



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Annual Report

2023/24

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).

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A city of excellence

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GLOSSARY

Definitions	
Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to parliament and provincial legislatures as prescribed by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). This includes plans, budgets, in-year and annual reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Such a report must include the annual financial statements as submitted to the Auditor-General.
Approved Budget	The annual budget for a year, as approved by Council.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.

Definitions	
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are " <i>what we use to do the work</i> ". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans.
National Key Performance Areas	Five national key performance areas are: <ul style="list-style-type: none"> • Service delivery and infrastructure; • Economic development; • Municipal transformation and institutional development; • Financial viability and management; and • Good governance and community participation.
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are " <i>what we wish to achieve</i> ".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as " <i>what we produce or deliver</i> ". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required

Definitions	
	result should be. In this employee performance management and development system (EPMDS), performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery and Budget Implementation Plan	Detailed plan annually approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
VARS	The monthly Municipal Newsletter to the general public.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>"(a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>(b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned."</i></p>

ACRONYMS

Acronyms	
AAPAM	Association of African Public Administration and Management
AC	Audit Committee
ACDP	African Christian Democratic Party
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
APC	Appeal Committee
APR	Annual Performance Report
AQMP	Air Quality Management Plan
ASB	Accounting Standards Board
ASNAPP	Agribusiness in Sustainable Natural African Plant Products
CAE	Chief Audit Executive
CBD	Central Business District
CCAP	Climate Change Adaption Plan
CFO	Chief Financial Officer
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
CLLR	Councillor
CM	City Manager
CPIP	Capital Projects Implementation Plan
CRO	Chief Risk Officer
CSIR	Council for Scientific and Industrial Research
DA	Democratic Alliance
DCAS	Department of Cultural Affairs and Sport
DEA	Department of Environmental Affairs
DEA & DP	Department of Environmental Affairs and Development Planning
DLTA	Drakenstein Local Tourism Association
DM	Drakenstein Municipality
DoA	Department of Agriculture
DoRA	Division of Revenue Act
DRDLR	Department of Rural Development and Land Reform
DRDLR	Department of Rural Development of Land Reform
ECD	Early Childhood Development
EEA	Employment Equity Act
EFF	Economic Freedom Fighters
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
FARMCO	Fraud-and-Risk Management Committee
FD	Federation of Democrats

Acronyms	
FEIR	Final Environment Impact Report
FRM	Fraud Risk Management
GIS	Geographic Information System
GRAP	Generally Recognised Accounting Practice
GV	General Valuation
GVA	Gross Value Added
HIV	Human Immunodeficiency Virus
HR	Human Resources
IAS	Invasive Alien Species
ICOSA	Independent Civic Organisation of South Africa
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IEM	Integrated Environmental Management
IERM	Institute of Environment and Recreation Management
IGR	Inter-Governmental Relations
ILASA	Institute for Landscape Architecture in South Africa
INEP	Integrated National Electrification Funding
IOD	Injury on Duty
IRDP	Integrated Residential Development Program
IRM	Integrated Risk Management
ISAMAO	Institute of South African Municipal Accounting Officers
ISSP	Informal Settlements Support Programme
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
JSE	Johannesburg Stock Exchange
KFA	Key Focus Area
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LLF	Local Labour Forum
LSDF	Local Spatial Development Framework
MFMA	Municipal Finance Management Act
MGRO	Municipal Governance Review and Outlook
MICE	Meetings, Incentives, Conferences and Exhibitions
MIG	Municipal Infrastructure Grant
MMCs	Members of the Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act

Acronyms	
mSCOA	Municipal Standard Chart of Accounts
NBR	National Building Regulations
NEMAQA	National Environmental Management Air Quality Act
NEMBA	National Environmental Management: Biodiversity Act
NERSA	National Energy Regulator of South Africa
NGO	Non-Governmental Organisation
NPC	Non-Profit Company
NPO	Non-Profit Organisation
NQF	National Qualification Framework
PDM	Peoples Democratic Movement
PMS	Performance Management System
PMS	Pavement Management System
PPP	Public Private Partnership
RBIG	Regional Bulk Services Infrastructure Grant
RLEDF	Regional Local Economic Development Forum
SAHRA	South African Heritage Resources Agency
SALGA	South African Local Government Association
SAPS	South African Police Service
SATSA	South African Tourism Services Association
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SDLC	Systems Development Life-Cycle
SEAR	Sustainable Ecological and Agricultural Resource
SEDA	Small Enterprise Development Agency
SEM	Staff Employee Monitoring
SMMEs	Small Medium and Micro Enterprises
SMT	Strategic Management Team
SO	Strategic Objective
SOER	State of Environment Report
SOP	Standard Operating Procedure
SPCA	Society for the Prevention of Cruelty to Animals
STATSSA	Statistics South Africa
SV	Supplementary Valuation
TASK	Tuned Assessment of Skills and Knowledge
TMP	Transportation Master Plan
TRANCRAA	Transformation of Certain Rural Areas Act, Act 94 of 1998
UIF	Unemployment Insurance Fund

Acronyms	
UISSP	Upgrade of Informal Settlements Support Programme
VF+	Vryheidsfront Plus
VPUU	Violence Prevention through Urban Upgrading Programme
WTE	Waste-to-Energy
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works

1. EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

1.1 EXECUTIVE MAYOR'S FOREWORD

In 2017, Council adopted its Vision 2032 strategy in recognition of Drakenstein Municipality's secondary city status and the need to meet the requirements of our rapidly changing and growing city. The Vision, which encapsulates our drive for excellence, is aligned to the Provincial Growth and Development Strategy and the National Development Plan. It seeks to create an enabling environment for growth; development; employment and job creation; enhancing the quality of life of our residents; maintaining good corporate governance; and sound financial management.

Good governance entails addressing the needs of the public through consultation and communication; and being accountable to the citizens of Drakenstein as required by the Municipal Systems Act, 2000 (Act 32 of 2000). Council undertook a number of processes to achieve this goal, including establishing ward committees; issuing monthly newsletters and press releases; communicating via social media and online platforms such as the municipal website; VARS and holding consultative meetings with a wide range of stakeholders. Accountability is enforced through performance contracts signed by the Members of the Mayoral Committee (MMCs) and Senior Management and is monitored by the Executive Mayor and Council on a monthly basis.

Drakenstein's population has grown to an estimated 276,800 as per the official 2022 census by StatsSA. Households have increased to an estimated 76,776 (Census 2022). Drakenstein's unemployment figure is less than 18.7% of the economically active population. The growth in population goes hand in hand with various challenges, in particular the ongoing demand for state-provided accommodation. The Municipality has a verified demand waiting list of 21,605 persons. The Municipality has responded by planning and rolling out a number of projects, including the Vlakkeland housing project (some 2,556 mixed typology and affordability opportunities) and the Erf 16161 Development (1,978 GAP and social rental opportunities).

To develop a vibrant and resilient economy, a number of projects have been launched to promote the industrial, financial and commercial sectors. Given the need to focus and maximise our resources, five catalytic zones were identified throughout Drakenstein, namely: the N1 Corridor; South City Corridor; Paarl East/West Integration Corridor; North City Corridor; and the Hinterland catalytic zones. Development and resources will be concentrated in these zones over the next 15 years.

The Annual Report for 2023/24 provides detail on various infrastructure projects being undertaken to facilitate the envisioned accelerated growth. These projects are only possible through strategic partnerships with other spheres of government, the private sector and the community of Drakenstein, without which we cannot meet the challenges that we face.

I remain grateful to Council, the Deputy Executive Mayor, the Mayoral Committee and the City Manager, all of whom continue to guide our staff, resources and operations to make Drakenstein a City of Excellence.

CLLR STEPHEN KORABIE
EXECUTIVE MAYOR

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 2023/24 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 an unqualified audit opinion from the Auditor General for the 2023/24 financial year. This is our seventeenth (17th) consecutive unqualified audit opinion and 6th consecutive “clean” audit. This bears testament to good governance and sound financial management.

The overall financial performance of the Municipality in 2023/24 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 2023/24 financial year realised an operating surplus of R583.4 million compared with budgeted operating surplus of R418.8 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 2022/23 financial year. The cash and cash equivalents and investment

balances increased from R445.3 million on 30 June 2023 to R697.5 million and the gearing ratio decreased from 56.6% on 30 June 2023 to 47.4% on 30 June 2024. Employee related costs stood at 27.2% of the total expenditure and debtor collection days (after provision for doubtful debt) increased to 42.1 days for the year under review from 37.6 days at 30 June 2023 and the debt collection ratio decreased from 97.1% in 2022/23 to 95.8% for the year under review. Incidents of fruitless and wasteful expenditure were reported and are currently being investigated. The reason for the incidents of fruitless and wasteful expenditure was due to a circumvention of controls with sundry payments that resulted in fraud.

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 43 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 2024 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 the Department Public Safety and the Department: Engineering Services.

The position Executive Director: Engineering Services was filled on 1 August 2023 and the position Executive Director: Public Safety was filled on 1 November 2023.

The following strategic risks have been identified that are currently above the risk appetite, namely: uncontrolled and unmanaged urbanisation and land invasion and extended interruption of power supply. These strategic risks are linked to tactical and operational risks and are managed on a tactical as well as operational level.

DR JOHAN LEIBBRANDT
CITY MANAGER

1.3 MUNICIPAL OVERVIEW

Drakenstein Municipality is the second largest municipality in the Western Cape, 18th top municipality in South Africa and 10th Secondary City in terms of the budget size. The Municipality is characterised by scenic landscape, precious natural and cultural heritage, quality educational institutions and sporting facilities, thriving agricultural economy and unrivalled access to the regional and logistics networks.

1.3.1 Vision 2032

In broad terms the vision statement expresses the type of city we envisage for the future: ***“A city of excellence.”***

1.3.2 Values

The Long-term Strategic Plan (Vision 2032) is grounded in the following values which define the character of Drakenstein Municipality and can be observed in the conduct of the leadership and employees as they perform the mandate and responsibilities bestowed upon them:

- Transparency;
- Excellence;
- Responsiveness;
- Accountability;
- Accessibility; and
- Integrity.

1.3.3 Demographics and socio-economic information

This section provides a succinct overview of the socio-economic status of Drakenstein Municipality. This profiling is important to assist the Municipality when determining the optimal allocation of resources between the municipal wards and across the population in a manner that provides and assures sustainable growth and equity.

Most importantly, the socio-economic information below compliments and informs the Integrated Development Plan (IDP) to ensure effective use of resources, improved service delivery, attract additional funding and strengthen democratic values.

1.3.3.1 Socio-Economic Status information

According to Quantec Research, the narrow unemployment rate in Drakenstein was estimated to be 19.7% in 2022/23, before decreasing to 18.7% in 2023/24. Youth unemployment in Drakenstein was recorded to be 27.3% in 2023/24, a decrease from 28.6% in 2022. 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 improving marginally since 2021 and it was recorded at 0.577 for 2023. The marginal decrease in income inequality can be attributed to the increase in employment and 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	2021/22	23.0%	30.1%	16.5%	0.591	15.74%
2	2022/23	18.7%	28.6%	15.4%	0.590	13.5%
3	2023/24	18.7%	27.3%	36.7%	0.577	26.7%

Source: Quantec Research 2024.

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 Drakenstein's population in 2023 to be 279,643, up from 276,800 estimated by Statistics SA in the 2022 Census. The municipality believes the Census 2022 population figure of 276,800 is understated as the population is thought to be much higher. 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. It is believed that an increasing number of people have

migrated into the municipal area as the City experiences growth. 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	2021/22			2022/23			2023/24		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Column Ref.	A	B	C	D	E	F	G	H	I	J
1	0-4	11,040	10,198	21,238	11,006	10,126	21,132	10,931	10,028	20,959
2	5-9	10,076	9,804	19,880	9,957	9,692	19,649	9,875	9,611	19,486
3	10-14	10,561	10,556	21,117	10,565	10,576	21,141	10,477	10,519	20,996
4	15-19	9,366	9,589	18,955	9,746	9,983	19,729	10,144	10,410	20,554
5	20-29	24,583	24,427	49,010	24,086	24,099	48,185	23,712	23,843	47,555
6	30-39	24,104	24,194	48,298	24,207	24,312	48,519	24,149	24,320	48,469
7	40-49	16,979	18,208	35,187	17,455	18,737	36,192	18,110	19,356	37,466
8	50-59	13,663	16,772	30,435	14,062	17,048	31,110	14,437	17,367	31,804
9	60-69	8,242	10,764	19,006	8,525	11,171	19,696	8,888	11,615	20,503
10	70+	4,317	6,771	11,088	4,379	7,069	11,448	4,469	7,382	11,851
11	Total	132,931	141,283	274,214	133,988	142,813	276,801	135,192	144,451	279,643

Source: Quantec, 2024

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 estimated population of Drakenstein was 276,800, and the number of households was 76,776, as determined by Statistics SA in the 2022 Census. Table 3 shows the number of households by different ethnic groups as estimated by Quantec in 2024. Coloured households represented 54.77% of the total number of households in Drakenstein in 2023/24, followed by Black Africans at 29.20% and Whites at 15.62%. Indian/Asian households represent the smallest portion of households at 0.34%.

Table 3: Household Composition by Ethnic Group

Household breakdown by ethnic group						
Serial No.	Ethnic Group	2021/22	2022/23	% share 2022/23	2023/24	% share 2023/24
Column Ref.	A	B	C	D	E	F
1	Black African	18,539	18,802	29.01%	19,143	29.20%
2	Coloured	35,114	35,465	54.17%	35,838	54.77%
3	Indian or Asian	218	221	0.34%	221	0.34%
4	White	10,361	10,324	15.92%	10,219	15.62%
5	Total	64,232	64,812	100%	65,421	100%

Source: Quantec Research, 2024

The total households above differ from the StatsSA census 2022 figure of 76,776. The StatsSA census 2022 data disaggregated to sub-place has not been released.

1.3.3.4 Labour Profile

The Drakenstein municipal area added 5,523 new jobs in 2023/24, bringing the total number of people employed to 111,547, from 106,024 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 (1,432 jobs) followed by agriculture (1,391 jobs), community services (1,389 jobs), finance, insurance, real estate and business services (648 jobs), transport, storage and communication, (304 jobs); and manufacturing (274 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		
		2021/22	2022/23	2023/24
Column No.	A	B	C	D
1	Agriculture, forestry and fishing	16,103	16,985	18,376
2	Mining and quarrying	65	72	72
3	Manufacturing	8,635	9,082	9,356
4	Electricity, gas and water	332	358	369
5	Construction	6,354	6,899	7,038
6	Wholesale, retail trade, catering and accommodation	20,745	22,882	24,314
7	Transport, storage and communication	3,041	3,383	3,687
8	Finance, insurance, real estate and business services	17,218	18,359	19,007
9	General government	6,600	6,654	6,588
10	Community, social and personal services	21,133	21,348	22,737
11	Total	100,226	106,022	111,544

Source: Quantec, 2024

There are a number of temporary and casual jobs that were also created due to major road upgrades, new retail outlets and new residential estates within the municipal area in 2023/24.

1.3.3.5 Economic Profile

The Drakenstein economy was valued at R31,9 billion in 2023, an increase from R30,2 billion recorded in 2022 and R28,1 billion in 2021 according to Quantec Easydata as economic activity continues to pick up pace after the devastating effects of the COVID-19 pandemic. Table 5 indicates the municipal Gross Value Added (GVA) at basic prices. The economic sectors that are contributing the most to the Drakenstein economy are finance, insurance, real estate and business services (R8.72 billion or 27.3%); manufacturing (R5.2 billion or 16.2%), wholesale, retail trade, catering and accommodation (R5.1 billion or 16.1%); community, social and personal services (R3.7 billion or 11.6%), transport, storage and communication (R2.4 billion or 7.6%), agriculture (R2.2 billion or 7.0%), general government (R1.8 billion or 5.7%), and construction (R1.6 billion or 5%). Economic activity per sector in Drakenstein is listed in Table 5 below.

Table 5: Employment Activity by Sector

Employment Activity by Sector				
Serial No.	Sector	R'000 000		
		2021/22	2022/23	2023/24
Column No.	A	B	C	D
1	Agriculture, forestry and fishing	2,200	2,492	2,252
2	Mining and quarrying	78	86	64
3	Manufacturing	4,461	4,813	5,205
4	Electricity, gas and water	741	848	923
5	Construction	1,459	1,513	1,631
6	Wholesale, retail trade, catering and accommodation	4,457	4,779	5,167
7	Transport, storage and communication	1,984	2,228	2,444
8	Finance, insurance, real estate and business services	7,395	7,975	8,726
9	General government	1,604	1,739	1,844
10	Community, social and personal services	3,704	3,780	3,719
11	Total	28,083	30,253	31,975

Source: Quantec Easydata, 2024

Economic sectors that recorded significant increases in gross value added include finance, insurance, real estate and business services; manufacturing; wholesale, retail trade, catering and accommodation sector and transport, storage and communication.

1.3.3.6 Safety and Security Profile

The Drakenstein Smart Safety Network (DSSN) collaborates with the South African Police Services (SAPS), provincial government, various Farm Watches and Neighbourhood Watches, Municipal Law Enforcement and Traffic Services to ensure the safety of all Drakenstein Municipality residents.

The table below summarises the safety-related statistics in the municipal area from 2018– 2023.

Table 6: Safety and Security Statistics

Safety and Security Statistics				
Serial No.	Crime	Year		
		2020/2021	2021/22	2022/23
Column Ref.	A	B	C	D
1	Murder	125	70	117
2	Sexual offences	752	241	294
3	Drug-related crime	1,648	1,397	2,088
4	Burglary residential premises	1,374	1,058	1,085
5	Driving under the influence of alcohol or drugs	88	61	56

Source: Drakenstein Municipality SEP-LG, 2023

1.3.3.7 Environment

Drakenstein Municipality is situated within the unique natural environment of the Cape Floristic Region, a biodiversity hotspot and one of only six floral kingdoms. It is important to note that the natural environment forms the basis on which economic and social systems depend. If Drakenstein Municipality is to continue to provide a stimulating environment for residents that promotes health and well-being and a flourishing economic base, it is imperative that natural resources and ecosystems are utilised in a sustainable manner. While the natural environment of Drakenstein is still in a relatively good state, some indicators are showing that the current state of the environment requires intervention to ensure that resources are protected or utilised sustainably. Potential environmental threats are caused by habitat destruction, alien invasive species, pollution and climate change, which all require measures to mitigate their associated impacts. Drakenstein Municipality will continue to monitor the state of the environment and develop new responses to counter potential threats to ensure that the unique character of the local environment is preserved.

1.4 SERVICE DELIVERY OVERVIEW

One of the objects of local government is to ensure the provision of services to communities in a sustainable manner. Basic services rendered to the community of Drakenstein Municipality is water, waste water, electricity, waste management and roads and stormwater. Other services are planning and economic development, environmental, housing, library, cemeteries, community, sport and recreation, traffic as well as fire and disaster services. These services are discussed in detail in Chapter 3 of the Annual Report.

1.4.1 Basic service delivery performance highlights

Water Services invested R287.9 million in water and wastewater infrastructure for the year under review. These investments were for the replacement of water and wastewater reticulation systems, associated system upgrades and equipment and the two projects under the BFI Grant. A total of 2,2km of water reticulation and 972 metres of wastewater reticulation had been replaced in Paarl and Wellington. The National Treasury BFI Grant to a total of R1.4 billion over the next 3 years, commenced in September 2023 for the upgrade of the bulk sewer to Southern Paarl and upgrade of the Wastewater Treatment Works in Paarl.

A total of R76.9 million was spent on various electrical infrastructure upgrade projects to ensure reliable service delivery. The largest project, amounting to R8.7 million, focused on upgrading the Dalweiding 66/11kV substation, which remains a priority to create additional capacity for residential and commercial development.

Solid Waste Management Division started with the construction and upgrade of the Material Recovery Facility (MRF) to a total value of R3 million during the financial year with additional funding of R5.6 million allocated in 2024/25 to complete the project. Wheelie bins to the value of R2.15 million were acquired to ensure that basic service delivery standards are complied with. Waste skips to the value of R1.605 millions were purchased. These skips are placed at businesses, factories and farms and illegal dumping hotspot areas to dispose of bulky waste. Street refuse bins to the value of R172,174 were purchased and the bins placed throughout the municipal area. These bins are low maintenance and promotes separation of waste.

1.4.2 Basic service delivery challenges

The biggest challenge for rendering water services is to secure water during periods of drought. The current funding needs to invest in water infrastructure is R1.77 billion and this will have to be addressed over the next 20 years.

The current funding needs to invest in waste water infrastructure is R1.47 billion and this will have to be addressed over the next five to ten years.

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 43 registered informal settlements comprising of 8,694 households and an estimated 16,160 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 2024, was 1.85 as opposed to the ratios of 1.72 (2022/23), 1.46 (2021/22), 1.06 (2020/21), 0.89 (2019/20) 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. Drakenstein does not plan to take up any additional loans in the next financial year. The increase of the Municipality's revenue base will reduce the current gearing ratio from the current 47.4% to an estimated 35.1% in the 2025/26 financial year.

The Municipality has not defaulted on payment of its creditors, i.e. Eskom (bulk electricity purchases), SARS (VAT and PAYE), City of Cape Town (bulk water purchases), third party payments (pension and medical aid funds) and any other trade creditors.

1.5.1 Statement of Financial Performance Overview

The actual surplus of R583.4 million for the 2023/24 financial year compared with the final adjustments budget surplus of R418.8 million resulted in a positive variance of R164.6 million.

Table 7: Statement of Financial Performance Overview 2023/24

Statement of Financial Performance Overview 2023/24						
Serial No.	Details	Original budget	Adjustments budget	Actuals	Positive/ (Negative) Variance (Column B & D)	Positive/ (Negative) Variance (Column C & D)
Column Ref.	A	B	C	D	E	F
1	Grants	278,722,000	252,725,225	231,790,279	(46,931,721)	(20,934,946)
2	Taxes, Levies and Tariffs	2,515,606,300	2,562,171,059	2,574,478,958	58,872,658	12,307,899
3	Other	198,053,440	279,059,424	307,566,192	109,512,752	28,506,768
4	Total Operating Revenue (Capital Grants Excluded)	2,992,381,740	3,093,955,708	3,113,835,429	121,453,689	19,879,721
5	Less: Expenditure	3,064,960,261	3,130,031,059	2,989,407,388	75,552,873	140,623,671
6	Surplus / (Deficit) (Capital Grants Excluded)	(72,578,521)	(36,075,351)	124,428,041	197,006,562	160,503,392
7	Plus: Capital Grants	444,641,000	454,896,119	458,952,438	14,311,438	4,056,319
8	Surplus / (Deficit)(Capital Grants included)	372,062,479	418,820,768	583,380,479	211,318,000	164,559,711

1.5.2 Financial viability highlights

The Capital Budget spending for the financial year yielded a result of 98.4% when compared with the Final Capital Adjustments Budget for 2023/24. Delays in the spending of housing capital grants was the biggest contributor to the underspending.

1.5.3 Financial viability challenges

Consumer debt remains a challenge and a number of initiatives were implemented. Consumer debt (property rates, service charges, housing and sundry debtors – VAT and year-end accruals excluded) increased from R417.8 million at 30 June 2023 to R499.9 million at 30 June 2024. The relationship between the ever-increasing tariffs and outstanding debtors is an indication that consumers are struggling to meet their obligations in terms of payment for services. The worsening economic climate puts pressure not only on the world economy, but also filters down to households in municipalities globally.

The debtors' payment period for the 2023/24 financial year (before considering the provision for impairment) was 72.3 days, which is above the targeted number of 70 days. This is mainly due to credit control measures that cannot be exercised in Hermon, Saron and Gouda, as electricity is provided by ESKOM. The number of days for the 2022/23 financial year (before considering the provision for impairment) was 67.4 days which is below the targeted number of 70 days.

The Municipality's debtors' collection period in days (after impairment) increased to 42.1 days at 30 June 2024 compared with the 37.6 days at 30 June 2023. The Municipality's debtors' collection period in days (before impairment) regressed by 4.9 days and the Municipality's debtors' collection period in days (after impairment) regressed by 4.5 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 47.4% of total operating revenue (conditional capital and operational grants excluded) at the end of the 2023/24 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 ration in the next five years. It is envisaged that the gearing ratio will decrease to about 41.4% in the 2024/25 financial year (lower than the National Treasury norm of 45%) and to about 19.3% in accordance with the Long Term Financial Plan by the 2028/29 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 27.7% of total operating expenditure (2023/24) 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 28.2% in 2022/23.

Table 8: Operating Ratios

Operating Ratios				
Serial No.	Details	2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Employee Cost (Incl Councillor Remuneration) as a % of Operating Expenditure	28.7%	28.2%	27.7%
2	Repairs and Maintenance as a % of Operating Expenditure	10.1%	10.2%	10.6%
3	Repairs and Maintenance as a % of Carrying Value of PPE	4.0%	4.2%	4.5%
4	Finance Charges and Depreciation as a % of Operating Expenditure	16.2%	15.5%	14.1%
5	Finance Charges and Redemption as a % of Operating Expenditure	7.7%	9.4%	8.5%

The Municipality's spending on repairs and maintenance to total operating expenditure amounts to 10.6% for the 2023/24 financial year compared with the 10.2% for the 2022/23 financial year. The ratio of repairs and maintenance as a percentage of the carrying value of property, plant and equipment was 4.5% for the 2023/24 financial year and 4.2% for the 2022/23 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 22.5%, 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 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 14.1% of total operating expenditure for 2023/24 compared with the 15.5% for 2022/23. Finance charges and capital redemption represent 8.5% of total operating expenditure for 2023/24 compared with the 9.4% for

2022/23. This compares unfavourably with National Treasury's norm of 6% to 8%, but it is an improvement if compared to 2022/23.

1.5.5 Capital expenditure

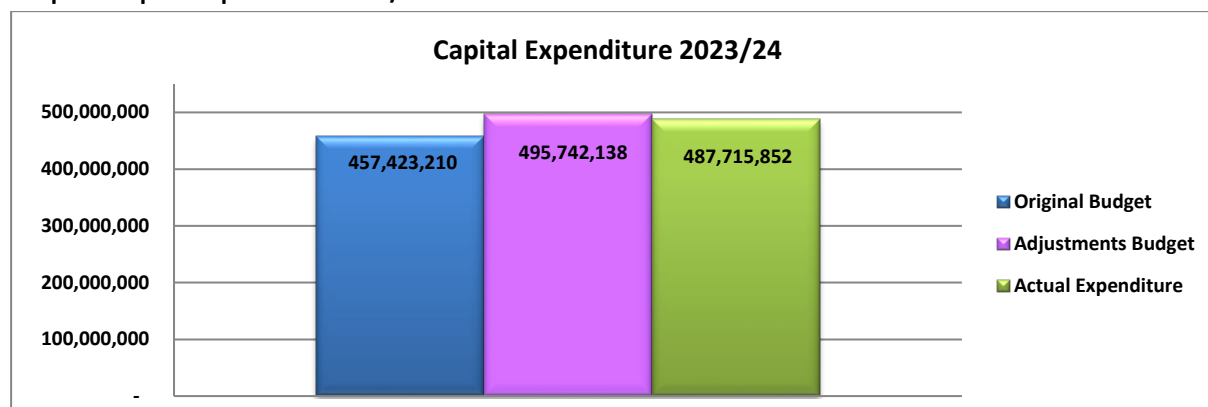
Investment in bulk and other infrastructure increased from R190.9 million in the 2022/23 financial year to R487.7 million 2023/24. Actual capital expenditure as a percentage of the 2023/24 original budget amounts to 106.6% compared with the 146.2% and 122.6% for the 2022/23 and 2021/22 financial years. Actual expenditure as a percentage of the 2023/24 final adjustments budget amounts to 98.4% compared with the 97.4% and 92.5% for the 2022/23 and 2021/22 financial years.

Table 9: Total Capital Expenditure

Total Capital Expenditure				
R				
Serial No.	Details	2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Original Budget	128,102,569	130,609,152	457,423,210
2	Final Adjustments Budget	169,775,302	196,053,922	495,742,138
3	Actual Expenditure	157,051,451	190,904,487	487,715,852
4	Actual Expenditure as a % of Original Budget	122.6%	146.2%	106.6%
5	Actual Expenditure as a % of Adjustments Budget	92.5%	97.4%	98.4%

The original budget for the 2023/24 financial year amounted to R457.4 million. After roll-over capital projects the final adjustments budget amounted to R495.7 million. Actual expenditure amounted to R487.7 million leading to an under-expenditure of R8.0 million. Delays in the spending of housing capital grants was the biggest contributor to the underspending.

Graph 1: Capital Expenditure 2023/24



1.5.6 Municipal Standard Chart of Accounts (mSCOA)

Drakenstein Municipality had implemented mSCOA as a pilot site on 1 July 2015 on version 5.3 of mSCOA and has since changed to version 5.4 on 1 July 2016, version 6.1 on 1 July 2017, version 6.2 on 1 July 2018 and version 6.3 as from 1 July 2019. For the 2023/24 financial year the Municipality was on version 6.7.

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

In this financial year, no major changes were made to the organisational structure. The municipality is planning an organisational structure review in the next financial year, to ensure that the structure aligns with strategic objectives and service delivery plans.

All the chapters of the municipal staff regulations that are applicable for implementation have been implemented with a few outstanding matters such as the various committees for performance management system. All posts that are advertised and filled, upgraded the total number of posts filled during the period under review is 178 posts were filled inclusive of seasonal workers and promotions.

