

Inconsistencies between the Annual Report and Annual Performance Assessment Report

No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment
1.	Page 33, Table 1	Socio-Economic Status - Unemployment Rate 2020/21	16.1%	20.1%	Inconsistencies in reporting were identified when comparing the 2 reports
2.	Page 33, Table 1	Socio-Economic Status - Unemployment Rate 2021/22	19.7%	23.0%	Inconsistencies in reporting were identified when comparing the 2 reports
3.	Page 33, Table 1	Socio-Economic Status -Percentage of working age population in low skilled employment 2020/21	15.70%	15.80%	Inconsistencies in reporting were identified when comparing the 2 reports
4.	Page 33, Table 1	Socio-Economic Status -Percentage of working age population in low skilled employment 2021/22	15.60%	16.50%	Inconsistencies in reporting were identified when comparing the 2 reports

No	Annual Report Page & Ref No	Description	Reported as per Annual Report	Reported as per Annual Performance Report	Comment
5.	Page 33, Table 1	Socio-Economic Status - Percentage of illiterate people older than 20 years 2020/21	13.00%	17.12%	Inconsistencies in reporting were identified when comparing the 2 reports
6.	Page 33, Table 1	Socio-Economic Status - Percentage of illiterate people older than 20 years 2021/22	13.30%	15.74%	Inconsistencies in reporting were identified when comparing the 2 reports

Per discussion with the Manager: IDP and PMS, we noted that during the compilation of the Annual Performance Assessment Report, the most recent information was used, whereas during the compilation of the Annual report, the information from the IDP was used.

Root Cause

- Lack of consistent basis of information in respect of the Annual Report and Annual Performance Assessment report; and
- Inadequate consistency review of the Annual Report and Annual Performance Assessment Report.

Effect

The inconsistencies between the Annual Report and Annual Performance Assessment Report could negatively impact the reliability of performance information that is reported to the various stakeholders. This could negatively impact the user's perception of the credibility of information reported by the municipality.

Recommendations and Management's Response

No.	Recommendations	Management's Response & Action Plan	Action Owner	Due Date
1.	Management and supervisory reviews should be implemented to ensure consistency between information reported in the Annual Report and the Annual Performance Assessment Report.	The Manager: IDP & PM will be required to sign-off the relevant sections in the final draft annual report before submission to Internal Audit for review.	C. September	15 December 2024
2.	The necessary amendments should be made to correct the reported performance information before the Annual Performance Assessment Report and the Annual Report is submitted to external stakeholders and published on the municipal website.	Correction to be made to the annual report	I Engelmoehr	29 February 2024
3.	Management should consider the development of a standard consistent approach in respect of the compilation of the Annual report and the Annual Performance Assessment Report. A standard operating procedure should be developed to guide the compilation of the Annual report and include guidance	A SOP is not necessary, as the following actions will already ensure that the root cause of the error is addressed: <ul style="list-style-type: none"> • Allocation of the specific section in question to the Manager: IDP/ PM; • Sign-off of the draft annual report by each Executive Director/ Senior 	I Engelmoehr	31 July 2024

No.	Recommendations	Management's Response & Action Plan	Action Owner	Due Date
	in respect of the basis of information in respect of the Annual Report and Annual Performance Assessment report.	Manager before submission to Internal Audit for review.		

Auditor's Response

Management's response is noted. Changes to the Annual Report will be verified before the Annual Report is finalised.

3. Proposed Enhancements to Annual report information considering MFMA Circular 63

Rating

Medium Priority

Criteria

MFMA Circular 63, aims of to provide guidance to municipalities and municipal entities on the new Annual Report Format and its contents.

In respect of the Municipal Manager foreword, MFMA Circular 63, states that:

“The Municipal Managers foreword provides an opportunity to the Municipal Manager to give a public account, guidance, and advice on the administrative performance of a municipality / entity. Inclusive in this foreword should be information pertaining to:

- *Functions and Powers of the municipality / entity in relation to Section 155/156 of the Constitution and Chapter 3 of the MSA.*
- *Entities related to the municipality and the sharing of power with these entity/ies.*
- *Sector departments and the sharing of functions between the municipality / entity and sector departments.*
- *A statement on the previous financial year’s audit opinion.*
- *A short statement on the current financial health of the municipality / entity based on new budget formats as required by Treasury Regulations No 31804.*
- *Information related to the revenue trend by source including borrowings undertaken by the municipality.*
- *The internal management changes in relation to Section 56/57 managers.*
- *Risk assessment, including the development and implementation of measures to mitigate the top 5 risks.”*

In respect of the Chapter 2, Component D, MFMA Circular 63, states that:

“With the above requirements in mind, information included in this chapter is divided into four sections:

- *Component D: Corporate Governance*
 - *Risk Management*
 - *Anti-corruption and fraud*
 - *Supply Chain Management*
 - *By-laws*

- *Websites*
- *Public Satisfaction on Municipal Services*
- *All municipal oversight committees”*

Audit Finding

In line with the guidance provided by MFMA Circular 63, management should consider including:

1. Sector departments and the sharing of functions between the municipality / entity and sector departments;
2. The internal management changes in relation to Section 56/57 managers;
3. Risk assessment, including the development and implementation of measures to mitigate the top 5 risks; and
4. Public Satisfaction on Municipal services.

The inclusion of the above-mentioned information will provide the various stakeholders and users of the Annual Report with an enhanced perspective of the activities of the municipality for the year under review.

Root Cause

MFMA Circular 63 is considered as a guideline for compiling the content of the Annual Report.

Effect

The municipality may not be disclosing relevant information that is useful to the user of the Annual Report. This could negatively impact the user’s perception of the transparency of the municipality’s disclosures in the Annual Report.

Recommendations and Management's Response

No.	Recommendations	Management's Response & Action Plan	Action Owner	Due Date
1.	The necessary amendments should be considered before the Annual Report is submitted to external stakeholders and published on the municipal website.	<p>The following amendments will be made to the City Manager's Foreword to address the findings:</p> <ul style="list-style-type: none"> • Sector departments and the sharing of functions between the municipality / entity and sector departments; • The internal management changes in relation to Section 56/57 managers; • Risk assessment, including the development and implementation of measures to mitigate the top 5 risks; and • Inclusion of the fact that there were no customer satisfaction questionnaires issued in 2022/23. 	I Engelmoor	29 February 2024

Auditor's Response

Management's response is noted. Changes to the Annual Report will be verified before the Annual Report is finalised.

Ian Engelmohr

From: Najmeerah Simons <NajmeerahS@agsa.co.za>
Sent: Tuesday, January 23, 2024 1:10 PM
To: Ronetia Cupido
Cc: Bradley Brown; Candice Boonzaaier; Ian Engelmohr; Cindy Lategan; Rosemary Jafthas; Melanie Joffee (SM); Haamidah Mowzer
Subject: RE: Draft Annual Report 2022/2023
Attachments: APR 2022_2023 inconsistencies.xlsx

Good day Ronetia

I trust you are well,

Kindly find attached the Annual report inconsistencies identified during the review of Draft Annual report provided on the 14th December 2023.

Regards,

Najmeerah Simons CA(SA)

Assistant Manager • Western Cape • Auditor-General of South Africa
Tel: +27(0)21 528 4100 • Fax: +27(0)21 528 4200 • Mobile:+27(0)84 533 0382 • Email: NajmeerahS@agsa.co.za

Auditing to build public confidence

From: Ian Engelmohr <Ian.Engelmohr@drakenstein.gov.za>
Sent: Thursday, 11 January 2024 09:30
To: Rosemary Jafthas <RosemaryJ@agsa.co.za>; Melanie Joffee (SM) <melaniej@agsa.co.za>
Cc: Bradley Brown <Bradley.Brown@drakenstein.gov.za>; Najmeerah Simons <NajmeerahS@agsa.co.za>; Candice Boonzaaier <Candice.Boonzaaier@drakenstein.gov.za>
Subject: RE: Draft Annual Report 2022/2023

Hallo Rosemary & Melanie

Just to confirm that any comments identified by yourselves during your review process will be updated/corrected to the draft annual report during the comment period in February 2024 (as we did in the prior year as well).

Kind regards,
Ian

From: Rosemary Jafthas <RosemaryJ@agsa.co.za>
Sent: Thursday, December 14, 2023 12:01 PM
To: Ronetia Cupido <Ronetia.Cupido@drakenstein.gov.za>
Cc: Ian Engelmohr <Ian.Engelmohr@drakenstein.gov.za>; Bradley Brown <Bradley.Brown@drakenstein.gov.za>; Cindy Lategan <Cindy.Lategan@drakenstein.gov.za>; Melany Brown <Melany@drakenstein.gov.za>; Pearl Barends <Pearl@drakenstein.gov.za>; Rozan Jaftha <Rozan.Jaftha@drakenstein.gov.za>; Melanie Joffee (SM) <melaniej@agsa.co.za>; Najmeerah Simons <NajmeerahS@agsa.co.za>; Liza Sibokoza <LIZAS@agsa.co.za>
Subject: RE: Draft Annual Report 2022/2023

Good day Ronetia

I trust you are well.

The email below and attachment is acknowledged.

Please note, our office is closing today and will only reopen on 8 January 2024. We will attend to the review of the annual report upon our return to office next year.

I trust this is in order.

Regards,

Rosemary Jafthas CA(SA)

Audit Manager • Western Cape • Auditor-General of South Africa
Tel: +27(0)21 528 4162 • Fax: +27(0)21 528 4200 • Mobile: +27(0)73 273 5343 • Email: rosemaryj@agsa.co.za

Auditing to build public confidence

I am considerate of your time – while I am able to e-mail after hours, I do not expect a response or action outside of your own working hours.

From: Ronetia Cupido <Ronetia.Cupido@drakenstein.gov.za>

Sent: Thursday, 14 December 2023 10:23

To: Najmeerah Simons <NajmeerahS@agsa.co.za>; Rosemary Jafthas <RosemaryJ@agsa.co.za>; Liza Sibokoza <LIZAS@agsa.co.za>

Cc: Ian Engelmohr <Ian.Engelmohr@drakenstein.gov.za>; Bradley Brown <Bradley.Brown@drakenstein.gov.za>; Cindy Lategan <Cindy.Lategan@drakenstein.gov.za>; Melany Brown <Melany@drakenstein.gov.za>; Pearl Barends <Pearl@drakenstein.gov.za>; Rozan Jaftha <Rozan.Jaftha@drakenstein.gov.za>

Subject: Draft Annual Report 2022/2023

Importance: High

Dear Najmeerah,

Please find attached the Draft Annual Report 2022/2023.

Note: Please note the Report of the Audit Committee must still be included and will be finalised next week.

Hope you find this in order.

Regards

Ms Ronetia Cupido
Administrative Support Officer
Office of the Chief Financial Officer

t: +27 21 807 4553
e: ronetia.cupido@drakenstein.gov.za
a: Civic Centre, Berg River Boulevard, Paarl 7646

Section/Chapter	Page	Consistent	Corroborated evidence/Auditor's comments
List of tables	218	No	Error made for table 157 Page 218 - Table 157 - Correct typo for '1577'
1.2 CITY MANAGER'S OVERVIEW	30	No	The cash and cash equivalents balance of the prior year was stated to be R229,9m. In the audited 2023 AFS, the CC&E was R189,8m
	30	No	In the 3rd paragraph, it's stated it's the fifteenth consecutive unqualified audit opinion, it should be sixteenth. Also correct the (8th), should be (9th)
	31	No	Per the APR there are 41 registered informal settlements receiving refuse collection and not 43
1.4.3 PROPORTION OF HOUSEHOLDS WITH ACCESS TO	39	No	Based on the 2022/23 APR only 41 informal settlements have access to waste removal and not 43
1.5 FINANCIAL HEALTH OVERVIEW.	39	No	The sentence ending does not read well, please consider changing it: "The Municipality is still confident that the growth in medium to high income developments are increasing, albeit slower than previously ago"
1.5.4 OPERATING RATIOS ..	41	No	The first paragraph on page 42 indicates the repairs and maintenance to total operating expenditure was 10,1% for 2021/2022 - however in table B, the percentage is 10,3%
1.5.5 CAPITAL EXPENDITURE	42	No	In the first paragraph, the sentence starting ' Actual capital' - add in 2020/21 financial year after '2021/22 and ..'
2.3.4.5 COMMUNITY SERVICES PORTFOLIO COMMITTEE	56	No	correct the number of councilors to thirteen
3.6.4 MAJOR PROJECTS IMPLEMENTED	101	No	The statement '42 toilets' were provided in informal settlements. Based on the APR 62 toilets were installed.
3.8.1 SERVICE STATISTICS ..	107	No	Based on the APR a total of 41 registered informal settlements received waste removal and not 43
3.8.2 SERVICE DELIVERY LEVELS	108	No	Based on the APR a total of 41 registered informal settlements received waste removal and not 43
3.9.2 RENTAL STOCK AND SUPPORT SERVICES	114	No	In table 48, it's indicated 40 toilets and 10 taps were installed in informal settlements. Per the APR 62 toilets and 13 taps were installed
3.10.2 FREE BASIC SERVICES PER BASIC SERVICE	121	No	Table 54 - Per the AFS the income foregone for refuse and sanitation amounts to R73 805 361 and not R73 748 168. Electricity income foregone amountes to R47 316 267 per the audited AFS
3.13.3.1 BUILDING CONTROL STATISTICS	132	No	Based on the AFS building plan approval revenue amounted to R9 860 093 and not R9 525 424. The percentage (25,84%) would need to change as well
4.2.1 EMPLOYEE TOTALS PER GFS CLASSIFICATION	205	No	Correct 2.784 posts to 2784
5.13 CASH FLOW	237	No	In table 171 - the net cash from operating activities actual outcome does not agree to the AFS amount of R497 826 542 The net cash from financing activities actual outcome does not agree to the AFS (Comparison of budget to actual) of R71 593 245
5.15 INVESTMENTS	239	No	Table 173 - the deposits bank for 2021/22 does not agree to the AFS amount of R169 942 000 (Note 11)



Reference: PTR 13/5/2

The Municipal Manager
Drakenstein Municipality
PO Box 1, Paarl,
7622

For attention: Dear Dr Leibbrandt

PROVINCIAL TREASURY COMMENTS ON THE TABLED 2022/23 ANNUAL REPORT

1. INTRODUCTION

- a. MFMA section 121(1) states that every municipality and every municipal entity must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.
- b. MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities.
- c. National Treasury has further introduced the annual report template and MFMA Circular No. MFMA Circular 63 aims to provide guidance to municipalities and municipal entities on the Annual Report format and its contents.
- d. The municipal council is then obliged to consider any views of the local community; the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the Annual Report.