1.6.1 Municipal Transformation and Organisational Development Highlights

The main organisational development highlights include:

- Long Service awards;
- Re-training of online leave administrators for non-computer users;
- Awarding bursaries to internal and external applicants;
- Continuation of the Job Description Review Committee;
- Filling of 178 permanent and seasonal vacancies;
- Submission of the Workplace Skills Plan to the LGSETA;
- Submission of the Employment Equity Report to the Department of Labour;
- Continuous implementation of the new Municipal Staff Regulations such as Performance Management and Development System;
- Sharing best practice in terms of the implementation of Municipal Staff Regulations at SALGA and CoGTA level;
- Review of HR Policies; and
- Upgrading the Time and Attendance System.

1.6.2 Municipal Transformation and Organisational Development Challenges

HR experienced a few procurement challenges, where some board tenders had to be cancelled due to changes in legislation and clarity around the extension of some legislative

related requirements for health and safety courses. Some board tenders in terms of recruitment and selection had to be cancelled due to non-responsive bidders and no responses to the advertised board tenders. There was also a delay in the implementation of the skills audit and analysis process. The municipality requires training of the Gap Skills System from province. The process is it's in its early stages of planning so that we can have a full roll out of the skills audits process.

1.6.3 MFMA Minimum Competencies

The Municipal Regulations on Municipal Competency Levels, 2007 aims to ensure that all municipal officials with financial management responsibilities comply with the issued minimum competency levels for their positions. Seventeen (17) prescribed officials comply with the regulations, whilst two officials have completed training in June 2024. Over and above the Regulations required target, Drakenstein Municipality has a pool of MFMP successfully trained officials.

Table 10: Financial Competency Development - Progress Report

Financial Competency Development : Progress Report							
Serial No.	Description	B- Total number of officials employed by municipality [Regulation 14(4)(a) and (c)]	C- Total number of officials employed by municipal entities [Regulation 14(4)(a) and (c)]	Consolidated Total of B and C	Consolidated: Competency assessments completed for B and C [Regulation 14(4)(b) and (d)]	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 [Regulation 14(4)(f)]	Consolidated: Total number of officials that meet prescribed competency levels [Regulation 14(4)(e)]
Column No.	A	B	C	D	E	F	G
1	Financial Officials						
2	Accounting Officer	1	0	1	1	1	1
3	Chief Financial Officer	1	0	1	1	1	1
4	Senior Managers	4	0	4	4	4	3
5	Any other Financial Officials	9	0	9	9	9	8
6	Supply Chain Management Officials						
7	Heads of Supply Chain Management Units	1	0	1	1	1	1
8	Supply Chain Management Senior Managers	3	0	3	3	3	3
9	Total	19	0	19	19	19	17

1.7 AUDITOR-GENERAL REPORT

For the seventeenth (17th) consecutive year, Drakenstein Municipality received an unqualified audit opinion for the 2023/24 financial year. This is also the sixth (6th) consecutive “clean” audit opinion. All these unqualified audits were achieved with in-house capacity and without the appointment of any consultants. The audit opinions received for the last seventeen (17) 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

- 2023/24: Unqualified audit opinion with no other matters (clean audit opinion);
- 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 2023/24.

1.8 STATUTORY ANNUAL REPORT PROCESS

The statutory processes to follow to compile an Annual Report are depicted in the table below. The process starts in July each year with the compilation of the Annual Report and continues until the end of March the following year when Council accepts the Annual Report and the Oversight Report on the Annual Report.

Table 11: Statutory Annual Report Process

Statutory Annual Report Process		
Serial No.	Activity	Timeframe
Column Ref.	A	B
1	Consideration of next financial year's budget and IDP Process Plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report Process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commence. (In-year financial reporting.)	
3	Finalise 4th Quarter Performance Report for previous financial year.	
4	Submit Draft Annual Performance Report to Internal Audit and Audit Committee.	
5	Audit/Performance Committee considers Draft Annual Performance Report of municipality.	August
6	Municipality submits Annual Financial Statements and Annual Performance Report including Draft Annual Report to Auditor-General.	
7	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP analysis phase.	
8	Auditor-General assesses Annual Financial Statements and Annual Performance Report data, including Draft Annual Report.	September - November
9	Municipality receives and addresses the Auditor-General's Request for Information and Communication of Findings.	
10	Executive Mayor tables Draft Annual Report and Audited Annual Financial Statements and Annual Performance Report to Council complete with the Auditor-General's Report.	January
11	Draft Annual Report is made public and representation is invited.	February - March
12	Oversight Committee (MPAC) assess Draft Annual Report and issues and Oversight Report.	
13	Council considers Oversight Report.	
14	Oversight Report is made public.	
15	Oversight Report is submitted to relevant provincial departments.	
16	Commencement of Draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Report to be used as input.	

2. GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 INTRODUCTION

In the quest to realise Drakenstein Municipality's vision of *"A city of excellence"*, it is imperative that the Municipality is governed in a way that promotes good governance. The Municipality strives to achieve excellence by balancing the needs of all residents and the constitutional and legal framework applicable to local government with the available resources in such a way that service delivery takes place in an efficient, economic and effective manner.

2.2 GOOD GOVERNANCE PERFORMANCE HIGHLIGHTS

During the reporting year the Municipality focussed on maintaining good governance and strengthening governance and oversight where possible. Dedicated units focussed on applying professional risk management principles, anti-corruption and fraud monitoring and internal auditing functions. Political governance was maintained by way of a fixed monthly meeting schedule for all Section 80 Committees advising the Executive Mayor in order to ensure that matters are duly debated by public representatives prior to such matters being considered by the Mayoral Committee and/or Council.

In addition, hereto a fixed meeting schedule was also adopted for the Municipal Public Accounts Committee (MPAC) in order to ensure oversight on behalf of Council, over the executive functionaries of Council.

2.3 POLITICAL GOVERNANCE



In compliance with Section 151(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); Section 53 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Drakenstein's Municipal Council governs the local government affairs of the local community on its own initiative. The roles and areas of responsibility of each political structure and each political office-bearer of the Municipality and of the City Manager are defined and adhered to accordingly.




The Executive Mayor, Ald CJ Poole (until 28 February 2024, whereafter the Deputy Executive Mayor, Ald GC Combrink acted as Executive Mayor. On 5 April 2024 Cllr SE Korabie was elected as the new Executive Mayor), assisted by the Deputy Executive Mayor and the Mayoral

Committee heads the political executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although he is accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in close conjunction with the Deputy Executive Mayor and the Mayoral Committee.

2.3.1 Full-time Officer Bearers

Table 12: Political Structure

Political Structure		
Serial No	Designation	Functions
Column Ref.	A	B
1	 <p>Executive Mayor Ald CJ Poole (Until 28 February 2024)</p>  <p>Executive Mayor Cllr SE Korabie</p>	<p>The Executive Mayor represents the public and is the chief political principal of the Municipality. In terms of legislation the Executive Mayor has the following functions:</p> <ul style="list-style-type: none"> • Identify the needs of the Municipality; • Review and evaluate those needs in order of priority; • Recommend to the Municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan and the Operating and Capital Budgets, taking into account any applicable national and provincial development plans; and • Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the benefit of the community. <p>(Councillor SE Korabie was elected as the new Executive Mayor on 5 April 2024.)</p>

Political Structure		
Serial No	Designation	Functions
Column Ref.	A	B
2	 <p>Deputy Executive Mayor Ald GC Combrink</p>	<p>The Deputy Executive Mayor of the Municipality exercises the power and performs the duties of the Executive Mayor if the Executive Mayor is absent or not available or if the office of the Executive Mayor is vacant.</p> <p>In addition, hereto the Deputy Executive Mayor performs the duties as assigned by the Executive Mayor as member of the Mayoral Committee responsible for the Finance Portfolio.</p>
3	 <p>Speaker Ald JF le Roux</p>	<p>The Speaker of the Municipal Council:</p> <ul style="list-style-type: none"> • Presides at meetings of the Council; • Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); • Must ensure that the Council meets at least quarterly; • Must maintain order during meetings; • Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and • Must ensure that Council meetings are conducted in accordance with the Rules and Orders of the Council.
4	 <p>Chief Whip Ald C Kearns</p>	<p>The function of the Chief Whip is to create synergy and to maintain discipline among Councillors from various political parties. The role of the Chief Whip of Council covers both the political and administrative domains of Council with the emphasis on the political aspect. Seven political parties are represented in Council and the Chief Whip has to ensure that relationships are constructive and focused on key issues aimed at improving the lives of the residents of Drakenstein. The Chief Whip further acts as a link between the Speaker, the Executive and the Administration. The Chief Whip ensures that there is equitable representation on committees of Council.</p>

2.3.2 Council

Council's primary role is to govern the Municipality in a democratic and accountable manner, to perform legislative and executive functions and generally to fulfil its roles and responsibilities as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). It focuses on legislation, decision-making, oversight and participatory roles and has delegated executive functions to the Executive Mayor, other office bearers, the City Manager and other staff members where applicable.

Drakenstein Municipal Council consists of 33 Ward Councillors and 32 proportionally elected Councillors.

The political parties are represented through elected councillors from the DA (36), ANC (13), GOOD (4); VF Plus (3); CDR (3); EFF (1), ACDP (1), PA (1); ICOSA (1); PAC of Azania (1) and Al- Jama-Ah (1).

2.3.2.1 Political Decision Making

Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prescribes the manner in which Council takes decisions. A quorum of all Councillors must be present to take any decision, and the majority of the votes cast results in a legal decision. The exception to this rule is that when any of the following issues are determined, it is determined by a decision taken with a supporting vote of a majority of all its members:

- The passing of bylaws;
- The approval of budgets;
- The imposition of rates and other taxes, levies and duties; and
- The raising of loans.

2.3.3 Mayoral Committee

The Executive Mayor is supported by a Mayoral Committee. Each member of the Mayoral Committee has a portfolio with specific functions. The Executive Mayor may delegate specific responsibilities to each member of the Mayoral Committee. Any powers and duties delegated to the Executive Mayor by the Municipal Council must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.

The following Councillors served on the Mayoral Committee and were responsible for the undermentioned portfolios:







Table 13: Mayoral Committee

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
1	 <p>Cllr G Combrink Finance</p>	 <p>Cllr MA Andreas Human Settlements</p>	 <p>Cllr A Appollis Public Safety</p>
2	 <p>Cllr L Arendse Sport, Recreation, Arts and Culture</p>	 <p>Cllr E Baron Corporate Services</p>	 <p>Cllr TG Bester Engineering Services</p>

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
3	 <p>Cllr L Cyster Parks, Waste and Cemeteries</p>	 <p>Cllr E Gouws Social Development</p>	 <p>Cllr J Miller Governance & Compliance</p>
4	 <p>Cllr LT van Niekerk Planning and Development</p>	 <p>Cllr RH van Nieuwenhuyzen Communication and IGR</p>	

The Executive Mayor, Councillor SE Korabie announced on 31 May 2024 the revised Mayoral Committee. They were responsible for the undermentioned portfolios:

Table 14: Revised Mayoral Committee

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
1	 <p>Cllr Gert Combrink Finance</p>	 <p>Cllr D America Corporate and Governance</p>	 <p>Cllr RA Koegelenberg Electricity and Roads</p>
2	 <p>Cllr J Miller Water and Sanitation</p>	 <p>Cllr TG Bester Waste Management</p>	 <p>Cllr E Baron Urbanisation and Human Settlements</p>

Mayoral Committee			
Serial No.	Councillor and Portfolio	Councillor and Portfolio	Councillor and Portfolio
Column Ref.	A	B	C
3	 <p>Cllr AMB Appollis Public Safety</p>	 <p>Cllr L Arendse Sport, Recreation, Arts and Culture</p>	 <p>Cllr L Cyster Parks, Waste and Cemeteries</p>
4	 <p>Cllr LT van Niekerk Planning and Development</p>	 <p>Cllr MA Andreas Communication and IGR</p>	

2.3.4 Portfolio Committees

Seven (7) Section 80 Committees are established, namely: Corporate Services, Planning and Development, Engineering Services, Financial Services, Community Services, Public Safety and Governance and Compliance to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor.

They are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them. The members

are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councillors and form part of the Mayoral Committee.

2.3.4.1 Corporate and Governance Portfolio Committee

The Corporate and Governance Portfolio Committee composition varied between 10 and 11 councillors under the leadership of Cllr E Baron, and Cllr D America (since June 2024) who held nine (8) meetings (one a combined Corporate and Governance Portfolio meeting) during the period 1 July 2023 to 30 June 2024.

Table 15: Corporate Service Portfolio Committee

Corporate Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	E Baron	Chairperson	7
2	BP Duba	Committee Member	
3	CO Klaaste	Committee Member	
4	C Kroutz	Committee Member	
5	M Zwinye	Committee Member	
6	B Jacobs (until August 2023)	Committee Member	
7	FP Cupido	Committee Member	
8	A van Rooyen	Committee Member	
9	CM Jacobs	Committee Member	
10	K Gertse	Committee Member	
11	L Landu (since September 2023)	Committee Member	
12	C de Waal (since September 2023)	Committee Member	

A combined Corporate and Governance Portfolio meeting was held in June 2024

Table 16: Combined Corporate and Governance Portfolio Committee

Combined Corporate and Governance Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	D America	Chairperson	1
2	E Baron	Committee Member	
3	CM Jacobs	Committee Member	
4	C Kroutz	Committee Member	
5	FP Cupido	Committee Member	
6	A van Rooyen	Committee Member	
7	C De Waal	Committee Member	
8	BP Duba	Committee Member	
9	M Zwinye	Committee Member	
10	J Miller	Committee Member	
11	LT van Niekerk	Committee Member	
12	Ald S Ross	Committee Member	
13	JV Anderson	Committee Member	
14	LE Bolani	Committee Member	
15	Z Xhego	Committee Member	
16	TC Mangena	Committee Member	
17	ND Sauerman	Committee Member	
18	S Landsberg	Committee Member	
19	CO Klaaste	Committee Member	
20	K Gertse	Committee Member	
21	L Landu	Committee Member	
22	S Gravel	Committee Member	

2.3.4.2 Planning and Development Portfolio Committee

The Planning and Development Portfolio Committee varied between 9 and 10 councillors under the alternating leadership of Cllr LT van Niekerk), and Cllr MA Andreas (MMC for Rural Management) who held eight (8) meetings [three (3) non-quorate meetings] during the period 1 July 2023 to 30 June 2024.

Table 17: Planning and Development Portfolio Committee

Planning and Development Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	LT van Niekerk	Chairperson	8
2	Ald MM Adriaanse	Committee Member	
3	MA Andreas (until August 2023)	Committee Member	
4	E Baron	Committee Member	
5	D Carolissen	Committee Member	
6	PBA Cupido	Committee Member	
7	L Cyster	Committee Member	
8	S Ganandana	Committee Member	
9	LE Bolani	Committee Member	
10	N Godongwana	Committee Member	

2.3.4.3 Engineering Services Portfolio Committee

The Engineering Services Portfolio Committee varied between 13 and 14 councillors under the leadership of Cllr TG Bester who held seven (7) meetings [one (1) a non-quorate meeting] during the period 1 July 2023 to 30 June 2024.

Table 18: Engineering Services Portfolio Committee

Engineering Services Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	TG Bester	Chairperson	7
2	RB Arnolds	Committee Member	
3	VC Booysen	Committee Member	
4	L Cyster	Committee Member	
5	AJ du Plessis	Committee Member	
6	S Ganandana	Committee Member	
7	S Gravel	Committee Member	
8	N Godongwana	Committee Member	
9	B Jacobs	Committee Member	
10	G Kulsen	Committee Member	
11	J Miller	Committee Member	
12	N Nongogo	Committee Member	
13	J Smit	Committee Member	
14	Ald A Koegelenberg (since June 2024)	Committee Member	

2.3.4.4 Finance Portfolio Committee

The Finance Portfolio Committee consisted of eleven (11) councillors under the leadership of Ald GC Combrink (Deputy Executive Mayor) who held ten (10) meetings during the period 1 July 2023 to 30 June 2024.

Table 19: Finance Portfolio Committee

Finance Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	Ald GC Combrink	Chairperson	10
2	S Korabie (until March 2024)	Committee Member	
3	E Baron	Committee Member	
4	Ald S Ross (until August 2023)	Committee Member	
5	F Jacobs	Committee Member	
6	LC Arendse	Committee Member	
7	JH Adams	Committee Member	
8	BP Duba	Committee Member	
9	A Fourie	Committee Member	
10	T Mooi	Committee Member	
11	J de Kock	Committee Member	
12	Ald RH Van Nieuwenhuyzen (Since September 2023)	Committee Member	
13	D America (Since April 2024)	Committee Member	

2.3.4.5 Community Services Portfolio Committee

The Community Services Portfolio Committee varied between 12 and 14 councillors under the alternated leadership Ald E Gouws, Cllr LC Arendse , Cllr AMB Appollis and Cllr L Cyster) who held seven (7) meetings [one (1) a combined Community and Public Safety Portfolio meeting] during the period 1 July 2023 to 30 June 2024.

Table 20: 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	LC Arendse	Chairperson	
3	L Cyster	Chairperson	
4	Ald E Gouws	Chairperson	
5	FP Cupido	Committee Member	
6	S Korabie (until March 2024)	Committee Member	
7	LC Matthee	Committee Member	
8	T Mooi	Committee Member	
9	N Nongogo	Committee Member	
10	AM Stulweni	Committee Member	
11	B van Willingh	Committee Member	
12	Z Xhego	Committee Member	
13	MA Andreas (Since 12 September 2023)	Committee Member	
14	J Stoffels (Since 12 September 2023)	Committee Member	

A combined Community and Public Safety Portfolio meeting was held in June 2024.

Table 21: Combined Community and Public Safety Portfolio Committee

Combined Community and Public Safety Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	AMB Appollis	Chairperson	1
2	D America	Chairperson	
3	MA Andreas	Chairperson	
4	LC Arendse	Chairperson	
5	E Baron	Chairperson	
6	L Cyster	Chairperson	
7	Ald E Gouws	Chairperson	
8	S Landsberg	Committee Member	
9	T Mooi	Committee Member	
10	N Nongogo	Committee Member	
11	J Stoffels	Committee Member	
12	R Arnolds	Committee Member	
13	Z Xhego	Committee Member	
14	M Zwinye	Committee Member	
15	JV Anderson	Committee Member	
16	FP Cupido	Committee Member	
17	K Gertse	Committee Member	
18	L Landu	Committee Member	
19	AM Stulweni	Committee Member	
20	B van Willingh	Committee Member	

2.3.4.6 Public Safety Portfolio Committee

The Public Safety Portfolio Committee was established and consisted of nine (9) councillors under the leadership of Cllr AMB Appollis who held three (3) meetings [one (1) a combined Community and Public Safety Portfolio meeting] during the period 15 February 2024 to 30 June 2024.

Table 22: Public Safety Portfolio Committee

Public Safety Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	A Appollis	Chairperson	2
2	JV Anderson	Committee Member	
3	L Landu	Committee Member	
4	KJ Gertse	Committee Member	
5	S Landsberg	Committee Member	
6	M Zwinye	Committee Member	
7	R Arnolds	Committee Member	
8	L Cyster	Committee Member	
9	TC Mangena	Committee Member	

A combined Community and Public Safety Portfolio meeting was held in June 2024

Table 23: Combined Community and Public Safety Portfolio

Combined Community and Public Safety Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	AMB Appollis	Chairperson	1
2	D America	Chairperson	
3	MA Andreas	Chairperson	
4	LC Arendse	Chairperson	
5	E Baron	Chairperson	
6	L Cyster	Chairperson	
7	Ald E Gouws	Chairperson	
8	S Landsberg	Committee Member	
9	T Mooi	Committee Member	
10	N Nongogo	Committee Member	
11	J Stoffels	Committee Member	
12	R Arnolds	Committee Member	
13	Z Xhego	Committee Member	
14	M Zwinye	Committee Member	
15	JV Anderson	Committee Member	
16	FP Cupido	Committee Member	
17	K Gertse	Committee Member	
18	L Landu	Committee Member	
19	AM Stulweni	Committee Member	
20	B van Willingh	Committee Member	

2.3.4.7 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 who held three (3) meetings during the period.

Table 24: 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	3
2	LT van Niekerk	Committee Member	
3	Ald S Ross	Committee Member	
4	JV Anderson	Committee Member	
5	A van Rooyen	Committee Member	
6	LE Bolani	Committee Member	
7	S Landsberg	Committee Member	
8	S Gravel	Committee Member	
9	ND Sauerman	Committee Member	
10	Z Xhego	Committee Member	
11	TC Mangena	Committee Member	
12	PJ Albertyn	Committee Member	

A combined Corporate and Governance Portfolio meeting was held in June 2024

Table 25: Combined Corporate and Governance Compliance Portfolio Committee

Combined Corporate and Governance Compliance Portfolio Committee			
Serial No.	Name of member	Capacity	Number of meetings
Column Ref.	A	B	C
1	D America	Chairperson	1
2	E Baron	Committee Member	
3	CM Jacobs	Committee Member	
4	C Kroutz	Committee Member	
5	FP Cupido	Committee Member	
6	A van Rooyen	Committee Member	
7	C de Waal	Committee Member	
8	BP Duba	Committee Member	
9	M Zwinye	Committee Member	
10	J Miller	Committee Member	
11	LT van Niekerk	Committee Member	
12	Ald S Ross	Committee Member	
13	JV Anderson	Committee Member	
14	LE Bolani	Committee Member	
15	Z Xhego	Committee Member	
16	TC Mangena	Committee Member	
17	ND Sauerma (Apology)	Committee Member	
18	S Landsberg (Apology)	Committee Member	
19	CO Klaaste (Apology)	Committee Member	
20	K Gertse (Apology)	Committee Member	
21	L Landu	Committee Member	
22	S Gravel	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 until 11 March 2024 where after Cllr R Nell (ICOSA) was appointed as Chairperson. 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. No members from the political executive arm are a member of the MPAC. The committee met on five (5) occasions during the year under review and mainly dealt with the compilation of the Oversight Report on the 2022/23 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.

In terms of S79A of the Local Government: Municipal Structures Amendment Act, 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. 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 2023/24 financial year:

Table 26: 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 (Re-appointed till 31 July 2026)

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 2023/24 financial year:

Table 27: 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 and Planning Services: Mr S Johaar;
- Executive Director Engineering Services: Mr L Pienaar; and
- Executive Director Public Safety: Ms E Barnard.

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

In accordance to the Charter, four meetings were held on 18 August 2023, 1 November 2023,

23 February 2024 and 20 June 2024. FARMCO’s Chairperson stated that the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

2.4 ADMINISTRATIVE GOVERNANCE

The City Manager is the Accounting Officer of the Municipality also the head of the Administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities and decisions.

He is assisted by his Strategic Management Team (SMT), which comprises of the Executive Directors of the five departments. There are also Divisional Managers reporting directly to the City Manager as indicated in the chart below. The Public Safety Services Department is a new department established at the end of May 2023 to prioritise service delivery in relation to Traffic and Fire Services, Municipal Law Enforcement and Disaster Management. The Executive Director for this department was appointed on 1 November 2023.

The SMT meets on at least a weekly basis to discuss current priorities, strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, departments and the local community.

Figure 1: Macro Organisational Structure

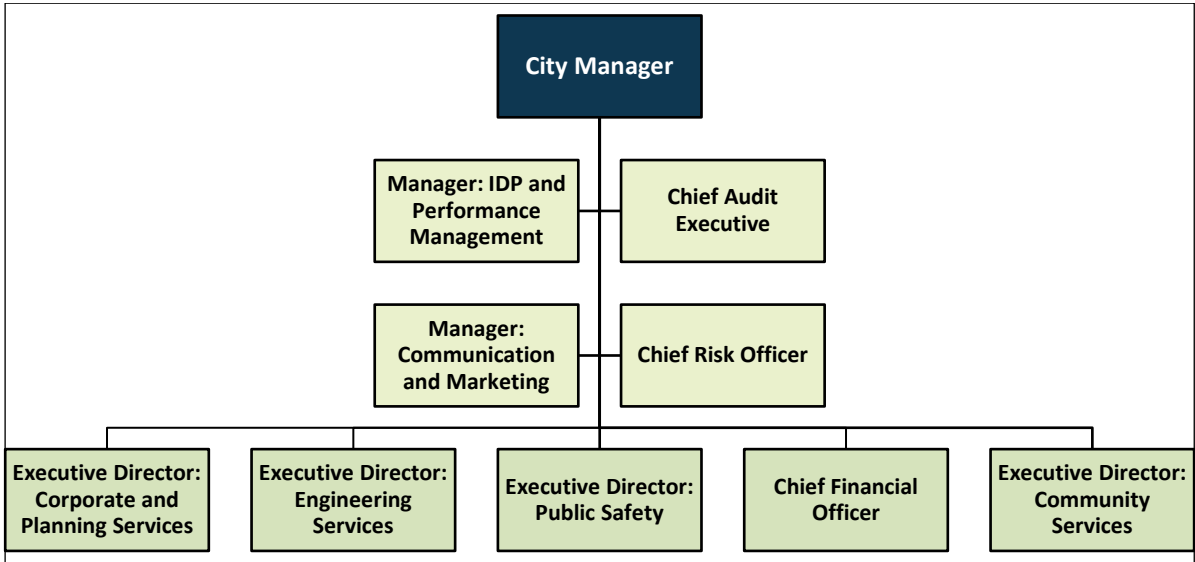




Table 28: Top Administrative Structure

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
1	 <p>City Manager Dr Johan H Leibbrandt</p>	<ul style="list-style-type: none"> • Provides an independent appraisal of the adequacy and effectiveness of the systems of internal control, risk management and governance processes; • Evaluates and contributes to the improvement of governance management processes; • Manages financial services in order to ensure financial viability, compliance and reporting; • Provides corporate services to the institution to ensure efficient support of organisational processes; • Provides and manages planning, economic development and environmental management services; • Renders integrated community services to enhance community development in general and promotes a clean and safe environment; and • Maximises infrastructure development and delivers a service to all communities of Drakenstein.
2	 <p>Corporate and Planning Services Mr Seraj Johaar</p>	<ul style="list-style-type: none"> • Provides legal and administrative support services to the institution to facilitate proficient administrative practices and procedures; • Renders human resource management and support services to the Municipality that will sustain the optimum utilisation of the Municipality's human capital; • Provides effective and efficient information and communication technology services; • Provides comprehensive communication and intergovernmental relations services; • Coordinates and provides functional and administrative support to the political office-bearers; • Provides office management services to the Executive Mayor; and • Renders property and facilities management services. • Manages the rendering of spatial and land use planning, surveying, valuations and building control services; • Plans, develops and implements a coherent and Integrated Framework for Local Economic Development and Tourism; • Ensures the implementation of environmental management plans, policies and procedures and ensures compliance in accordance with applicable legislation; • Renders management and line function administrative support services; and • Rural development.

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
3	 <p>Chief Financial Officer Mr Bradley Brown</p>	<ul style="list-style-type: none"> • Manages and controls the implementation of budget policies, systems and procedures and financial statement processes to ensure legislative compliance and sound financial management practices; • Implements and maintains revenue and credit control policies and procedures to ensure sound revenue management practices and compliance; • Ensures the recording, authorisation and proper execution of expenditure systems, procedures and transactions; and • Manages supply chain management services to ensure proper systems, procedures and control for demand, acquisition, logistics, assets and disposal management.
4	 <p>Public Safety Ms Eda Barnard</p>	<ul style="list-style-type: none"> • Manages the rendering of protection services to ensure the safety of the community • Manages Traffic and Law Enforcement; • Manages Fire and Rescue services; • Manages Disaster Management services; and • Manages Security Services.
5	 <p>Engineering Services Mr Louis Pienaar</p>	<ul style="list-style-type: none"> • Manages Civil Engineering Services including water, sewerage, streets, storm water and traffic engineering; • Manages Electrical Engineering Services; • Manages Solid Waste Services, including waste collection, disposal facilities, waste minimisation, awareness and education, waste diversion, street sweeping, community projects, area cleaning and Waste to Energy; and • Manages project and building projects/programmes.

Top Administrative Structure		
Serial No	Position	Functions
Column Ref.	A	B
6	 <p>Community Services Mr Gerald Esau</p>	<ul style="list-style-type: none"> • Manages the provisioning and maintenance/operation of parks, sport facilities and cemeteries; • Manages the rendering of protection services to ensure the safety of the community; • Provides for the development of human settlements administration and support services to address the housing needs in the area; and • Provides and manages the rendering of community development, library and information services.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.5 INTRODUCTION

Drakenstein was proud to host a Presidential Imbizo during May 2023. At very short notice the Municipality played a key role, together with CoGTA as national lead the Presidency and many other stakeholders, to deliver a successful Imbizo. The outcomes thereof will be jointly managed and reported on under the leadership of the City Manager.

2.6 COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Drakenstein Municipality participates in a range of intergovernmental activities, both formally and informally. Key staff members participate in professional institutes that govern the interests of various fields of work. Examples of such interaction and cooperation are:

2.6.1 National Intergovernmental Structures

- Accounting Standards Board (ASB) – Public Sector Accounting Forum;
- Electricity Distribution Regulation and Tariff Setting (NERSA);
- ESKOM-Main bulk supplier of electricity;
- Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO);
- Institute for Landscape Architecture in South Africa (ILASA);
- Institute of Environment and Recreation Management (IERM);
- Institute of Fire and Emergency Safety of South Africa;
- Institute of Internal Auditors;
- Institute of Municipal and Licensing Officers of South Africa;
- Institute of Waste Management of South Africa;
- Institute of Municipal Public Safety of SA Institute of South African Municipal Accounting Officers (ISAMAO);
- National Government SETA Skills Development Forum;
- National Municipal Managers Forum;
- National Rental Task Team;
- South African Local Government Association (SALGA); and
- Southern African Tourism Services Association (SATSA).

2.6.2 Provincial Intergovernmental Structures

Information and best practices are shared and interaction with the Western Cape Government and other municipalities is valuable to ensure better coordination and cooperation. These structures provide important support and guidance to staff in maintaining and enhancement

of professional work standards. Issues pertaining to service delivery and matters of common interest are discussed at the following forums:

- Accounting Standards Board (ASB) – Public Sector Accounting Forum;
- Berg River Partnership for Collaboration;
- Berg River Improvement Project Steering Committee;
- Business Economy and Tourism Cluster Working Group (COVID-19);
- CFO Forum;
- Chief Risk Officer Forum;
- Chief Audit Executive Forum;
- Chief Finance Officers’ Forum;
- Chief Risk Officers Forum;
- City of Cape Town Water Resilience Advisory Committee;
- Department of Cultural Affairs and Sport;
- Department of Environmental Affairs & Development Planning – WCRAAG;
- Department of Environmental Affairs and Development Planning Outreach Project;
- Department of Water and Sanitation Water Care Forum;
- DOE-INEP and EEDSM and electrification grants;
- Disaster Management Forum;
- EPWP coordinating meetings;
- Environmental Management Committee;
- Fynbos Forum;
- Provincial IDP Managers’ Forum;
- Informal Settlements Support Programme (ISSP);
- IPC2 Intermodal Planning Committee;
- Legislative and Constitutional Task Team;
- MIG coordinating meetings;
- Ministerial Mayors’ Forum;
- MinMay Tech Forum;
- MPRA Forum;
- Municipal Accountant Forum;
- Municipal Governance Review and Outlook (MGRO);
- Municipal Managers’ Forum;
- MPRA Forum;
- Municipal Planning Heads Forum;
- Natural Resources Reference Group;
- Premier’s Coordinating Forum;
- Provincial Affordable and Social Housing Steering Committee;
- Provincial IDP Manager’s Forum;
- Provincial Local Government SETA Skills Development Forum;

- Provincial Public Participation and Communications Forum;
- Provincial SCM Forum;
- Provincial Speakers' Forum;
- PSG4 Sustainable Ecological and Agricultural Resource Base (SEAR) Work Group;
- Public Participation and Communications Forum;
- Records Management Forum;
- SALGA Working Groups;
- Supply Chain Management Provincial Working Group;
- Title Deeds Restoration Project;
- TDA Cape Town;
- Waste Management Officers' Forum;
- Waste Minimisation Interest Group;
- Western Cape Accounting Working Committee;
- Western Cape Air Quality Officers' Forum;
- Western Cape Building Control Officer's Forum;
- Western Cape Climate Change Forum;
- Western Cape Collaborator User Group Steering Committee;
- Western Cape ICT Strategic Forum;
- Western Cape Municipal Planning Heads Forum;
- Western Cape Provincial Asset Management Forum;
- Western Cape LGSETA SDF Forum;
- Western Cape Library and Information Service; and
- Whole of Society Approach (WoSA).

2.6.3 District Intergovernmental Structures

The following are district forums in which the Municipality participates in focusing on service delivery and information sharing:

- Breede Valley Municipal Land Use Planning Appeal Committee;
- Cape Winelands Biosphere Reserve;
- Cape Winelands District CRO and CAE Forum;
- Cape Winelands Human Settlements Regional Forum;
- Cape Winelands Regional Local Economic Development Forum (RLEDF);
- Cape Winelands Regional Forum (Human Settlements);
- Cape Winelands Skills Development Facilitators' Forum;
- Cape Winelands Waste Managers' Forum;
- Disaster Management Institute of SA;
- District Co-ordinating Forum;
- District IDP Managers' Forum;

- District Public Participation and Communications Forum;
- District SCM Forum;
- Drakenstein Heritage Committee;
- EPWP District Forum;
- Greater Cape Metro Regional Spatial Implementation Plan Intergovernmental Steering Committee;
- Local Tourism Association;
- Municipality's Local Labour Forum;
- Rural Development District Joint Operational Committee;
- Joint District Approach (JDA);
- District TASK Evaluation Committee;
- Paarl Mountain Nature Reserve Advisory Board;
- Regional Tourism Liaison Committee (RTLCL);
- Winelands Fire Protection Association (FPA); and
- Vlakkeland Coordination Committee.

2.6.4 Municipal Entities

No municipal entities have been established within the Drakenstein Area.

2.6.5 Municipal Partnerships

Drakenstein Municipality is in partnership with the City of Neumarkt in Germany. The partnership revolves around climate change-related aspects and involves municipal development cooperation, migration and development on a local level.

2.7 SHARING OF FUNCTIONS WITH SECTOR DEPARTMENTS

The functions of Government are divided between national, provincial, and local spheres. The Municipality shares its area and community with other spheres of Government and the various sector departments. It must work closely with the departments to ensure the effective implementation of various projects and functions. The table below provides details of such projects and functions.

Table 29: Sharing of functions with Sector Departments

Sharing of functions with Sector Departments				
Serial No	Name of Project/ Function	Expected Outcome	Sector Department/s involved	Contribution of Sector Department
Column Ref.	A	B	C	D
1	JDMA (Joint District and Metro Approach)	Central to this approach is the principles of co-planning, cobudgeting, co-implementation and its translation into service delivery to communities. As such is it envisions a District Single Implementation Plan (DSIP)– developmental initiatives, planning and strategic priorities, service delivery and capacity building – to be developed	Western Cape Provincial Departments of DTPW, WCED, DSD, DoCS, DCAS, DoH, DEDAT and DEADP / Cape Winelands District Municipality	Alignment of budget and resources in terms of the WCDM and local municipalities into a JDMA Implementation Plan

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.8 INTRODUCTION

In terms of Section 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the administration of a municipality must:

- “(a) Be responsive to the needs of the local community;*
- (b) Facilitate a culture of public service and accountability amongst staff;*
- (c) Take measures to prevent corruption;*
- (d) Establish clear relationships, and facilitate cooperation and communication between itself and the local community;*
- (e) Give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive; and*
- (f) Inform the local community how the municipality is managed, of the costs involved and the persons in charge.”*

To comply with the above, the Municipality has established the legislatively required structures such as Section 80 Portfolio Committees advising the Executive Mayor as well as Council committees such as the Municipal Public Accounts Committee (MPAC), Section 62 Appeal Committee, and Special (Disciplinary) Committee dealing with the Code of Conduct for councillors, as well as a Fraud and Risk Management Committee. In addition, hereto an Audit Committee comprising of independent external professionals also advises Council. The Audit Committee also serves as the Municipality’s Performance Audit Committee and meets quarterly. A quarterly report reflecting the Audit Committee’s recommendations relating to the areas of financial management and control, performance management, internal control, risk management and governance matters is tabled in Council.

These structures represent a segregation of duties amongst public representatives and staff to ensure accountability, oversight, transparency and good governance and also assist the Municipality to discharge the necessary public accountability responsibilities.

2.9 PUBLIC MEETINGS

Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) compels municipalities to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of a municipality. During the year under review, the Municipality used the following mechanisms to comply with this legislative requirement:

- Ward committee meetings (discussed in more detail below);
- Public notices in local and regional newspapers;

- Monthly public newsletters distributed to all account holders;
- Press releases as and when required;
- Receipt and consideration of petitions and objections;
- Public IDP and consultative meetings; and
- Functioning of a municipal website, regularly updated with recent news.

Stakeholder and community engagements to determine and undertake development priorities forms the cornerstone of the IDP. Needs are dynamic and by virtue of its changing nature, have to be reviewed frequently. The annual review of the IDP is a process which assist the Municipality to further enhance its service delivery outputs and outcomes and through the Performance Management System, implemented by the Municipality, it ensures that the Municipality remains accountable to the local community, the various sectors and businesses alike.

The Municipal Council ensures that its oversight role is sufficiently mandated by the populace voice of its local community, through fully embracing the principles of participatory democracy. This is being achieved through a well-functioning Ward Committee System, robust public participation through our various development planning processes and regular communication with the community through public meetings, community newsletters, radio and various other print and electronic media including the Municipal Website.

2.9.1 IDP/Budget Roadshows

The IDP is about determining stakeholder and community needs and priorities which need to be addressed in order to contribute to the improvement of the quality of life of residents within the Municipal Area. Various stakeholders and sectors were involved during the draft IDP development process.

During 2023, Drakenstein Municipality embarked on a series of “Open Days”, whereby wards were clustered, and community members could come to a central venue from 16:00 until 19:00 to engage the municipality on the IDP, the Budget as well as service delivery queries. In addition, the Municipality utilised online platforms such as email, SMS’s, WhatsApp, pamphlet distribution, loud-hailing and Facebook to obtain input from communities.

2.9.2 IDP Sector Engagements

Drakenstein Municipality must play a role in ensuring integration and co-ordination between the various sectors and cross-sectoral dimensions of development, to achieve social, economic and ecological sustainability.

To ensure that municipal priorities are addressed, and in the spirit of cooperative governance, the planning process of all spheres of government must be aligned with and inform each other. This requires that municipal planning processes take into account the legislative, policy, and strategic approaches of the line departments of national and provincial government.

Whilst the IDP is the overall strategic development plan for a municipality, prepared in terms of the Municipal Systems Act 32 of 2000, that guide decision-making, budgeting and development in a municipality, the Spatial Development Framework (SDF) presents the long term vision of the desired spatial form of a municipality. The SDF is thus a critical component to the IDP to direct municipal and private sector spending and investment by providing spatial proposals and strategies (thus the location and nature of development) which will support economic growth and integrated human settlements.

The IDP and SDF information was interrogated in order to support the notion that the two strategic documents are aligned as required in terms of the Municipal Systems Act 32 of 2000, Spatial Planning and Land Use Management Act 16 of 2013 and the Land Use Planning Act 3 of 2014.

2.10 REPRESENTATIVE FORUMS

In accordance with Section 15 of the Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001), Drakenstein Municipality established an IDP Representative Forum to enhance community participation in:

- The drafting and implementation of the Municipality's IDP; and
- The monitoring, measurement and review of the Municipality's performance in relation to the key performance indicators and performance targets set by the Municipality.

2.10.1 IDP Representative Forum

The participation of stakeholders in the IDP Representative Forum has been very influential in further strengthening the sectoral integration of operational and strategic planning with civil society and other spheres of government. Stakeholders provided input utilising email submissions, Facebook, via text messages as well as written submissions.

2.11 WARD COMMITTEES

Section 73 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) deals with the establishment of ward committees and stipulates the following:

- “(1) If a metropolitan or local council establishes ward committees, it must establish a ward committee for each ward in the municipality.*
- (2) A ward committee consists of:*
- (a) The councillor representing that ward in the council, who must also be the chairperson of the committee; and*
 - (b) Not more than 10 other persons.”*

Drakenstein Municipality has successfully established all 33 Ward Committees and they are functional.

COMPONENT D: CORPORATE GOVERNANCE

2.12 INTRODUCTION

Governance in Drakenstein Municipality encompasses line functions pertaining to political and administrative governance, internal audit, risk management, organisational and individual performance management, public participation and IDP, intergovernmental relations, public communication, human resource management, organisational development and legal services. The governance function is supported by an independent Audit Committee, comprising of external specialists having the necessary skills to provide effective oversight of the Municipality's systems of internal control, risk management and governance processes. The Audit Committee is supported in its role by the Internal Audit function which performs audits in terms of an approved audit plan and reports to the Audit Committee on a quarterly basis.

The Municipal Public Accounts Committee (MPAC) who performs political oversight, comprises of independent councillors. In order to promote independence and objectivity, the MPAC is chaired by a councillor from a political party other than the majority party in Council.

2.13 ETHICAL CULTURE

Section 195(1) of the Constitution prescribes the various basic values and principles for public administration, which include, amongst others, the following:

“(1)(a) A high standard of professional ethics must be promoted and maintained.”

Ethics is one of the core organisational values as reflected in the IDP. Giving effect to this broad framework which requires an ethical culture, Council adopted the Code of Ethics Policy. This policy provides a solid basis in an effort to instil a culture of ethical conduct in the Administration as well as the political processes.

In terms of the International Standards for the Professional Practice of Internal Auditing, Internal Audit is required to assess the municipality systems of internal control, risk management and governance. The Internal Audit Plan which is approved by the independent Audit Committee includes various aspects of governance which is covered in terms of the 1 year operational and 3-year strategic plan. The outcome of the audits are reported to the Audit Committee on a quarterly basis. The Audit Committee also considers a quarterly report from management on the municipality's ethics awareness initiatives.

Ethical values and considerations should be seen as an integral part of a fraud prevention strategy as part of the Fraud and Risk Management Policy.

Ethical considerations play a vital role in a zero-tolerance approach towards fraud, theft and corruption and to cultivate a commitment to eradicate fraud throughout the municipality.

In the fraud awareness campaigns, the Fraud Risk Management Section is committed to place strong emphasis on the fundamentally unethical nature of fraud and to ensure that it is always communicated to staff.

Whistle blowers will be willing to report suspicions of fraud if they are assured that the reporting system can be trusted, that they will remain anonymous if they have opted for anonymity when reporting their suspicions, and that they are protected from retaliation.

To ensure that a trusted reporting system is in place, KPMG FairCall was appointed to administer the tip-off hotline. Allegations of theft, fraud and corruption in the municipality can be reported anonymously to KPMG FairCall.

2.14 RISK MANAGEMENT

Section 62(i)(c) of the MFMA requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

There is a danger that risks which fall outside traditional functions may go unmanaged and have serious consequences on the institutional objectives. The need for broad-based risk management is thus critical as it will also ensure that risks which were not previously given adequate attention are now properly managed. Risk management processes that are integrated in the institution's existing structures are likely to be more effective in producing the desired service delivery and other objectives.

The Risk Management Division supports the Municipality's governance structure by aligning its operations and practices, which includes the identification, assessment and mitigation of future risks, with the principles contained in the King IV Report on Corporate Governance for South Africa 2016 (King IV). A Combined Assurance policy, which will guide the implementation of Combined Assurance, was approved by Council in September 2021.

The Risk Management Division is responsible for the risk management function at Drakenstein Municipality through facilitation and advising on fraud and risk management issues. This entails the development of policies, strategies, plans and processes.

Drakenstein Municipality established a Fraud and Risk Management Committee (FARMCO), which meets on a quarterly basis and assists in the development and revision of all policies, strategies, plans and processes. The Risk Management Policy, approved during the 2021/22 financial year, was revised in the 2023/24 financial year. The high-level risk register, linked to

key performance areas “strategic objectives” and key focus areas, were reviewed with all the departments through a facilitation process.

Risk management is an integral part of the internal processes of a municipality. It is a systematic process to identify, evaluate, and continually address risks. The assurance response is risk-based, prioritising key risks to assess the efficiency of the Municipality’s systems of internal control to mitigate risk, thereby ensuring the achievement of objectives.

A total of twelve strategic risks were identified and addressed by the Strategic Management Team. These risks may have a major impact on service delivery and the sustainability of any municipality if it should realised and if it is not well managed and mitigated

Table 30: Strategic Risks identified for 2023/24

Strategic Risks identified							
Ref	Strategic Risk	KPA 1	KPA 2	KPA 3	KPA 4	KPA 5	KPA 6
SR001	Financial non-sustainability		X	X	X	X	X
SR002	Inadequate service delivery	X	X	X	X	X	X
SR003	Deficiency in staff skills and capacity	X		X			
SR004	Increasing indigents and unemployment		X		X		X
SR005	Inadequate infrastructure, investment and maintenance		X		X	X	X
SR006	Weakness in governance and accountability	X	X	X	X	X	X
SR007	Uncontrolled and unmanaged urbanisation and land invasion		X		X	X	X
SR008	Lack of effective communication with stakeholders	X					
SR009	Inadequate ICT planning, infrastructure, systems and cyber security	X		X			
SR010	Extended interruption of power supply		X		X		X
SR011	Lack of effective law enforcement and policing						X
SR012	Inability to safeguard municipal infrastructure against vandalism and theft				X		X

2.15 INTERNAL AUDIT

Internal Audit is an independent function reporting administratively to the City Manager and functionally to the Audit Committee. Internal Audit performs audits in terms of a three-year strategic and one-year operational plan which is approved by the Audit Committee at the commencement of each financial year. The priorities in the Internal Audit Plan can be categorised in terms of audits focusing on the systems of internal control, risk management and governance processes. The prioritisation of audits in these three categories is based primarily on the Municipality’s risk profile as well as legislative requirements. Internal Audit

reports to the Audit Committee on a quarterly basis regarding progress with the implementation of the approved plan as well as the outcome of audits conducted in terms of the approved plan. Internal Audit also performs follow-up audits to assess the implementation of agreed management action plans in response to reported internal audit findings. Internal Audit executes its duties in terms of the International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors.

The Audit Committee assesses the performance of the Internal Audit quarterly, based on a range of key performance indicators linked to the operations of the Internal Audit function.

The following assurance engagements were approved, completed and reported to the Audit Committee in terms of the 2023/24 Internal Audit Plan:

- Credit Control and Debt Collection Review;
- Occupational Health and Safety Review (Public Safety Department);
- Inventory Level Management;
- Supply Chain Management (Procurement over R200 000)
- Project Management (Municipal and Public Facilities)
- Building Plan Applications;
- Risk Management;
- Assessment of Tools of the Trade – EPWP Employees
- Traffic Services (Governance Audit)
- Financial Statements Review (High Level);
- MFMA Compliance;
- DoRA Compliance;
- Performance Audit - Parks
- Quarter 4 Review of Performance Results;
- Review of Annual Performance Report;
- Functionality of the Performance Management System;
- Compliance with the Municipal Systems Act;
- Quarter 1 Review of Performance Results;
- Quarter 2 Review of Performance Results;
- Quarter 3 Review of Performance Results;
- Review of Annual Report;
- ICT Security; and
- Annual Inventory Count.

The International Standards for the Professional Practice of Internal Auditing require that an Internal Audit function must implement a quality assurance and improvement program that includes an external quality assurance assessment performed by an independent assessor every 5 years. The municipality's Internal Audit function received a rating of "Generally Conforms" at the external quality assurance assessment conducted in June 2020. This is the

highest rating on a scale of three ratings prescribed by the Institute of Internal Auditors. The rating of “Generally Conforms”, confirm that the relevant structures, policies and procedures of the Internal Audit activity, as well as the processes by which they are applied, generally conform to the requirements of the individual Standard or element of the Code of Ethics in all material respects. An ongoing quality assurance improvement program was also maintained in 2023/24 which included peer reviews of audit working papers in preparation for the next external quality assurance review in 2024/25.

2.16 ANTI-CORRUPTION AND FRAUD

The Fraud and Risk Management Committee (FARMCO) meets on a quarterly basis and assists with the development and revision of all policies, strategies, plans and processes relating to Fraud Risk management. The Fraud Prevention Policy and Strategy are incorporated in the Risk Management Policy and last approved on 30 September 2020, with the next review due in the 2023/24 financial year.

FARMCO review the effectiveness of prevention initiatives, detection techniques as well as progress made in any forensic investigations, and thereby also function as an oversight body. Drakenstein Municipality appointed, KPMG FairCall (Toll free number 0800 555 337) to provide an anonymous fraud and ethics hotline service for the reporting of alleged theft, fraud and corruption.

2.17 SUPPLY CHAIN MANAGEMENT

The SCM Policy and the Preferential Procurement was reviewed during the 2023/24 financial year. Certain amendments to the SCM Policy were tabled before Council in order to improve operational efficiency and to align it to guidelines provided by the National Treasury. The Municipality has established a Supply Chain Management Policy and Delegations Review Committee that reviews the SCM Policy and its delegations on an annual basis. As part of the annual budget cycle, the Municipality is required to forward its SCM Policy and Preferential Procurement Policy to the Western Cape Provincial Treasury on an annual basis for scrutiny and compliance verifications against the legislative framework. Drakenstein Municipality’s SCM Policy and Preferential Procurement Policy complies with the regulatory framework.

2.17.1 Overview of Supply Chain Management

The Supply Chain Management functions cuts across all departments. Although governance is at its core, Supply Chain Management plays a vital role in contributing towards service delivery in a manner that is fair, equitable, transparent, competitive and cost-effective.

2.17.2 Bid Committees

The Municipality applies the bid committee system for procurement above R300,000 (Value Added Tax included) and for the procurement of long-term contracts. The Bid Committees namely the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee are all functioning effectively.

2.17.2.1 Bid Committees Structure

The Bid Committee members are appointed by the City Manager in line with the relevant legislation and is reviewed on an annual basis. In addition to this, the Chief Audit Executive is serving as an independent observer to these committees in order to provide assurance to the Accounting Officer through the submission of regular reports regarding the committees' functions and powers.

2.17.2.2 Awards made by the Bid Adjudication Committee

For the 2023/24 financial year the Bid Adjudication Committee made 47 awards.

2.17.2.3 Awards made by Accounting Officer

For the 2023/24 financial year the Accounting Officer approved 35 awards that were recommended by the Bid Adjudication Committee.

2.17.2.4 Objections lodged

For the year under review a total of 4 objections were lodged by aggrieved bidders. All of these objections were reported. Two of the objections were resolved before the end of the 2023/24 financial year.

2.17.3 Formal Quotations (Above R30,000 and below R200,000) Procurement Processes

For the year under review a total of 354 formal written price quotations were advertised of which 216 were awarded and 138 were cancelled.

2.17.4 Disposal Management

The following immovable assets were disposed of during the year under review:

Table 31: Immovable assets disposed

Properties for which final approval was granted from 1 July 2023 – 30 June 2024			
Serial No.	Properties sold	To	Purpose
Column Ref.	A	B	C
1	Portions of Erven 1294 and 1295 Wellington	Die Voortrekkers (021-962-NPO)	Youth Development purposes
2	Portion erf 593 Paarl	Call for proposals	Mix use development
3	Portion of Erf 607 Gouda	Bedara Trust and Highway Group	Development of a freight fuel filling station
4	Portion of Remainder Erf 5058 Paarl	Adjacent landowner of Erf 19134 Paarl (Nexusag (Pty) Ltd)	Parking development purposes
5	Erf 2874 Paarl	Public Auction	Residential development purposes
6	Erven 26685,26686 and 27796 Paarl	Call for Application Process	Community, Church, Welfare
7	Erf 39379 Paarl	Public Auction	Industrial purposes
8	Erf 30260	Call for applications	ECD
9	Portion of Klein Bos-en-Dal Street	Adjacent landowner of Erf 3793 Paarl	Gardening purposes
10	Erf 5571 Wellington (Public Place)	Verdeau Homeowners Association	Landscaping and additional parking bays
11	Portion of Erf 2665 Mbekweni	Adjacent landowner of Erf 2500 Mbekweni	For consolidation with existing property
12	Portion of Erf 39379	Public Auction	Industrial purposes
13	Portion of Erf 34	Springdeals	Name change/historical council decision
14	Erf 2481, Portion 2389 Paarl, Erf 7527,7528,7529,7530,7541,7542, 7543 Courtrai, 6358 Paarl	Public auction process	Mix used,single,conventional housing
15	Portion of Remainder Erf 5058 Paarl	Adjacent landowner of Erf 19147 Paarl (Landhold Properties (Pty) Ltd)	Parking development purposes
16	Erf 2874 Paarl	Verticor (Pty) Ltd	Residential purposes
17	Portion H of Erf 4921 Paarl Railway Reserve	Adjacent landowner of Erf 33039 Paarl	For expansion of existing property
18	Portion klein Bos-en-dal street	Adjacent Landowner Of Erf 3793 Paarl	Gardening purposes

2.18 BYLAWS

Section 11(3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provides municipal councils with the legislative authority to pass and implement bylaws for the betterment of the community within the terms of the legislation.

In terms of Section 160(4) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996):

- The bylaws serve before the various structures of the Council;
- The bylaws are advertised in the local media for objections or comment;
- The bylaws are open for inspection at all municipal offices and libraries; and
- The bylaws are forwarded to the local radio station for broadcasting.

No bylaws was passed in the 2023/24 financial year.

2.19 WEBSITE

The purpose of the municipal website is to inform Drakenstein's ratepayers about the services, projects, achievements and initiatives of the Municipality. It features important municipal documentation required in terms of legislation, including public policies, bylaws, supply chain documents, notices, press releases and other documents.

The Communication and Marketing Division manages this content and constantly updates and populates the website, as well as develops new interactive features to enhance users' online service experience.

In the 2023/24 financial year, the division completed the migration of both the desktop and mobile versions of the 9 800-page website, built on Microsoft SharePoint 2016, to the latest version of SharePoint which is SharePoint 2019. The main aim was to improve the website's Content Management System (CMS) and give it modern, enhanced features. This upgrade also improved and sped up the back-end experience, making it more functional and allowing for content to be uploaded quicker.

At the same time, the division is ensuring that certain web features are improved, such as the mobile functionality and mobile user experience - over multiple devices and Internet browsers.

The section also made provision for the mobile version of the webpages that are used the most, to be coded so that they can automatically update and instantly reflect when their desktop version are updated or changed. The plan is for the rest of this desktop/mobile interactive, integrated feature to be rolled out across the remaining webpages within the next two years.

The Communication and Marketing Division continued to assist various departments and divisions, such as Investment Area Management, Traffic Services, and Economic Development and Tourism, with bespoke website solutions, features and functionalities. Further effort went into reflecting political structural changes (such as the election of a new Executive Mayor and appointment of a new Mayoral Committee) and macrostructure changes (such as the

establishment of a new, dedicated Public Safety Department), and into updating departmental information and contact details.

Table 32: Municipal Website Content and Currency of Material

Municipal Website: Content and Currency of Material			
Serial No.	Documents published on the Municipality's website	Yes/No	Publishing Date
Column Ref.	A	B	C
1	Annual and adjustments budgets and all budget-related documents	Yes	01/07/2023 – 30/06/2024
2	All budget-related policies	Yes	01/07/2023 – 30/06/2024
3	The previous Annual Report 2022/23	Yes	25/03/2024
4	The Annual Report 2022/23 published/to be published	Yes	25/03/2024
5	All current performance agreements (2023/24) and resulting scorecards required in terms of Section 57(1)(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)	Yes	03/08/2023
6	All service delivery agreements (2023/24)	Yes	01/07/2023 – 30/06/2024
7	All long-term borrowing contracts (2023/24)	No	None
8	All Supply Chain Management Contracts above a prescribed value (above R 300,000) for 2023/24	Yes	01/07/2023 – 30/06/2024
9	All information statements containing a list of assets over a prescribed value that have been disposed of in terms of the MFMA Section 14(2) or (4) during 2023/24	No	01/07/2023-30/06/2024 No disposals
10	Contracts agreed in 2023/24 to which the MFMA Sub-section (1) of Section 33 applies, subject to Sub-section (3) of that Section	No	None concluded
11	Public-private partnership agreements referred to in the MFMA Section 120 made in 2023/24	No	None concluded
12	All quarterly reports tabled before Council in terms of the MFMA Section 52(d) during 2022/23	Yes	01/07/2023 – 30/06/2024

2.20 COMMUNICATION

Communication with the community of Drakenstein continued through following the integrated PESO (Paid, Earned, Shared and Owned) media model – issuing creative, relevant and topical content, tailor-made for the Municipality's different communication channels and platforms, and their target audiences.

The Communication and Marketing Division compiled and sent out press releases to media (print, radio and online); invited media to events and responded to media enquiries; recorded and distributed sound clips; as well as shared news regarding municipal projects, programmes, initiatives and achievements through its five social media platforms, the municipal website, its monthly *Vars* external digital newsletter, the Intranet, and internal broadcast emails. It further communicated urgent, service-related news via bulk SMSs, and SeeClickFix app notifications.

At the same time the municipal brand was reinforced and enhanced by developing and distributing quality promotional items; displaying branding and banners at key events; and exercising the Municipality's marketing rights at supported events. Reputation management was also done to uphold the brand.

In this financial year the section again appointed a media monitoring agency to assist in monitoring the Municipality's media coverage, including tracking its social media performance, and reporting monthly on the coverage breakdowns, share of voice, and brand sentiment. These reports serve to inform the section's media, communication and reputation management strategy.

Guided by its corporate identity manual, the Municipality continued to reinforce its corporate identity and logo, embodying its vision of a city of excellence. Extensive communication and marketing support was rendered to the Municipality's dedicated campaigns, such as promoting its new My Municipal Meter app, #GetNotified feature, SeeClickFix app, Fair Trade City, 365 Days of Activism against Gender-Based Violence, and War on Waste.

The monthly *Vars* digital newsletter continued to be a real game-changer for the Municipality's communication and marketing function. Central to the Municipality's integrated communication strategy, *Vars* allows for greater and more streamlined content integration, a better and more cost-effective use of resources, and improved messaging alignment. Delivering on its brand promise, this vibrant publication's stories and videos continued to be fresh and its content original - all packaged in a visually appealing manner.

In line with the Municipality's focus on promoting Drakenstein as a preferred business, development, investment and tourism destination, the section continued to give *Vars* much more of a business and development focus. This has been evident specifically in its captivating front-page images and more serious business content – both targeted at developers and investors.

In addition, *Vars* includes videos, photographs, municipal and community-focused articles, tender announcements, notices, and job opportunities, as well as features and profiles on members of the community, councillors and municipal staff members. The monthly emailer – sent to 12,822 subscribers - is linked to a fully-fledged online flipbook with embedded videos, which are also hosted on the Municipality's YouTube channel.

The section further continued to render communication and marketing assistance to various departments and divisions, as well as key events such as launching the Paarl East Street Museum and Drakenstein's Sustainable Tourism Route; Drakenstein Municipality becoming the first municipality in Africa and South Africa and the third in the world to implement specific,

cutting-edge green electricity technology; and hosting the opening of the Provincial Parliament in Paarl.

In this financial year the Municipality's Facebook page, launched on 1 June 2018, continued to achieve significant and consistent growth. Much of this growth was once again organic - thanks to original, compelling, engaging and relevant content directly affecting the community of Drakenstein, as well as creative videos and "how to" posts. By the end of June 2024, the Drakenstein Municipality Facebook page had 56,801 followers, reaching 1,6 million people and achieving 11,8 million visits. This indicates that the content resonates well with the current audience and consistently attracts more followers.