2. LEGISLATIVE COMPLIANCE

2.1 Conformance

The conformance assessment highlights compliance by Drakenstein Municipality with the Municipal Finance Management Act No. 56 of 2003 is as follows:

- a) The Municipality submitted the draft 2022/23 Annual Performance Report/ Annual Report together with AFS to the Auditor General by the 31st of August 2023 which is within the legislative deadline.
- b) The unaudited Annual report was tabled into Council at least two months at the end of the budget year in accordance with MFMA Circular 63.
- c) The Annual report, however, was tabled to Council on 30 January 2024 which is within 7 months after the end of the financial year in accordance to MFMA section 127(2).
- d) The Annual report was made public on 1 February 2024 (updated version), and the public was invited to comment with a deadline of 28 February 2024.

2.2 Format and content of the Annual Report as per MFMA Circular 63

- The Annual Report complies with the Annual Report Template as described by MFMA Circular 63 as the relevant chapters are included. The relevant annexures have been included in the Annual Report.
- In addition, the 2022/23 Audit findings have been included from the Auditor.
- The Mayor's Foreword is included in the annual report.
- The Municipal Managers Foreword includes information on internal management changes in relation to Section 56/57 managers, a statement on the previous financial year's audit opinion, and information related to the revenue trend by source including borrowings undertaken by the municipality.
- The Annual Report provides a comprehensive overview of the demographics, population, growth, highlights, and challenges faced in the municipal area during the 2022/23 financial year.

3. Chapter 3: Service Delivery Information and Performance

High Level Summary – Key Performance Areas

Strategic Objectives	No. of targets in SDBIP/adjusted SDBIP	Number of targets Achieved	Number of targets not achieved	Percentage achieved
KPA 1: Governance and Compliance	3	3	-	100%
KPA 2: Finance	10	10	-	100%
KPA 3: Organisation and Human Capital	4	4	-	100%
KPA 4: Infrastructure and Services	13	11	2	100%
KPA 5: Planning and Development	1	1	-	100%
KPA 6: Community Development	1	1	-	100%
Total	32	30	2	94%

Comment on overall performance by Municipality in terms of Strategic Objectives

- Of the 32 targets reported on, the Municipality managed to achieve 30 which equates to a 94.0 per cent attainment indicating a marginal variance (6 per cent) reported between planned and actual PDO's for the 2022/23 reporting year.
- The performance recorded for quarter 4 mirrors that of quarter 3 and displays similar characteristics in displaying the alignment of KPIs and associated targets with the goals set out in the annual SDBIP and IDP.
- The Municipality is urged continue its focus on maintaining these high standards and exemplary performance, particularly in achieving all but two (2) of the Basic Service delivery targets set for 2022/23. Basic Service delivery KPI's could be more explicit in reflecting the state of service delivery across all wards of the municipality to better assist with infrastructure delivery, overall performance and future planning.
- Progress on infrastructure delivery has been measured under KPA 4: Physical Infrastructure and Services and ensures social upliftment of the Drakenstein community. The infrastructure delivery indicators used the % of Capital Budget Spent as a tool of measurement and the Municipality is commended for

meeting its targets in this regard. The missed targets pertaining to No. of new electricity connections and No. of new upgraded water service points are noted with Reasons/Corrective Measures provided deemed adequate.

- Household access levels are also reported on as well as the targets set for Indigent households for the same category, however, the Top-Layer SDBIP is not clear on performance related to backlogs in terms of access to water, sanitation, electricity, roads and housing. However, the Annual Report does report on Basic Service Delivery backlogs on Pg 235.
- The Municipality has adequately reported on LED initiatives (Pg 137 - 140) as well as the mechanisms to monitor the implementation of LED initiatives. Furthermore, 2 KPI's have been measured serving as performance mechanisms monitoring LED as part of the Top-Layer SDBIP. These KPI's are measured under KPA 5: Planning and Development. The PT suggests a broader scope of KPI's under this particular KPA with a particular focus on initiatives to create an enabling economic environment, closely tied to the projects initiated under the municipality's economic growth strategy.

Black Economic Empowerment

- The annual report disclosed Information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE). This is included in the Annual Report under the section titled Employment Equity (Pg 207).
- The annual report does not contain a heading titled "B-BBEE Compliance Performance Information", nor are any of the sub-headings listed disclosing information relating to the following elements: Management Control, Skills Development, Enterprise, and Supplier Development; Socio Economic Development. This is a repeated finding.

Auditor General findings and other findings

- The Audit findings for 2022/23 were included in the Annual report.
- Drakenstein Municipality for the 2022/23 annual financial statements received an unqualified audit opinion. No material non-compliance issues on the annual financial statements were received.
- Drakenstein Municipality received no material findings on the audit of pre-determined objectives as reported in the Annual Performance Report attached as Volume V to the Annual Report.

4. CONCLUSION AND RECOMMENDATIONS

The Municipality is fully compliant with the legislative requirements as per MFMA Section 75,121 and 127. It is recommended that the Municipality incorporate the above-mentioned aspects (see section 2.2 and 3) in order to improve the quality of the annual report.

Kind regards



MS NADIA RINQUEST

DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE

DATE: 27 FEBRUARY 2024



APPENDIX 2

DRAKENSTEIN

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Annual Report
2022/2023
MPAC Minutes of
11 March 2024

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DRAKENSTEIN MUNICIPALITY

MINUTES: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

ORDINARY MEETING HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC CENTRE, BERG RIVER BOULEVARD, PAARL ON MONDAY, 11 MARCH 2024 AT 12:30.

PRESENT: **Councillors:** J A September (Chairperson)
A J van Santen
E A Solomons
A M Richards
R Nell

ALSO PRESENT: Mr R Najjaar (Audit Committee Chairperson)
Ms M Joffe (Auditor-General)

Officials:

Dr J H Leibbrandt	(City Manager)
B Brown	(Chief Financial Officer)
S Johaar	(Executive Director: Corporate and Planning Services)
L Pienaar	(Executive Director: Engineering Services)
F Rhoda	(Acting Executive Director: Community Services)
R Jaftha	(Chief Audit Executive)
I Engelmohr	(Financial Planning and Accounting Analyst)
C September	(Manager: IDP and Performance Management)
G Dippenaar	(Chief Risk Officer)
F P Goosen	(Manager: Administrative Support Services)
P January	(Senior Administrative Officer)

ABSENT: Cllr S J Liebenberg (Apology)
Cllr L S Sambokwe (Apology)
Ald A C Stowman (Apology)



MINUTES: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
11 MARCH 2024

1. CONFLICT OF INTERESTS BY COUNCILLORS AND OFFICIALS

None.

2. CONFIRMATION OF MINUTES

The minutes of the Ordinary meeting of the Municipal Public Accounts Committee held on 08 February 2024 was **confirmed as correct.**

2a. ADDITIONAL ACTION POINTS: MPAC MEETING 08 FEBRUARY 2024

Noted.

3. CONSEQUENCE MANAGEMENT

It was requested that Mr S Johaar provides feedback on the different sanctions on the various absent cases.

RESOLVED that

The report (Annexure A to the departmental report) be noted.

4. <u>OVERSIGHT REPORT ON THE 2022/2023 ANNUAL REPORT</u>
--

The Committee considered the following documents:

1. Oversight Report on the 2022/2023 Annual Report;
2. Comments received on the Draft Annual Report;
3. Draft Annual Report 2022/2023; and
4. Extract of corrections to the Draft Annual Report.

The Chairperson allowed the Chief Financial Officer to provide an overview, whereafter Councillor A M Richards brought the following corrections under the attention of the Committee, which were accepted:

- Date on Appendix 2 of the Oversight Report; and
- Sentence to be corrected on p.42 of the Annual Report.

MINUTES: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
11 MARCH 2024

UNANIMOUSLY RESOLVED that

It be recommended to Council that:

1. The Oversight Report (OR) on the 2022/2023 Annual Report be adopted;
2. The 2022/2023 Annual Report (AR) be approved without any reservations;
3. The Oversight Report (OR) on the 2022/2023 Annual Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act; and
4. The Oversight Report (OR) on the 2022/2023 Annual Report, the final 2022/2023 Annual Report (AR) and the minutes of the Municipal Public Accounts Committee (MPAC) meeting held on 11 March 2024 be submitted, in accordance with Section 129(2) and 132(2) of the Municipal Finance Management Act (MFMA), to the Auditor-General of South Africa (AGSA), National Treasury, Western Cape Provincial Treasury, Western Cape Department of Local Government and the Western Cape Provincial Legislature.

Meeting: MPAC: 11/03/2024		Submitted by Department: Financial Services	
Ref No: 9/1/2		Author/s: I Engelmoor	
Coll No: 2143242		Referred from:	
<u>CLAUSE:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>
	Submit to Council	Admin	

CONFIDENTIAL

5. UNETHICAL/FRAUDULANT INCIDENT REGISTER
--

RESOLVED that

The Unethical/Fraudulent Incident Register be noted.

Meeting: MPAC: 11/03/2024		Submitted by Department: Risk Management	
Ref No: 5/12/3/4		Author/s: G Dippenaar	
Coll No: 2142205		Referred from:	
<u>CLAUSE:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

MINUTES: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
11 MARCH 2024

The meeting ended at 12:58.

CHAIRPERSON:

DATE:

Confirmed with/without amendments.
FG/MG



MPAC Meeting
Attendance Register

DATE: 11 March 2024

TIME: 12:30

MEETING: COUNCIL CHAMBERS

NAME AND SURNAME	SIGNATURE
Clr JA September (Chairperson)	
Clr SJ Liebenberg	Apology
Clr AJ van Santen	AJ van Santen
Clr EA Solomons	
Ald AC Stowman	Apology
Clr AM Richards	
Clr LS Sambokwe	Absent Apology c.k.
Clr RH Nell	

OFFICE OF THE/ KANTOOR VAN DIE
 CHIEF WHIP/HOOF SWEEP
 CLLR/ RDL CHRISTEPHINE KEARNS
 DRAKENSTEIN MUNICIPALITY/ MUNISIPALITEIT

12/03/2024



MPAC Meeting
Attendance Register (2)

DATE: 11 March 2024
TIME: 12:30
MEETING: COUNCIL CHAMBERS

OFFICIALS

NAME AND SURNAME	SIGNATURE
DR JH LEIBBRANDT CITY MANAGER	
MR B BROWN CHIEF FINANCIAL OFFICER	
MR S JOHAAR EXECUTIVE DIRECTOR: CORPORATE SERVICES	
MR G ESAU EXECUTIVE DIRECTOR: COMMUNITY SERVICES	
MR L PIENAAR EXECUTIVE DIRECTOR: ENGINEERING SERVICES	
MS E BARNARD EXECUTIVE DIRECTOR: PUBLIC SAFETY	
MS R JAFTHA CHIEF AUDIT EXECUTIVE	
<i>Jon Engelbrecht</i>	
<i>G. Pieterse</i>	
<i>E. September</i>	
<i>F. Rhoads</i>	
<i>P. Barends</i>	
<i>M. Brown</i>	
OFFICE OF THE / KANTOOR VAN DIE CHIEF WHIP/HOOF SVEEF	
CLLR/ RDL CHRISTEPHINE KEARNS	
DRAKENSTEIN MUNICIPALITY/ MUNISIPALITEIT	

12/3/2024



MPAC Meeting
Attendance Register (3)

DATE: 11 March 2024

TIME: 12:30

MEETING: COUNCIL CHAMBERS

OTHER

NAME AND SURNAME	SIGNATURE
MR R NAJJAAR AUDIT COMMITTEE CHAIRPERSON	
MELANIE JAFFEE - AGSA	
OFFICE OF THE/ KANTOOR VAN DIE CHIEF WHIP/HOOF SWEEP	
CLLR/ RDL CHRISTEPHINE KEARNS DRAKENSTEIN MUNICIPALITY/ MUNISIPALITEIT	
12/03/2024	



APPENDIX 3

DRAKENSTEIN

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Annual Report

2022/2023

Extract of corrections to Draft Annual Report

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Annual Report

2022/23

This Annual Report is compiled in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

DRAFT

Drakenstein Municipality
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Berg River Boulevard
Paarl, 7622

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Toll free: 080 131 3553

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COMPONENT B: EXECUTIVE SUMMARY

1.2 CITY MANAGER'S OVERVIEW

Drakenstein Municipality, the largest secondary city in the Western Cape is a Category B municipality with powers and functions assigned in terms of Sections 155 and 156 of the Constitution of the Republic of South Africa, 1996 (local government matters referred to in Schedules 4 and 5). These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000. The Municipality covers an area of 1,538 km² and consists of 33 wards. It comprises of 5 towns of which, Paarl and Wellington, are the primary urban nodes.

In presenting the 2022/23 Annual Report we affirm that Drakenstein Municipality has made tremendous strides towards achieving its vision of “*A city of excellence*”, guided by the values of transparency, excellence, responsiveness, accountability, accessibility and integrity, supported by the following strategic objectives:

- To ensure good governance and compliance;
- To ensure financial sustainability in order to meet the statutory requirements;
- To ensure an efficient and effective organisation supported by a competent and skilled workforce;
- To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services;
- To plan, promote investment and facilitate economic growth; and
- To facilitate, support and promote social and community development.

Drakenstein received a clean audit opinion from the Auditor General for the 2022/23 financial year. This is our sixteenth (16th) consecutive unqualified audit opinion and ninth (9th) clean audit, currently we are the largest local municipality in the Western Cape with a clean audit. This bears testament to good governance and sound financial management.

The overall financial performance of the Municipality in 2022/23 confirms sound financial management and fiscal discipline. In previous financial years, increased capital infrastructure investment funded through borrowing was necessary to unlock economic growth and cater for future demand.

The 2022/23 financial year realised an operating surplus of R142.7 million compared with budgeted operating surplus of R32.3 million for the year under review. The municipality's current assets exceeded current liabilities in the year under review, which is a further improvement from the 2021/22 financial year. The cash and cash equivalents and investment

balances increased from R229.9 million on 30 June 2022 to R445.3 million and the gearing ratio decreased from 62.3% on 30 June 2022 to 56.2% on 30 June 2023. Employee related costs stood at 28.2% of the total expenditure and debtor collection days (after provision for doubtful debt) decreased to 37.6 days for the year under review from 44.3 days at 30 June 2022 and the debt collection ratio increased from 96.6% in 2021/22 to 97.5% for the year under review. Incidents of fruitless and wasteful expenditure were reported and are currently being investigated.

To promote economic development, Drakenstein has become an investment destination of choice for both international and local investors. Our strong governance ethos provides a soft landing for any investor who requires a red carpet investment experience. Our Development and Investment desk ensures that municipal processes are streamlined and our approach of how we as an organisation can do things better is at the core of our *“Invest in Drakenstein”* initiative.

Despite various challenges, the municipality continued to provide the necessary basic services and ensured that the 41 registered informal settlements in Drakenstein, had access to waste removal, sanitation and clean drinking water. The burden on the municipal budget, services and infrastructure has however increased as approximately 61% of the population are impoverished. To address unemployment and poverty it is important to grow the economy and create much needed job opportunities.