The themed grid design of the Municipality's Instagram platform continued to be very popular. By the end of June 2024, this platform's followers grew to 2,300. Populated with exquisite and impactful images and videos, the Instagram platform showcases the people, stories and beautiful area of Drakenstein, as well as municipal staff making a real difference in the workplace and to the Drakenstein community. The Instagram platform was launched in November 2019.

Another addition to the Municipality's social media ecosystem, its LinkedIn platform, grew to 4,635 followers by the end of June 2024. It was launched in November 2021. Publishing bespoke content for the professional and business audience, this platform continues to penetrate this market and further promote Drakenstein as a fast-growing, progressive and strategically located investment destination. Vacancy posts are especially well received on LinkedIn.

Another exciting addition to the Municipality's owned media stable is its 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.

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, feeds from the Municipality's Facebook, LinkedIn, Instagram and YouTube platforms, and even the Drakenstein area's weather reports.

In June 2024, the Communication and Marketing Division proudly launched its ninth new communication platform in seven years: a public WhatsApp channel. This was received incredibly well by the community, attracting 686 followers on its first day alone. The

Municipality mainly communicates service delivery news and notices on this channel, which can be easily shared by users via this popular app to their own circles of influence.

In this financial year, the division also excitedly embarked on another new platform project, i.e. developing a solution to disseminate curated content from a centralised point to various display screens, fitted with small single-board computers, across the Municipality. The first phase of this project – to be rolled out in the new financial year - will involve the installation of display screens in four key public areas, including municipal cashier halls and traffic centres, targeting captive audiences.

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.

2.21 CUSTOMER SATISFACTION SURVEYS

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

2.22 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

2.22.1 Management Control

Refer to section 4.3 on Employment Equity.

2.22.2 Skills Development

The table below sets out the skills development within Drakenstein Municipality for Black (African, Coloured and Indian) employees during the 2023/24 year.

Table 33: Skills Development

Skills Development						
Serial No.	Categories	Number for each category	Race Classification (indicate number in terms of A, C and I)	Gender (indicate number in terms of F and M)	Age (provide nr in chronological order)	Disability (indicate number in terms of F and M)
Column Ref.	A	B	C	D	E	F
1	Black Employees	1529	A = 454 C = 1067 I = 8	M = 953 F = 576	N/A	M = 6 F = 3
2	Black people on internships, apprenticeships, learnerships	167	A = 88 C = 79 I = 0	M = 85 F = 82	Under 35	M = 2 F = 3
3	Black people absorbed at end of learnership, internship and apprenticeship	4	A = 4 C = 0 I = 0	M = 2 F = 2	N/A	N/A

2.22.3 Enterprise, and Supplier Development

Developing enterprises, entrepreneurs and suppliers is a core function of the Economic Development and Tourism Division. Growth of the Drakenstein economy hinges on the continuous development of these economic agents. The Division received various requests during the year from formal enterprises operating within the municipal area, ranging from the extension of trading days or hours and doing promotions for new products and services on municipal pavements, among others. There were also numerous requests for trading spaces and land. The Economic Development and Tourism Division ensures that enterprise development interventions are pursued across all economic sectors, while cognisant of the high income and employment sectors such as agriculture; wholesale, retail trade, catering and accommodation; finance, real estate, insurance and business services; community, social and personal services; and transport, storage and communication.

For informal businesses, highlights for enterprise development included the installation of solar panels and inverters in two Council-owned buildings used for informal trading in Mbekweni and Wellington. The inverters enable informal traders to continue operating during power outages. The inverters and solar panels were sponsored by the Western Cape Government Department of Economic Development and Tourism. Funding was also received from Cape Winelands District Municipality as a contribution to the refurbishment of the Arendsnes Small Business Complex in Wellington. Infrastructure was maintained in all the five small business hives and three informal trading bays which cater for over 100 small informal traders.

Considering that the Municipality spends millions of rands in the procurement of goods and services annually from suppliers, contractors and service providers, the Economic Development and Tourism Division ensures local suppliers get a share of the income from procurement. One of the biggest opportunities for contractor development emanated from the upgrade of the Paarl Wastewater Treatment Works, a project which is ongoing and scheduled to be completed in the next two years. Contractors focusing on bricklaying, demolishing, civil engineering and security services, among others, are benefiting from this project. On a smallerscale, the Division engaged three informal traders in a contract aimed at sourcing brooms made from mountain grass for usage by the Waste Management Division. Opportunities for contractor development programs offered by the Western Cape Government, SANRAL and other institutions were shared with local contractors.

The following table sets out what the actual expenditure per BBBEE level and location of that supplier (within or outside of Drakenstein Municipality) was during the 2023/24 financial year.

Table 34: Broad Based Economic Empowerment (BBBEE): Actual Expenditure per BBBEE Level and location

Broad Based Black Economic Empowerment (BBBEE): Actual Expenditure per BBBEE Level and location				
Serial No.	BBBEE Level	Outside Drakenstein	Within Drakenstein	Grand Total
Column Ref	A	B	C	D
1	Level 1	414,346,645.05	173,435,445.22	587,782,090.27
2	Level 2	144,952,137.73	11,265,383.51	156,217,521.24
3	Level 3	2,796,975.14	12,673,192.38	15,470,167.52
4	Level 4	24,052,923.37	22,126,561.92	46,179,485.29
5	Level 5	27,743,248.29	-	27,743,248.29
6	Level 6	419,757.05	123,902.85	543,659.90
7	Level 7	-	535,694.65	535,694.65
8	Level 8	21,950,715.61	1,719,488.61	23,670,204.22
9	Non-compliant contributor	8,960,835.06	9,436,211.22	18,397,046.28
10	Grand Total	645,223,237.30	231,315,880.36	876,539,117.66

2.22.4 Socio Economic Development

The main socio-economic focus of the Economic Development and Tourism Division is to ensure that residents and businesses operating within the municipal area are exposed to and engaged in income-earning opportunities. For residents, especially unemployed youth, people with disabilities, and women, the division facilitated employment opportunities through various development projects taking place through the municipality, including road and infrastructure upgrades. The division ensured that unemployed residents looking to earn an income from trading are given all the guidance and necessary support, including trading spaces at affordable prices.

Table 35: Broad Based Economic Empowerment (BBBEE): Actual Expenditure per BBBEE Level and location

Informal Trading development - BBBEE		
Serial No.	Categories	Number
Column Ref.	A	B
1	Informal Trading	Permits issued
2	Paarl	195
3	Wellington	76
4		
5	Informal Trading spaces	Trading kiosks/Hives
6	Gouda	5
7	Arendsnes - Wellington	6 (Solar Beneficiaries)
8	Wamkelekile - Mbekweni	5 (Solar Beneficiaries)
9	Mphakalasi - Mbekweni	5
10	Groenheuwel – Paarl East	5
11	New Street – Paarl CBD	21

3. SERVICE DELIVERY PERFORMANCE

COMPONENT A: OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

3.1 INTRODUCTION

Performance management is a process that measures the implementation of the organisation's strategic objectives. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with the strategic objectives as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of a government that is accountable is important to meet the needs of Drakenstein Municipality. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- Promote the effective, efficient and economic use of resources;
- Ensure accountable public administration;
- Be transparent by providing information;
- Be responsive to the needs of the community; and
- Facilitate a culture of public service and accountability.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the Council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and*

processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.1.1 Legislative Requirements

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality’s and any service provider’s performance during the financial year. The APR must furthermore indicate the development and service delivery priorities, and the performance targets set by the municipality for the financial year, and based on the results indicate what corrective measures were or are to be taken to improve performance. The 2023/24 APR is attached to this Annual Report as Volume V.

3.1.2 Organisational Performance

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is effective, efficient and economical. Municipalities must develop strategic plans and allocate resources for implementation. Implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously as and when required.

The APR highlights the strategic performance in terms of the Municipality’s Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the Municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

3.1.3 Performance Management Policy

The Municipality adopted a Performance Management (PM) Policy during 2011. The Municipality reviewed the policy during the 2022/23 financial year. The PM Policy articulates the Municipality’s objectives in order to promote accountability and the overall strategy of the Municipality. Therefore, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Performance management has been introduced in the Local Government: Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA). The MSA is specific with regards to performance management. Each municipality must develop a performance management system (PMS) in order to enhance service delivery inputs in order to maximise outputs to the community. The MSA emphasise the amplified role of Council in performance management.

Legislative enactments which govern performance management in municipalities are found in various documents. As outlined in Section 40 of the MSA, Drakenstein Municipality must establish mechanisms to monitor and reviews its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and lower levels.

3.1.4 The IDP and the Budget

The Municipality has developed a long term 15-year strategy (2017-2032) for Drakenstein to realise a vision: to evolve into “*A city of excellence*” within the next fifteen years. Key facets of the vision are economic dynamism; quality of life for all; a strong well-governed brand; and financial sustainability.

The 2023/24 IDP (inclusive of Vision 2032) details a comprehensive needs analysis and big moves, key initiatives, projects and programmes to address these challenges in partnership with other spheres of government, the private sector and civil society.

The Integrated Development Plan, together with its long-term trajectory, will be reviewed annually to accommodate changes in the municipal environment, including community priorities. In turn, the revised IDP will inform changes to the budget, key performance indicators and targets of the Municipality.

The Municipal IDP must be reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible changes to the priorities listed in the municipal IDP.

The IDP is the principal planning instrument that guides and informs the municipal budget. The Drakenstein Municipality’s PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to measure the progress made in achieving the objectives as set out in the IDP.

The Five-Year Performance Framework reflects the connection between the strategic framework of the Municipality, as detailed in the previous chapter and IDP implementation

through Key Performance Indicators and Targets to measure performance of the IDP for the five years.

These are annually revised in line with Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 which compels a municipal council to review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of section 41 to the extent that changing circumstances so demand.

A conducive performance management culture will ensure that the developmental objectives as construed in the IDP gets relevance in the performance agreements of senior managers and consequence implementation thereof.

3.2 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based on the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the Municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A1, General Notice 393 in Government Gazette 32141 and prescribes that:

- The IDP and Budget must be aligned;
- The Budget must address the strategic priorities;
- the SDBIP should indicate what the Municipality is going to do during the next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the Budget/IDP processes.

The Top-Layer SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor, Cllr Conrad Poole on 28 June 2023 in terms of section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act of 2003. It was made public on the municipal website within five working days after approval by the Executive Mayor.

3.2.1 The Municipal Scorecard (Top-Layer SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council/Executive Management and provides an overall picture of the performance of the Municipality as a whole, reflecting performance in its strategic priorities for the 2023/24 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of the City Manager and Executive Directors. Components of the Top-Layer SDBIP include:

3.2.1.1 One-year detailed plan with the following components:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial, measurable performance objectives in the form of targets and indicators;
- Output management objectives; and
- Level and standard of service being provided to the community.

3.2.1.2 Top-Layer KPI's were prepared based on the following:

- Key Performance Indicators (KPIs) for the programmes/activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- KPIs identified during the IDP public participation process and KPIs that need to be reported to key municipal stakeholders; and
- KPIs to address the required national minimum reporting requirements.

3.2.2 Amendment of the Top-Layer SDBIP

The Top-Layer SDBIP was amended during the 2023/24 financial year by Council at a Council meeting held on 28 February 2024.

3.2.3 Actual Performance

The Municipality utilises an electronic web-based, real-time performance-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the set target;
- A performance comment; and
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

3.2.4 Monitoring of the SDBIP

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Executive Mayor in terms of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the Municipality during the first half of the financial year;
- Quarterly performance was subjected to an internal audit and the results of their findings were submitted to the Audit Committee; and
- Quarterly performance reports are submitted to Council for information.

3.3 INDIVIDUAL PERFORMANCE

The Human Resources Management Division is responsible for Individual Performance and Management Development System of employees who, before the implementation of the municipal staff regulations, did not undergo formal performance evaluations. Roadshows were held with management, staff and unions to ensure that everyone understands that we will be moving from the informal job description monitoring system to the formal performance management system. A new policy has been developed that is in line with the regulations. This was adopted by Council on 30 June 2022.

A Mentoring Policy has been adopted by Council in line with the Municipal Staff Regulations. Performance will be evaluated bi-annually and Performance Agreements will be signed annually. Performance agreements are due on 31 July annually. Staff is encouraged to be actively involved in setting up their score cards and setting up weights for each KPI that is going to be measured.

3.3.1 Executive Directors and Managers Directly Accountable to the City Manager

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) prescribes that the Municipality must enter into performance-based agreements with all section 57-employees and that performance agreements must be reviewed annually and published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The performance agreements for the section 57 appointments for the 2023/24 financial year were signed during June 2023 as prescribed. They include performance agreements for the:

- City Manager;
- Chief Financial Officer;
- Executive Director: Corporate Services;
- Executive Director: Planning and Development;
- Executive Director: Community Services; and
- Executive Director: Engineering Services.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The mid-year performance assessment for the City Manager and Executive Directors for the 2022/23 financial year took place on 20 January 2023. The final evaluations of the City Manager and Executive Directors for the 2022/23 financial year were taken place on 07 June 2024.

3.3.2 Other Municipal Officials

The Human Resources Management Division is responsible for Individual Performance Management System of employees. The first three reporting lines of performance management (organisational performance) is managed by the Performance Management and IDP Division.

Through Performance Management, supervisors will be required to engage with staff, coach and mentor, transfer skills and enhances communication between managers, supervisors and employees.

All staff members are required by the municipal staff regulations to sign performance agreements.

3.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (TOP-LAYER)

The SDBIP results for the year under review are reflected in the Annual Performance Report attached as Volume V to the Annual Report.

COMPONENT B: BASIC SERVICES

Water, electricity, waste water and refuse removal services are fundamentally important basic services to ensure a healthy and safe environment for all Drakenstein inhabitants. These basic services sections play a very important part in the planning and implementation of basic services in all formally established township developments as well as informal settlements in the Drakenstein Area over which the Municipality has control.

3.5 WATER SERVICES

The main objective of the Water Section is to provide water services in an effective, efficient and sustainable manner in respect of service delivery and to ensure that all people in Drakenstein Municipality's Management Area have access to adequate, safe, appropriate and affordable water services, using water wisely.

Other objectives are to upgrade existing water mains to new and higher standards and to extend the service life of existing bulk water infrastructure in accordance with the Water Master Plan.

The rapid rate of urbanisation is resulting in many cities and towns in South Africa facing major challenges of providing their increasing population with adequate and sustainable water services. On top of this, extensive parts of the continent are currently water-stressed and these areas struggle to reconcile the water requirements and the water resources.

Apart from providing potable water to all our urban residents, we are obliged to fulfil our other basic functions of upgrading the existing infrastructure, extending the network and to effectively maintain the existing network.

3.5.1 Service Statistics

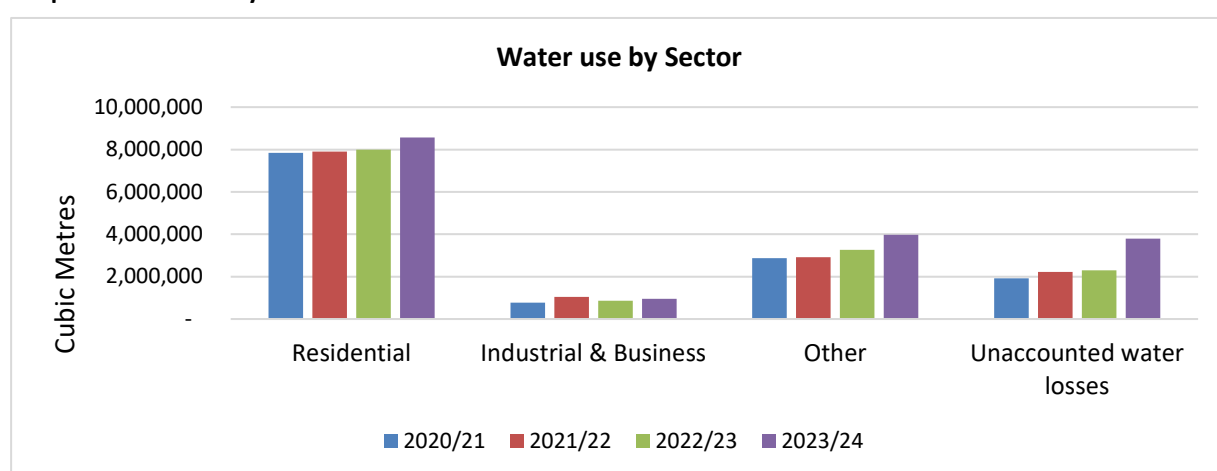
It is clear from the table below that the water usage increased during the 2023/24 financial year, compared to the usage during the 2022/23 financial year. Billed metered consumption (water sales) increased from 12.1 ml sold in 2022/23 to 13.2 ml sold during 2023/24. The water losses increased during the last financial year from 15.9% in 2022/23 to 21.9% in 2023/24. The non-revenue water also increased from 17.0% in 2022/23 to 23.4% in 2023/24.

Table 36: Total use of water by sector (cubic metres)

Water Use Details								
Serial No.	Year	Kilolitres						% Water Losses (Tech.)
		Residential	Industrial/ Business	Other	Total Water Consumed	Water Losses (technical)	Water Bought/ Produced	
Column Ref.	A	B	C	D	E	F	G	H
1	2021/22	7,906,427	1,039,228	2,912,282	11,857,937	2,220,307	14,078,244	15.7
2	2022/23	7,988,383	867,400	*3,293,512	12,149,295	2,305,452	14,454,747	15.9
3	2023/24	8,565,772	953,334	*3,972,893	13,491,999	3,794,139	17,286,138	21.9

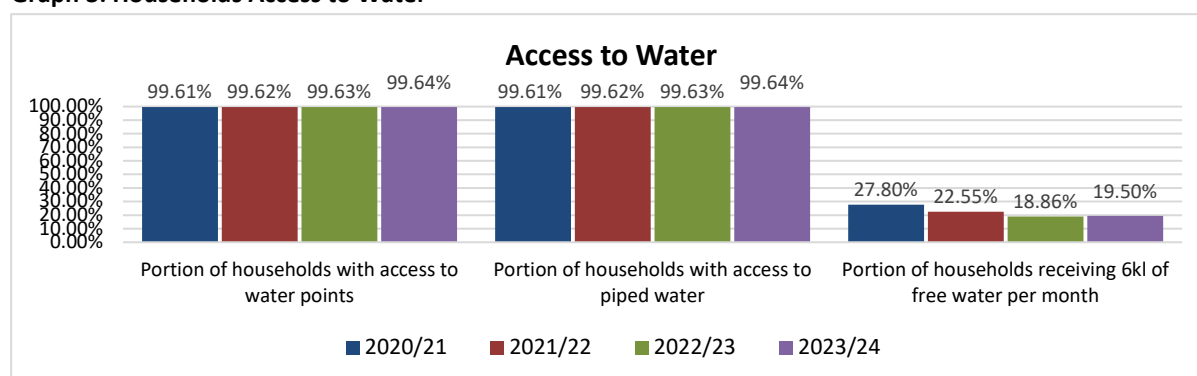
*Other includes unbilled consumption of 145,397 kl for 22/23 and 255,210 kl for 2023/24.

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.

Within the constraints of the budget, the Water Section performed satisfactorily.

- A total of 2,207 meters of water reticulation mains were upgraded in the Drakenstein Area;
- 441 new water connections were installed in the Drakenstein Area;
- 497 burst pipes were repaired on reticulation networks;
- 1,115 water connections were repaired;
- 436 water meters were replaced during the year;
- 184 water meters were stolen and replaced by the Municipality; and
- 1,561 water leaks on municipal water systems were repaired during the financial year.

3.5.2 Service Delivery Levels

The 2023/24 Annual WSDP Performance and Water Services Audit Report on water service delivery levels in Drakenstein indicates that 82,560 households (99.64%) receive a water service of the minimum level and above and that 297 households (0.36%) receive a water service below the minimum level.

The audit report indicates that there is an estimated 82,651 permanent households and 206 non-permanent households at the end of June 2024 in Drakenstein compared with the 76,776 permanent households listed in the STATSSA 2022 Census data.

Table 37: Water Service Delivery Levels

Water Service Delivery Levels				
Serial No.	Description	Households		
		2021/22 Actual No.	2022/23 Actual No.	2023/24 Actual No.
Column Ref.	A	B	C	D
1	Water: (Minimum level and above)			
2	Piped water inside dwelling	41,377	41,754	42,165
3	Piped water inside yard (but not in dwelling)	29,072	30,137	31,294
4	Using public tap (standpipes)	7,272	8,051	8,694
5	Other water supply (within 200m)	*407	*407	*407
6	Minimum Level and Above Sub-total	78,128	80,349	82,560
7	Water: (Below minimum level)			
8	Using public tap (more than 200m from dwelling)	0	0	0
9	Other water supply (more than 200m from dwelling)	*163	*163	*163
10	No water supply (rural)	*134	*134	*134
11	Below Minimum Service Level sub-total	297	297	297
12	Total number of households*	78,425	80,646	82,857
13	Minimum Service Level and above Percentage	99.62%	99.63%	99.64%
14	Below Minimum Service Level Percentage	0.38%	0.37%	0.36%

**Farms which do not form part of the Municipal Water Reticulation System. Figures based on 2011 Census data. The 2022 Census data is not yet available per Sub-Place.*

***STATSSA 2016 Community Survey indicated that there were 71,686 households in Drakenstein.*

All formal erven in the urban areas of Drakenstein Municipality's Management Area are provided with individual water connections inside the erven (higher level of service). Communal standpipes are provided in the informal areas as a temporary emergency service. Drakenstein Municipality's Norms and Standards for communal water services in informal areas is a target of at least one (1) communal standpipe within a 100m radius of each household in an informal area.

Within formal settlements, there are 297 households (0.40%) of 74,163 households receiving a water service below the minimum water service level. These households are on farms which do not form part of the Drakenstein water reticulation system. Within informal settlements, there are 8,447 households with communal water services within 100m and 247 households with communal water services further than 100m.

Table 38: Households - Water Service Delivery Levels below the minimum level

Households – Water Service Delivery Levels below the minimum level				
Serial No.	Households			
	Description	2021/22 Actual No.	2022/23 Actual No.	2023/24 Actual No.
Column Ref.	A	B	C	D
1	Formal Settlements			
2	Total households	71,153	72,595	74,163
3	Households below the minimum service level	*297	*297	*297
4	Proportion of households below the minimum service level	0.42%	0.41%	0.40%
5	Informal Settlements			
6	Total households	7,272	8,051	8,694
7	Households below minimum service level	352	762	247
8	Proportion of households below minimum service level	4.84%	9.46%	2.84%

**Farms which do not form part of the Municipal Water Reticulation System. Figures based on 2011 Census data. The 2022 Census data is not yet available per sub-place.*

The increase for the "Households below minimum service levels" for the informal settlements in the above table during the last two financial years was because the number of households below minimum service levels was calculated against the Municipality's Norms and Standards of at least one communal standpipe within a 100m radius of each household in an informal area.

3.5.3 Capital Expenditure

The Water Services Section spent R26.0 million or 99.90% of the final adjustments budget on water 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 39: Capital Expenditure 2023/24 - Water Services

Capital Expenditure 2023/24: Water Services					
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	Replace/Upgrade Water Reticulation System	13,913,043	11,652,174	11,652,173	0.0%
2	Replacement of Ysterbrug Victoria Pumpline	10,269,895	10,269,895	10,269,895	0.0%
3	Extension of Basic Services: Informal Settlements Water	2,000,000	2,999,586	2,999,586	0.0%
4	Other Capital Projects	1,021,750	1,135,998	1,118,061	1.6%
5	Total Capital Expenditure	27,204,688	26,057,653	26,039,715	0.1%

3.5.4 Major Projects Implemented

During 2023/24 the following major projects were implemented:

- A total of 2,207 metres of reticulation water pipe systems were upgraded in the Drakenstein Area;
- The Municipality continued with the replacement/upgrade of the Ysterbrug – Victoria raw water rising main.
- The Municipality continued with the provision of communal water services for the informal settlements. An additional 28 communal taps were provided in nine (9) informal settlements.

3.5.5 Operating Expenditure

Water services, as a trading service, generated an operating surplus of R118.1 million for the 2023/24 financial year. The surplus is used to subsidise operating expenditure of community services that do not generate revenue to sustain themselves.

Table 40: Operating Revenue and Expenditure: Water Services

Operating Revenue and Expenditure: Water Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(213,785,878)	(254,664,860)	(256,576,238)	(286,222,298)	11.6%
2	Total Operating Revenue	(213,785,878)	(254,664,860)	(256,576,238)	(286,222,298)	11.6%
3	Employee related costs	26,172,765	32,296,269	32,563,164	29,631,363	9.0%
4	Impairment losses and irrecoverable debt	20,478,457	15,851,085	22,000,000	22,210,051	-1.0%
5	Interest paid	10,454,365	9,898,612	22,515,977	22,634,425	-0.5%
6	Contracted services	8,079,180	10,097,718	12,663,473	11,897,265	6.1%
7	Depreciation and amortisation	29,585,098	39,816,304	34,021,300	29,711,097	12.7%
8	Inventory consumed	2,055,405	2,568,956	3,241,585	1,784,828	44.9%
9	Operational Costs and Losses	35,544,759	34,296,363	47,460,808	50,240,758	-5.9%
10	Total Operating Expenditure	132,370,030	144,825,307	174,466,307	168,109,788	3.6%
11	Operating (Surplus) / Deficit	(81,415,848)	(109,839,553)	(82,109,931)	(118,112,510)	43.8%

3.6 WASTE WATER (SANITATION) SERVICES

The primary functions of the Waste Water Services Section (Sanitation) are to upgrade existing sewerage infrastructure (as to meet future requirements); to extend the wastewater/sewerage network (provide higher level of service to consumers); to maintain the existing wastewater/sewerage network (ensure adequate rehabilitation and maintenance); to monitor water resources; and, to ensure the prevention of pollution thereof.

3.6.1 Service Statistics

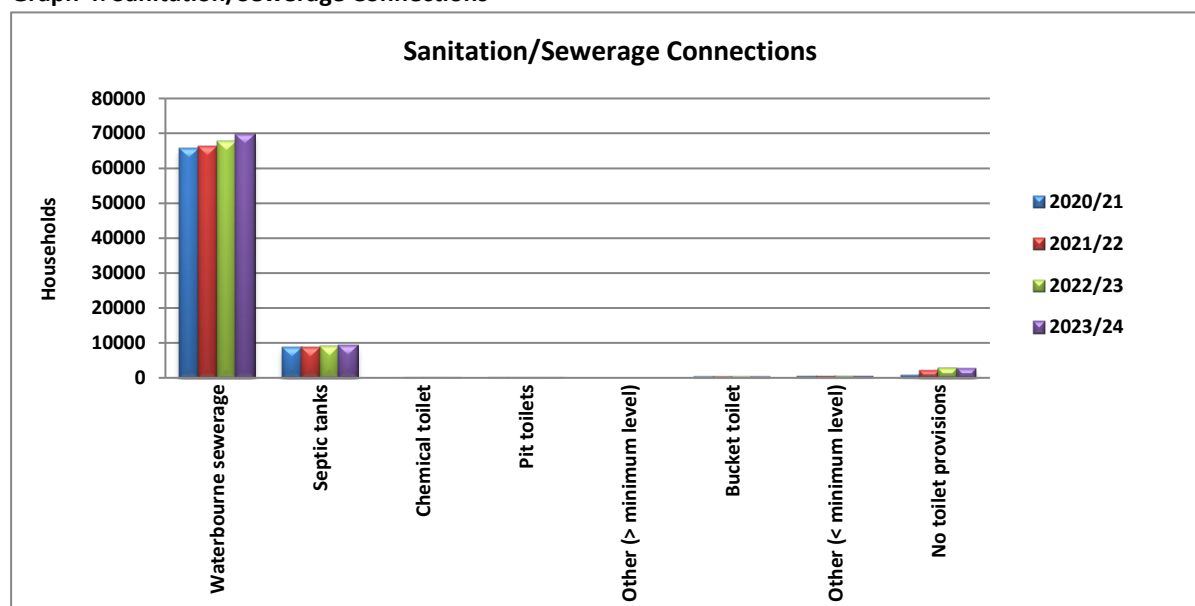
Service statistics for the year under review are listed in the table below.

Table 41: Service Statistics - Waste Water (Sanitation Services)

Waste Water (Sanitation Services)				
Serial No	Description	2021/22	2022/23	2023/24
		Actual Number	Actual Number	Actual Number
Column Ref.	A	B	C	D
1	Total sewerage blockages serviced	7,878	6,405	4,135
2	Installation of new domestic sewer connections	17	10	20
3	Newly installed / refurbished (through pipe-cracking) sewers/pipelines (in meter)	736	2,838	972

The graph below depicts the households' type of sanitation/sewerage connections.

Graph 4: Sanitation/Sewerage Connections



3.6.2 Service Delivery Levels

All formal erven in the urban areas of Drakenstein Municipality's Management Area are connected either to the waterborne sewer system or serviced by septic tanks or conservancy tanks inside the erven (higher level of service). Communal ablution facilities are provided in the informal areas as a temporary emergency service. Drakenstein Municipality's Norms and Standards for communal sanitation services in informal areas is at least one (1) toilet seat for every ten (10) households.

The 2023/24 Annual WSDP Performance- and Water Services Audit Report on waste water service delivery levels in Drakenstein indicates that 79,313 households (95.72%) receive a waste water service of the minimum level and above, and that 3,544 households (4.28%) receive a waste water service below the minimum level.

The Audit Report indicates that there are an estimated 82,651 permanent households in Drakenstein at the end of June 2024 compared with the 76,776 permanent households listed in the STATSSA 2022 Census data.

Table 42: Sanitation Service Delivery Levels - Households

Sanitation Service Delivery Levels *Households				
Serial No	Description	2021/22 Actual No.	2022/23 Actual No.	2023/24 Actual No.
Column Ref.	A	B	C	D
1	Flush toilet (connect to sewerage)	66,207	67,799	69,815
2	Flush toilet (with septic tank)	8,894	9,046	9,201
3	Chemical toilet	151	165	155
4	Pit toilet (ventilated)	*142	*142	*142
5	Other toilet provisions (above minimum service level)	0	0	0
6	Sub-Total: Minimum service level and above	75,394	77,152	79,313
7	Bucket toilet	*378	*378	*378
8	Other toilet provisions (below minimum service level)	*451	*451	*451
9	No toilet provisions (Farms)	*354	*354	*354
10	No toilet provisions (informal settlements)	1,848	2,311	2,361
11	Sub-Total: Below minimum service level	3,031	3,494	3,544
12	Total households	78,425	80,646	82,857
13	Minimum service level and above percentage	96.1%	95.67%	95.72%
14	Below minimum service level percentage	3.9%	4.33%	4.28%

*Farms which do not form part of the Municipal Sewer Drainage System. Figures based on 2011 Census data.

The increase for the “no toilet provisions” for the informal areas in the above table during the last three financial years was because the number of households below minimum service levels was calculated against the Municipality’s Norms and Standards of at least one toilet seat for every ten households.

Within formal settlements, there are 1,183 households (1.6%) of 74,163 households receiving a waste water service below the minimum waste water service level. Within informal settlements, there are 2,361 households (27.2%) of 8,694 households receiving a waste water service below the minimum waste water service level.

Table 43: Households - Sanitation Service Delivery Levels below the minimum

Households – Sanitation Service Delivery Levels below the minimum				
Serial No.	Description	2021/22 Actual Number	2022/23 Actual Number	2023/24 Actual Number
Column Ref.	A	B	C	D
1	Formal Settlements			
2	Total Households	71,153	72,595	74,163
3	Households below minimum service level	*1,183	*1,183	*1,183
4	Proportion of households below minimum service level	1.7%	1.6%	1.6%
5	Informal Settlements			
6	Total Households	7,272	8,051	8,694
7	Households below minimum service level	1,848	2,311	2,361
8	Proportion of households below minimum service level	25.4%	28.7%	27.2%

**Households not budgeted for as sanitation on farms is done by farm owners. Farms which do not form part of the municipal water reticulation system. Figures from 2011 Census Data. The 2022 Census data is not yet available per sub-place.*

The increase for the “Households below minimum service levels” for the informal settlements in the above table during the last three financial years was because the number of households below minimum service levels was calculated against the Municipality’s Norms and Standards of at least one toilet seat for every ten households.

3.6.3 Capital Expenditure

The Waste Water Services Section spent R262.5 million or 99.8% of the final adjustments budget on waste water (sanitation) 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 44: Capital Expenditure 2023/24 - Waste Water (Sanitation) Services

Capital Expenditure 2023/24: Waste Water (Sanitation) Services					
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	Rehab & Upgrade of Paarl WWTW	183,186,957	169,487,721	169,487,720	0.0%
2	Southern Paarl Bulk Sewer	82,300,000	82,955,758	82,955,758	0.0%
3	Replace/Upgrade Sewerage System	2,995,000	2,995,000	2,995,000	0.0%
4	Extension of Basic Services: Informal Settlements Sanitation	2,000,000	2,500,000	2,500,000	0.0%
5	Disinfectant System for Wellington WWTW	2,355,000	2,455,757	2,455,756	0.0%
6	Other Capital Projects	2,973,500	2,591,979	2,153,925	16.9%
7	Total Capital Expenditure	275,810,457	262,986,215	262,548,159	0.2%

3.6.4 Major Projects Implemented

The following major projects were implemented during the 2023/24 financial year:

- Provision of basic sanitation services, where a total of 134 toilets were provided in ten (10) informal settlements; and
- The Municipality started with the upgrading of the Paarl WWTW and the Southern Paarl Bulk Sewer funded by the BFI Grant.

3.6.5 Operating Expenditure

Waste Water (sanitation) Services, as an economic service, generated an operating surplus of R407.0 million for the 2023/24 financial year.

Table 45: Operating Revenue and Expenditure: Waste Water (Sanitation) Services

Operating Revenue and Expenditure: Waste Water Services						
Serial No. Column Ref.	Description A	2022/23 (Restated) Actual Results B	2023/24			
			Original Approved Budget C	Final Adjustments Budget D	Actual Results E	Positive / (Negative) % Variance Between Column D & E F
1	Operational revenue	(228,109,905)	(559,371,179)	(547,830,408)	(549,400,446)	0.3%
2	Total Operating Revenue	(228,109,905)	(559,371,179)	(547,830,408)	(549,400,446)	0.3%
3	Employee related costs	43,235,220	49,966,679	44,980,644	44,406,653	1.3%
4	Impairment losses and irrecoverable debt	21,907,117	4,330,323	8,000,000	6,201,366	22.5%
5	Interest paid	41,416,081	39,214,411	39,214,411	39,420,703	-0.5%
6	Contracted services	19,472,415	24,974,541	24,964,039	23,321,912	6.6%
7	Depreciation and amortisation	23,768,301	24,700,097	26,226,804	23,777,334	9.3%
8	Inventory consumed	1,743,049	2,254,431	2,162,449	1,900,445	12.1%
9	Operational Costs and Losses	2,709,810	601,687	2,099,212	3,415,162	-62.7%
10	Total Operating Expenditure	154,251,993	146,042,169	147,647,559	142,443,575	3.5%
11	Operating (Surplus) / Deficit	(73,857,912)	(413,329,010)	(400,182,849)	(406,956,870)	1.7%

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 2023 of which 116 posts are frozen and 220 posts funded at year-end. The department had 183 filled posts and 37 vacancies at year-end, indicating a 16.8% vacancy rate.

Table 46: Employees – Water and Waste Water Services

Employees: Water and Waste Water Services								
Serial No.	Job Level	2022/23	2023/24					
		Number of Employees	Number of Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies (Funded)	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	T18 - T20	0	1	0	1	1	0	0.0%
2	T15 - T17	4	4	1	3	2	1	33.3%
3	T12 - T14	10	19	5	14	10	4	28.6%
4	T09 - T11	12	30	13	17	13	4	23.5%
5	T06 - T08	53	89	28	61	52	9	14.8%
6	T03 - T05	106	193	69	124	105	19	15.3%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	185	336	116	220	183	37	16.8%

3.7 ELECTRICITY SERVICES

Drakenstein Municipality purchases bulk electricity from Eskom at six main distribution substations at voltages varying from 11.5kV to 132kV and with a NMD (Notified Maximum Demand) of 180MVA.

Reticulation to Drakenstein Municipal consumers are at 11,500 volt, 400 volt and or 230 volt mains.

The Electro-Technical Services Department is divided into three divisions namely:

- Operations and Maintenance: Operate and to maintain the power network;
- Planning and Customer Services: Planning, design and construction of power networks; and
- Electrical Engineering Efficiency Management: Functions relating to energy efficiency.

Drakenstein supplies consumers within the borders of the demarcated municipal area. Saron, Hermon and Gouda and a few farmlands in the Wellington area are supplied by Eskom.

3.7.1 Service Statistics

The table below depicts the number of electricity meter connections to households that Drakenstein Municipality supplies electricity to. It must be noted that the exact number of households (backyarders included) on a metered erf is not known. The electricity meter connections show a slight increase annually. Households with no electricity connections are slowly but surely decreasing yearly, due to service connection that is rendered, but the remainder of such statistics are subjected to additional erecting of structures. Informal areas which increase the total number versus completed number. At the end of the year under

review 4,663 households in informal settlements had no access to electricity within Drakenstein's electricity distribution area.

Drakenstein does not supply electricity in Saron, Gouda, Hermon and portions of the rural farming areas. Eskom has the electricity distribution licence to sell electricity in these areas. The exact number of households that Eskom supplies electricity to, is unknown.

Table 47: Electricity Service Delivery Levels

Electricity Service Delivery Levels				
Electricity Connections				
Serial No.	Description	2021/22 Actual No.	2022/23 Actual No.	2023/24 Actual No.
Column Ref.	A	B	C	D
1	Electricity – conventional (min. service level)	6,822	6,797	6,750
2	Electricity – prepaid (min. service level)	39,668	40,237	40,890
3	Sub-Total: Minimum service level and above	46,490	47,034	47,640
4	Electricity (< min. service level)	0	0	0
5	Electricity – prepaid (<min. service level)	3,642	3,638	4,663
6	Other energy sources	0	0	0
7	Below minimum service level sub-total	0	0	0
8	Total number of households	50,132	50,672	52,303
9	Minimum service level and above percentage	92.7%	92.8%	91.1%
10	Below minimum service level percentage	7.3%	7.2%	8.9%

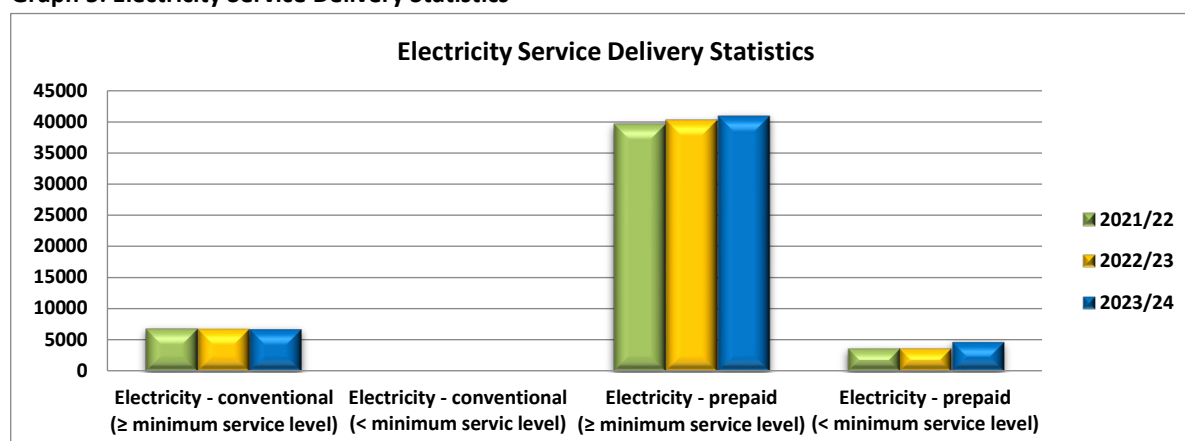
Note: Estimated figures of Eskom electricity provision within Drakenstein is unknown.

**STATSSA 2022 Community Survey indicated that there were 76,776 households in Drakenstein.*

The STATSSA 2022 Census refers to 97.9% of households that have electricity for lightning. The survey percentage however does not indicate if the electricity provision is legal or illegal.

The same statistics as in the table above are depicted in the graph below. It is clear that the vast majority of electricity connections are through pre-paid electricity connections.

Graph 5: Electricity Service Delivery Statistics



From the table below it is clear that 3,767 households (44.7%) in informal settlements have access to electricity. Drakenstein Municipality has budgeted for R2.25 million of its own funds for the 2023/24 financial year to eradicate these backlogs due to the fact that the INEP grant allocations do not suffice to eradicate backlogs and to cater for new low-cost housing projects.

Within formal settlements, there are 42,927 electricity meter connections (100.0%) providing an electricity service to households at the minimum electricity service level.

Table 48: Electricity Service Delivery Levels below the minimum - Formal & Informal Settlements

Electricity Service Delivery Levels below the minimum Formal & Informal Settlements				
Serial No.	Description	2021/22 Actual No.	2022/23 Actual No.	2023/24 Actual No.
Column Ref.	A	B	C	D
1	Formal Settlements			
2	Formal households with electricity	42,926	43,466	42,927
3	Formal households without electricity	0	0	0
4	Totals: Formal households	42,926	43,466	42,927
5	Formal households with minimum and above service level	100%	100%	100%
6	Formal households below minimum service level	0.0%	0.0%	0.0%
7	Informal Settlements			
8	Informal households with electricity	3,564	3,568	3,767
9	Informal households without electricity	3,642	3,638	4,663
10	Total: Informal households	7,206	7,206	8,430
11	Informal households with minimum and above service level	49.5%	49.5%	44.7%
12	Informal households below minimum service level	50.5%	50.5%	55.3%

3.7.2 Service Delivery Levels

Service delivery levels are required to be performed within time limits as set by NRS 047.

To facilitate the process, the Electro-Technical Services Division has a 24 hour, 365 days, Call Centre facility. This call centre will receive all electricity and other emergency type of calls from the public and initiate the required actions required to remedy the complaints.

In addition, the Control Centre instructed a SMS information service to affected wards within the municipal area where service repairs will be affected for periods longer than 30 minutes. Social media messages on the Facebook site are used as an additional information platform during prolonged incidents.

3.7.3 Capital Expenditure

The Electricity Services Section spent R76.9 million or 100% of the final adjustments budget on electricity 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 49: Capital Expenditure 2023/24 - Electricity Services

Capital Expenditure 2023/24: Electricity Services					
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	New Connection BICL's	8,000,000	34,500,000	38,929,300	-12.8%
2	MV Substations	8,695,652	8,913,791	8,913,791	0.0%
3	Increase Existing HT Network Capacity	5,965,145	5,965,145	5,965,145	0.0%
4	Replacement Program for Old and Redundant	3,000,000	6,069,815	4,999,814	17.6%
5	Drakenstein Streetlights Projects	450,000	4,439,900	4,413,444	0.6%
6	Vandalism and Theft to Infrastructure	4,090,000	4,089,822	4,089,716	0.0%
7	Increase Existing MT Network Capacity	4,000,000	4,000,000	3,999,999	0.0%
8	Electrification of Informal Areas	3,250,000	2,249,990	2,249,990	0.0%
9	Increase Existing LT Network Capacity	1,200,000	1,199,999	1,199,999	0.0%
10	Quality of Supply (Upgrading of SCADA System)	1,200,000	1,200,000	1,199,999	0.0%
11	Other Capital Projects	1,550,000	4,259,778	925,358	78.3%
12	Total Capital Expenditure	41,400,797	76,888,240	76,886,555	0.0%

3.7.4 Major Projects Implemented

- Increase existing HT network capacity: The grant allocation of R5.3 million from IUDG were utilised towards purchasing of a 20MVA transformer for Dalweiding 66/11kV substation, prior to create spare capacity for social development.
- Electrical transformer upgrade: The grant allocation of R8.7 million from DOE were utilised towards purchasing of switchgear, prior to upgrade the current 11kV plant and machinery at the Dalweiding 66/11kV substation.

3.7.5 Operating Expenditure

Electricity services, as a trading service, generated an operating surplus of R298.2 million for the 2023/24 financial year. The surplus is used to subsidise operating expenditure of community services that do not generate revenue to sustain themselves.

Table 50: Operating Revenue and Expenditure: Electricity Services

Operating Revenue and Expenditure: Electricity Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(1,530,095,717)	(1,599,002,155)	(1,659,331,630)	(1,649,517,918)	-0.6%
2	Total Operating Revenue	(1,530,095,717)	(1,599,002,155)	(1,659,331,630)	(1,649,517,918)	-0.6%
3	Employee related costs	62,106,134	69,294,032	65,544,906	64,545,354	1.5%
4	Impairment losses and irrecoverable debt	1,365,686	15,099,221	9,000,000	4,399,548	51.1%
5	Interest paid	65,777,352	62,280,639	62,280,639	62,608,274	-0.5%
6	Contracted services	33,602,116	35,223,596	39,094,798	38,277,564	2.1%
7	Depreciation and amortisation	50,283,364	52,170,659	51,104,333	50,250,255	1.7%
8	Bulk Purchases & Inventory consumed	938,345,039	1,115,880,544	1,150,707,710	1,123,077,005	2.4%
9	Operational Costs and Losses	8,309,046	3,429,256	3,484,018	8,145,167	-133.8%
10	Total Operating Expenditure	1,159,788,736	1,353,377,947	1,381,216,404	1,351,303,167	2.2%
11	Operating (Surplus) / Deficit	(370,306,981)	(245,624,208)	(278,115,226)	(298,214,750)	7.2%

3.7.6 Employee Statistics

The Electricity Services Section has 200 posts on the organisational structure approved by Council on 30 June 2023 of which 50 posts are frozen and 150 posts funded at year-end. The section had 127 filled and 23 vacant posts at year-end, with a vacancy rate of 15.3%.

Table 51: Employees - Electricity Services

Employees: Electricity Services								
Serial No.	Job Level	2022/23	2023/24					
		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	1	0	1	0	1	100.0%
2	T15 - T17	3	5	1	4	3	1	25.0%
3	T12 - T14	15	24	7	17	16	1	5.9%
4	T09 - T11	25	41	8	33	23	10	30.3%
5	T06 - T08	33	42	6	36	33	3	8.3%
6	T03 - T05	48	87	28	59	52	7	11.9%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	124	200	50	150	127	23	15.3%

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

The key responsibility of this division is to deliver a sustainable waste management service 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.

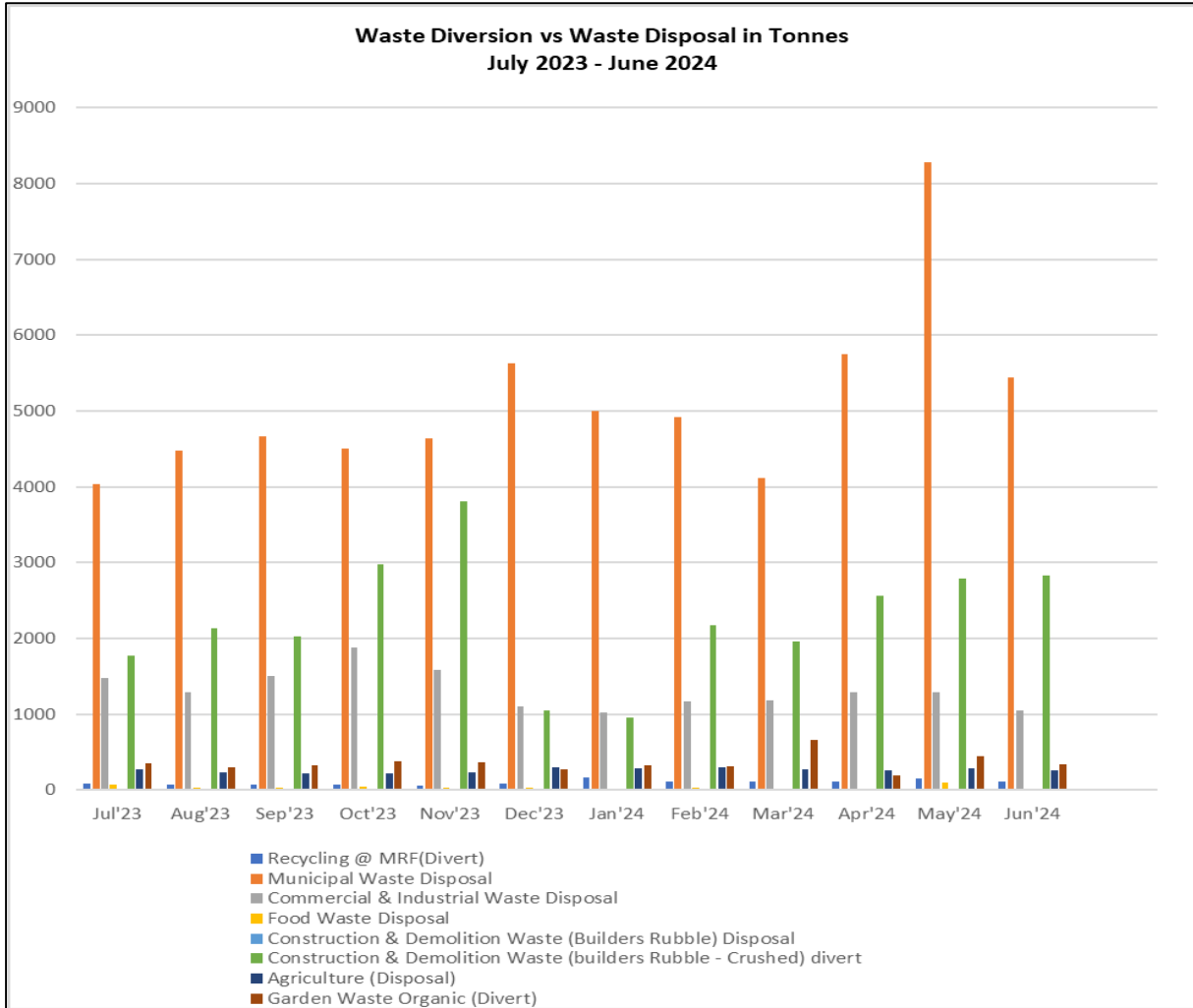
The Organic Waste Diversion Plan has been compiled and indicates the status quo of organic waste management in the Municipality as well as strategies to be implemented to optimize organic waste diversion in compliance with Provincial targets. A Waste Management Sector Plan has also been compiled which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

3.8.1 Service Statistics

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.

Graph 6: Solid Waste Disposal and Diversion Statistics



3.8.2 Service Delivery Levels

The table below indicates that a kerbside refuse removal service is delivered to 45,766 formal households within Drakenstein, using a 240L wheelie bin. A total of 43 registered informal settlements, consisting of 8,641 structures, receive a weekly door-to-door refuse bag waste removal service. 27 communal skips, 72 commercial skips and 18 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

Table 52: Solid Waste Removal Service Delivery Levels

Solid Waste Removal Service Delivery Levels				
Serial No.	Description	2021/22 Actual Number	2022/23 Actual Number	2023/24 Actual Number
Column Ref.	A	B	C	D
1	Solid Waste Removal (Minimum level and above)			
2	Removed at least once a week (bins)	43,321	43,971	45,766
3	Removed at least once a week (black bags)	7,587	8,430	7,398
4	Sub-Total: Minimum service level and above	50,908	52,401	53,164
5	Minimum service level and above percentage	100%	100%	100%
6	Solid Waste Removal: (Below minimum level)			
7	Removed at least once a week	0	0	0
8	Removed less frequently than once a week	0	0	0
9	No rubbish disposal	0	0	0
10	Sub-Total: Below minimum service level	0	0	0
11	Below minimum service level percentage	0%	0%	0
12	Total number of household service points	50,908	52,401	53,164

Wastepreneurs

Drakenstein Municipality has since 2018 provided separate working area to approximately 30 former illegal recyclers on Wellington landfill site. These informal recyclers earned an estimate R250 per week.

Since 2021 these wastepreneurs are accommodated at Paarl Refuse Transfer Station (RTS) and Material Recovery Facility (MRF), provided recycling material from public, businesses and Drakenstein from recycling material collected from households. Monthly average 104 tons material recycled/diverted by these wastepreneurs resulted in average income of R1,500 per week per person.

The company PETCO, one of several partners of Drakenstein, provided PPE to the wastepreneurs and recently provided the use of a bailer for bailing of recycling material.

Drakenstein Municipality is one if not the only municipality which successfully integrated former informal recyclers into its formal solid waste programme.

Organic Waste Diversion Pilot Project (Food 2050)

Food-2050 began developing its technology in 2017 with the goal of becoming the most cost-effective converter of food waste in urban areas, promoting a circular economy that is both environmentally friendly and more economical than traditional landfill-based waste disposal methods. This approach aligns with the Western Cape Government's 2018 legislation, which mandates that only 50% of organic waste can be sent to landfills by 2022, with a complete ban by 2027. The legislation addresses the issue of overburdened and expensive landfill sites, emphasizing the need for sustainable and cost-effective alternatives.

The Food-2050 demonstration machine installed at the Regional Transfer Station, has proven effective in converting food waste into a valuable product in a 24-hour continuous process. It reduces waste mass by 80-85%, operates without producing odors or harmful methane gas, and can potentially reduce operational costs to zero when factoring in the value of the converted product. Over the past nine months, the machine has successfully processed all food waste from Mediclinic Paarl, demonstrating its efficiency. However, the current machine processes around 50kg of waste per day, meaning larger volumes, such as 800kg per week, would require a larger system, which is the next phase of the project.

Landfill Management

Tender SWM01/2021 was awarded to Enviroserv Waste Management for the provision of waste disposal and waste diversion activities at the Wellington landfill site for a period of 5 years. The Section 33 process of the MFMA was followed to indicate Council's intention to enter into a longer-term contract with a service provider.

The facility has been successfully operated in compliance to the license conditions by Enviroserv Pty Ltd. A Landfill Monitoring Committee, consisting of members from the public, Department of Environmental Affairs, Drakenstein Municipality and Cape Winelands Municipality, meets at least once a year, as per License conditions. The Committee functions as a "watch dog" in order to ensure License compliance.

Internal and External audits are done as per license conditions and submitted to DEA&DP for regulating compliance.

Radio Frequency Identification System

Tender SWM08/2022 was awarded for the implementation of a Radio Frequency Identification (RFID) System on all refuse compactors and wheelie bins. The RFID System will assist the Solid waste section in tracking stolen bins, provide proof in real time of services rendered, reporting on service beat efficiency and waste collected as well as focused vehicle

efficiency and monitoring. This system will also enable the Municipality to attend to discrepancies timeously.

Illegal dumping

Illegal dumping remains a challenge in the Municipality despite efforts implemented by the Solid Waste Section. Initiatives include the provision of disposal facilities in high-density and informal areas by means of mini drop-off facilities. These facilities are not optimally used as waste is thrown outside the structure instead of inside it.

The mini drop-offs are cleaned on a regular basis by a team of EPWP workers. In addition, digger loaders and tipper trucks were used to clean builders' rubble and other bulky waste.

Ward Projects

Ward Councillors identified cleaning projects in the respective wards. These projects created work opportunities to people in the wards, based on a one-month employment period. Activities included street sweeping, hoeing and litter picking.

3.8.3 Capital Expenditure

The Waste Management Services Section spent R6.9 million or 100% of the final adjustments budget on waste management 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 53: Capital Expenditure 2023/24 - Waste Management (Refuse Collection, Waste Disposal and Recycling)

Capital Expenditure 2023/24: Waste Management (Refuse Collection, Waste Disposal and Recycling)					
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	Organic Waste Diversion Infrastructure	5,100,000	2,999,000	2,999,000	0.0%
2	Wheelie Bins	1,000,000	2,151,574	2,151,565	0.0%
3	Solid Waste Skips	1,750,000	1,605,800	1,605,800	0.0%
5	Other Capital Projects	-	174,461	174,461	0.0%
6	Total Capital Expenditure	7,850,000	6,930,835	6,930,826	0.0%

3.8.4 Major Projects Implemented

Phase 1 of the construction and upgrade of the Material Recovery Facility (MRF), valued at R3 million, commenced during the financial year. An additional R5.6 million has been allocated for 2024/25 to complete the project. This phase includes upgrading the ISO compaction units, disposal area, and increasing the roof height to allow refuse compactors to offload waste at the facility. Phase 2 will focus on further upgrades, including the installation of conveyor belts to support wastepreneurs operating within a fully equipped recovery facility.

The use of EPWP workers is a crucial element in enhancing the division's service delivery capacity. The table below shows the jobs created under the EPWP programme during the financial year.

Table 54: EPWP Projects Solid Waste 2023/24

EPWP Solid Waste 2023/24					
Serial No.	Project	Total Workers	Area of Service	Type of Service	Duration Contracts
Column Ref	A	B	C	D	E
1	Community Informal Settlement and Hot Spot Cleaning	233	43 registered Informal Settlements	Door-to- door refuse bag service	6 months
				Area cleaning	
				Litter picking	
				Illegal dumping	
2	Rapid Response Team and Bomb Squad	64	Paarl	Street sweeping	6 months
			Wellington	Area cleaning	
			Mbekweni	Litter Picking	
				Public complaints	
3	Main routes and CBD cleaning	88	Paarl	Street sweeping	6 months
			Wellington	Area cleaning	
			Mbekweni	Litter picking	
			Gouda	Public complaints	
			Saron		
			Hermon		
4	Machine Handlers	32	Paarl	Formal refuse collection	12 months
			Wellington		
			Mbekweni		
			Gouda		
			Saron		
			Hermon		

3.8.5 Operating Expenditure

Solid waste services, as an economic service, generated an operating surplus of R110.1 million for the 2023/24 financial year.

Table 55: Operating Revenue and Expenditure: Solid Waste Removal Services

Operating Revenue and Expenditure: Solid Waste Management						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(189,356,191)	(223,026,260)	(230,576,349)	(237,793,711)	3.1%
2	Total Operating Revenue	(189,356,191)	(223,026,260)	(230,576,349)	(237,793,711)	3.1%
3	Employee related costs	32,905,849	37,484,058	35,982,744	36,058,906	-0.2%
4	Impairment losses and irrecoverable debt	36,512,281	6,202,707	13,000,000	13,126,678	-1.0%
5	Interest paid	6,659,416	6,305,403	26,231,977	26,369,973	-0.5%
6	Contracted services	18,514,520	16,888,569	21,275,835	22,327,319	-4.9%
7	Depreciation and amortisation	8,954,355	9,304,677	9,597,994	11,347,177	-18.2%
8	Inventory consumed	1,877,024	3,077,055	2,380,576	2,347,129	1.4%
9	Operational Costs and Losses	21,505,064	21,432,419	21,514,682	16,137,967	25.0%
10	Total Operating Expenditure	126,928,509	100,694,888	129,983,808	127,715,150	1.7%
11	Operating (Surplus) / Deficit	(62,427,683)	(122,331,372)	(100,592,541)	(110,078,561)	9.4%

3.8.6 Employee Statistics

The Waste Management (Refuse Collection, Waste Disposal and Recycling) Services Section has 213 posts on the organisational structure approved by Council on 30 June 2023 of which 79 posts are frozen and 134 posts funded at year-end. The section had 104 filled and 30 vacant posts at year-end, with a vacancy rate of 22.4%.