Throughout the financial year, our efforts again maintained a positive payment culture through the effective implementation of credit control. This is evident in the ability of the Municipality to fund its operations and service its debts. We remain steadfast in our commitment to provide affordable and quality services in an efficient and effective manner to all our residents. At 30 June 2023 the following Departments existed within the Municipality and provided assistance to each other: Office of the City Manager, the Division: Communication and Marketing; the Division: Risk Management; the Division: IDP and Performance Management; the Division: Internal Audit; the Department Corporate and Planning Services; the Department Financial Services; the Department Community Services and the Department: Engineering Services.

During the year the following changes occurred with the Section 56 & 57 appointed officials: The Executive Director: Engineering Services (Mr M Wüst) resigned effective 31 January 2023 with Mr L Pienaar acting from 1 February 2023 – 30 June 2023; and the employment of the Executive Director: Planning and Development (Ms J Samson) was terminated on 31 March 2023.

The following strategic risks have been identified that are currently above the risk appetite, namely: increasing indigents and unemployment; uncontrolled and unmanaged urbanisation

and land invasion; extended interruption of power supply; and a lack of effective law enforcement and policing. These strategic risks are linked to more than one tactical risk and are managed on a tactical level.

DR JOHAN LEIBBRANDT
CITY MANAGER

1.3.3.1 Socio-Economic Status information

According to Quantec Research, the narrow unemployment rate in Drakenstein was estimated to be 16.1% in 2020, increasing to 19.7% in 2021 before decreasing to 18.7% in 2022. Youth unemployment in Drakenstein was recorded to be 28.7% in 2022, a decrease from 30.1% in 2021. Actual unemployment figures within the municipal area are likely to be much higher than the estimates provided by Quantec Research. A high unemployment rate is often associated with a lack of skills due to a high number of illiterate people.

The Gini coefficient is a statistical measure of income or wealth distribution within a geographic boundary. The coefficient ranges from 0, perfect equality, to 1, total inequality. A higher coefficient means greater inequality. Drakenstein's gini coefficient has been stable at around 0.590 for the past three years. Rising income inequality can be attributed to the increase in unemployment as well as low salaries earned by the working age population in low-skilled employment.

Table 1: Socio-Economic Status

Socio-Economic Status						
Serial No.	Year	Unemployment rate	Youth unemployment	Percentage of working age population in low skilled employment	Gini coefficient	Illiterate people older than 20 years
Column Ref.	A	B	C	D	E	F
1	2020/21	20.1%	25.0%	15.8%	0.591	17.1%
2	2021/22	23.0%	30.1%	16.5%	0.591	15.8%
3	2022/23	18.7%	27.3%	15.4%	0.590	13.5%

Source: Quantec Research 2023.

Quantec data is regularly updated and figures may be different from those previously reported.

*With the seasonality of many jobs available in Drakenstein, the unemployment rate should not only be based on persons who are actively seeking work as per the official definition of unemployment. Based upon the extended definition of unemployment and research undertaken by the Economic Development Division, it is estimated that the unemployment rate for the municipal area is over 30%. Youth unemployment is estimated to be in the range of 35-40%.

1.3.3.2 Demographic Profile

Quantec Research estimates a total population of 297,664 for Drakenstein in 2022, up from 284,230 in 2021. However, a report by the Western Cape Government in 2020 estimated the population for the municipal area to be 305,281. This is close to the population of 304,590 projected for 2023 by the Department of Social Development. Although there are no official figures, it is likely that there are people who have migrated into and out of the municipal area for various reasons. An increase in the population creates many opportunities for growth and

development. Channelled properly, it may be a source of labour for different economic sectors and also provides a market for produced goods.

The table below provides a snapshot of Drakenstein's estimated population by gender and age distribution based on Quantec Research data.

Table 2: Population by gender and age group

Population by gender and age group										
Serial No.	Age	2020/2021			2021/2022			2022/2023		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Column Ref.	A	B	C	D	E	F	G	H	I	J
1	0-4	12,779	12,410	25,189	12,950	12,560	25,510	13,027	12,625	25,652
2	5-9	11,780	11,737	23,517	11,745	11,717	23,462	11,770	11,744	23,514
3	10-14	11,917	11,770	23,687	12,089	11,990	24,079	12,157	12,063	24,220
4	15-19	10,894	11,016	21,910	11,330	11,418	22,748	11,845	11,945	23,790
5	20-29	26,165	24,913	51,078	25,910	24,722	50,632	25,235	24,259	49,494
6	30-39	26,222	24,972	51,194	26,822	25,479	52,301	26,915	25,528	52,443
7	40-49	17,783	18,414	36,197	18,463	19,032	37,495	18,910	19,543	38,453
8	50-59	13,486	15,429	28,915	13,899	15,723	29,622	14,150	15,811	29,961
9	60-69	7,193	9,738	16,931	7,329	10,038	17,367	7,511	10,370	17,881
10	70+	3,890	7,422	11,312	3,978	7,794	11,772	4,083	8,173	12,256
11	Total	142,109	147,821	289,930	144,515	150,473	294,988	145,603	152,061	297,664

Source: Quantec, 2023

Note: The Western Cape Government's 2019 population figure for Drakenstein is 305,281. It has not been used in the table above as disaggregated figures are not available.

1.3.3.3 Household Profile

The population of Drakenstein is 305,281 and the number of households is 76,195 per the Western Cape Government's population estimate. The table below shows the number of households by different ethnic groups as obtained from Quantec and has a lower number of households (Estimated by Quantec at 69,653). According to Quantec (2023) Coloured households represented 54.74% of the total number of households in Drakenstein in 2022/23, followed by Black African at 29.20% and Whites at 15.72%. Indian/Asian households represented the smallest portion of households at 0.34%.

Table 3: Household Composition by Ethnic Group

Household breakdown by ethnic group						
Serial No.	Ethnic Group	2020/2021	2021/2022	% share 2021/2022	2022/2023	% share 2022/2023
Column Ref.	A	B	C	D	E	F
1	Black African	19,580	20,054	29.05%	20,339	29.20%
2	Coloured	37,118	37,764	54.70%	38,127	54.74%
3	Indian or Asian	233	236	0.34%	239	0.34%
4	White	10,963	10,990	15.92%	10,948	15.72%
5	Total	67,894	69,044	100%	69,653	100%

Source: Quantec Research, 2023

1.3.3.4 Labour Profile

The Drakenstein municipal area added 5,789 new jobs in 2022/23, bringing the total number of people employed to 106,097, from 100,308 jobs recorded for the previous year. The increase in jobs augurs well for the municipality as it means more people have income to pay for services rendered by the municipality. Job increases were recorded across all sectors of the economy, with the most jobs **gained** by the wholesale, retail trade, catering and accommodation (2,319 jobs) followed by agriculture (1,614 jobs), finance, insurance, real estate and business services (845 jobs), community services (311 jobs); and manufacturing (222 jobs); and transport, storage and communication, (219 jobs). These job increases were largely due to a number of new developments and businesses opening within the municipal area.

Table 4: Employment by Sector

Employment by Sector				
Serial No.	Sector	Number of jobs		
		2020/2021	2021/2022	2022/2023
Column No.	A	B	C	D
1	Agriculture, forestry and fishing	16,961	16,342	17,956
2	Mining and quarrying	65	66	74
3	Manufacturing	8,968	8,529	8,751
4	Electricity, gas and water	336	332	356
5	Construction	6,541	6,197	6,336
6	Wholesale, retail trade, catering and accommodation	21,866	20,864	23,183
7	Transport, storage and communication	3,325	2,999	3,218
8	Finance, insurance, real estate and business services	17,360	17,139	17,984
9	General government	6,528	6,626	6,714
10	Community, social and personal services	20,912	21,214	21,525
11	Total	102,862	100,308	106,097

Source: Quantec, 2023

To ensure electricity supply to all Drakenstein future consumers and to accommodate all future developments, substantial investment in electricity infrastructure needs to take place.

Four additional 132/66/11kV substations are required to fulfil the future load demand of developments, as indicated in the special development framework (SDF). The existing 15MVA transformers at Dalweiding, Palmiet and Parys 66/11kV substations must also be upgraded to 20MVA, including the secondary 11kV switching stations with their respective feeder and ring feeder cables. The supply from Eskom will have to be relocated as such to conform to the future load demand for upcoming developments.

1.4.3 Proportion of households with access to basic services

The 41 registered informal settlements comprising of 8,294 households and an estimated 16,450 residents do have access to water, wastewater and waste management services.

1.5 FINANCIAL HEALTH OVERVIEW

The Municipality is on the path of recovery following the severe droughts experienced in the past few years, the general downturn of the economy, even before the economic effect of the COVID-19 lockdown hit, which necessitated Drakenstein to restructure certain current ten year external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank in December 2019 to be repaid over a period of up to 17.5 years, as well as the devastating effect of the COVID-19 lockdown on the economy.

The current ratio (current assets/current liabilities) of the organisation as at 30 June 2023, was 1.68 as opposed to the ratios of 1.46 (2021/22), 1.06 (2020/21), 0.89 (2019/20), 0.63 (2018/19) for the previous four financial years. The increase in the current ratio is a positive indication of the interventions implemented.

The Municipality has a significant revenue base that continues to grow substantially compared with previous years. The Municipality is still confident that the growth in medium to high income developments are increasing, albeit slower than previously estimated. This is seen in the developments south of Boland Cricket Stadium, Paarl South of the N1 as well as around Wellington. Due to the restructuring of the external loans of the Development Bank of Southern Africa, Standard Bank and Nedbank, no further external loans will be taken up over the next four financial years. The increase of the Municipality's revenue base will reduce the current gearing ratio from the current 56.2% to an estimated 40.7% in the 2024/25 financial year.

The Municipality's debtors' collection period in days (after impairment) decreased to 37.6 days at 30 June 2023 compared with the to 44.3 days as at 30 June 2022. The Municipality's debtors' collection period in days (before impairment) regressed by 5.5 days and the Municipality's debtors' collection period in days (after impairment) improved by 6.8 days during the financial year under review.

The ability of Council to finance the capital programme from internally generated funds remains a big challenge. This challenge has an inverse relationship with the external loan debt of Council, which amounted to 56.2% of total operating revenue (conditional capital and operational grants excluded) at the end of the 2022/23 financial year. Although Council policy has capped the gearing ratio percentage at 50%, urgent upgrades in revenue generating bulk infrastructure to enable increased development and therefore an increased revenue base necessitated that we accelerate our capital programme in prior years. This investment is now starting to bear fruit, as can be seen in the rapid decrease in the gearing ratio in the next five years. It is envisaged that the gearing ratio will decrease to about 49.2% in the 2023/24 financial year and to about 22.3% in accordance with the Long Term Financial Plan by the 2027/28 financial year.

1.5.4 Operating ratios

The operating ratios as depicted below compare favourably with the current industry norms. The employee cost (including Councillor Remuneration) of 28.2% of total operating expenditure (2022/23) is at the lower level of the 25% to 40% range regarded as the industry norm (depending on the size and type of municipality), which means that the salary bill of the organisation is well within the required norms. It slightly decreased from 28.7% in 2021/22.

Table 8: Operating Ratios

Operating Ratios				
Serial No.	Details	2020/21	2021/22	2022/23
Column Ref.	A	B	C	D
1	Employee Cost (Incl Councillor Remuneration) as a % of Operating Expenditure	30.2%	28.7%	28.2%
2	Repairs and Maintenance as a % of Operating Expenditure	10.1%	10.3%	10.2%
3	Repairs and Maintenance as a % of Carrying Value of PPE	4.0%	4.0%	4.2%
4	Finance Charges and Depreciation as a % of Operating Expenditure	16.5%	16.2%	15.5%
5	Finance Charges and Redemption as a % of Operating Expenditure	8.2%	7.7%	9.4%

The Municipality's spending on repairs and maintenance to total operating expenditure amounts to 10.0% for the 2022/23 financial year compared with the 10.1% for the 2021/22 financial year. The ratio of repairs and maintenance as a percentage of the carrying value of property, plant and equipment was 4.2% for the 2022/23 financial year and 4.0% for the 2021/22 year, which could be viewed as unfavourable if compared with National Treasury's norm of 7% to 8%. The norm is not reasonable, simply because all municipalities' asset registers are not compiled on the same measurement basis. If Drakenstein wants to adhere to this norm, the Municipality will have to increase all current property taxes and service charges (electricity tariffs that is regulated by NERSA excluded) with a further 26.7%, which in the current economic climate is not a economically viable or sustainable. **No adverse impact – due to the non-achievement of the norm - on assets are foreseen, as there has been considerable capital expenditure in the past decade on the upgrading and replacement of existing infrastructure. There will also will be a significant spending on the waste water networks in the foreseeable future with the R1.4 billion BFI grant that was awarded to the Municipality over the period 2023/24 – 2025/26.**

Finance charges and depreciation expenditure represent 15.5% of total operating expenditure for 2022/23 compared with the 16.2% for 2021/22. Finance charges and capital redemption represent 9.4% of total operating expenditure for 2022/23 compared with the 7.7% for 2021/22. This compares unfavourably with National Treasury's norm of 6% to 8% if compared to 2021/22, but does so due to the payment holiday received with the restructuring of loans.

1.5.5 Capital expenditure

Investment in bulk and other infrastructure increased from R157.1 million in the 2021/22 financial year to R190.9 million 2022/23. Actual capital expenditure as a percentage of the 2022/23 original budget amounts to 146.2% compared with the 122.6% and 102.2% for the 2021/22 and 2020/21 financial years. Actual expenditure as a percentage of the 2022/23 final adjustments budget amounts to 97.4% compared with the 92.5% and 92.7% for the 2021/22 and 2020/21 financial years.

Table 9: Total Capital Expenditure

Total Capital Expenditure				
R				
Serial No.	Details	2020/21	2021/22	2022/23
Column Ref.	A	B	C	D
1	Original Budget	216,972,433	128,102,569	130,609,152
2	Final Adjustments Budget	239,059,061	169,775,302	196,053,922
3	Actual Expenditure	221,646,458	157,051,451	190,904,487
4	Actual Expenditure as a % of Original Budget	102.2%	122.6%	146.2%

1.7 AUDITOR-GENERAL REPORT

For the sixteenth consecutive year, Drakenstein Municipality received an unqualified audit opinion for the 2022/23 financial year. This was also the ninth clean audit opinion for the Municipality. All these clean audits were achieved with in-house capacity and without the appointment of any consultants. The audit opinions received for the last 16 financial years clearly indicate an improvement in leadership and control on the matters that the Auditor-General focuses on during its audits:

1.7.1 Audited outcomes

- 2022/23: Unqualified audit opinion with no other matters (clean audit opinion);
- 2021/22: Unqualified audit opinion with no other matters (clean audit opinion);
- 2020/21: Unqualified audit opinion with no other matters (clean audit opinion);
- 2019/20: Unqualified audit opinion with no other matters (clean audit opinion);
- 2018/19: Unqualified audit opinion with no other matters (clean audit opinion);
- 2017/18: Unqualified audit opinion with other matters;
- 2016/17: Unqualified audit opinion with no other matters (clean audit opinion);
- 2015/16: Unqualified audit opinion with no other matters (clean audit opinion);
- 2014/15: Unqualified audit opinion with no other matters (clean audit opinion);
- 2013/14: Unqualified audit opinion with no other matters (clean audit opinion);
- 2012/13: Unqualified audit opinion with other matters;
- 2011/12: Unqualified audit opinion with other matters;
- 2010/11: Unqualified audit opinion with other matters;
- 2009/10: Unqualified audit opinion with other matters;
- 2008/09: Unqualified audit opinion with other matters;
- 2007/08: Unqualified audit opinion with other matters;
- 2006/07: Qualified audit opinion with other matters;
- 2005/06: Qualified audit opinion with other matters; and
- 2004/05: Qualified audit opinion with other matters.