Table 56: Employees - Waste Management (Refuse Collection, Waste Disposal and Recycling)

Employees: Waste Management (Refuse Collection, Waste Disposal and Recycling)								
Serial No.	Job Level	2022/23	2023/24					
		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	3	3	0	3	2	1	33.3%
3	T12 - T14	2	5	2	3	2	1	33.3%
4	T09 - T11	2	8	3	5	5	0	0.0%
5	T06 - T08	27	50	8	42	30	12	28.6%
6	T03 - T05	76	147	66	81	65	16	19.8%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	110	213	79	134	104	30	22.4%

3.9 HOUSING

The Human Settlements Division is responsible for the provision of housing opportunities via a range of housing programs, including IRDP (green fields) projects, upgrade of informal settlements, emergency housing accommodation as well as social and affordable housing. In addition, the Division also manages a substantial number of rental housing units, provision

and maintenance of basic services within informal settlements and eviction and housing demand (waiting list) management. Various Sections within the Human Settlements Division are responsible to implement the functions.

3.9.1 Housing Projects

The Housing Projects Section is primarily responsible for the development of new housing opportunities, facilitate access to social and affordable housing and the upgrade of informal settlements with the aim to formalise these settlements. It further manages the municipal housing pipeline (list of potential housing projects planned and implemented) and human settlement plan.

Achievements/important events during the year include:

- Delivery of 413 housing opportunities to beneficiaries at Schoongezicht Emergency Site, and Vlakkeland Housing Project;
- 100% completion of all basic services infrastructure for Phase 4 (last phase) of the Schoongezicht Housing Project;
- Obtained the required development rights (approval of Land Use applications for rezoning and subdivision) for the Lovers Lane and Chester Williams Informal Settlements;
- Servicing connections of 7 sites at the Siyahlala Informal Settlement and;
- Hosting of two successful Title Deed hand-over ceremonies;
- 131 Title Deeds were also registered across projects;
- Hosting of four demand database (waiting list) awareness drives; and
- Hosting of the annual housing summits in various wards during March 2024.

3.9.2 Support Services and projects completed

The following projects were successfully completed.

Table 57: Support Services projects implemented

Support Services Projects implemented		
Serial No.	Projects	Comments
Column Ref.	A	B
1.	Improve access to basic services in Informal Settlements	<ul style="list-style-type: none"> • Construction of 131 precast waterborne toilets and 28 water standpipes to improve access to basic services in various informal settlements. • In addition, 3 toilets for disable persons in Siyahlala 2 and Swartberg Informal Settlements respectively.

Challenges

- Active housing demand list of 21,605 applications.
- Forty-three registered (43) informal settlements comprising of 8,641 structures and housing an estimated 16,158 people.
- Informal settlement structures encroaching onto bulk services infrastructure; and
- Illegal dumping of solid waste.

3.9.3 Housing Pipeline

The business plan for the 2023/24 financial year is indicated in the table below.

Table 58: Housing Pipeline Projects

Housing Pipeline Projects			
Serial No.	Project	Description	Progress for 2023/24
Column Ref.	A	B	C
1	Vlakkeland Housing Development	Development of 2,556 housing opportunities in phases over multiple financial years.	213 Houses handed over.
2	Chester Williams (92 opportunities)	Formalisation and upgrade of informal settlement.	Land-Use Rights approved.
3	Lovers Lane (168 opportunities)	Formalisation and Upgrade of informal settlement.	Land-Use Rights approved
4	Dignified Informal Sites (360 opportunities)	Upgrade of 9 informal settlements.	Project Feasibility reports for five (5) Informal Settlements submitted to the Department of Infrastructure (Human Settlements) for approval.
5	Paarl East IRDP Project	Greenfields development catering for 538 housing opportunities.	The project is currently in planning.
6	Simondium	Development of 384 housing opportunities.	The project was implemented during the financial year. The civil contractor has commenced with the bulk works and completed storm water retention pond and is busy with the construction of the platforms for the wastewater treatment plant.
7	Erf 557	Proposed mix use development to cater for approximately 400-500 opportunities.	The project is currently in planning.
8	Schoongezicht	Servicing of 347 sites.	The installation of basic service in Phase 4 was completed during the financial year.

3.9.4 Housing Statistics

Table 59: Housing Statistics

Housing Statistics			
Serial No	Description	Totals	Remarks
Column No.	A	B	C
1	New applications captured on the WCHDDb	323	Daily capturing of new applications.
2	Number of cancelled applications	15,923	Cancelled application involves persons who did not update their information when required.
3	Number of persons assisted	5,932	The number of persons assisted with housing opportunities.
4	Number of active persons on the waiting list	21,605	Active persons refer to persons who updated their information regularly.
5	Total number of persons on the demand database	43,703	The total number of persons on the demand database (waiting list), including the active, cancelled and assisted.
6	Issue of starter kits for fire victims	95	A total of 95 Informal structures, starter kit was issued from 1 July 2023-31 June 2024.
7	Demolishing of illegal structures, adjacent Council's rental units.	8	Successfully demolition of illegal structures adjacent Council's rental units/open spaces.

3.9.5 Capital Expenditure

The Housing Services Section spent R34.8 million or 96.7% of the final adjustments budget on bulk and internal infrastructure projects needed for housing projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 60: Capital Expenditure 2023/24 - Housing Services

Capital Expenditure 2023/24: Housing Services					
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	Acceleration of Housing Delivery Simondium	30,000,000	24,589,516	24,474,454	0.5%
2	Loverslane Bulk Sewer	-	4,618,464	4,216,110	8.7%
3	Schoongezicht Civil Services Water	-	2,390,008	1,839,868	23.0%
4	Fairyland Siyashlala Water and Sewer	2,500,000	1,527,662	1,527,661	0.0%
5	Water Meters and Connections Amstelhof	1,000,000	1,376,270	1,376,270	0.0%
6	Schoongezicht Electrification	-	1,156,981	1,156,980	0.0%
7	Other Capital Projects	45,000	309,938	196,741	36.5%
8	Total Capital Expenditure	33,545,000	35,968,839	34,788,085	3.3%

3.9.6 Operating Expenditure

Housing services, a Schedule 4 of the Constitution of the Republic of South Africa functional area of concurrent national and provincial legislative competence, generated an operating deficit of R42.3 million for the 2023/24 financial year. The deficit is subsidised through surpluses of trading services. It remains an underfunded mandate from National and Provincial Government.

Table 61: Operating Revenue and Expenditure: Housing Services

Operating Revenue and Expenditure: Housing Services (Housing Projects & Informal Settlements)						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(9,284,960)	(63,832,000)	(55,800,863)	(32,919,354)	-41.0%
2	Total Operating Revenue	(9,284,960)	(63,832,000)	(55,800,863)	(32,919,354)	-41.0%
3	Employee related costs	28,780,942	31,091,202	31,888,494	30,617,029	4.0%
4	Interest paid	4,707,204	4,456,970	0	0	0.0%
5	Contracted services	3,449,779	40,781,193	23,653,710	2,476,256	89.5%
6	Depreciation and amortisation	33,528,308	34,840,039	35,938,322	33,541,051	6.7%
7	Inventory consumed	5,032,671	2,463,363	9,106,375	8,027,659	11.8%
8	Operational Costs and Losses	1,193,735	377,128	1,146,591	522,779	54.4%
9	Total Operating Expenditure	76,692,641	114,009,895	101,733,492	75,184,774	26.1%
10	Operating (Surplus) / Deficit	67,407,681	50,177,895	45,932,629	42,265,420	-8.0%

**The employee cost for the housing rental division is still included in that of Housing Projects and Informal Settlements (see above), as the housing rental officials have not been allocated to a separate cost centre on the Payday system.*

3.9.7 Employee Statistics

The Housing Services Section has 43 posts on the organisational structure approved by Council on 30 June 2023 of which 11 posts are frozen and 32 posts funded at year-end. The section had 28 filled and 4 vacant posts at year-end and based on the number of vacancies (4) had a vacancy rate of 12.5%.

Table 62: Employees - Housing Services (Housing Projects and Informal Settlements)

Employees: Housing Services (Housing Projects and Informal Settlements)								
Serial No.	Job Level	2022/23	2023/24					
		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	2	1	0	1	1	0	0.0%
3	T12 - T14	5	2	0	2	2	0	0.0%
4	T09 - T11	10	6	2	4	4	0	0.0%
5	T06 - T08	29	29	6	23	19	4	17.4%
6	T03 - T05	22	5	3	2	2	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	68	43	11	32	28	4	12.5%

3.10 RENTAL HOUSING

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 63: Rental Stock and Support Services projects implemented

Serial No.	Projects	Comments
Column Ref.	A	B
1	Repairs to 67 building roofs after storm damage in April 2024	<ul style="list-style-type: none"> Completed repairs of roofs of 56 buildings. R4,767,794
2	Materials for maintenance work through internal teams	<ul style="list-style-type: none"> Completed 3,642 work requests. Used R2,324,263 in materials.

Challenges

The following challenges are experienced by the Rental Support and Operational Services Section:

- Illegal occupation;
- Vandalism due to social behaviour;
- Fire incidents at rental stock and backyarders;
- Illegal erection of informal structures against Council's Rental Stock;
- Illegal erection of carports, fences and steel-cages;
- Dealing with illegal or unpermitted formal structures (extensions and fencing); and

3.10.1 Rental Housing Statistics

Table 64: Rental Housing Statistics

	Housing Statistics		
Serial No	Description	Totals	Remarks
Column No.	A	B	C
1	Transfers of rental units	145	Transfers completed. (passing of tenant).
2	Renewal of Lease Agreements	607	Successfully completed renewals of lease agreements.
3	Housing Consumer Education	776	Consumer Education conducted with existing and new tenants.

Housing Statistics			
Serial No	Description	Totals	Remarks
Column No.	A	B	C
4	Demolishing of illegal structures, adjacent Council's rental units.	14	Successfully demolishing of illegal structures adjacent Council's rental units/open spaces.
5	Fire incidents	11	Attended to fire incidents -Rental Stock and backyarding.
6	Starter kits issued	26	Fire victims, residing as backyarders at Council's rental stock.
7	Deed of sales	4	Tenants taking up offer to alienate saleable units.
8	Registration of rental stock	5	Successfully registered.
9	New allocations	19	Council's public and employee units.

3.10.2 Evictions

At the end of the financial year, Drakenstein Municipality had approximately 1,503 evictions cases registered (ESTA 596 and PIE 907) 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.

3.10.2.1 Summary of Prevention of Illegal Eviction and Unlawful Occupation of Land (PIE) Data Base

- Registered cases = 907
- Cases pending in court = 505
- Orders granted = 402
- Cases withdrawn = 84
- Struck from roll = 80

3.10.2.2 Summary of Extension of Security of Tenure Act (ESTA) Data Base

- Registered cases = 596
- Cases pending in court = 185
- Orders granted = 166
- Cases withdrawn = 36

- Cases struck from roll = 34

3.10.3 Operating Expenditure

Rental Housing services generated an operating deficit of R11.8 million for the 2023/24 financial year. The deficit is subsidised through surpluses of trading services.

Table 65: Operating Revenue and Expenditure: Rental Housing Services

Operating Revenue and Expenditure: Housing Rental Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(13,994,902)	(14,046,192)	(14,046,192)	(14,646,236)	4.3%
2	Total Operating Revenue	(13,994,902)	(14,046,192)	(14,046,192)	(14,646,236)	4.3%
3	Employee related costs	0	0	0	0	0.0%
4	Impairment losses and irrecoverable debt	2,444,851	3,277,331	2,379,168	1,948,040	18.1%
5	Contracted services	0	125,000	83,721	0	100.0%
6	Depreciation and amortisation	0	0	0	0	0.0%
7	Inventory consumed	0	743,100	438,967	425,054	3.2%
8	Operational Costs and Losses	421,571	(18,677)	7,523	486,552	-6367.5%
9	Total Operating Expenditure	2,866,423	4,126,754	2,909,379	2,859,646	1.7%
10	Operating (Surplus) / Deficit	(11,128,480)	(9,919,438)	(11,136,813)	(11,786,590)	5.8%

**The employee cost for the housing rental division is still included in that of Housing Projects and Informal Settlements, as the officials have not been allocated to a separate cost centre on the Payday system.*

3.10.4 Employee Statistics

The Housing Rental section was transferred to the Corporate and Planning Services Department. Employee statistics is included in section 36 – Legal and Administrative Services.

3.11 FREE BASIC SERVICES AND INDIGENT SUPPORT

The provision of free basic services in Drakenstein Municipality is regulated by the Indigent Support Policy. The free basic services are funded through the Equitable Share allocation to the Municipality in the Division of Revenue Act. The free basic services are provided to consumers based on qualifying criteria set out in the Indigent Support Policy. This criteria is reviewed annually to enable the provision of free basic services to all consumers who are eligible. For the 2023/24 financial year the free basic services were provided to qualifying pensioners and disabled persons earning less than two times the state grant plus 20%, to all unemployed consumers and to employed consumers earning less than R4,450 per month with a sliding scale to an amount of R6,500 per month.

In the 2023/24 financial qualifying indigent consumers were classified into 4 categories, where category A consumers with earnings up R4,450 per month received a 100% subsidy, category B consumers with earnings up R4,950 per month received an 80% subsidy, category C

consumers with earnings up to R6,200 per month received a 50% subsidy and category D consumers with earnings up to R6,500 received a 20% indigent subsidy.

3.11.1 Access to free basic services

Until February 2017 all consumers in Drakenstein Municipality received 6kl of water free per month. This practise was changed by Council as a result of the drought conditions where only the qualifying indigent consumers are provided with 6kl of free water per month. In addition to the free water, all indigent consumers on a monthly basis receive either 50 or 85 units of free electricity depending on their indigent subsidy categorisation, free refuse removal service, free sanitation services and free property rates up to a valuation of R700,000.

3.11.2 Free basic services per basic service

The statistics of the free basic services delivered per service to consumers for the 2023/24 are depicted in the table below. Drakenstein provided indigent subsidies (free basics services) to the amount of R173.8 million during the 2023/24 financial year. The remainder of the equitable share of R41.1 million was used for the maintenance and provision of basic services in informal settlements.

Table 66: Free basic services delivered per service

Free basic services delivered per service							
Serial No.	Service	2021/22		2022/23		2023/24	
		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	12,662	24,921,292	11,198	22,803,271	8,823	20,849,955
2	Refuse Removal and Sanitation	17,682	79,686,025	15,210	73,805,361	16,155	83,425,653
3	Water	17,682	16,655,390	15,210	14,478,370	18,625	17,166,936
4	Electricity	20,837	50,452,024	19,050	47,316,267	18,625	52,360,073
5	Total		171,714,731		158,403,269		173,802,617

COMPONENT C: ROAD TRANSPORT

3.12 ROADS AND STORMWATER

In accordance with the principles of Key Performance Area 4: Physical Infrastructure and Services as well as Key Focus Area 26 relating to Transport, Traffic Engineering, Roads and Stormwater, the activity of this section focuses on the development and maintenance of infrastructure for the conveyance of people and goods in all its forms. Further functions include the installation and maintenance of regulatory items to effectively safeguard residents and users of the infrastructure as well as the maintenance and installation of infrastructure to mitigate risk resulting from adverse weather conditions.

3.12.1 Transport

The main means of public transport are minibus taxis for both local and long distance commuting as well as train and bus for long distance travel. The section refurbished a total of 8 bus shelters and installed 4 new bus shelters for the 2023/24 financial year.

3.12.2 Traffic Engineering

The Traffic Engineering Section is responsible for the maintenance of all traffic light installations, traffic signage, road markings as well as directional and tourism signage as may be required.

On provincial roads of mutual interest, the installation of traffic signals is executed in collaboration with the Provincial Department of Transport, with the municipality being responsible for all maintenance and burning costs.

As flouting of rules and regulations are becoming the order of the day, the section also determines whether traffic calming installations are warranted and installs the infrastructure as determined in accordance with available budget in support of law enforcement actions.

The section performed very well during the year. In total approximately 19,975.89 square metres of general road markings were maintained in the Drakenstein Municipal area; 200 intersections; 2,128 parking spaces, 1,381 stop signs; 275 yield signs were remarked.

3.12.3 Roads

The function of the Roads Section is to attend to the upgrade of the existing roads and streets, to extend and improve the network, and maintain all classes of roads.

The Pavement Management System has been utilised to determine the required actions in preventative maintenance of the network in order to reduce the need for major reconstruction of streets. It is currently planned to advise Pavement Management System to determine the future major maintenance and reconstruction requirements of streets.

Provincial main roads of mutual interest are maintained and upgraded in collaboration with the Provincial Department of Infrastructure whereby that department provides 80% of funding required and Drakenstein Municipality 20%, if funds are approved by the Provincial Department of Infrastructure.

3.12.3.1 Roads Statistics

A total of 8,217 meters of streets were resealed; 18,992 potholes were repaired; and 59,105.52m² of tarring work was done.

The Roads Section performed very well during the year and managed to mitigate most of the formation of potholes and surface breakdowns. The crack sealing program also commenced and 2,622m of crack sealing was completed in this financial year.

Budgetary constraints is resulting in a serious backlog in attending to the preventative maintenance of the roads infrastructure which could result in the deterioration of service levels.

Table 67: Gravel Road Infrastructure

Gravel Road Infrastructure					
Serial No	Kilometres				
	Year	Total Gravel Roads	New Gravel Roads Constructed	Gravel Roads Upgraded to Tar Roads	Gravel Roads Graded / Maintained
Column Ref.	A	B	C	D	E
1	2021/22	36.85	0.00	0.00	36.85
2	2022/23	36.85	0.00	0.00	36.85
3	2023/24	36.85	0.215	0.00	37.06

Table 68: Asphalted Road Infrastructure

Asphalted Road Infrastructure						
Serial No	Kilometres					
	Year	Total Asphalted roads	New Asphalt roads	Existing Asphalt Roads Re-asphalted	Existing Asphalt Roads Re-sheeted	Asphalt Roads Maintained
Column Ref.	A	B	C	D	E	F
1	2021/22	510.23	0.00	0.00	3.103	507.77
2	2022/23	510.23	0.00	0.00	2.181	507.77
3	2023/24	510.23	0.00	0.00	8.217.	510.23

3.12.4 Stormwater Drainage

The Stormwater Section is responsible for the planning of expansion, installation and maintenance of the storm water network, including ±377 km of existing pipelines and culverts, manholes, catch pits and 40 km of rivers and streams.

Within the budgetary constraints, the system is kept free of obstructions as far as possible in order to mitigate possible flooding during high intensity downpours. The section endeavours to clean the complete system at least twice annually, with quarterly actions at known hotspots. Continued and increasing irresponsible littering and intentional dumping of rubbish in the storm water systems remains a major cause of blocked drains. This illegal action results in flooding of property especially in low lying areas.

The compilation of the Storm Water Master Plan and flood lines remains an absolute critical aspect which will have to be attended to, to provide for the maintenance and upgrading of the existing system, and planning of storm water system requirements in terms of the SDF.

3.12.4.1 Stormwater Statistics

Upgrading of the aging pipe stormwater system is required in many instances. Where pipes have deteriorated to such an extent that they need replacing, the upgrading is done by slip-lining the pipelines instead of replacing the pipelines. This work is done in situ with no need for excavation, thereby reducing the negative effect of construction work on the residents and their movements. The cost of this method is dramatically less than conventional replacement of pipes, thereby enabling more rehabilitation work within the limited budget available.

A total of 969m storm water pipes of varying diameters were refurbished using CIPP technology during the financial year. All 377.18 km of the system was cleaned at least twice; 7,143 manholes were cleaned; 892 blockages attended to; 345 repairs to installations

undertaken; and 36 sinkholes repaired. Taking cognisance of the limited resources, the section performed very well.

Table 69: Stormwater Infrastructure

Stormwater Infrastructure					
Serial No.	Kilometres				
	Year	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Column Ref.	A	B	C	D	E
1	2021/22	377.18	0	0	377.18
2	2022/23	377.37	0.131	0	377.37
3	2023/24	377.37	0	0.969	377.37

3.12.5 Capital Expenditure

The Roads and Stormwater Section spent R32.1 million or 91.1% of the final adjustments budget on roads and stormwater infrastructure projects (traffic engineering included) for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 70: Capital Expenditure 2023/24 - Roads & Stormwater (Traffic Engineering included)

Capital Expenditure 2023/24: Roads & Stormwater (Traffic Engineering included)					
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	Reseal of Streets in Terms of the RAMS	6,473,406	6,472,847	6,472,846	0.0%
2	Refurbish Storm Water Systems	5,850,000	5,660,878	5,660,878	0.0%
3	Upgrading Of Oosbosch Street	4,570,435	4,569,696	4,529,696	0.9%
4	Upgrading of Sidewalks	4,250,000	3,461,610	3,461,610	0.0%
5	Traffic Lights (Drakenstein)	830,000	3,303,727	3,301,043	0.1%
6	Reseal of Streets/ Road Network Paarl	-	3,197,993	3,197,992	0.0%
7	Drommedaris Neighbourhood Grant	8,695,652	5,409,502	2,320,501	57.1%
8	Weltevrede/R301 Intersect Signalisation	3,200,000	2,233,000	2,231,785	0.1%
9	Closing of Walkways	450,000	470,598	470,597	0.0%
10	Other Capital Projects	300,000	455,882	452,240	0.8%
11	Total Capital Expenditure	34,619,493	35,235,733	32,099,190	8.9%

3.12.6 Major Projects Completed

- The initiative to install UPS (uninterrupted power supply) traffic signaling equipment in underground chambers was completed for all 48 major traffic intersections in the municipal area. This project received a silver award in April 2024 at the Western Cape Service Excellence Awards.

- The project to upgrade Drommedaris Road has been awarded to a contractor and will commence early in the 2024/25 financial year, with a duration of approximately 18 months.

3.12.7 Operating Expenditure

Roads and stormwater services, as a community service, generated an operating deficit of R126.2 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 71: Operating Revenue and Expenditure: Roads and Stormwater Services

Operating Revenue and Expenditure: Roads and Stormwater Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(7,890,248)	(14,890,941)	(14,920,941)	(11,098,969)	-25.6%
2	Total Operating Revenue	(7,890,248)	(14,890,941)	(14,920,941)	(11,098,969)	-25.6%
3	Employee related costs	41,323,531	44,836,637	45,500,872	44,942,856	1.2%
4	Interest paid	27,969,532	26,482,677	16,482,677	16,569,386	-0.5%
5	Contracted services	7,461,021	7,840,355	6,798,179	6,726,350	1.1%
6	Depreciation and amortisation	53,913,577	56,023,853	57,797,425	53,885,779	6.8%
7	Inventory consumed	3,215,032	2,981,116	3,356,273	3,429,354	-2.2%
8	Operational Costs and Losses	24,675,701	10,928,355	11,781,505	11,707,384	0.6%
9	Total Operating Expenditure	158,558,394	149,092,993	141,716,931	137,261,108	3.1%
10	Operating (Surplus) / Deficit	150,668,146	134,202,052	126,795,990	126,162,139	-0.5%

3.12.8 Employee Statistics

The Roads and Stormwater Services Section has 241 posts on the organisational structure approved by Council on 30 June 2023 of which 80 posts are frozen and 161 posts funded at year-end. The section had 143 filled and 18 vacant posts at year-end, with a 11.2% vacancy rate.

Table 72: Employees - Roads and Stormwater Services

Employees: Roads and Stormwater Services								
Serial No.	Job Level	2022/23	2023/24					
		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	2	2	0	2	2	0	0.0%
3	T12 - T14	3	8	4	4	4	0	0.0%
4	T09 - T11	6	12	5	7	6	1	14.3%
5	T06 - T08	25	49	19	30	29	1	3.3%
6	T03 - T05	110	170	52	118	102	16	13.6%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	146	241	80	161	143	18	11.2%

COMPONENT D: PLANNING AND DEVELOPMENT

3.13 INTRODUCTION

The Corporate and Planning Department includes inter alia, the Division: Land Development Management (Building Control, Land Surveying and Land Use Planning), the Division: Spatial Planning and Environmental Management (Spatial Planning, Heritage, Geographical Information Services and Environmental Management), and the Division: Economic Growth and Tourism. The divisions are responsible for sustainable and pro-active planning and compliance monitoring of the natural and built environment and to facilitate physical, social and economic development and growth.

3.14 SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT

The Division: Spatial Planning and Environmental Management is responsible to ensure that orderly spatial and sustainable development occurs within the Drakenstein Municipal area, through the formulation and implementation of various policies and frameworks, inclusive of the municipal spatial development framework, local spatial development frameworks, and the municipal environmental management framework.

The Division: Spatial Planning and Environmental Management attends to technical land development and investment support, spatial planning, geographical information services, heritage management, environmental planning and sustainability, natural resource management, and environmental compliance and enforcement.

3.14.1 Section: Spatial Planning

The Spatial Planning Section consists of a Spatial Planning Sub-Section, a Heritage Management Sub-Section and a Geographical Information Services Sub-Section.

3.14.1.1 Sub-Section: Spatial Planning

The purpose of the sub-section is to formulate and implement policies and frameworks in order to achieve the spatial developmental objectives of Drakenstein Municipality.

The Sub-Section Spatial Planning is responsible for:

- Formulating, amending and reviewing the Municipal Spatial Development Framework;
- Formulating, amending and reviewing Local Spatial Development Frameworks for certain identified geographical areas within Drakenstein Municipality;
- Developing spatial planning related policies, guidelines and strategies;
- Providing comment on land use and environmental applications; and

- Participating in the process of formulating provincial and national town planning policies, strategies, guidelines and legislation.

The Sub-Section Spatial Planning initiated the following projects during the 2023/24 year:

- Compilation of the Gouda Local Spatial Development Framework;
- Participation in the Municipal Demarcation Board's municipal boundary redetermination; and
- Performance Review and amendment of the Drakenstein Spatial Development Framework.

3.14.1.2 Sub-Section: Heritage Management

The purpose of the sub-section is to identify, protect and manage the heritage resources and cultural landscapes within Drakenstein Municipality. The afore-mentioned are achieved through the implementation of heritage policies and legislation at a municipal level, in conjunction with Heritage Western Cape.

The Sub-Section Heritage initiated the following projects during the 2023/24 year:

- Compilation of an heritage bylaw; and
- Compilation of a Denneburg Township Heritage Survey.

3.14.1.3 Sub-Section: Geographical Information Services (GIS)

The main purpose of the GIS Sub-Section is to provide and maintain Geographic Information System services and products for the department, provide GIS related guidance and support to managers and staff, and to take an active role in the development and maintenance of organisational Geographic Information System Services.

3.14.1.4 Major Projects Completed

Major projects undertaken during the year under review include:

- Performance Review and Amendment of the Drakenstein Spatial Development Framework (SDF): The performance review and amendment of the Municipal SDF was initiated in August 2023 and concluded in May 2024. The SDF was approved, as part of the Drakenstein Integrated Development Plan (IDP), by Council on 30 May 2024.
- Gouda Local Spatial Development Framework: Gouda has been identified as a logistical and agri-processing hub within the SDF. The compilation of a local spatial development framework was initiated in order to guide the implementation of the aforementioned vision.

- Neighbourhood Development Partnership Grant Funding Application: An application for grant funding to conduct various studies and compile local spatial development frameworks for key areas with the Municipality was submitted to National Treasury. National Treasury allocated a total of R1.5 million to the Municipality over a three-year period for the aforementioned purposes.
- Heritage bylaw: During December 2023, Heritage Western Cape (HWC) approved the application by the Municipality for heritage competency. The compilation of a heritage bylaw has been undertaken in order to implement the delegations and functions that will be obtained from HWC.
- Denneburg Township Heritage Survey: It was determined that the majority of the dwelling houses within the Denneburg Township are older than 60 years and will require an application to HWC for any alterations or additions to the dwellings. The compilation of a heritage survey for the Denneburg Township was commissioned in order to identify all heritage resources that must be retained. The heritage survey will be submitted to HWC for consideration to exempt all the buildings that are not regarded as heritage resources from the prescriptions of the National Heritage Resources Act, 1999.

3.14.2 Section: Technical Development Support

The purpose of the section is to assist and guide the private sector, as well as internal and external departments, to coordinate land development projects that have a major beneficial economic and social impact.

The Section: Technical Development Support is responsible for:

- Identifying municipal owned land for private and public development;
- Formulation of development specifications;
- Coordinating internal development and investment committees;
- Providing inter-departmental support, from a town planning and land development perspective, on project execution;
- Advise private developers on required applications and processes for the execution of developments;
- Execute land value capture exercise on municipal owned properties; and
- Establish new and strengthen existing partnerships to enhance development delivery.

3.14.2.1 Major Projects Completed

Major projects undertaken during the year under review include:

- Compilation of development specifications: Development specifications for the Boy Louw Sport Fields (a portion of 593 Paarl) was compiled and processed in order to request proposals for the development of the property; and
- Evaluation of development proposals: The development proposals for the Boy Louw Sport Fields (a portion of Erf 593 Paarl), Botterberg (Erven 550, 1680 and 2745 Wellington) and Gouda Logistics Hub (Erf 607 Gouda).

3.14.3 Section: Building Control

National and Provincial Laws, as well as Municipal Bylaws inter alia manage the way in which land within the Municipal area of jurisdiction is used, inter alia how buildings are erected. The Building Control Section deals with building activities, which entails new buildings, additions and alterations to existing buildings and temporary structures.

All municipalities administer the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977), the Regulations embodied in the act and the South African Standard Code of Practice (SANS 10400 for the application of the Regulations). The purpose thereof is to ensure that buildings are designed and built in such a manner that people can live, learn, work and play in a healthy and safe built environment.

The National Building Regulations require that no person may erect, alter, add on or convert a building without the prior written approval of the local authority. Building plans are assessed against the requirements of the building standards, regulations, any other applicable legislation, and 23 sections of the SANS 10400, that deal with various aspects of a building.

Once building plans are approved, the building inspectors carry out three compulsory inspections, namely:

- The inspection of all foundation trenches and the positioning of the building onsite;
- The inspection of all new drainage installations; and
- 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 inspectorate ensures compliance with the structural aspects, fire installation, health requirements, electrical installation, roads and storm water requirements, drainage installation and energy efficiency of the structure in compliance with the approved building plan.

Furthermore, it is the responsibility of the building inspectorate to address unauthorised 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.

3.14.3.1 Building Control Statistics

A total of 1,764 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 324,760m² of potential development area with an estimated value of R2.9 billion in building cost.

Although 1,764 new applications were received, a total of 4,647 determinations, consisting of 1,686 approvals and 2,961 non-approvals requiring amendment and resubmission, were made. Determinations consists of approvals and 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.

R8,231,330 of revenue was created through building plan and associated applications administered by the Building Control Unit.

Table 73: Applications for Land Use Development

Applications for Land Use Development										
Serial No.	Detail	Formalisation of Townships			Rezoning			Building Environment		
		2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Column Ref.	A	B	C	D	E	F	G	H	I	J
1	Planning applications received	14	19	14	12	9	11	1,614	1,906	1,764
2	Determination made in year of receipt	4	5	0	0	0	2	3,596	5,048	4,647
3	Determination made in following year	0	1	14	0	0	0	44	159	59
4	Applications withdrawn	0	0	0	0	0	0	0	0	0
5	Applications outstanding at year end	10	14	14	12	9	9	159	59	72

Below is a breakdown of new building plan applications approved during the financial year:

Table 74: Building Plan Applications Approved 2023/24

Building Plan Applications Approved 2023/24					
Serial No.	Application Type	Total	%	Floor Area	Value ®
Column Ref.	A	B	C	D	E
1	Residential	1,476	87.5	187,188,68m ²	R2,817,547,197.00
2	Non-Residential	210	12.5	76,534,88 m ²	R537,571,360.00
3	Total	1,686	100	263,723,56m²	R3,355,118,557.00

Over the past 12 months the municipal Building Inspectors were responsible for carrying out 6,441 building inspections throughout the Municipality. These include beacon inspections (1,982), commencement/foundation inspections (822), drainage inspections (471), completion inspections (2,259) as well as certificate of occupation applications (907). A total of 394 certificates of occupation were issued during the financial year.

Furthermore, a total of 7 demolition applications were processed during the financial year and 254 Building Control related complaints were received and addressed at an average of 22 complaints per month.

3.14.3.2 Major Projects Completed

No major projects have been completed that relates to Building Control.

3.14.4 Section: Land Use Planning and Surveying

The Land Use Planning and Surveying Section is responsible to ensure the orderly and sustainable development and management of the built environment.

Land-use planning refers to a wide range of activities that direct the future use of land and manage the current use thereof in order to ensure the optimal use of land within a political, social, cultural, environmental and economic context.

The section is mainly responsible for the processing of applications for land use changes (by means of township establishment, rezoning, consent uses, departures, temporary departures, amendment of conditions of approval and removal of restrictive title conditions), as well as farm subdivisions, urban subdivisions and exempted subdivisions. The section is furthermore responsible for the scrutinising of building plans for compliance with zoning parameters and site dimensions, as well as attending to illegal land uses.

The most important instruments used in land use management is the Zoning Scheme Bylaw and the Bylaw on Municipal Land Use Planning, which have been adopted for the whole of the Municipal area. In terms of these bylaws, more streamlined application processes have been catered for and more types of land use rights have been allocated under specific zoning categories. This has proved to be beneficial in unlocking development, as the normally complex and time consuming change of land use right applications, are not required.

In order to cater for more streamlined application processes an electronic land use planning application processing system has been developed and implemented. The system consists of an external internet portal for application submission purposes and an electronic on-premises solution for processing purposes, within the framework of the existing Collaborator platform. The primary objective of this Collaborator System is to allow external stakeholders to interact with the Land Use Planning and Surveying Section via the internet and applications to be electronically processed. In order to further streamline the processing of applications, the system is on a continual basis adapted and refined.

With regard to the year's performance it needs to be noted that the upward application submission trend of the previous two years was sustained, thus indicating that the recovery of the economy of the Municipality has stabilised. The actual execution of development approvals is however also showing an upward trend.

3.14.4.1 Service Statistics

Table 75: Service Statistics - Land Use Planning & Surveying

Service Statistics – Land Use Planning and Surveying				
Serial No.	Applications	2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Simultaneous rezoning and subdivision (inclusive of township establishment)	10	3	10
2	Rezoning	16	10	17
3	Consent Uses	17	17	15
4	Temporary Departures	0	0	1
5	Removal of restrictive Title conditions	3	1	0
6	Amendment of Conditions of Approval	5	6	7
7	Farm Subdivisions	0	0	1
8	Urban Subdivisions	22	14	14
9	Exempted Subdivisions	24	14	33
10	Consolidations	3	11	3
11	Homeowners Association Constitution approval / amendments	2	7	8
12	Zoning determinations	0	0	0
13	Extension-of-time	3	3	0
14	Site Development plan approvals	4	1	6
15	House Shops	3	0	0
16	Departures/Technical approval	16	10	14
17	Departures as part of Building Plan approvals	134	121	102

3.14.4.2 Major Projects Completed

The Draft Revised House Shop Policy was advertised for public comments and for adoption by Council during the next financial year.

3.14.5 Capital Expenditure

The Planning Services Department spent R9.0 thousand or 100% of the final adjustments budget on machinery, equipment and professional fees for infrastructure for the year under review.

Table 76: Capital Expenditure 2023/24 - Planning Services

Capital Expenditure 2023/24: Planning Services					
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	Other Capital Projects	-	8,980	8,980	0.0%
2	Total Capital Expenditure	-	8,980	8,980	0.0%

3.14.6 Operating Expenditure

Planning services, as a community service, generated an operating deficit of R33.0 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 77: Operating Revenue and Expenditure: Planning Services

Operating Revenue and Expenditure: Planning Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(10,856,414)	(7,520,132)	(10,068,191)	(9,541,343)	-5.2%
2	Total Operating Revenue	(10,856,414)	(7,520,132)	(10,068,191)	(9,541,343)	-5.2%
3	Employee related costs	38,041,070	41,983,243	41,383,107	40,717,739	1.6%
4	Contracted services	621,209	950,000	1,222,950	959,216	21.6%
5	Depreciation and amortisation	241,162	164,148	258,494	241,222	6.7%
6	Inventory consumed	159,099	178,920	163,903	165,022	-0.7%
7	Operational Costs and Losses	454,165	829,090	826,159	450,917	45.4%
8	Total Operating Expenditure	39,516,705	44,105,401	43,854,613	42,534,115	3.0%
9	Operating (Surplus) / Deficit	28,660,291	36,585,269	33,786,422	32,992,772	-2.3%

3.14.7 Employee Statistics

The Planning Services Division has 52 posts on the organisational structure approved by Council on 30 June 2023 of which 3 posts are frozen and 49 posts funded at year-end. The section had 45 filled and 4 vacant posts at year-end, with a 8.2% vacancy rate.

Table 78: Employees - Planning Services

Employees: Planning Services								
Serial No.	Job Level	2022/23	2023/24					
		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	1	0	0.0%
2	T15 - T17	8	9	1	8	8	0	0.0%
3	T12 - T14	8	9	0	9	9	0	0.0%
4	T09 - T11	17	19	1	18	15	3	16.7%
5	T06 - T08	10	12	1	11	10	1	9.1%
6	T03 - T05	2	2	0	2	2	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	46	52	3	49	45	4	8.2%

3.15 ECONOMIC GROWTH (INCLUDING TOURISM AND MARKET PLACES)

Drakenstein Municipality remains the biggest contributor towards the Cape Wineland District Economy at 32.9% during the 2023-2024 financial year. The economy has grown from a R25 billion economy in 2020 to approximately a R30 billion economy in 2024 despite the challenging economic environment. The top four performing economic sectors during this financial year are finance, real estate, insurance and business services at R8.7 billion; Wholesale, retail trade, catering and accommodation at R5.2 billion, manufacturing at R5.2 billion and Community, Social and Personal Services at R3.7 billion. Employment growth rates were recorded in all ten sectors. These growth rates demonstrate Drakenstein's commitment to ensure favourable investment readiness conditions.

3.15.1 Economic Growth

The municipality remains committed to achieve its economic vision to become a globally competitive and innovative city that provides opportunities for all its residents despite the ongoing socio-economic challenges.

To do so the municipality continues to focus on enhancing strategic economic growth enablers such as facilitating the ease of doing business, building institutional capacity to respond to the diverse needs of the investor and entrepreneur and ensuring improved efficiencies in service delivery to grow the economy. These key pillars will continue to drive further investment into the area.

3.15.1.1 Economic Growth Environment

Key divisional highlights for the 2023/24 financial year include the following:

- Improving Tourism Product development with the implementation of two new routes to diversity of the tourism offering;
- Achieving ongoing success with the Investment Area Management's function through monitoring of service delivery related matters attended to. A success rate of 95.8% was recorded.
- Facilitating access to funding and marketing support for emerging entrepreneurs to grow their business.
- Facilitate the ease of doing business to retain and attract new investment. This led to the Business Retention and Growth Team securing the 3rd prize for securing to major infrastructure investments in Paarl East.
- Facilitating financial support to one incubator sports event to activate under utilised municipal infrastructure to promote Drakenstein as the sporting capital of the Cape Winelands District Municipality.

3.15.1.2 Economic Growth Achievements

The highlighted achievements below are indicative of the municipality's continued commitment to focus on promoting Drakenstein as a City geared for growth that guarantees excellent infrastructure and an environment that encourages the ease of doing business driven skills development programmes for the future and SMME development.

- The continued focus on enhancing the Investment Area Management function to facilitate business retention and expansion to improve the municipality's competitiveness and build business confidence.
- Facilitation of business linkages and ongoing business support between SMME's, the private sector and other state entities.
- Continued investor facilitation in targeted sectors which include Agro-processing, Advanced Manufacturing, Transport and Logistics, Financial, Insurance, Real Estate and Business Services, Tourism and Renewable Energy to stimulate re-industrialisation and job intensive economic development;
- Investment promotion;
- Public sector infrastructure investment to enable the growth of the economy;
- Maintain the focus on red tape reduction interventions;
- Small business linkages; and
- Facilitating Fair Trade principles to build a more sustainable and inclusive economy.

3.15.1.3 Economic Growth Challenges

- Scarcity of job opportunities and lack of economic opportunities;
- Insufficient access to available and investment ready land to promote economic growth; additional sufficient built infrastructure to facilitate access to trading spaces;
- SMME and Entrepreneurship Development
- Access to free Internet and Wi-Fi;
- Localising procurement opportunities to ensure the localisation of the global value chain;
- Vandalism of economic infrastructure built to enable economic growth;
- Macro-economic impact on local economy;
- Lack of affordable broadband and water security are important to ensure large scale investment;
- The matching of relevant skills to the market and high youth unemployment remain major risks;
- Intermittent loadshedding and cheaper energy generation options;
- Lack of a one stop business support service center to serve investors and SMMEs; and
- Reliable and Integrated Public Transport System.

3.15.1.4 EPWP Job Creation

The Municipality obtained a conditional grant from the National Department of Public Works and topped it up with own funding to impact more beneficiaries. In order to extend job creation further, Drakenstein Municipality also allocate a large portion of the ward project budgets to short term work opportunities. Our own funding contribution in 2023/24 was R18.26 million, while the grant amounted to R4.63 million.

During 2023/24, 1,039 work opportunities were created for EPWP, students and contract workers. The EPWP also completed 496 existing contracts from appointments in the 2022/23 financial year.

The following table depicts the number of EPWP Projects, funding and the number of jobs created through EPWP Projects over the last three financial years.

The reduction in the number of new contracts entered into comes from a deliberate shift towards longer appointments to create meaningful opportunities and drive a training focus. The number of short-term ward based appointments halved in favor of a change in focus to security systems and security training in some wards.

Table 79: Job creation through EPWP Projects

Job creation through Expanded Public Works Programme (EPWP) Projects					
Serial No.	Financial Year	DTPW EPWP & Local Government Grant allocation	Drakenstein Municipal Funding	Number of EPWP Projects	Number of new jobs created through EPWP Projects
Column Ref.	A	B	C	D	E
1	2021/22	R3,287,000 R2,000,000	R13,342,868	21	1,840
2	2022/23	R4,139,000	R18,989,357	25	1,380
3	2023/24	R4,636,000	R18,261,070	16	1,039

3.15.2 Tourism and Market places

Globally and locally, tourism recovered fully to pre-pandemic levels in the second quarter of 2024 (SA Tourism). The UNWTO Tourism Confidence Index survey reflected this outlook indicating that there are better prospects for 2024 compared to 2023. The Municipality remains focused on the implementation of a plan that will build a good working relationship with the private sector and other spheres of government.

3.15.2.1 Tourism Achievements

Below are some of the highlights we achieved during the 2023/24 financial year:

- The municipality held a very successful summer campaign in November 2023 through targeting local tourists from Cape Town and surrounds.
- Destination marketing. During the 2023/24 financial year the municipality enhanced their visitor information service offering through the provision of Visitor Information Stands at four of the destination's jewel event. In addition, the municipality attended two international marketing platforms, The World Travel Market Africa and the Africa Travel Indaba and one regional trade show hosted by Cape Winelands District Municipality.
- Facilitated investment in Tourism Product development to the value of R113 million.

3.15.2.2 Tourism Challenges

The following challenges prevail:

- The need for transformation in the tourism industry continues;
- Seasonality;
- Additional tourism signage infrastructure to enhance the visitor's experience was initiated;
- A need to revive the Visitor Information Services Centres in Paarl and Wellington;
- A suitable Film Locations Policy;
- A need to increase revenue, visitor numbers and length of stay;
- A need for a unified brand identity to promote Paarl-Wellington as a destination;
- A need for sufficient statistical data to better understand the local Tourism sector value chain locally; and
- A need to provide specific Tourism SMME business support.
- A need to deploy Artificial Intelligence systems to enhance dynamic destination marketing communication.

3.15.3 Capital Expenditure

The Economic Growth Division spent R27.7 thousand or 100% of the final adjustments budget on capital items for the year under review.

Table 80: Capital Expenditure 2023/24 - Economic Growth (Tourism & Market Places included)

Capital Expenditure 2023/24: Economic Growth (Tourism & Market Places included)					
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	Other Capital Projects	400,000	27,638	27,638	0.0%
2	Total Capital Expenditure	400,000	27,638	27,638	0.0%

3.15.4 Major Projects Completed

- Completion of the Paarl East Street Museum Route to promote Community Tourism;
- Launch of the Winelands Sustainable Tourism Route;
- Upgrade of Old Mill Theatre; and
- Enhancing the Destination Marketing digital platforms.

3.15.5 Operating Expenditure

Economic growth and tourism services, as a community service, generated an operating deficit of R6.7 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 81: Operating Revenue and Expenditure: Economic Growth and Tourism

Operating Revenue and Expenditure: Economic Growth and Tourism						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(157,909)	(177,936)	(405,673)	(371,480)	-8.4%
2	Total Operating Revenue	(157,909)	(177,936)	(405,673)	(371,480)	-8.4%
3	Employee related costs	4,319,590	4,465,697	4,250,219	3,960,163	6.8%
4	Contracted services	2,369,141	1,996,350	1,938,303	1,952,648	-0.7%
5	Depreciation and amortisation	52,345	54,393	56,108	52,365	6.7%
6	Inventory consumed	105,124	31,000	69,640	73,034	-4.9%
7	Operational Costs and Losses	434,374	1,627,838	1,329,157	1,069,526	19.5%
8	Total Operating Expenditure	7,280,575	8,175,278	7,643,427	7,107,736	7.0%
9	Operating (Surplus) / Deficit	7,122,666	7,997,342	7,237,754	6,736,257	-6.9%

3.15.6 Employee Statistics

The Economic Growth Division has 10 posts on the organisational structure approved by Council on 30 June 2023 of which 0 posts are frozen and 10 posts funded at year-end. The section had 8 filled posts at year-end with a 20% vacancy rate.

Table 82: Employees - Economic Growth (including Tourism and Market Places)

Employees: Economic Growth (including Tourism and Market Places)								
Serial No.	Job Level	2022/23	2023/24					
		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	1	3	0	3	3	0	0.0%
3	T12 - T14	3	2	0	2	2	0	0.0%
4	T09 - T11	1	2	0	2	1	1	50.0%
5	T06 - T08	0	3	0	3	2	1	33.3%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	5	10	0	10	8	2	20.0%

3.16 DRAKENSTEIN AS A FAIR TRADE CITY

Ensuring a sustainable municipality is to ensure that we maintain the health and biological capacity of the environment. A sustainable municipality supports the well-being of individuals and communities. The latter will thus result in a resilient growing economy where waste and pollution are minimised, fewer emissions generated, more inclusive jobs are generated and where wealth is more equitably distributed.

The Fair Trade City of Drakenstein is focused on implementing the following key performance areas:

- Promoting the creation of sustainable Social Enterprises;
- Encouraging businesses to adopt more sustainable ethical and fair trade practices;
- Encouraging sustainability ethical and fair-trade information adoption in education institutions;
- Encouraging consumers to adopt sustainability practices; and
- Promoting triple bottom line focused enterprises.

Table 83: Fair Trade Projects / Initiatives

Rural Development Projects Initiatives		
Serial No.	Project/Initiative	Description/Value added to improve service delivery
Column Ref	A	B
1	Business library corners	All Libraries within Drakenstein Municipality are equipped with a Library Business Corner. Business are able to access information on programmes run by the Municipality and stakeholders. Information sessions are hosted at the libraries with business. The objective of the initiative is to create spaces where businesses can easily access (funding and business development) information without the additional cost of transportation.
2	Relocation of Vlakkeland Small Farmers.	The relocation of the Vlakkeland Small Scale farmers will encourage the inclusion of previously disadvantaged communities in agri-processing and further encourage the creation of jobs in rural areas. A process with National and Provincial departments has commenced to relocate farmers to the suggested farming sites.
3	Fair Fridays	The objective of this initiative is to give sustainable local vendors the opportunity to market themselves at municipal offices with high footfall. This financial year the Division held 6 Fair Fridays. 14 businesses from the food and beverage and tourism sectors participated.
4	World Fair Trade Day.	World Fair Trade Day, observed globally on the second Saturday of May, serves to spotlight producers who produce local, sustainable goods ethically. The day focused on the launching of the Winelands Sustainable Tourism Route. The route highlights not only certified products but local sustainable tourism products in Drakenstein.

COMPONENT E: COMMUNITY AND SOCIAL SERVICES

3.17 INTRODUCTION

This part of the report deals with Library and Information Services, Cemeteries and Crematoria, Community Halls and Thusong Centres, and Public Ablution facilities, Services to Childcare, the Aged Care and Social Programmes rendered during the year under review.

3.18 LIBRARY SERVICES

Drakenstein Municipality provide Library and Information Services in 19 registered libraries of which 17 are functional, providing a range of services for reading development, community interaction and informal educational needs and are spaces where communities can grow and develop to their full potential and achieved their dreams and goals. Librarians and staff are always available with support with educational, recreational, and individual concerns and information requests. The other 2 libraries Bergendal and Wagenmakers upgrading works will resume in the 2024/25 financial year and should be completed by March 2025.

The South African Library Week Theme 2024: **Libraries Foster Social Cohesion** gave librarians and patrons a chance to collaborated with each other on different levels and platforms. Library week was celebrated by having well organised programmes and also have activities during first quarter school holidays and Easter.

Provincial Library Services Yeboneer Project continued in this financial period to provide the young people between 18 and 25 years old to worked in the libraries and support staff with reading development and computer literacy.

Libraries and library staff planned programmes to enrich cultural, educational, social, awareness, and community development within Drakenstein.

3.18.1 Service Statistics

Drakenstein has 100,491 library members and all libraries accounted for 656,302 library visits during the year under review. A total of 319,884 library items were circulated and ICT computer usages amounted to 27,629 times.

Table 84: Service Statistics for Libraries 2023/24

Service Statistics for Libraries 2023/24						
Serial No.	Programme	Q1	Q2	Q3	Q4	Full Year
Column Ref.	A	B	C	D	E	F
1	Displays	180	145	196	216	737
2	Storytelling Sessions	359	307	324	393	1,383
3	Book Discussions/ Book Clubs	135	114	137	158	544
4	Library Centred Activities	503	991	242	501	2,237
5	Community Outreach for Vulnerable Groups	115	97	136	361	709
6	ICT computer usages	6,560	4,959	8,090	8,020	27,629
7	Learner support	5,063	1,183	1,566	1,839	9,651
8	Circulation	83,680	78,319	74,204	83,681	319,884
9	New members added	3,362	736	1,161	1,230	6,489
10	Total library visits	189,281	146,759	148,223	172,039	656,302
11	Membership			2022/23	2023/24	
				97,935	100,491	
12	Library stock			Province	Own	Total
				210,718	37,961	248,679

3.18.2 Service Delivery Levels

Drakenstein Libraries and Information Services always provide effective, efficient and quality informational and recreational services to all library users in our communities within the framework of the norms and standards of the Western Cape Library Services.

3.18.3 Capital Expenditure

The Library Services Section spent R586.1 thousand or 76.3% of the final adjustments budget on library services 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 85: Capital Expenditure 2023/24 - Library Services

Capital Expenditure 2023/24: Library Services						
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	Container Library Wagenmakers Vallei	739,130	589,130	468,979	20.4%	
2	Other Capital Projects	-	178,562	117,081	34.4%	
3	Total Capital Expenditure	739,130	767,692	586,061	23.7%	

3.18.4 Major Projects Completed

We started with the establishment of Wagenmakersvallei and Groenberg libraries, but the project is not completed. Simondium Library is moving from the school to a municipal building.

3.18.5 Operating Expenditure

Library services, as a subsidised service, generated an operating deficit of R10.9 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services. This remains an underfunded mandate from the Provincial Department of Library Services.

Table 86: Operating Revenue and Expenditure: Library Services

Operating Revenue and Expenditure: Library Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(17,774,770)	(21,437,059)	(21,803,259)	(19,111,817)	-12.3%
2	Total Operating Revenue	(17,774,770)	(21,437,059)	(21,803,259)	(19,111,817)	-12.3%
3	Employee related costs	20,469,683	23,629,592	23,711,060	23,194,365	2.2%
4	Contracted services	166,678	11,870	72,870	18,994	73.9%
5	Depreciation and amortisation	4,609,884	4,790,237	4,941,244	4,611,636	6.7%
6	Inventory consumed	379,335	120,495	270,925	342,337	-26.4%
7	Operational Costs and Losses	2,107,759	617,333	689,404	1,841,762	-167.2%
8	Total Operating Expenditure	27,733,339	29,169,527	29,685,503	30,009,093	-1.1%
9	Operating (Surplus) / Deficit	9,958,569	7,732,468	7,882,244	10,897,277	38.3%

3.18.6 Employee Statistics

The Library Services Section has 107 posts on the organisational structure approved by Council on 30 June 2023 of which 30 posts are frozen and 77 posts funded at year-end. The section had 72 filled posts at year-end with a 6.5% vacancy rate.

Table 87: Employees - Library Services

Employees: Library Services								
Serial No.	Job Level	2022/23	2023/24					
		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	1	1	0	1	1	0	0.0%
3	T12 - T14	5	11	4	7	5	2	28.6%
4	T09 - T11	2	12	9	3	2	1	33.3%
5	T06 - T08	47	58	6	52	50	2	3.8%
6	T03 - T05	10	25	11	14	14	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	65	107	30	77	72	5	6.5%

3.19 CEMETERIES AND CREMATORIA

Drakenstein Municipality manages 13 cemeteries under its area of jurisdiction that stretches from Simondium in the South to Saron in the North. The COVID-19 impeded negatively on the available burial space especially in the urban edge of the municipality that leads to reaching capacity of all cemeteries in the urban edge except Parys Cemetery with relative limited burial space. Available space has been carefully managed with all stakeholders.

Pauper burials used to take place in Daljosaphat Cemetery which has now also reached its full capacity. Pauper burials however had to be moved to Parys Cemetery during this financial year. The section is currently reviewing the Pauper/Indigent Policy to look at various alternative burial methods.

The Cemetery Section also experience abnormal a high amount of burials during the winter season for the financial year under review. The impact of these statistics influences negatively on our current burial space. The below information reflects on the available burial space per cemetery:

Table 88: Available burial space per cemetery

Available burial space per cemetery			
Serial No.	Cemetery	Available space	Lifespan
Column Ref.	A	B	C
1	Parys / Klein Parys	858	10 months
2	Klein Parys	100	1 months
3	Hillcrest	Full (Only re-openings)	0
4	Champagne	Full (Only re-openings)	0
5	Voorstraat	Full (Only re-openings)	0
6	Bloekom Avenue	Full (Only re-openings)	0
7	Dal Josaphat	Full	0
8	Saron	1377	10 years
9	Gouda	12	2 years
10	Simondium	36	6 months
11	Hermon	768	10 years
12	Houtstraat	Full	0
13	Bosmanstraat	Full	0

The Cemetery Section finalised the clearing of alien vegetation in Parys Cemetery that provides additional space, mainly during the summer.

3.19.1 Service Statistics

During the year under review, 1,389 burials took place at an average of 110 burials per month. Drakenstein Municipality does not have a municipal crematorium.

Table 89: Summary of burials and cremation

Summary of burials and cremation				
Serial No.	Month	Year		
		2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	July	297	137	147
2	August	529	103	140
3	September	282	101	131
4	October	194	118	131
5	November	137	108	99
6	December	178	103	106
7	January	212	82	88
8	February	165	101	102
9	March	200	97	120
10	April	146	119	85
11	May	157	113	100
12	June	145	130	140

3.19.2 Service Delivery Levels

The aim is to perform maintenance at cemeteries every 6 to 8 weeks and includes horticultural maintenance and minor grave maintenance.

3.19.3 Capital Expenditure

The Cemeteries Section spent R758.8 thousand or 96.3% of the final adjustments budget on cemetery services infrastructure projects for the year under review.

Table 90: Capital Expenditure 2023/24 - Cemeteries & Crematoria

Capital Expenditure 2023/24: Cemeteries & Crematoria					
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	Develop Nieuwedrift Cemeteries	-	401,601	401,157	0.1%
2	Tools of Trade	325,000	386,006	357,632	7.4%
3	Other Capital Projects	1,000,000	-	-	0.0%
4	Total Capital Expenditure	1,325,000	787,607	758,789	3.7%

3.19.4 Major Projects Completed

CSM has been appointed as a consultant to provide multi-disciplinary services for the development of Nieuwedrift Cemetery. The scoping have been approved which describes the Scope services for the conceptualisation, development, and construction of Nieuwedrift Cemetery.

The project which will go out Public Tender which include the development of 3,000 burial sites in the 2024/25 financial year.

3.19.5 Operating Expenditure

Cemeteries Services, as a community service, generated an operating deficit of R1.8 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 91: Operating Revenue and Expenditure: Cemeteries & Crematoria

Operating Revenue and Expenditure: Cemeteries & Crematoria						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(3,191,682)	(4,601,994)	(3,055,537)	(3,078,148)	0.7%
2	Total Operating Revenue	(3,191,682)	(4,601,994)	(3,055,537)	(3,078,148)	0.7%
3	Employee related costs	4,347,627	4,299,685	4,491,666	4,246,320	5.5%
4	Contracted services	219,578	550,880	13,280	13,280	0.0%
5	Depreciation and amortisation	7,384	7,674	7,915	7,387	6.7%
6	Inventory consumed	400,262	276,510	459,451	494,374	-7.6%
7	Operational Costs and Losses	590,115	154,080	131,560	148,204	-12.7%
8	Total Operating Expenditure	5,564,967	5,288,829	5,103,872	4,909,565	3.8%
9	Operating (Surplus) / Deficit	2,373,285	686,835	2,048,335	1,831,417	-10.6%

3.19.6 Employee Statistics

The Cemeteries Services function has 93 posts on the organisational structure approved by Council on 30 June 2023 of which 38 posts are frozen and 55 posts funded at year-end. The section had 31 filled at year-end with a 43.6% vacancy rate.

Table 92: Employees - Cemeteries and Crematoria and Resorts

Employees: Cemeteries, Crematoria and Resorts								
Serial No.	Job Level	2022/23	2023/24					
		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	1	0	0	0	0	0	0.0%
3	T12 - T14	2	1	0	1	1	0	0.0%
4	T09 - T11	0	2	1	1	0	1	100.0%
5	T06 - T08	9	17	7	10	7	3	30.0%
6	T03 - T05	38	73	30	43	23	20	46.5%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	50	93	38	55	31	24	43.6%

Note: The vacancy rate includes seasonal worker posts that will only be filled during holiday season.

3.20 COMMUNITY HALLS, FACILITIES AND THUSONG CENTRES

The Community Development Section manages two town halls, eight community halls, two Multi-Purpose Thusong Centres and 16 public ablution facilities. The Multi-Purpose Thusong Centres are one-stop facilities that provide opportunities to access a compendium of government services to surrounding communities. These services include social services, service point access social pension and grants, consumer protection and numerous municipal services. The municipal halls are also managed by this section, and these include the

Wellington Town Hall and Paarl City Hall, as well as the Simondium, Huguenot, Fairyland, Mbekweni, Colibri, Gouda and Saron Community Halls.