The unqualified and qualified audit opinions are on the Annual Financial Statements. The other matters deal with predetermined objectives and legislative compliance issues.

Further details can be found in the Audit Outcome Improvement Plan attached as Volume III to the Annual Report 2022/23.

2.3.4.5 Community Services Portfolio Committee

The Community Services Portfolio Committee consisted of thirteen (13) councillors under the alternated leadership Cllr E Gouws (MMC for Social Services), Cllr LC Arendse (Sport, Recreation, Arts and Culture), Cllr AMB Appollis (MMC for Public Safety) and Cllr L Cyster (Parks, Waste and Cemeteries) who held six (6) meetings [one (1) a non-quotate meeting] during the period 1 July 2022 to 30 June 2023.

Table 18: Community Services Portfolio Committee

Community Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	AMB Appollis	Chairperson	6
2	E Gouws	Co-Chairperson	
3	LC Arendse	Co-Chairperson	
4	L Cyster	Co-Chairperson	
5	B van Willingh	Committee Member	
6	FP Cupido	Committee Member	
7	S Korabie	Committee Member	
8	LC Matthee	Committee Member	
9	T Mooi	Committee Member	
10	N Nongogo	Committee Member	
11	AM Stulweni	Committee Member	
12	Z Xhego	Committee Member	
13	P de Villiers (until May 2023)	Committee Member	

2.3.4.6 Governance and Compliance Portfolio Committee

The Governance and Compliance Portfolio Committee was established and consisted of twelve (12) councillors under the leadership of Cllr J Miller (MMC for Governance and Compliance) who held one (1) meeting during the period.

Table 19: Governance and Compliance Portfolio Committee

Governance and Compliance Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	J Miller	Chairperson	1
2	LT van Niekerk	Committee Member	
3	RH van Nieuwenhuyzen	Committee Member	
4	JV Anderson	Committee Member	
5	A van Rooyen	Committee Member	
6	ND Sauerma	Committee Member	
7	LE Bolani	Committee Member	
8	Z Xhego	Committee Member	
9	TC Mangena	Committee Member	
10	S Landsberg	Committee Member	
11	S Gravel	Committee Member	
12	PJ Albertyn	Committee Member	

2.3.5 Municipal Public Accounts Committee (MPAC)

Section 79 Committees are permanent committees appointed to advise the municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. The MPAC, inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

The MPAC is chaired by Councillor JA September from the ACDP. The other members consist of four DA councillors Cllr SJ Liebenberg; Cllr AJ van Santen; Cllr EA Solomons and Ald AC Stowman, two ANC councillors Cllr AM Richards and Cllr LS Sambokwe as well as Cllr R Nell (ICOSA). No members from the political executive arm are a member of the MPAC. The committee met on eight (8) occasions during the year under review and mainly dealt with the compilation of the Oversight Report on the 2021/22 Annual Report as well as the considering of matters relating to Unauthorised, Irregular, Fruitless and Wasteful Expenditure, the report from the Audit Committee and the Unethical Incident Report.

2.3.6 Audit Committee

In compliance with Section 166(2) of the MFMA, Council has an Audit Committee which is an independent body advising the Municipal Council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to:

- Internal control;
- Risk management;
- Accounting policies;
- Adequacy, reliability and accuracy of financial reporting and information;
- Annual financial statements;
- Performance management;
- Governance;
- Compliance with MFMA, DoRA and other applicable legislation;
- Issues raised by the Auditor-General and Internal Audit; and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit Committee Terms of Reference is reviewed by Council annually to ensure compliance with legislation and governance best practices. The Audit Committee meets on a quarterly basis and detail regarding their recommendations to Council can be found in Appendix G of the Annual Report.

The Local Government: Municipal Structures Amendment Act, 2021 became effective on 01 November 2021. In terms of S79A a municipal council must establish a committee called the municipal public accounts committee. The municipal council must determine the functions of the municipal public accounts committee which must include the review of the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council. The municipal public accounts committee must also review the internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council. Consequently, the audit committee reports quarterly to the municipal public accounts committee on the matters outlined in the Municipal Structures Amendment Act, 2021.

The Audit Committee consists of four members with appropriate competence and experience required to perform the duties as outlined in the Charter. Members of the Audit Committee are appointed by Council for a three (3) year term. In 2021/22 Council approved a second term for 3 of the 4 Audit Committee members. The appointment of the Audit Committee members is consistent with the Audit Committee Charter approved by Council, which allows for the appointment of members for a maximum of 2 terms. Audit Committee members are not permitted to engage in business with Council and are required to declare any conflict of interest they may have in any matters on the agenda in every meeting.

The following members served on the Audit Committee for the 2022/23 financial year:

Table 20: Audit Committee

Audit Committee			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
1	Mr R Najjaar	Chairperson	Hons B. Compt; CPA (USA) and Certified Internal Auditor (Re-appointed till 31 July 2024)
2	Mr RG Nicholls	Committee Member	Chartered Accountant; and Certified Internal Auditor (Re-appointed till 31 July 2024)
3	Mr C Whittle	Committee Member	Chartered Accountant (Re-appointed till 31 July 2024)
4	Mr. P. Strauss	Committee Member	Chartered Accountant (Appointed till 31 July 2023)

Audit Committee meetings are attended by the Mayor (or the appointed representatives), the Accounting Officer, Chief Audit Executive, Auditor General, Chief Risk Officer and members of the Strategic Management Team. The Audit Committee conducts an annual assessment of its performance which includes a self-assessment completed by the Committee Members as well as a performance assessment completed by the Accounting Officer, Mayor and the Chief Audit Executive. The outcome of the performance assessment is reported to Council annually together with an improvement plan to address areas identified for improvement.

2.3.7 Fraud and Risk Management Committee (FARMCO)

FARMCO has been established by Council to assist the Accounting Officer (City Manager) to fulfil his fraud and risk management responsibilities in accordance with prescribed legislation and corporate governance principles. This is achieved by reviewing the effectiveness of the Municipality's fraud and risk management systems, practices and procedures and providing recommendations for improvement. The following members served on FARMCO for the 2022/23 financial year:

Table 21: FARMCO Members

FARMCO Members			
Serial No.	Name of member	Capacity	Qualifications
Column Ref.	A	B	C
1	Mr T Blok (Term started January 2021)	Chairperson (External)	Certified Director Chartered Accountant (SA) Certified Internal Auditor (CIA) Certified Information Systems Auditor (CISA) B. Accountancy (Hons) (University of Stellenbosch) B. Comm (Hons) Information Systems (University of Cape Town)
2	Mr H Aylward	Committee Member	MA: Criminal Justice B.Tech: Forensic Investigations National Diploma: Management (IR) Diploma: Criminal Justice and Forensic Audit
3	Ms R Gani	Committee Member	B. Comm B. Comm (Hons) Certificate: Theory of Accountancy
4	Mr R Najjaar	Committee Member	Hons B. Compt Certified Public Accountant (USA) Certified Internal Auditor

The following permanent invitees also attend all meetings:

- City Manager: Dr J Leibbrandt;
- Chief Audit Executive: Ms R Jaftha;
- Chief Financial Officer: Mr B Brown;
- Chief Risk Officer: Mr G Dippenaar;
- Executive Director: Community Services (Mr G Esau);
- Executive Director: Corporate Services (Mr S Johaar);
- Executive Director: Engineering Services (Mr M Wüst) with Mr L Pienaar acting from 1 February 2023 – 30 June 2023; and
- Executive Director: Planning and Development (Ms J Samson) up to 31 March 2023.

Key areas of focus during the reporting period include quarterly oversight of various risk registers and the implementation of actions to mitigate risk, reported unethical incidents and monitoring the risk management implementation plan.

The Committee is regulated by the Fraud and Risk Management Charter which stipulates that FARMCO shall meet at least four (4) times per annum in terms of a schedule of agreed meeting dates to be determined at the beginning of each financial year. FARMCO can convene further meetings to discuss urgent matters at the discretion of the FARMCO Chairperson.

Another exciting addition to the Municipality's owned media stable is its brand new Intranet that was launched in May 2022, sporting a fresh, contemporary design and a range of useful features. Built on Microsoft SharePoint as an enabling and centralised platform, the Intranet allows for more synergy and serves as a bridge between the different departments and divisions.

This was the eighth new communication platform that the Communication and Marketing Section developed and launched within five years.

Not only does the new Intranet feature a complete new look and feel, but the page is personalised and simple to navigate. Staff members have all the system links they need at their fingertips, and easy access to essential documents, Council information, events calendars, and colleagues' contact details (through an advanced search facility). It also features staff profiles and polls, live feeds from the Municipality's Facebook, LinkedIn, Instagram and YouTube platforms, and even the Drakenstein area's weather reports.

In this financial year the Communication and Marketing Section grew with two new team members, strengthening its content planning, creation and management, its graphic design, and its administrative support capacity.

When the Annual Report is completed, it is made available at all the libraries and the two Thusong Centres, in addition to the required distribution to other spheres of government. The MPAC scrutinises the report and also invites public comment on it.

2.20 CUSTOMER SATISFACTION SURVEYS

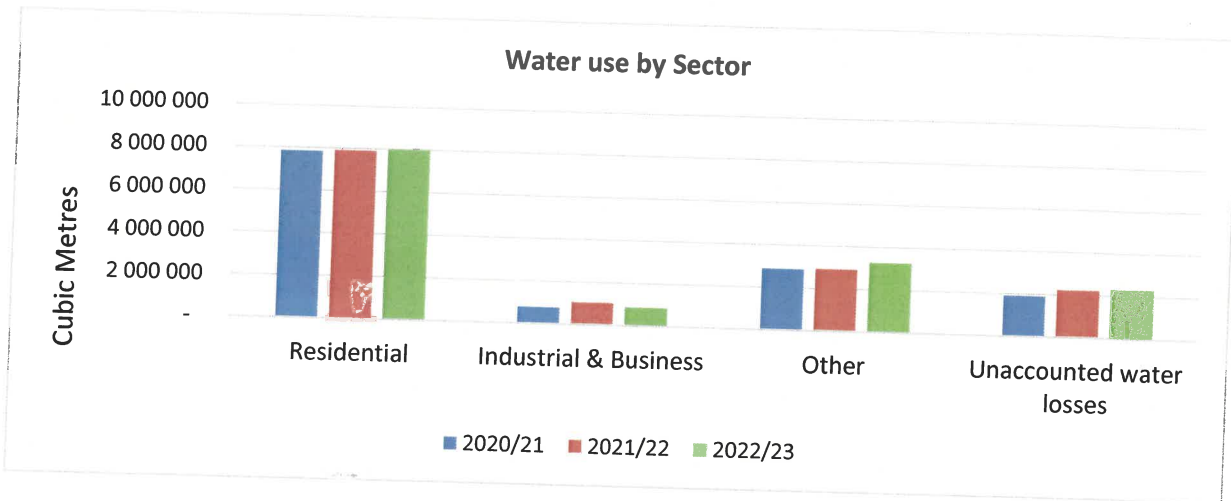
A Customer Complaints Management System, SeeClickFix, manages service delivery standards and complaints. **No surveys were done during the year under review.**

Table 27: Total use of water by sector (cubic metres)

Serial No.	Year	Water Use Details						% Water Losses (Tech.)
		Kilolitres						
		Residential	Industrial/ Business	Other	Total Water Consumed	Water Losses (technical)	Water Bought/ Produced	
Column Ref.	A	B	C	D	E	F	G	H
1	2020/21	7,836,430	779,912	2,868,090	11,484,432	1,913,887	13,398,319	14.3
2	2021/22	7,906,427	1,039,228	2,912,282	11,857,937	2,220,307	14,078,244	15.77
3	2022/23	7,988,383	867,400	*3,293,512	12,149,295	2,305,452	14,454,747	15.95

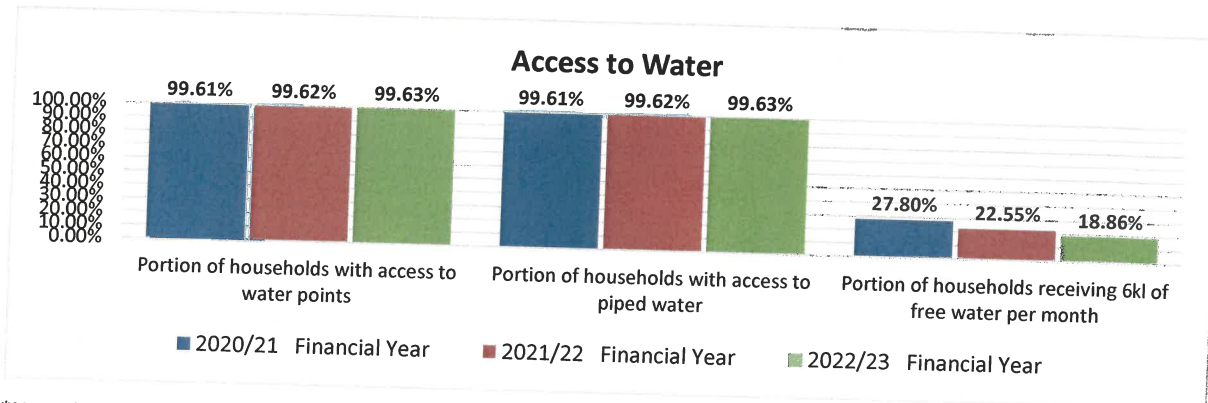
*Other includes unbilled consumption of 145,397 kl

Graph 2: Water use by Sector



In the graph below households' access to water are depicted, it must be noted that since 2018/19 financial year only indigent households received 6kl of free water per month.

Graph 3: Households Access to Water



*Note that the percentage of households with access to water indicated in the graph does not include rural households.

3.6.4 Major Projects Implemented

The following major projects were implemented during the 2022/23 financial year:

- Provision of basic sanitation services, where a total of 62 toilets were provided in three(3) informal settlements;
- The Municipality started with the upgrading of the Paarl WWTW and the Southern Paarl Bulk Sewer (Designs and Tenders); and
- The Pentz Street sewer pump station was refurbished and upgraded and one of the pumps of the Newton sewer pump station was replaced.

3.6.5 Operating Expenditure

Waste water (sanitation) services, as an economic service, generated an operating surplus of R73.9 million for the 2022/23 financial year.

Table 37: Operating Revenue and Expenditure: Waste Water (Sanitation) Services

Operating Revenue and Expenditure: Waste Water Services						
Serial No.	Description	2021/22 Actual Results	2022/23			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(209,703,856)	(223,715,747)	(234,072,472)	(228,109,905)	-2.5%
2	Total Operating Revenue	(209,703,856)	(223,715,747)	(234,072,472)	(228,109,905)	-2.5%
3	Employee related costs	43,950,878	48,629,005	43,224,824	43,235,220	0.0%
4	Impairment losses on financial ass	5,849,134	3,919,069	21,907,117	21,907,117	0.0%
5	Interest paid	42,356,146	41,416,081	41,416,081	41,416,081	0.0%
6	Contracted services	15,129,047	15,422,800	22,782,931	19,472,415	14.5%
7	Depreciation and amortisation	23,275,013	22,856,809	23,841,791	23,768,337	0.3%
8	Inventory consumed	2,044,558	1,789,434	1,910,034	1,743,049	8.7%
9	Operational Costs and Losses	1,537,878	1,842,826	2,825,540	2,709,810	4.1%
10	Total Operating Expenditure	134,142,654	135,876,024	157,908,318	154,252,028	2.3%
11	Operating (Surplus) / Deficit	(75,561,203)	(87,839,723)	(76,164,154)	(73,857,877)	-3.0%

3.6.6 Employee Statistics (Water and Waste Water combined)

The Water and Waste Water Services Division merged has 336 posts on the organisational structure approved by Council on 30 June 2022 of which 123 posts are frozen and 213 posts funded at year-end. The department had 185 filled posts and 28 vacancies at year-end, indicating a 13.1% vacancy rate.

Table 43: Employees - Electricity Services

Employees: Electricity Services								
Serial No.	Job Level	2021/22	2022/23					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	1	1	0	1	0	1	100.0%
2	T15 - T17	4	5	1	4	3	1	25.0%
3	T12 - T14	18	23	6	17	15	2	11.8%
4	T09 - T11	30	42	9	33	25	8	24.2%
5	T06 - T08	36	42	7	35	33	2	5.7%
6	T03 - T05	56	87	27	60	48	12	20.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	145	200	50	150	124	26	17.3%

3.8 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)

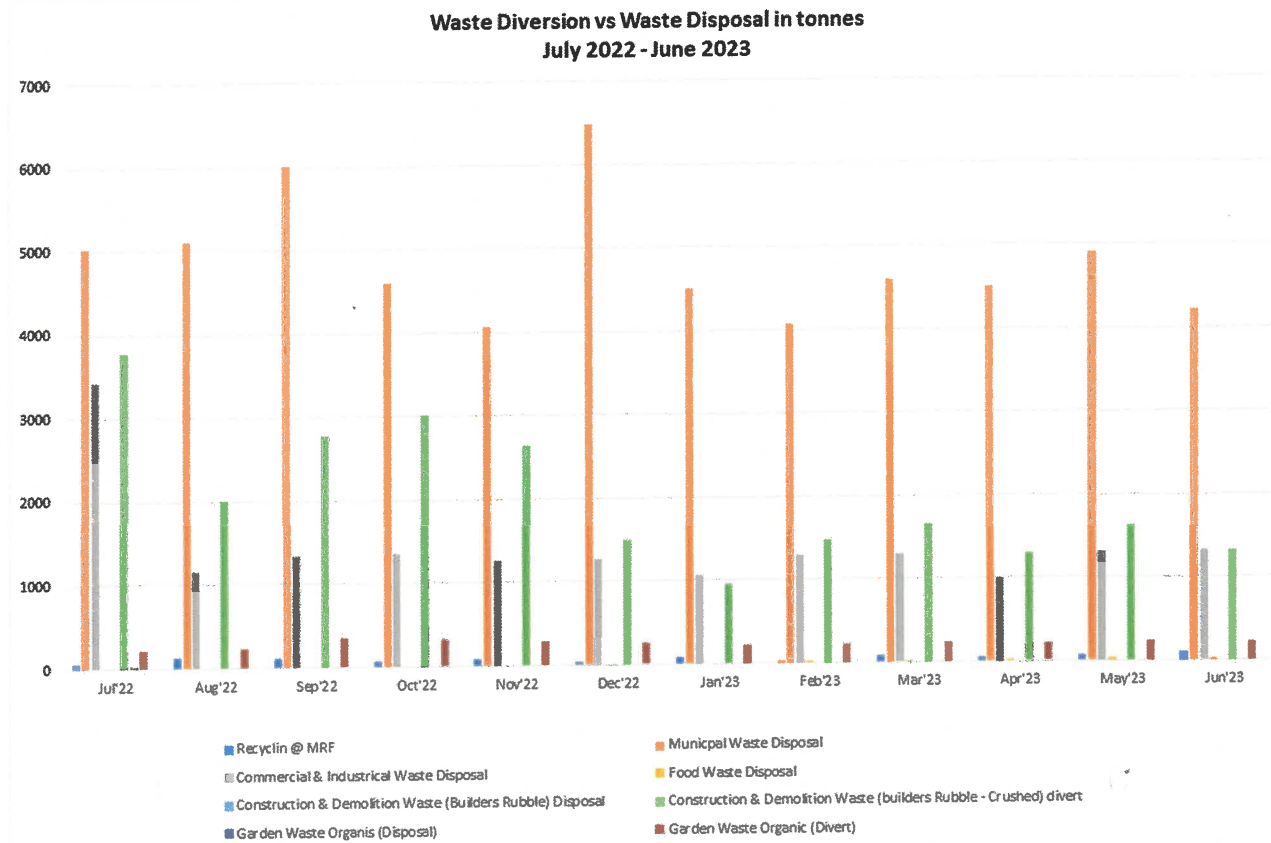
The key responsibility of this division is to deliver a sustainable waste management service in order to keep areas clean and free of illegal dumping. Primary focus areas are the provision of refuse collection services, not only formalised, but also to all registered informal settlements, managing disposal facilities, area cleaning as well as street sweeping. In addition, the division also focuses on ways to encourage waste minimisation, waste diversion and the implementation of various waste treatment strategies.

The Organic Waste Diversion Plan has been compiled and indicates the status quo of organic waste management in the Municipality as well as strategies to be implemented to optimize organic waste diversion in compliance with Provincial targets. A Waste Management Sector Plan has also been compiled which focusses on the medium and long-term plans for effective management of the different waste streams.

3.8.1 Service Statistics

The table below indicates that a kerbside refuse removal service is delivered to 43,971 formal households within Drakenstein, using a 240L wheelie bin. A total of 41 registered informal settlements, consisting of 7,587 structures, receive a weekly door-to-door refuse bag waste removal service. Communal skips and mini drop-off facilities are placed in high-density and informal areas to provide demarcated disposal facilities to communities. These facilities are serviced at least once a week. Illegal dumping remains a challenge despite the presence of localised disposal facilities.

Graph 6: Solid Waste Disposal and Diversion Statistics



Waste minimisation, diversion, and recycling

A separate collection of recyclable waste is implemented in certain residential areas, contributing to waste being diverted from landfill. Clear bags are issued to participating residents and collected on the same day as refuse collection. Businesses have shown an increased commitment to divert waste from landfill, by recycling the waste.

3.8.2 Service Delivery Levels

The table below indicates that a kerbside refuse removal service is delivered to 43,971 formal households within Drakenstein, using a 240L wheelie bin. A total of 41 registered informal settlements, consisting of 8,430 structures, receive a weekly door-to-door refuse bag waste removal service. Communal skips and mini drop-off facilities are placed in high-density and informal areas to provide demarcated disposal facilities to communities. These facilities are serviced at least once a week. Illegal dumping remains a challenge despite the presence of localized disposal facilities.

No services are rendered below the minimum service level by the Municipality

3.9.2 Rental Stock and Support Services

The Rental Support and Operational Services Section is responsible for the management and maintenance of 2,873 municipal rental housing units.

The following projects were successfully completed.

Table 48: Rental Stock and Support Services projects implemented

Serial No.	Projects	Comments
Column Ref.	A	B
1	Maintenance of buildings and facilities a Council's rental stock	<ul style="list-style-type: none"> Supply, deliver and installation of 9 steel stairs structures – Chicago & Klein Nederburg housing schemes at Springbok flats, block A13 – A18, Springbok Flats A19 – A24, Bosbok Flat, block A7- A12, Bougainvillia Flat Block A13 - A19, 20A Disa Street (Ward 20, 22,24,25). Supply, deliver & installation of 8 steel stairs structures at Klein Nederburg Housing Scheme Bauhinia Flats B1, B3 and A19, 20A Disa Street, 35F, 37E & 47E Lantana Street, Bougainvillia Flat, block A6 – A7, D5 Bauhinia Flat, 18D Oleander Street, (Ward 20,21,25). Repair of major and minor cracks, waterproofing of outside walls at 16 blocks (Klein Nederburg and Chicago area - block 4, Disa Street, block 7, Plumbago Street, block 13, block 13, 19 & 21 Poinsettia Street, block P24 & H17 block Magnolia Flats, V block Magnolia Flats, Block 59 Springbok Street, block 19 & 61 Bontebok Street, block 21 Oleander Street (Wards 20,21,22,24,25) Repair work of 7 municipal rental units, Mbekweni, C block. (C125, C126, C152, C163, C165, C173, C185, C187). Supply, delivery, and installation of new IBR roof sheets (Springbok Street, block 63 and block 18 Poinsettia Street (Ward 24, 25). Urgent supply, manufacture, delivery and installation of 2 new steel stairs staircases at T12 & T24 Magnolia Flats. Repair and replace of new washing lines & installation of new post boxes (Block G & H Magnolia Flats) - 2 blocks. Urgent repair and replacement of roof sheets at A17 and A18 Springbok Flats and D11 Bosbok flats (3 units) (Ward 22 & 24).

Serial No.	Projects	Comments
		<ul style="list-style-type: none"> Major maintenance repair work at 3 Japonica Street, (levelling/lifting of the foundation, extension of walls, replacement of IBR roof sheets, concrete flooring, laminating, and painting of the inside and outside walls, carried out plumbing work, rewiring of all electrical cables (Ward 25). Replacement, delivery, and installation of 12 staircases in Chicago and Klein Nederburg housing schemes at 20D Disa street, 13A & 19A Bougainvillia Flat, Block A7 – A12 Bosbok Flats, block A19 – A24 Springbok Flats, Block A13 – A18 Springbok Flats (Wards 20,24 25). Paint-My-Story, painting of 3 blocks Azalia Street (Ward 25).
2	Improve access to basic services in Informal Settlements	<ul style="list-style-type: none"> Construction of 10 precast waterborne toilets and 3 water standpipes to improve access to basic services in Phalaphala informal settlements that is situated in erf, 30448. In addition, 52 toilets and 10 standpipes were installed in other informal areas.
3	Handover of Title Deeds (Housing Schemes)	<ul style="list-style-type: none"> Harper Street (Ward 26).

Challenges

- Active housing demand list of 21,071 applications.
- Forty-three registered (43) informal settlements comprising of 8,430 structures and housing an estimated 16,450 people.
- Increasing number of informal structure due to land invasion in public open spaces such as public park in Swartberg, bulk infrastructure road reserve in Drommedaris Street, Rooiland etc.

3.9.4 Housing Statistics

Table 50: Housing Statistics

Housing Statistics			
Serial No	Description	Totals	Remarks
Column No.	A	B	C
1	New applications captured on the WCHDDB	309	Daily capturing of new applications within 5 days.
2	Number of cancelled applications	15,981	Cancelled application involves persons who did not update their information when required.
3	Number of persons assisted	5,840	The number of persons assisted with housing opportunities.
4	Number of active persons on the waiting list	21,071	Active persons refer to persons who updated their information during the year.
5	Total number of persons on the demand database	43,202	The total number of persons on the demand database (waiting list), including the active, cancelled and assisted.
6	Housing allocations	11	New allocations to Council rental units – next qualified applicants on the waiting list.
7	Transfers of rental units	110	Successfully attended to in cases where the tenant passed on, etc.
8	Exchanges	1	Tenants' agreements and medical reasons.
9	Issue of starter kits for fire victims	30	Informal structures (back yarding) destroyed during a fire incident
10	Renewal of Lease Agreements	428	Successfully completed renewals of lease agreements.
11	Housing Consumer Education	492	Consumer Education conducted with existing and new tenants.
12	Demolishing of illegal structures, adjacent Council's rental units.	8	Successfully demolishing of illegal structures adjacent Council's rental units/open spaces

3.9.5 Evictions

At the end of the financial year, Drakenstein Municipality had approximately 1,460 evictions cases registered (ESTA 583 and PIE 843) which is a slight decrease from the previous year. However, this still causes us to remain one of the national hotspots in the country for evictions. Evictions, particularly ESTA Evictions are posing a huge risk to the municipal resources. Land and finances for resettlement are resources that are not necessarily readily available given all of the other challenges already faced by local government. Instances where landowners apply for mass evictions are especially challenging since this puts a huge strain on already limited resources.

3.10.2 Free basic services per basic service

The statistics of the free basic services delivered per service to consumers for the 2022/23 are depicted in the table below. Drakenstein provided indigent subsidies (free basics services) to the amount of R163.2 million during the 2022/23 financial year. The remainder of the equitable share of R186.6 million was used for the maintenance and provision of basic services in informal settlements.

Table 54: Free basic services delivered per service

Free basic services delivered per service							
Serial No.	Service	2020/21		2021/22		2022/23	
		Number of Consumers	Rand Value Provided	Number of Consumers	Rand Value Provided	Number of Consumers	Rand Value Provided
Column Ref.	A	B	C	D	E	F	G
1	Property Rates and Rentals	10,399	22,600,128	12,662	24,921,292	11,198	22,803,271
2	Refuse Removal and Sanitation	21,218	68,419,785	17,682	79,686,025	15,210	73,805,361
3	Water	21,218	16,880,819	17,682	16,655,390	15,210	14,478,370
4	Electricity	21,588	47,704,175	20,837	50,452,024	19,050	47,316,267
5	Total		155,604,907		171,714,731		158,403,269

- On completion of a building, a final inspection (completion) is carried out as no building may be occupied without a certificate of occupation.

Prior to the issuing of the certificate of occupation, the building inspector ensures compliance with the structural aspects, fire installation, health requirements, electrical installation, roads and storm water requirements, drainage installation, energy efficiency of the structure and compliance with the approved building plan.

Furthermore, it is the responsibility of the building inspector to address illegal structures and unsafe structures, be a witness in court cases on behalf of Council, implement legal action when required, control building rubble, enhance public safety, assist the general public and professionals with information on building control related matters and performs administrative tasks associated with these functions.

Local authorities act in the interest of the owner when carrying out the compulsory inspections and have no financial or any other interest in such buildings. For this reason, the owner of a building must appoint his/her own clerk of works to inspect and control the quality and workmanship of the building work. There is thus no obligation on the Council's building inspectors to control the quality of workmanship and materials, but the owner may be informed by Council of poor quality workmanship and/or materials when observed.

3.13.3.1 Building Control Statistics

A total of 1,906 new building plan applications, for various types of projects, have been submitted for consideration over the year under review. This amounts to a total of 530,733m² of potential development area with an estimated value of R4.1 billion, which amounts to an 75% increase in square meters and a 35% increase in estimated value. This can thus be seen as a clear indication of the upturn of the local economy.

Although 1,906 new applications were received, a total of 5,048 determinations, consisting of 1,949 approvals and 3,099 non-approvals requiring amendment and resubmission, were made. Determinations consists of approvals, non-approvals of plans submitted during the financial year and plans of the previous financial year which was not finalised during the financial year submitted.

Due to non-approvals, thus requiring amendments, numerous plans were assessed more than once. R9,860,093 of revenue was created due to building plan applications, which is a 30.26% increase from the previous year.

3.19.6 Employee Statistics

The Community Halls, Facilities and Thusong Centres Services Section has 75 posts on the organisational structure approved by Council on 30 June 2022 of which 13 posts are frozen and 62 posts funded at year-end. The section had 56 filled at year-end with a 9.7% vacancy rate.

Table 84: Employees - Community Halls, Facilities and Thusong Centres

Employees: Community Halls, Facilities and Thusong Centres								
Serial No.	Job Level	2021/22	2022/23					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	0	0	0	0	0	0.0%
2	T15 - T17	0	0	0	0	0	0	0.0%
3	T12 - T14	0	0	0	0	0	0	0.0%
4	T09 - T11	0	2	2	0	0	0	0.0%
5	T06 - T08	10	11	1	10	10	0	0.0%
6	T03 - T05	52	62	10	52	46	6	11.5%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	62	75	13	62	56	6	9.7%

3.20 CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

The Drakenstein Municipality's Integrated Development Plan guides the Social Development Section on what programmes must be rolled out, to address an array of topics forming part of Social Development. Programmes such as poverty relief initiatives, support to vulnerable groups, which include youth, gender, the elderly, the disabled, street people and the Early Childhood Development (ECD) Sector. The operations of Mayoral Ward Projects in the 33 wards are being facilitated by the Social Development Section

These social issues affecting our municipal environment and society in general especially most vulnerable groupings; thus, the section responds with a holistic plan to counter these challenges.

3.20.1 Service Statistics

Services are rendered to all 33 wards in Drakenstein.

Elderly:

- Drakenstein Municipality enrolled 19 Elderly clubs in the Cape Winelands District Municipality Annual Golden Games sport event. Drakenstein Municipality hosted the

COMPONENT G: SECURITY AND SAFETY

3.24 INTRODUCTION

This part of the report deals with the traffic, licensing, law enforcement, and fire and disaster management services rendered for the year under review.

3.25 TRAFFIC, LICENSING AND LAW ENFORCEMENT

During 2022/23, a large number of offences were dealt with. The main purpose of this section is not only to prosecute, but also to educate offenders. The main activities undertaken were:

- Apprehending offenders talking on cell phones while driving, red light and stop street violations, failure to wear seatbelts, excessive speeding, taxis, red and yellow line offences, illegal number plates and driving under the influence of alcohol – all of the aforementioned contributed to a high accident rate;
- Corrective measures taken inter alia include selective law enforcement on safety belts, cell phones, number plates and public transport enforcement;
- The appointment of a new service provider for automatic speed enforcement is effective in dealing with excessive speed;
- Traffic safety talks at various institutions to address irresponsible driver behavior and pedestrian safety; and
- We've launched drag racing operations in Paarl and Wellington with the assistance of SAPS and Provincial Traffic with fairly huge successes.

3.25.1 Service Statistics

Table 94: Traffic, Licensing and Law Enforcement Service Data

Traffic, Licensing and Law Enforcement Service Data				
Serial No.	Details	2020/21 Actual	2021/22 Actual	2022/23 Actual
Column Ref.	A	B	C	D
1	Number of road traffic accidents during the year	3,356	3,599	3,039
2	Number of bylaw infringements attended	3,523	4,243	1,139
3	Number of traffic officers in the field on an average day	5 – Shift One 6 – Shift Two 11 = officers per day	4 – Early Shift 4 – Late Shift 8 = officers per day	4 – Early Shift 4 – Late Shift 8 = officers per day
4	Number of traffic officers on duty on an average day	11 – Testing Station 5 – Shift One 6 – Shift Two 22 = officers per day	10 – Testing Station 4 – Early Shift 4 – Late Shift 18 = officers per day	10 – Testing Station 4 – Early Shift 4 – Late Shift 18 = officers per day

3.26.1.1 Service Statistics

Table 98: Fire Service Data

Fire Service Data				
Serial No.	Detail	2020/21 Actual	2021/22 Actual	2022/23 Actual
Column Ref.	A	B	C	D
1	Total fires attended to in the year	1,024	1,097	867
2	Total of other incidents attended to in the year	165	184	162
3	Average turnout time – urban areas (minutes)	10-12	10-12	10-12
4	Average turnout time – rural areas	20	20	20
5	Firefighters in post at year end	71	68	64
6	Total fire appliances at year end	11	9	9
7	Average number of appliances on the road during the year	10	8	8

Table 99: Fire Safety – Activities/Inspections

Fire Safety Activities/Inspections				
Serial No	Description	2020/21	2021/22	2022/23
Column Ref.	A	B	C	D
1	Fire safety inspections	116	143	165
2	Inspections of overgrown erven and property	1,065	297	366
3	Lectures and demonstrations	48	2,273	52
4	Buildings plans scrutinised and approved	2,785	109	2,407
5	Events Management and risk visits	78	143	151

The following training was conducted and attended by fire service personnel:

Table 100: Fire Fighter Training

Firefighter Training				
Serial No	Description	Number of Officials Attended		
		2020/21	2021/22	2022/23
Column Ref.	A	B	C	D
1	Practical Pump Operations and Driving	6	12	1
2	Advanced Fire Safety Course	2	2	48
3	Daily drills and instruction per shift	55	42	18
4	Breathing Apparatus refresher course	55	15	7
5	Fire Investigation Course	-	1	N/A
6	Chainsaw Operator Course	-	7	16
7	First Aid level 3 course	-	16	16
8	Firefighter 2 Course	6	7	1
9	Hazmat Awareness	-	-	48

3.27.3.1 Service Statistics

Table 106: Swimming Pools - Service Statistics

Swimming Pools – Services Statistics				
Serial No.	Swimming Pool	Number of patrons 2020/21	Number of patrons 2021/22	Number of patrons 2022/23
Column Ref.	A	B	C	
1	Drakenstein	Under construction	14,889	18,876
2	Pentz Street	9,568	Under Construction	4,079
3	Faure Street	5,6074	18,750	18,072
4	Mbekweni	Under construction	14,031	11,073
5	Weltevrede	11,870	15,172	16,595

3.27.3.2 Service Delivery Levels

All five swimming pools under the ambit of the Sport and Recreation Section was operational during the 2022/23 financial year.

3.27.4 Capital Expenditure

The Sport and Recreation Section spent R6.1 million or 87.6% of the final adjustments budget on sport and recreation infrastructure projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 107: Capital Expenditure 2022/23 - Holiday Resorts, Sport Facilities and Swimming Pools

Capital Expenditure 2022/23: Holiday Resorts, Sport Facilities and Swimming Pools					
Serial No.	Capital Project Description	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & D
Column Ref.	A	B	C	D	E
1	Upgrading of Faure Street Sports Stadium	1,000,000	1,578,849	1,578,849	0.0%
2	Arboretum Climate Park	-	1,194,415	1,184,284	0.8%
3	Tools of Trade	3,000,000	957,069	957,068	0.0%
4	Other Capital Projects	2,300,000	1,039,420	945,571	9.0%
5	Construct Fairyland Sport Facility	600,000	600,000	600,000	0.0%
6	Development of De Kraal Sport Complex	2,000,000	1,169,736	413,030	64.7%
7	Gouda Sportsfields (IUDG)	350,000	387,816	387,815	0.0%
8	Total Capital Expenditure	9,250,000	6,927,305	6,066,618	12.4%

3.33.4 Major Projects Completed

Major projects that include maintenance are completed by Engineering Services .

Table 127: Capital and Maintenance Projects

Capital, Operational and Maintenance Projects		
Serial No.	Project Description	Rand
Column Ref.	A	B
1	Paarl Townhall gutters - Supply and install	75,376
2	Supply and install blinds - Civic Centre	19,253
3	Network points at Mill Street and IT	15,000
4	UPS system for Paarl Tourism Building	57,000
5	Construction of a Soup Kitchen Ward 25	92,140
6	Construction of new roof at Bergendal Library	172,398
7	Councill chambers - Replace downlights	15,500
8	Directional signs - Supply and install	13,472
9	Electric DB board for new aircons - 60 Breda	195,100
10	Nedbank move project	1,100,000
11	Civic Centre Waterproofing project	630,021
12	Nedbank maintenance project	418,984
13	Fire remedial work on existing partitioning walls at Markets Street building	191,688
14	Upgrading of main stores building phase 1	1,191,530

3.33.5 Operating Expenditure

Property services, as a community service, generated an operating deficit of R35.3 million for the 2022/23 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 128: Operating Revenue and Expenditure: Property Management Services

Operating Revenue and Expenditure: Property Management						
Serial No.	Description	2021/22 Actual Results	2022/23			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operating Revenue	(10,937,400)	(1,855,482)	(7,865,482)	(7,998,235)	1.7%
2	Total Operating Revenue	(10,937,400)	(1,855,482)	(7,865,482)	(7,998,235)	1.7%
3	Employee related costs	19,112,079	19,458,879	22,254,103	20,305,851	8.8%
4	Contracted services	3,575,695	1,856,360	5,675,956	5,421,757	4.5%
5	Depreciation and amortisation	11,301,331	11,422,517	11,914,754	11,873,465	0.3%
6	Inventory consumed	404,780	627,574	618,603	559,841	9.5%
7	Operational Costs and Losses	8,067,261	963,813	15,009,759	5,117,441	65.9%
8	Total Operating Expenditure	42,461,146	34,329,143	55,473,175	43,278,356	22.0%
9	Operating (Surplus) / Deficit	31,523,747	32,473,661	47,607,693	35,280,121	-25.9%

HR Policies and Plans			
Serial No.	Name of Policy	Reviewed/New	Date adopted by Council or comment on failure to adopt
Column Ref.	A	B	C
21	Talent Management and Succession Planning Policy	To be reviewed	26 June 2018
22	Performance Management and Development Policy	New	30 June 2022
23	COVID 19 Policy	n/a	29 July 2020
24	EE Plan	To be reviewed	2017 - 2023
25	HR Plan	Reviewed	2023 -2028

4.4.2 Sick Leave

The next two tables depict the sick leave information per department and occupational levels.

4.4.2.1 Sick Leave per Department/Division

The following sick leave per Department/Division was taken in the 2022/23 financial year as depicted in the table below. The Department of Engineering Services (39.33%) and Community Services (35.38%) were the main contributors to sick leave as a percentage of total sick leave days taken.

Table 148: Sick Leave per Department/Division

Sick Leave per Department/Division					
Serial No.	Department/Division	2021/22		2022/23	
		Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken	Number of Sick Leave Days Taken	Percentage of Total Sick Leave Days Taken
Column Ref.	A	B	C	D	E
1	Office of the City Manager	24	0.12%	19.0	0.13%
2	Risk Management Division	13	0.07%	46.5	0.31%
3	Communication and Marketing Division	16	0.08%	72.0	0.48%
4	Internal Audit Division	119	0.61%	86.9	0.58%
5	Integrated Development Planning and Performance Management Division	40	0.21%	30.0	0.20%
6	Department of Corporate and Planning Services	2,300	11.92%	1,764.7	11.68%
7	Department of Financial Services	2,384	12.36%	1,801.3	11.92%
8	Department of Engineering Services	7,748	40.17%	5,940.4	39.33%
9	Department of Community Services	6,645	34.45%	5,344.7	35.38%
10	Total	19,289	100%	15,105.5	100.00%

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 INTRODUCTION

Drakenstein is implementing multiple flagship programmes to advance skills capacity and employee work-performance. This is in line with the National Skills Strategy, accelerated service delivery and contributes to economic expansion and an inclusive growth path.

During the 2022/23 financial year, the bursaries, workplace skills programme plan, occupational workplacements, professional membership /candidacy programmes, artisan development were amongst various programmes rolled out and funded for employee capacity building.

4.5.1 Skills Matrix

One thousand one hundred and twenty-one (1,121) officials have been trained in various capacity building interventions from 1 July 2022 until 30 June 2023. The total excludes bursary recipients and professional bodies affiliation and memberships funded officials.

The table below indicates only the number of employees at professional and management levels that received training in the year under review.

Table 154: Skills Matrix

Skills Matrix								
Serial No.	Management Level	Gender	Number of skilled employees required and actual as at 30 June 2023					
			Learnerships		Skills programmes and other short courses		Total	
			Actual 2023	Target	Actual 2023	Target	Actual 2023	Target
Column Ref.	A	B	C	D	E	F	G	H
1	CM and S57	Female	1	1	0	0	1	1
2		Male	0	0	0	0	0	0
3	Councillors, Senior Officials and Managers	Female	7	7	11	11	18	18
4		Male	3	3	16	16	19	19
5	Technicians and Associate Professionals	Female	5	5	21	21	26	26
6		Male	1	1	41	41	42	42
7	Professionals	Female	1	1	15	15	16	16
8		Male	1	1	9	9	10	10
9	Sub-Totals	Female	14	14	47	47	61	61
10		Male	5	5	66	66	71	71
11	Total		19	19	113	113	132	132

5. FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1 INTRODUCTION

The following sections provide an overview of the financial results of the Municipality for the year under review per economic classification compared to the prior year audited results, the original budget and the final adjustments budget.

5.2 FINANCIAL SUMMARY

Drakenstein Municipality generated an overall operating surplus of R142.7 million compared with budgeted operating surplus of R32.3 million for the year under review as depicted in the table below. More information on the revenue collection performance by vote and by source is included in Appendix J of the Annual Report.

Table 160: Financial Summary

Financial Summary							
Serial No.	Description	2021/22	2022/23		Positive / (Negative) % Variance		
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
1	Financial Performance						
2	Property rates	416,883,724	421,689,006	434,101,418	437,182,803	3.7%	0.7%
3	Service charges	1,826,370,540	1,966,626,230	1,824,881,853	1,873,243,605	-4.7%	2.7%
4	Investment revenue	9,673,336	6,000,000	35,000,000	36,829,830	513.8%	5.2%
5	Transfers recognised – operational	184,720,227	252,396,304	234,608,494	205,179,410	-18.7%	-12.5%
6	Other own revenue	194,501,379	189,854,262	191,618,904	198,491,844	4.5%	3.6%
7	Total Revenue (excluding capital transfers and contributions)	2,632,149,205	2,836,565,802	2,720,210,669	2,750,927,492	-3.0%	1.1%
8	Employee costs	716,436,629	797,129,150	768,646,763	735,660,761	-7.7%	-4.3%
9	Remuneration of Councillors	31,654,070	35,255,123	35,255,123	33,213,291	-5.8%	-5.8%
10	Depreciation	244,514,391	246,074,231	255,000,000	246,678,677	0.2%	-3.3%
11	Finance charges	180,161,755	176,521,240	176,521,240	176,390,519	-0.1%	-0.1%
12	Materials and bulk purchases	1,038,903,119	1,114,608,983	1,039,914,863	1,033,398,650	-7.3%	-0.6%
13	Transfers and grants	15,343,997	27,160,000	25,638,195	24,907,428	-8.3%	-2.9%
14	Other expenditure	380,511,094	481,254,502	516,956,526	477,476,961	-0.8%	-7.6%
15	Total expenditure	2,607,525,055	2,878,003,229	2,817,932,710	2,727,726,286	-5.2%	-3.2%
16	Surplus (Deficit)	24,624,151	(41,437,427)	(97,722,041)	23,201,206	-156.0%	-123.7%
17	Transfers recognised – capital	118,252,168	79,249,152	129,985,727	119,514,248	50.8%	-8.1%
18	Contributions recognised – capital and contributed assets	0	0	0	0	0.0%	0.0%
19	Surplus (Deficit) after capital transfers and contributions	142,876,319	37,811,725	32,263,686	142,715,453	277.4%	342.3%
20	Share of surplus/(deficit) of associate	0	0	0	0	0.0%	0.0%
21	Surplus (Deficit) for the year	142,876,319	37,811,725	32,263,686	142,715,453	277.4%	342.3%
22	Capital Expenditure and Fund Sources						
23	Transfers recognised – capital	112,773,339	79,249,152	119,178,391	115,698,279	46.0%	-2.9%
24	Public contributions and donations	0	0	0	0	0.0%	0.0%
25	Borrowing	0	0	0	0	0.0%	0.0%
26	Internally generated funds	42,995,638	51,360,000	76,875,531	75,206,208	46.4%	-2.2%
27	Total sources of capital funds	155,768,977	130,609,152	196,053,922	190,904,487	46.2%	-2.6%
28	Financial Position						
29	Total current assets	736,538,961	676,275,704	632,630,803	928,273,532	37.3%	46.7%
30	Total non-current assets	6,683,911,138	6,358,748,979	6,424,193,749	6,647,414,686	4.5%	3.5%
31	Total current liabilities	(503,514,152)	(611,467,394)	(611,467,394)	(553,789,111)	-9.4%	-9.4%
32	Total non-current liabilities	(1,997,771,319)	(1,968,951,716)	(1,968,951,716)	(1,960,095,150)	-0.4%	-0.4%
33	Community wealth/ Equity	(4,919,164,628)	(4,454,605,573)	(4,476,405,442)	(5,061,803,957)	13.6%	13.1%

Financial Summary							
Serial No.	Description	2021/22	2022/23		Positive / (Negative) % Variance		
		Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Column Ref.	A	B	C	D	E	F	G
34	Cash Flows						
35	Net cash from (used) operating	293,041,641	226,425,598	248,837,190	497,826,542	119.9%	100.1%
36	Net cash from (used) investing	(228,464,413)	(115,759,274)	(181,815,767)	(170,846,483)	47.6%	-6.0%
37	Net cash from (used) financing	(13,474,970)	(78,688,303)	(78,688,303)	(71,593,245)	-9.0%	-9.0%
38	Movement in cash/cash equivalents at the year end	51,102,258	31,978,021	(11,666,880)	255,386,814	698.6%	-2289.0%
39	Asset Management						
40	Asset register summary (WDV)	6,683,816,263	6,358,748,979	6,424,193,749	6,647,414,582	4.5%	3.5%
41	Depreciation and asset impairment	244,514,391	246,074,231	255,000,000	246,678,677	0.2%	-3.3%
42	Renewal and upgrade of existing assets	83,982,583	83,029,130	99,718,769	98,143,971	18.2%	-1.6%
43	Repairs and maintenance	263,443,796	288,351,772	288,351,772	278,624,028	-3.4%	-3.4%

5.3 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

In the table below the operating expenditure performance by GFS Classification is depicted. Drakenstein Municipality has spent R2.728 billion of the final operating adjustments budget of R2.818 billion on operating activities and it represents 94.78% of the original approved budget and 96.80% of the final operating adjustments budget. This aligns to Appendix B1 to the Annual Financial Statements.

Table 161: Financial Performance of Operating Expenditure by GFS Classification

Financial Performance of Operational Expenditure by GFS Classification							
Serial No.	Description	2021/22	2022/23		Positive / (Negative) % Variance		
		Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Operating Cost						
2	Water	113,603,322	117,002,143	141,249,406	130,841,324	-4.50%	-7.37%
3	Wastewater	134,142,654	135,876,024	157,908,318	154,252,028	13.52%	-2.32%
4	Electricity	1,172,781,561	1,290,147,105	1,169,481,269	1,159,701,598	-10.11%	-0.84%
5	Waste	87,878,088	96,209,437	128,426,150	126,928,509	31.93%	-1.17%
6	Other	0	0	0	0	0.00%	0.00%
7	Component A:	1,508,405,624	1,659,234,709	1,597,065,143	1,571,723,459	-5.27%	-1.59%
8	Roads	148,548,681	164,055,820	164,210,166	163,396,242	-0.40%	-0.50%
9	Planning	56,577,482	64,667,474	67,051,911	62,259,801	-3.72%	-7.15%
10	Environmental	1,691,432	1,786,375	1,795,594	1,770,722	-0.88%	-1.39%
11	Component B:	206,817,595	230,509,669	233,057,671	227,426,765	-1.34%	-2.42%
13	Community and	36,790,632	39,249,276	38,038,029	38,507,423	-1.89%	1.23%
14	Sport and	65,670,141	68,244,262	65,819,448	64,328,685	-5.74%	-2.26%
15	Security and	208,520,791	212,093,666	201,113,467	201,017,937	-5.22%	-0.05%
16	Housing	78,296,683	110,196,001	86,762,079	77,217,495	-29.93%	-11.00%
17	Health	0	0	0	0	0.00%	0.00%
18	Component C:	389,278,248	429,783,205	391,733,023	381,071,541	-11.33%	-2.72%
19	Corporate Policy	503,023,588	558,475,646	596,076,873	547,504,522	-1.96%	-8.15%
20	Component D:	503,023,588	558,475,646	596,076,873	547,504,522	-1.96%	-8.15%
21	Total Expenditure	2,607,525,055	2,878,003,229	2,817,932,710	2,727,726,286	-5.22%	-3.20%

5.4 GRANT PERFORMANCE

5.4.1 Grants received and its performance

Drakenstein utilised R325.8 million and 5.5% less than the R344.6 million budgeted in the adjustment budget.

Table 162: Operating and Capital Transfers and Grants

Operating and Capital Transfers and Grants							
R'000							
Serial No.	Description	2021/22	2022/23		2022/23 Variance		
		Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustment Budget (%)
Column Ref.	A	B	C	D	E	F	G
1	Operating Transfers and Grants						
2	National Government:	254,832,000	262,643,130	278,033,000	278,033,000	5.9%	0.0%
3	Equitable Share	171,259,000	194,355,000	194,355,000	194,355,000	0.0%	0.0%
4	IUDG	52,326,000	53,903,478	61,989,000	61,989,000	15.0%	0.0%
5	Finance Management Grant (FMG)	1,550,000	1,550,000	1,550,000	1,550,000	0.0%	0.0%
6	Electrification Grant (INEP)	18,315,000	8,695,652	16,000,000	16,000,000	84.0%	0.0%
7	Expanded Public Works Grant (EPWP)	3,287,000	4,139,000	4,139,000	4,139,000	0.0%	0.0%
8	Electricity Demandside Grant	4,095,000	0	0	0	0.0%	0.0%
9	Water Infrastructure Grant (WSIG)	4,000,000	0	0	0	0.0%	0.0%
10	Provincial Department:	29,336,535	49,751,000	32,105,550	21,975,162	-55.8%	-31.6%
11	1068 Houses	49,919	0	0	0	0.0%	0.0%
12	Carterville Housing Project	0	0	0	0	0.0%	0.0%
13	Chester Williams, Lovers Lane	124,700	0	0	0	0.0%	0.0%
14	Community Development Workers	799,480	113,000	204,223	203,836	80.4%	-0.2%
15	Development of Sport & Recreation	899,906	0	0	0	0.0%	0.0%
16	Drom 181/1407 HSDG	0	0	0	0	0.0%	0.0%
17	Amstelhof	10,348	0	0	0	0.0%	0.0%
18	Paarl East	52,296	0	0	0	0.0%	0.0%
19	Public Employment	2,000,000	0	0	0	0.0%	0.0%
20	Electricity Planning	0	800,000	800,000	799,993	0.0%	0.0%
21	Financial Management Capacity Building Grant	242,035	0	450,000	409,398	0.0%	-9.0%
22	Financial Management Capacity Building Grant	686,664	0	0	0	0.0%	0.0%
23	Financial Management Support Grant	942,941	0	80,175	80,037	0.0%	-0.2%
24	Kingston/Lantana	151,981	0	0	0	0.0%	0.0%
25	Kingston Transfers	0	0	0	0	0.0%	0.0%
26	Mbekweni 557	0	0	0	0	0.0%	0.0%
27	Municipal Accreditation and Capacity Building	125,460	256,000	256,000	256,000	0.0%	0.0%
28	P59 Fairlyland	0	12,210,000	1,550,000	1,080,868	-91.1%	-30.3%
29	Public Works and Transport (Roads)	16,811,909	780,000	780,000	780,723	0.1%	0.1%
30	Public Works and Transport (Roads)1	686,100	0	2,737,000	2,737,000	0.0%	0.0%
31	Rsep	1,300,000	600,000	600,000	600,000	0.0%	0.0%
32	Schoongezicht	4,452,796	14,800,000	11,576,152	9,027,308	-39.0%	-22.0%
33	Other Housing	0	20,192,000	7,072,000	0	-100.0%	-100.0%
34	Municipal Load Shedding Relief Grant	0	0	6,000,000	6,000,000	0.0%	0.0%
35	Other Grants	4,335,430	1,250,022	4,142,108	2,664,943	113.2%	-35.7%
36	Training Grant	864,535	0	1,957,271	1,430,707	0.0%	-26.9%
37	Neumark	3,470,895	1,250,022	2,184,837	1,234,236	-1.3%	-43.5%
38	District Municipality	5,545,047	650,000	1,541,000	1,254,752	93.0%	-18.6%
39	Cape Winelands (Tourism)	5,545,047	150,000	150,000	113,042	-24.6%	-24.6%
40	Cape Winelands	0	500,000	300,000	269,037	-46.2%	-10.3%
41	Cape Winelands	0	0	91,000	58,638	0.0%	-35.6%
42	Cape Winelands	0	0	1,000,000	814,035	0.0%	-18.6%
43	Donations and Other Contributions	9,127,648	0	28,818,563	21,846,659	0.0%	-24.2%
44	Santam Risk and Resilience Project	0	0	0	243,581	0.0%	0.0%
45	Berg en Dal Development	0	0	0	8,568,858	0.0%	0.0%
46	Honeydew Estate	0	0	0	3,082,155	0.0%	0.0%
47	Hugo Rust Primary	0	0	0	89,376	0.0%	0.0%
48	Mountain Dew Sevelment	0	0	0	2,155,595	0.0%	0.0%
49	Park Sinage	0	0	0	18,916	0.0%	0.0%
50	Sportsman Warehouse	0	0	0	1,541,790	0.0%	0.0%
51	The Acres	0	0	0	5,804,388	0.0%	0.0%
52	Vesting Public Places	0	0	0	326,000	0.0%	0.0%
53	Vesting Reserves	0	0	0	16,000	0.0%	0.0%
54	Other Capital in kind	9,127,648	0	28,818,563	0	0.0%	-100.0%
55	Total Operating Transfers and Grants	303,176,674	314,294,152	344,640,221	325,774,526	3.7%	-5.5%

5.4.2 Grants received from sources other than DoRA

Grants received during the year under review from sources other than the Division of Revenue Act (DoRA) amounted to R27.4 million compared with the R55.9 million of the 2021/22 financial year.

Table 163: Grants received from sources other than the Division of Revenue Act (DoRA)

5.10 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Table 168: Capital Spending of Five Largest Capital Projects

Capital Expenditure of Five Largest Projects						
Serial No.	Name of project	Current year			% Variance year	
		Original Budget	Adjustments Budget	Actual Expenditure	Original Variance	Adjustments Variance
Column Ref.	A	B	C	D	E	F
1	New Connection BICL's	0	28,500,000	28,449,225	0.0%	0.2%
2	Fleet Annual Replacement Programme	4,200,000	15,358,045	14,645,221	-248.7%	4.6%
3	MV Substations	8,695,652	14,534,482	14,534,483	-67.1%	0.0%
4	ICT Equipment Computer Related	3,570,000	9,989,594	10,008,321	-180.3%	-0.2%
5	Replace/Upgrade Water Reticulation System	5,000,000	8,379,018	8,378,775	-67.6%	0.0%

5.11 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS

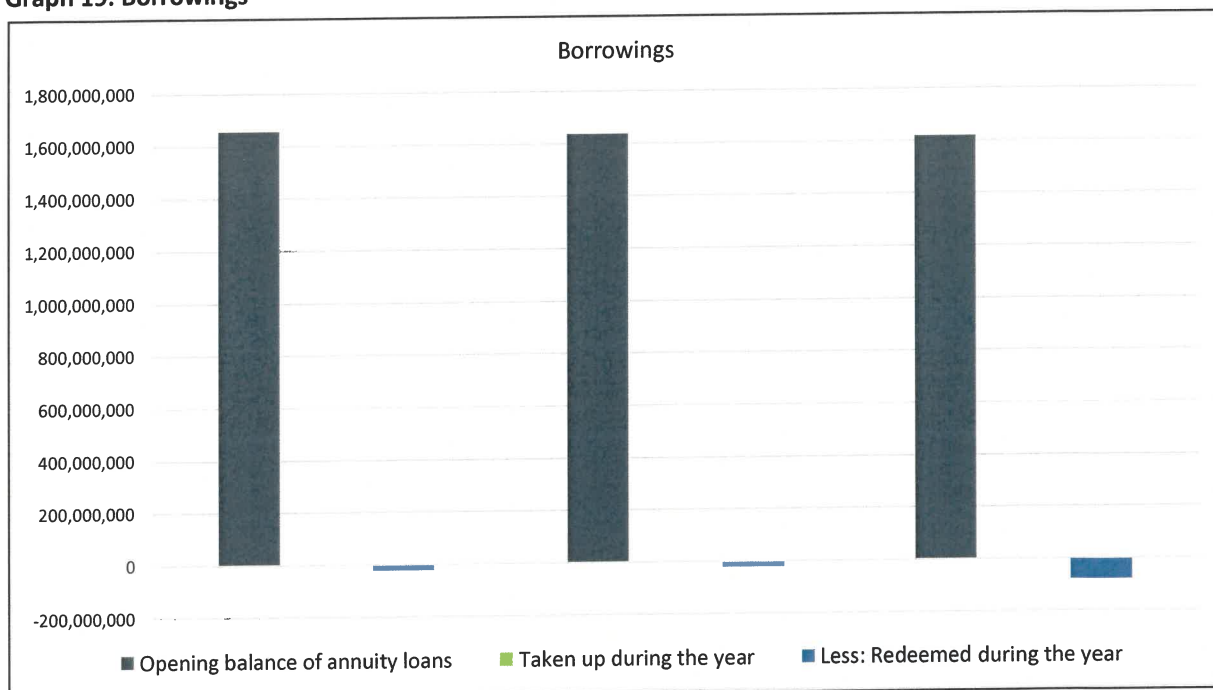
The Engineering Services Department render the core of basic services to the community. The Department is responsible for the supply of water, waste water, electricity and waste management services to the community.

5.11.1 Service Backlogs

The basic services backlogs are depicted in the table below. Drakenstein Municipality supplies basic water, waste water and waste management services to all its residents within the urban areas. Electricity is supplied to all Drakenstein's residents by the Municipality and Eskom together. Some estates are supplied with a bulk electricity connection and the home owners associations do their own internal electricity reticulation.

About 3,638 structures in the informal settlements do not have access to electricity.

Graph 19: Borrowings



5.15 INVESTMENTS

Investments have increased since the previous financial year in line with the measures as set out for financial recovery in the long term financial plan. The bank deposits for 2022/23 were made up of call deposits to the value of R351,404,153, whilst the bank deposits in 2021/22 were made up of call deposits to the value of R169,942,000 (classified as cash and cash equivalents) and notice deposits maturing within 5 months after year-end amounting to R40,000,000 (classified as short term investments).

Table 173: Municipal and Entity Investments

Municipal and Entity Investments				
Serial No.	Instrument	2020/21 Actual	2021/22 Actual	2022/23 Actual
Column Ref.	A	B	C	D
1	Securities – National government	-	-	-
2	Listed Corporate Bonds	39,706	0	0
3	Deposits – Bank	51,045,498	209,942,000	351,404,153
4	Deposits – Public Investment Commissioners	-	-	-
5	Deposits – Corporation for Public Deposits	-	-	-
6	Bankers Acceptance Certificates	-	-	-
7	Negotiable Certificates of Deposit – Banks	-	-	-
8	Guaranteed Endowment Policies (sinking)	-	-	-
9	Repurchase Agreements – Banks	-	-	-
10	Municipal Bonds	-	-	-
11	Other	-	-	-
12	Municipality sub-total	51,085,204	209,942,000	351,404,153

7. ANNEXURES

ANNEXURE A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Table 179: Councillors, Committees allocated and Council attendance (1 July 2022-30 June 2023)

Councillors, Committees allocated and Council attendance							
Serial No.	Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended	Percentage apologies for non-attendance
Column Ref.	A	B	C	D	E	%	%
1	Adams, Jaydine Henriette		√	Financial Services	Proportional	69	100
2	Adriaanse, Miriam Maria		√	Planning and Development	Ward 24	92	100
3	Albertyn, Pierre-Jeanne (Replaced Cyster, Lorraine as proportional councillor in December 2022)		√	Governance and Compliance	Proportional	67	100
4	Anderson, Joan Veronica		√	Governance and Compliance	Ward 26	100	N/A
5	Andreas, Margaretha Aletta	√		Planning and Development, LLF	Proportional	92	100
6	Appollis, Avron Marchius Beres	√		Disciplinary Committee, Community Services	Ward 29	100	N/A
7	Arendse, Edgar Gerades (Until December 2022)		√	Corporate Services	Proportional	86	100
8	Arendse, Lorenzo Clive	√		Financial Services, Community Services	Ward 33	100	N/A
9	Arnolds, Ruth Belldine		√	Engineering Services	Ward 7	62	100
10	Baron, Elizabeth	√		Financial Services, Corporate Services, Planning and Development, LLF, Training and Development Committee	Ward 18	100	N/A
11	Bester, Theunis Gerhardus	√		Engineering Services	Ward 19	100	N/A
12	Bolani, Luvuyo		√	Planning and Development, Governance and Compliance	Ward 9	85	100
13	Booyesen, Vanessa Charmaine		√	Appeal Committee, Engineering Services	Ward 27	100	N/A
14	Carollissen, Doreen		√	Planning and Development	Proportional	85	100

Councillors, Committees allocated and Council attendance							
Serial No.	Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended	Percentage apologies for non-attendance
						%	%
Column Ref.	A	B	C	D	E	F	G
15	Combrink, Gert Cornelius	√		Financial Services	Proportional	100	N/A
16	Cupido, Felix Patric		√	Corporate Services, Community Services	Ward 22	92	100
17	Cupido Patricia Beverly Ann		√	Planning and Development	Ward 20	92	100
18	Cyster, Lorraine	√		Engineering Services, Planning and Development, Community Services	Proportional Ward 17 (as from November 2022)	100	N/A
19	Daniels, Jennifer Vivian (Until February 2023)		√	Planning and Development	Proportional	100	N/A
20	De Kock, John		√	Financial Services	Proportional	100	N/A
21	De Villiers, Peter Thomas (Replaced Arendse, Edgar Gerades) (January 2023 until May 2023)		√	Community Services	Proportional	100	N/A
22	De Waal, Charlse (Replaced Jacobs, Michael in June 2023)		√	None.	Proportional	100	N/A
23	Du Plessis, Adriaan Johannes		√	Engineering Services	Proportional	92	100
24	Duba, Bongiwé Primrose		√	Financial Services, Corporate Services	Proportional	77	100
25	Fourie, Andrew		√	Financial Services	Proportional	77	100
26	Ganandana, Sangolomzi		√	Engineering Services, Planning and Development	Ward 32	100	N/A
27	Gertse, Keagan Je-Ron (Replaced Daniels, Jennifer Vivian in March 2023)		√	Corporate Services	Proportional	100	N/A
28	Godongwana, Ntombovuyo		√	Appeal Committee, Engineering Services, Planning and Development	Ward 8	77	100
29	Gouws, Eva	√		Community Services	Ward 21	92	100
30	Gravel, Sindile		√	Governance and Compliance	Proportional	54	83
31	Jacobs, Bazil		√	Corporate Services	Proportional	92	100
32	Jacobs, Catherine Maria		√	Corporate Services	Ward 31	92	100
33	Jacobs, Frances		√	Financial Services	Proportional	92	100
34	Jacobs, Michael (Until May 2023)		√	Planning and Development	Proportional	46	100
35	Kearns, Christephine	√		Disciplinary Committee	Ward 10	100	N/A

Councillors, Committees allocated and Council attendance							
Serial No.	Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended	Percentage apologies for non-attendance
						%	%
Column Ref.	A	B	C	D	E	F	G
36	Klaaste (Davids), Claire Olivia		√	Corporate Services	Proportional	85	50
37	Koegelenberg, Renier Adriaan		√	Appeal Committee, Disciplinary Committee, LLF	Proportional	100	N/A
38	Korabie, Stephen (Replaced Smuts, Rean in August 2022)		√	Financial Services, Community Services	Proportional	100	N/A
39	Kroutz, Calvin		√	Corporate Services	Ward 1	100	N/A
40	Kulsen, G		√	Engineering Services	Proportional	77	100
41	Landsberg, Stephan		√	Governance and Compliance	Proportional	100	N/A
42	Landu, Linda		√	Engineering Services	Proportional	69	100
43	Le Roux, Jacobus Francois	√		Appeal Committee	Proportional	100	N/A
44	Liebenberg, Stephanus, Johannes		√	MPAC	Ward 15	92	100
45	Mangena, Tembikile Christopher		√	Appeal Committee, Governance and Compliance	Proportional	69	75
46	Matthee, Hendrik Johannes Nicolaas (Until August 2022)		√	Financial Services	Ward 17	33	100
47	Matthee, Leandra Chamaney		√	Community Services	Proportional	69	75
48	Miller, Johan	√		Disciplinary Committee, Engineering Services, Governance and Compliance	Ward 4	100	N/A
49	Mooi, Thobani Patrick		√	Financial Services, Community Services	Ward 5	92	100
50	Nell, Rodney Heinrich		√	MPAC	Proportional	100	N/A
51	Nongogo, Nothulu		√	Engineering Services, Community Services	Ward 6	92	100
52	Nobala, Mncedisi (Until October 2022)		√	Disciplinary Committee, Financial Services	Proportional	100	N/A
53	Poole, Conrad James	√		Executive Mayor	Proportional	100	N/A
54	Richards, Abdul Moutie		√	MPAC	Proportional	92	100
	Ross, Soudah		√	Financial Services	Ward 13	85	100
55	Sambokwe, Ludia Sindiswa		√	MPAC, Disciplinary Committee	Ward 12	92	100
56	Sauerman, Nicolaas Daniël		√	Appeal Committee, Governance and Compliance	Ward 2	100	N/A
57	September, Jerome Alex		√	MPAC	Proportional	100	N/A

Councillors, Committees allocated and Council attendance							
Serial No.	Council members	Full-time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended	Percentage apologies for non-attendance
						%	%
Column Ref.	A	B	C	D	E	F	G
58	Smit, Johannes		√	Engineering Services	Ward 30	85	100
59	Smuts, Rean (Until July 2022)		√	Corporate Services	Proportional	100	N/A
60	Solomons, Elizabeth Aletta		√	MPAC	Ward 23	100	N/A
61	Stoffels, Johannes, Nicolaas Hendrick (Relaced De Villiers, Peter Thomas in June 2023)		√	None	Proportional	100	N/A
62	Stowman, Aidan Charles		√	MPAC	Ward 11	100	N/A
63	Stulweni, Ahmed Mputumi		√	Community Services	Proportional	92	100
64	Van Niekerk, Laurichia Tylial	√		Planning and Development, Governance and Compliance, Training and Development Committee	Ward 25	100	N/A
65	Van Nieuwenhuyzen, Reinhardt Heinrich	√		Governance and Compliance, LLF, Training and Development Committee	Ward 28	100	N/A
66	Van Rooyen, Annelize		√	Corporate Services, Governance and Compliance	Ward 3	100	N/A
67	Van Santen, Aletta Johanna		√	MPAC	Proportional	92	100
68	Van Willingh, Brenda		√	Community Services	Ward 14	100	N/A
69	Xhego, Zamikhaya		√	Community Services, Governance and Compliance	Ward 16	92	100
70	Zoya, Nomzamo		√	Disciplinary Committee	Proportional	69	25

ANNEXURE H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Table 188: Long-term Contracts (Largest contracts active in 2022/23)

Long-term Contracts (Eight largest contracts active in 2022/2023)						
Serial No.	Name of Service Provider (Entity or Municipal)	Description of service rendered by the Service Provider	Start date of contract	Contract completion date	Project manager	Contract Value
						Award amount (including contingencies and including VAT)
Column Ref	A	B	C	D	E	F
1	ENVIROSERV (PTY) LTD	SWM 01/2021 - PROVISION OF WAST DISPOSAL AND WAST DIVERSION ACTIVITIES AT THE WELLINGTON LANDFILL SITE	10-Oct-22	30-Jun-27	T SERFONTEIN	R 88 832 619
2	JVZ CONSTRUCTION (PTY) LTD	PDHS 1/2021 : SCHOONGESICHT CONSTRUCTION OF INTERNAL CIVIL ENGINEERING SERVICES, PHASE 4	02-Mar-22	31-Oct-22	R SAULS	R 12 375 206
3	JVZ CONSTRUCTION (PTY) LTD	CES 2/2023 : CONSTRUCTION OF THE SOUTHERN PAARL BULK OUTFALL SEWER, PHASE 1	09-Jun-23	27-Feb-24	A KOWALEWSKI	R 133 379 468
4	STEFANUTTI STOCKS (PTY) LTD	CES 1/2023 : PAARL WASTEWATER TREATMENT WORKS - LIQUID TREAM: CIVIL WORKS	30-Jun-23	30-Nov-24	A KOWALEWSKI	R 277 404 565

**Only the contract for Enviroserv (Pty) Ltd is a long-term contract longer than 3 years.*

Table 189: Public Private Partnerships entered into 2022/23

Public-Private Partnerships entered into 2022/23					
R`000					
Name and description of project	Name of partner(s)	Initiation date	Expiry date	Project manager	Value 2018/19
No PPP entered into during the year under review & none are in operation					

ANNEXURE J: REVENUE COLLECTION PERFORMANCE

ANNEXURE J (I): REVENUE COLLECTION BY VOTE

Table 191: Revenue Collection Performance by GFS Vote *

Revenue Collection Performance by Vote							
Serial No.	Vote Description	2021/22	2022/23			Positive / (Negative) % Variance	
		Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Executive and council	1,769,668	1,904,096	1,995,319	2,333,694	22.56%	16.96%
2	Finance and administration	492,616,419	487,926,459	541,378,828	521,101,475	6.80%	-3.75%
3	Community and social services	22,048,359	7,897,337	4,754,237	21,351,066	170.36%	349.10%
4	Sport and recreation	4,479,707	3,160,496	2,357,996	2,676,145	-15.33%	13.49%
5	Public safety	125,651,765	129,869,404	143,274,134	126,116,785	-2.89%	-11.98%
6	Housing	18,407,143	60,802,214	33,798,366	23,279,862	-61.71%	-31.12%
7	Planning and development	13,881,656	11,085,959	11,085,959	14,995,414	35.26%	35.26%
8	Road transport	18,009,519	2,868,547	3,527,480	8,208,811	186.17%	132.71%
9	Energy sources	1,455,876,555	1,567,700,634	1,453,845,450	1,521,085,543	-2.97%	4.62%
10	Water management	195,560,800	213,258,189	211,526,752	211,826,848	-0.67%	0.14%
11	Waste water management	209,703,856	223,715,747	234,072,472	228,109,905	1.96%	-2.55%
12	Waste management	192,395,927	205,625,872	208,579,403	189,356,191	-7.91%	-9.22%
13	Total revenue by vote	2,750,401,373	2,915,814,954	2,850,196,396	2,870,441,740	-1.56%	0.71%

* - Agrees to Appendix B1 to the Annual Financial Statements