3.20.1 Service Statistics

The total number of people that accessed services for the year under review from the Paarl East Thusong Centre is 17, 948 and the total number for Mbekweni Thusong Centre is 12, 586 people. Note that the visitors decreased rapidly since SASSA moved from the PETSC.

Other relevant information includes the number of functions at the halls and Thusong Centres as reflected below.

Table 93: Town Halls, Community Halls and Thusong Centres

Town Halls, Community Halls and Thusong Centres				
Serial No	Facility	Number of Functions		
		2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Paarl Town Hall	30	59	95
2	Wellington Town Hall	43	56	58
3	Huguenot Community Hall	72	98	97
4	Fairyland Community Hall	36	123	118
5	Mbekweni Community Hall	34	43	44
6	Colibri Community Hall	37	81	84
7	Safmarine Community Hall	0	0	0
8	Simondium Community Hall	37	46	32
9	Gouda Community Hall	31	53	37
10	Saron Community Hall	39	52	61
11	Paarl-East Thusong Service Centre	69	127	154
12	Mbekweni Thusong Service Centre	74	82	128

3.20.2 Service Delivery Levels

The halls are frequently used, and this has an impact on the standard times of readiness in terms of minimum quality standards required at such facilities. Upgrades at the halls and Thusong Centres will further positively impact the level of services available. The Thusong Centres in Mbekweni and Paarl East have a provincial compliance evaluation of 80%.

3.20.3 Capital Expenditure

The Community Development Section spent R115 thousand or 100% of the final adjustments budget on capital projects for the year under review.

Table 94: Capital Expenditure 2023/24 - Community Halls, Facilities and Thusong Centres

Capital Expenditure 2023/24: Community Halls, Facilities and Thusong Centres					
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	Other Capital Projects	-	114,625	114,624	0.0%
2	Total Capital Expenditure	-	114,625	114,624	0.0%

3.20.4 Major Projects Completed

Upgrades were made at Hugenout Community Hall.

3.20.5 Operating Expenditure

Community halls, facilities and Thusong centres, as a community service, generated an operating deficit of R11.1 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 95: Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres

Operating Revenue and Expenditure: Community Halls, Facilities and Thusong Centres						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(541,360)	(350,374)	(588,535)	(966,435)	64.2%
2	Total Operating Revenue	(541,360)	(350,374)	(588,535)	(966,435)	64.2%
3	Employee related costs	6,600,492	7,657,804	7,607,660	7,715,581	-1.4%
4	Contracted services	155,421	166,000	236,244	164,022	30.6%
5	Depreciation and amortisation	3,585,115	3,725,377	3,842,813	3,586,478	6.7%
6	Inventory consumed	411,312	453,232	485,466	475,638	2.0%
7	Operational Costs and Losses	56,390	92,310	59,834	88,594	-48.1%
8	Total Operating Expenditure	10,808,731	12,094,723	12,232,017	12,030,312	1.6%
9	Operating (Surplus) / Deficit	10,267,371	11,744,349	11,643,482	11,063,877	-5.0%

3.20.6 Employee Statistics

The Community Halls, Facilities and Thusong Centres Services Section has 75 posts on the organisational structure approved by Council on 30 June 2023 of which 12 posts are frozen and 63 posts funded at year-end. The section had 61 filled at year-end with a 3.2% vacancy rate.

Table 96: Employees - Community Halls, Facilities and Thusong Centres

Employees: Community Halls, Facilities and Thusong Centres								
Serial No.	Job Level	2022/23	2023/24					
		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	46	62	9	53	51	2	0
7	T01 - T02	0	0	0	0	0	0	0
8	Total	56	75	12	63	61	2	3.2%

3.21 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 are included various social ills and challenges.

Municipal environment and society in general especially most vulnerable groupings; thus, the municipality responds with a holistic plan to address these challenges.

3.21.1 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 Golden Games Sport Event in 2023/24 on Daljosaphat Stadium
- Alzheimer and Dementia Workshop were conducted with the elderly. Elderly Awareness Abuse were held across Drakenstein.

Gender Based Violence (GBV):

- Drakenstein Municipality believes that all forms of violence against women and children should be eradicated from society. The Drakenstein Gender Forum shares this sentiment and that all rights as enshrined in the Bill of Rights should be respected and protect all the vulnerable groups in our communities. As a Municipality, we will play our

role and work together with all spheres of government, law enforcement agencies and NGOs, to ensure the safety of our female colleagues and all women and vulnerable people of Drakenstein municipal area. Various awareness programmes were rolled-out within the communities, rural areas, and schools.

Youth:

- In a joint effort among stakeholders and youth representative, Drakenstein Municipality strives to be all- inclusive and supports the youth aligned to the National Youth Policy.
- Youth Development is essential in helping the youth of Drakenstein succeed in life. There are far more prospective workers than there are jobs available for them, and many youths are not able to study further and become more specialised.
- This is where youth development programmes come in. Offering young people work readiness programmes, opportunities to advance their education and make a difference in their communities, are just some of the ways that youth development can change Drakenstein for the better.

Homeless:

- Phases One and Two of the establishment of an overnight shelter in Paarl on ERF 28699 was completed in the 2023/24 financial year. Phase 3 is in progress, conversion of containers purchased in phase two of the project will take place in the 2024/25 financial year.

Early Child Development (ECD):

- The ECD Skills Development conducted Foetal Alcohol Syndrome, Health Compliance, and First Aid Training Courses with the ECD teachers. Child Protection Awareness marches was held during May and June 2023/24. An information session regarding the National Lottery Application was held with the ECD teachers to assist them on how to apply for funding.

Soup Kitchens:

- New Soup kitchens were established in wards 8,12,25 and 33 in the 2023/24 financial year.

3.21.2 Service Delivery Levels

The Community Development Section's aim is to provide effective, efficient and quality social services to communities within Drakenstein and work in collaboration with other departments and spheres of government to optimally share and use resources available.

3.21.3 Capital Expenditure

The Community Development Section spent R1.81 million or 97.5% of the final adjustments budget on capital projects for the year under review.

Table 97: Capital Expenditure 2023/24 - Child Care, Aged Care & Social Programmes

Capital Expenditure 2023/24: Child Care, Aged Care and Social Programmes					
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 Containerised Night Shelter	800,000	1,020,061	1,020,060	0.0%
2	Upgrade Soup Kitchens	400,000	448,130	431,090	3.8%
3	Tools of Trade	325,000	300,266	300,266	0.0%
4	Other Capital Projects	-	87,337	57,477	34.2%
5	Total Capital Expenditure	1,525,000	1,855,794	1,808,894	2.5%

3.21.4 Major Projects Completed

An overnight shelter is in the process of being established for homeless people in Paarl.

3.21.5 Operating Expenditure

Child care, aged care and social programmes, as a community service, generated an operating deficit of R13.2 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 98: Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes

Operating Revenue and Expenditure: Child Care, Aged Care & Social Programmes						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
3	Employee related costs	7,729,824	8,265,820	8,929,226	8,910,008	0.2%
4	Contracted services	76,574	32,635	304,855	277,761	8.9%
5	Depreciation and amortisation	209,073	217,252	224,100	209,153	6.7%
6	Inventory consumed	1,820,282	2,120,000	2,570,630	2,624,182	-2.1%
7	Operational Costs and Losses	721,826	1,198,680	1,163,900	1,189,493	-2.2%
8	Total Operating Expenditure	10,557,579	11,834,387	13,192,711	13,210,598	-0.1%
9	Operating (Surplus) / Deficit	10,557,579	11,834,387	13,192,711	13,210,598	0.1%

3.21.6 Employee Statistics

The Child Care, Aged Care and Social Programmes Section has 10 posts on the organisational structure approved by Council on 30 June 2023 of which 1 post are frozen and 9 posts funded at year-end. The section had 8 posts filled at year-end with a 11.1% vacancy rate.

Table 99: Employees - Child Care, Aged Care and Social Programmes (Social Development)

Employees: Child Care, Aged Care and Social Programmes (Social Development)								
Serial No.	Job Level	2022/23	2023/24					
		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	1	0	1	1	0	0.0%
4	T09 - T11	4	4	0	4	4	0	0.0%
5	T06 - T08	4	4	0	4	3	1	25.0%
6	T03 - T05	0	1	1	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	8	10	1	9	8	1	11.1%

COMPONENT F: ENVIRONMENTAL PROTECTION

3.22 INTRODUCTION

Drakenstein Municipality is well known for its natural beauty and is one of the factors that sets the area apart from others in the Western Cape Province. The area forms part of the Cape Floristic Region, which is one of the most special places for plants in the world in terms of diversity, density and number of endemic species. The Berg River plays an important economic role in the area, providing a valuable water resource to the vast agricultural community in the area.

With the increasing threat of climate change risks, it is important that the human impact on the environment is managed in a sustainable manner. While environmental protection is the responsibility of all municipal line departments, Drakenstein Municipality has a dedicated Environmental Management Section that plays a coordinating role between various departments in order to ensure that residents have access to a clean and healthy environment.

3.23 ENVIRONMENTAL MANAGEMENT

The Environmental Management Section forms part of the Spatial Planning and Environmental Management Division of the Corporate and Planning Services Department. The Section consists of three Sub-Sections including, Environmental Planning and Sustainability; Environmental Monitoring and Compliance; as well as Natural Resource Management. The Section's service delivery focus is to ensure that residents live in an environment that is safe, not harmful to their well-being and is protected for future generations by managing and enhancing the Municipality's natural assets.

The Environmental Planning and Sustainability Sub-Section plays a proactive role in planning for sustainable development through several initiatives including the review of the Environmental Management Framework, the implementation of the Climate Change Adaptation Plan, providing environmental input on land development applications and coordinating the Climate Partnership with Neumarkt, a municipality located in Germany.

The Environmental Monitoring and Compliance Sub-Section plays an active role in monitoring threats to the environment and ensuring compliance with environmental legislation. This is achieved through managing and coordinating environmental emergency incidents in accordance with Section 30 of the National Environmental Management Act 107 of 1998, responding to environmental complaints, and executing the air quality management and noise control functions in terms of the relevant legislation and bylaws. The Environmental Management Section has three officials that are, over and above their primary duties, designated as Environmental Management Inspectors. These officials have powers in terms of

the National Environmental Management Act to enforce compliance to the relevant environmental legislation and regulations. These officials are also designated peace officers to enforce municipal bylaws.

The Natural Resource Management Sub-Section plays an active role in the management of natural resources by implementing projects aimed at improving the state of natural resources, for example developing and implementing management plans for municipal conservation areas, managing invasive alien vegetation on these municipal conservation areas and conducting environmental awareness campaigns with schools and the public in general.

3.23.1 Service Statistics

Table 100: Environmental Management - Service Statistics

Environmental Management Service Statistics				
Serial No	Description	2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Environmental Education and Awareness Events	13	34	31
2	Environmental Applications commented on	32	24	39
3	Land Use Applications commented on	37	30	24
4	Noise Exemptions issued	8	20	16
5	Noise Complaints attended to	10	35	50
6	Pollution Incidents attended to	34	45	0

3.23.2 Capital Expenditure

The Environmental Management Division spent R479.8 thousand or 97.6% of the final adjustments budget on environmental management 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 101: Capital Expenditure 2023/24 - Environmental Management (Pollution Control included)

Capital Expenditure 2023/24: Environmental Management (Pollution Control included)					
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	Bergriver Improvement Projects	-	480,138	470,605	2.0%
2	Other Capital Projects	-	11,638	9,187	21.1%
3	Total Capital Expenditure	-	491,776	479,792	2.4%

3.23.3 Major Projects Completed

The Environmental Management Section procured two portable ambient air quality analysers and a weather station with funds allocated on the Section's capital budget for air quality management. This new equipment has allowed the Air Quality Officer to commence with ambient air quality monitoring in pollution hotspot areas to ascertain whether ambient air quality is within the applicable National Ambient Air Quality Standards. Previously, Drakenstein Municipality only received air quality data from a single ambient air quality reference station, situated at the Dal Josafat Traffic Test Station in Paarl (owned by the Provincial Department of Environmental Affairs and Development Planning). The implementation of portable ambient air quality monitoring is a key objective of the Drakenstein Air Quality Management Plan and provided much needed data to guide air quality management in the future. In addition to this, the Environmental Management Section also procured dust monitoring equipment due to dust complaints received in certain areas. The Section commenced with dustfall monitoring with this equipment in February 2022, and continued monitoring dustfall in the 2023/24 financial year at identified hotspots.

Drakenstein Municipality has a climate partnership with Neumarkt, a municipality located in the Free State of Bavaria in Germany. This climate partnership focusses on various initiatives and projects that address the impacts of climate change within the municipality. The partnership is facilitated by an organisation called Engagement Global and creates opportunities for Drakenstein to have access to international knowledge and expertise on various issues. The partnership also provides access to funding programmes that are funded by the German government. The following projects are funded through this climate partnership and implemented during the financial year:

- Berg River Improvement Project (NAKOPA II Project): This project involved the clearing of invasive alien vegetation within the riparian area of the Berg River within the Paarl urban area, the ecological rehabilitation of the Berg River within strategic areas as well as the construction of a pedestrian walkway, linking the Market Street bridge and the Paarl Central Business District.
- Implementation of the Joint Programme of Action: The Joint Programme of Action (JPA) serves as the main action plan for this partnership between the two municipalities and sets out objectives and targets to be attained over a five-year period. The projects listed in the JPA are aimed at mitigating both municipalities' impact on climate change as well as setting out measures for improved adaptation and resilience in response to predicted climate change risks. The climate partnership's 3rd Generation JPA was updated in 2022 and the following projects commenced:
 - Environmental education and awareness programme;
 - Establishment of a sustainable tourism route;

- Planning for the International Fair Trade Towns Conference taking place in September 2024; and
 - A partnership between two high schools, one from each municipality, to promote cultural exchanges.
- Hybrid Flood Solutions for three Catchments (C40 Cities Finance Facility): The Municipality is currently partnering with GIZ under the C40 Finance Facility) to develop a programme of flood interventions that considers both engineering and nature-based solutions to mitigate flooding within 3 catchment areas in Paarl. The catchments include the Palmiet-, Groenheuwel- and Drommedaris catchment areas. The project also considers future climate change impacts to be anticipated within these catchments.

3.23.4 Operating Expenditure

Environmental management services (pollution control included), as a community service, generated an operating deficit of R2.3 million for the 2023/24 financial year.

Table 102: Operating Revenue and Expenditure: Environmental Management (Pollution Control included)

Operating Revenue and Expenditure: Environmental Management (Pollution Control included)						
Serial No. Column Ref.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
	A	B	C	D	E	F
1	Operating Revenue	(1,234,236)	0	(491,776)	(479,792)	-2.4%
2	Total Operating Revenue	(1,234,236)	0	(491,776)	(479,792)	-2.4%
3	Employee related costs	1,957,770	2,098,004	1,923,648	1,923,397	0.0%
4	Contracted services	142,006	1,031,110	999,640	647,467	35.2%
5	Depreciation and amortisation	11,419	11,865	12,239	11,423	6.7%
6	Inventory consumed	53,269	36,482	39,369	35,001	11.1%
7	Operational Costs and Losses	49,484	38,436	208,524	199,500	4.3%
8	Total Operating Expenditure	2,213,948	3,215,897	3,183,420	2,816,788	11.5%
9	Operating (Surplus) / Deficit	979,712	3,215,897	2,691,644	2,336,996	-13.2%

3.23.5 Employee Statistics

The Environmental Management Division has 8 posts on the organisational structure approved by Council on 30 June 2023 of 3 posts are frozen and 5 posts funded at year-end. The section had 5 filled posts at year-end with a 0% vacancy rate.

Table 103: Employees: Environmental Management

Employees: Environmental Management								
Serial No.	Job Level	2022/23	2023/24					
		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	1	1	0	1	1	0	0.0%
3	T12 - T14	3	5	2	3	3	0	0.0%
4	T09 - T11	1	1	0	1	1	0	0.0%
5	T06 - T08	0	1	1	0	0	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	5	8	3	5	5	0	0.0%

3.24 PARKS, LANDSCAPE AND OPEN SPACES

Parks play a crucial role in enhancing the health of a community and significantly contribute to the overall quality of life for its residents. They serve as essential recreational areas that allow individuals to engage with nature and enjoy outdoor activities. The department oversees approximately 550 hectares of parks, primary pathways, gardens, and open spaces. Additionally, it is tasked with the upkeep of trees, management of weeds and pests, and efforts related to nature conservation. Due to the impact of severe storms, tree maintenance and removal have been prioritised, necessitating immediate action on various properties and main roads.

During the year under review, all 195 parks have been spatially plotted on the Geographical Information Systems (GIS). The application (app) has been launched, and data on hazardous trees, as well as information on freshly planted and existing trees, has been uploaded to the GIS. This information helps us to spatially view where trees have been planted and where the maintenance of dangerous trees must be prioritised.

3.24.1 Service Statistics

Drakenstein Municipality maintains a total of 195 parks, which are categorized into three primary types. These include our flagship arboretum, five (5) heritage parks—such as the Victoria Parks located in Paarl and Wellington—and an impressive collection of 189 neighbourhood play parks dispersed throughout the municipality.

In the reporting year, the Parks Section undertook various initiatives and projects that resulted in the planting of 35 trees along parks and main roads. A total of 33 trees were donated by the community and NGO and were planted in new rest park area.

The Arboretum has suffered significant damage due to the April Storm, which resulted in numerous trees being uprooted and necessitated extensive maintenance and cleanup efforts. The aftermath of the storm has required a thorough assessment of the landscape and considerable work to restore the area. In addition to addressing the damage caused by the storm, routine maintenance and upkeep of the Smart Classroom have been carried out. This facility is currently being utilised for a variety of workshops, awareness programs, and training sessions, contributing positively to community engagement and educational initiatives.

Invasive Alien Plants (IAPs) represent a significant threat to South Africa's biodiversity, water security, the ecological integrity of natural ecosystems, and the effective utilisation of land resources. The efforts to eliminate these invasive species have been primarily concentrated in the Paarl Mountain Nature Reserve (PMNR) as part of a broader Invasive Alien Plant Eradication Strategy.

During the reporting period, a total of 876 hectares of IAPs were successfully removed from the PMNR. This figure includes an initial clearance of 158.2 hectares, followed by subsequent follow-up efforts covering an additional 717.9 hectares. Additionally, maintenance work was conducted on firebreaks, with 12 kilometers addressed along both the reserve's boundaries and within its internal areas.

To further support these eradication efforts, various wood permits were issued to local wood harvesters. This initiative aimed to manage biomass in particularly dense regions that had been cleared during the initial removal phases.

3.24.2 Service Delivery Levels

There are three distinct service levels for park maintenance, which are determined by the existing infrastructure within the park. Typically, regular maintenance includes mowing the grass every six weeks, pruning trees as necessary, managing weeds, and repainting equipment when required.

3.24.3 Capital Expenditure

The Biodiversity and Landscape (Open Spaces Included) had no capital projects for the year under review.

3.24.4 Major Projects Completed

The primary initiatives undertaken involve the procurement of essential equipment, which include vehicles (bakkies), brush cutters, chainsaws, blowers, and various power tools. Additionally, the gravel roads within the nature reserve were preserved and enhanced to optimise water management and improve surface conditions.

3.24.5 Operating Expenditure

Biodiversity and landscaping, as a community service, generated an operating deficit of R16.7 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 104: Operating Revenue and Expenditure: Biodiversity and Landscaping

Operating Revenue and Expenditure: Biodiversity and Landscaping (Parks)						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(442,093)	(161,021)	(264,521)	(451,439)	70.7%
2	Total Operating Revenue	(442,093)	(161,021)	(264,521)	(451,439)	70.7%
3	Employee related costs	13,423,369	14,650,740	14,686,511	14,820,561	-0.9%
4	Contracted services	450,504	992,300	845,040	514,541	39.1%
5	Depreciation and amortisation	645,755	671,018	692,172	646,002	6.7%
6	Inventory consumed	435,457	376,361	859,164	650,088	24.3%
7	Operational Costs and Losses	289,527	105,541	466,437	484,867	-4.0%
8	Total Operating Expenditure	15,244,613	16,795,960	17,549,324	17,116,059	2.5%
9	Operating (Surplus) / Deficit	14,802,520	16,634,939	17,284,803	16,664,620	-3.6%

3.24.6 Employee Statistics

The Biodiversity and Landscaping (Parks) Section has 219 posts on the organisational structure approved by Council on 30 June 2023 of which 60 posts are frozen and 159 posts funded at year-end. The section had 142 filled at year-end and with a 10.7% vacancy rate.

Table 105: Employees - Biodiversity and Landscaping (Parks)

Employees: Biodiversity and Landscaping (Parks)								
Serial No.	Job Level	2022/23	2023/24					
		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	1	2	0	2	0	2	100.0%
3	T12 - T14	3	4	0	4	3	1	25.0%
4	T09 - T11	0	1	1	0	0	0	0.0%
5	T06 - T08	21	39	6	33	25	8	24.2%
6	T03 - T05	100	173	53	120	114	6	5.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	125	219	60	159	142	17	10.7%

COMPONENT G: SECURITY AND SAFETY

3.25 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.

3.26 TRAFFIC, LICENSING AND LAW ENFORCEMENT

During 2023/24, 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;
- Our service provider, Traffic Management Technology (TMT) is responsible for automatic speed enforcement and effective in dealing with excessive speed;
- 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.

3.26.1 Service Statistics

Table 106: Traffic, Licensing and Law Enforcement Service Data

Traffic, Licensing and Law Enforcement Service Data				
Serial No.	Details	2021/22 Actual	2022/23 Actual	2023/24 Actual
Column Ref.	A	B	C	D
1	Number of road traffic accidents during the year	3,599	3,039	2987
2	Number of bylaw infringements attended	4,243	1,139	9,198 – Traffic Infringements 1,099 - Bylaw Enforcement Infringements
3	Number of traffic officers in the field on an average day	4 – Early Shift 4 – Late Shift 8 = officers per day	4 – Early Shift 4 – Late Shift 8 = officers per day	4 – Early Shift 5 – Late Shift 9 = officers per day

Traffic, Licensing and Law Enforcement Service Data				
Serial No.	Details	2021/22 Actual	2022/23 Actual	2023/24 Actual
Column Ref.	A	B	C	D
4	Number of traffic officers on duty on an average 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	10 – Testing Station 4 – Early Shift 4 – Late Shift 18 = officers per day

3.26.2 Service Delivery Levels

The mission of Traffic Services is to render an effective and high-quality service through a process of consultation and transparency in all facets of the traffic services, and in rendering a service to the community of Drakenstein and its visitors by ensuring the free flow of traffic and creating a safe environment to make Drakenstein “A City of Excellence”.

3.26.3 Capital Expenditure

The Traffic Section spent R5.7 million or 91.3% of the final adjustments budget on traffic, licensing and law enforcement services 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 2023/24 - Traffic, Licensing and Law Enforcement

Capital Expenditure 2023/24: Traffic, Licensing and Law Enforcement					
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	CCTV System	3,100,000	3,121,164	2,986,495	4.3%
2	Vehicles (Law Enforcement)	-	1,790,514	1,790,514	0.0%
3	Other Capital Projects	650,000	1,312,484	902,910	31.2%
4	Total Capital Expenditure	3,750,000	6,224,162	5,679,920	8.7%

3.26.4 Major Projects Completed

No major projects were completed.

3.26.5 Operating Expenditure

Traffic, licensing and law enforcement, as a community service, generated an operating deficit of R60.8 million for the 2023/24 financial year.

Table 108: Operating Revenue and Expenditure: Traffic, Licensing and Law Enforcement

Operating Revenue and Expenditure: Traffic, Licensing and Law Enforcement						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(125,978,484)	(143,182,769)	(143,563,262)	(118,691,948)	-17.3%
2	Total Operating Revenue	(125,978,484)	(143,182,769)	(143,563,262)	(118,691,948)	-17.3%
3	Employee related costs	46,953,505	49,002,946	49,156,011	49,107,116	0.1%
4	Impairment losses and irrecoverable debt	73,192,195	98,637,813	98,637,813	78,983,561	19.9%
5	Interest paid	255,428	241,850	0	0	0.0%
6	Contracted services	43,266,178	44,982,096	51,827,814	49,504,037	4.5%
7	Depreciation and amortisation	168,988	128,252	181,135	214,620	-18.5%
8	Inventory consumed	691,664	447,665	733,032	613,904	16.3%
9	Operational Costs and Losses	848,946	968,420	1,615,143	1,053,108	34.8%
10	Total Operating Expenditure	165,376,904	194,409,042	202,150,948	179,476,346	11.2%
11	Operating (Surplus) / Deficit	39,398,420	51,226,273	58,587,686	60,784,398	3.7%

3.26.6 Employee Statistics

The Traffic, Licensing and Law Enforcement Section has 190 posts on the organisational structure approved by Council on 30 June 2023 of which 74 posts are frozen and 116 posts funded at year-end. The section had 102 filled posts at year-end and based with a 12.1% vacancy rate.

Table 109: Employees - Traffic, Licensing and Law Enforcement

Employees: Traffic, Licensing and Law Enforcement								
Serial No.	Job Level	2022/23	2023/24					
		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	2	2	0	2	2	0	0.0%
3	T12 - T14	2	8	5	3	1	2	66.7%
4	T09 - T11	49	85	33	52	48	4	7.7%
5	T06 - T08	23	49	24	25	21	4	16.0%
6	T03 - T05	28	46	12	34	30	4	11.8%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	104	190	74	116	102	14	12.1%

3.27 FIRE AND DISASTER MANAGEMENT SERVICES

3.27.1 Fire and Rescue Services

The Fire Department is divided into five functional areas, namely: Operations, Training, Support Services, Fire Safety and the Disaster Risk Management Unit. These functional areas focus on the following key areas:

- Operations: The division operates a 24-hour service and an Emergency Control Centre, which responds to all incidents in the municipal area immediately within predetermined response times. The Municipality is proud to report that it achieved these goals more than 85% of the time due to the geographical location of all fire stations. The Fire Service has four fire stations that are located in Paarl, Wellington, Mbekweni and Saron.
- Professional Training: Drakenstein Municipality is accredited as a Fire Training Centre and provides Professional Fire Fighting Training to all appointed Fire Service personnel and to neighboring fire services. The training centre also complements other accredited training centres in the region. The objective of continuous training is to improve the skills and development of the firefighting personnel in order to provide a professional service to the communities we serve.
- Public and Life Safety Training and Awareness Sessions- A total of 1,586 children from primary and pre-primary schools were part of the Fire and Life Safety Programme: Stop, Drop and Roll, Learn Not to Burn and Crawl Low under Fire. These programmes are aimed at fire and life safety and to reduce the number of incidents within at-risk communities.
- Support Services: The Fire Service operates a 24-hour emergency control and dispatch centre. All emergency calls received by the centre and depending on the emergency, the relevant vehicles are dispatched to attend to the incidents. The incidents are not limited to fire calls only. Professionally trained fire fighters respond to rescue and medical incidents, chemical incidents, and other special service calls such as flooding, natural incidents etc.
- Fire Safety: This section focuses on risks, and building inspections, in compliance with the National Building Regulations and the Building Standards Act, and related bylaws.

3.27.1.1 Service Statistics

Table 110: Fire Service Data

Fire Service Data				
Serial No.	Detail	2021/22 Actual	2022/23 Actual	2023/24 Actual
Column Ref.	A	B	C	D
1	Total fires attended to in the year	1,097	867	1,496
2	Average turnout time – urban areas (minutes)	10-12	10-12	10-12
3	Average turnout time – rural areas	20	20	20
4	Firefighters in post at year end	68	64	55
5	Total fire appliances at year end	9	9	8
6	Average number of appliances on the road during the year	8	8	7

Table 111: Fire Safety – Activities/Inspections

Fire Safety Activities/Inspections				
Serial No	Description	2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Fire safety inspections	143	165	108
2	Inspections of overgrown erven and property	297	366	768
3	Lectures and demonstrations	2,273	52	0
4	Buildings plans scrutinised and approved	109	2,407	2,399
5	Events Management and risk visits	143	151	336

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

Table 112: Fire Fighter Training

Firefighter Training				
Serial No	Description	Number of Officials Attended		
		2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Practical Pump Operations and Driving	12	1	6
2	Advanced Fire Safety Course	2	48	0
3	Daily drills and instruction per shift	42	18	54
4	Breathing Apparatus refresher course	15	7	0
5	Fire Investigation Course	1	N/A	0
6	Chainsaw Operator Course	7	16	2
7	First Aid level 3 course	16	16	0
8	Firefighter 2 Course	7	1	0
9	Hazmat Awareness	0	48	16
10	Customer care and telephone etiquette	0	0	5
11	OHS Representatives	0	0	5

Firefighter Training				
Serial No	Description	Number of Officials Attended		
		2021/22	2022/23	2023/24
12	HIRA (Health and Safety reps)	0	0	7
13	Peace Officer Course	0	0	7
14	Incident Investigation	0	0	11
15	Coaching and Mentoring	0	0	16
16	Confined space rescue	0	0	2

3.27.1.2 Service Delivery Levels

- Responding to emergency calls within predetermined times, constantly striving to achieve this standard 85% or more at a time.
- Conducting Public and Life Safety-Awareness Session within our municipal area with the aim to create and have safer communities with specific focus in informal settlement areas.
- Scrutinised building plans and provide fire service comments within 5 days for plans smaller than 500 square metres.
- Scrutinised building plans and provide fire service comments within 10 days for plans bigger than 500 square metres.
- Conducting of 48 fire risk building inspections per annum in our municipal area focusing on compliance to fire safety requirements as legislatively required.
- Conducting of 171 continuous professional firefighter-training sessions as prescribed by SANS 10090.
- Annual review and update of the Corporate Disaster Management Plan.
- Ensuring Stakeholder Engagements with intergovernmental parastatals.

As an accredited training centre, a serious focus is placed on continuous professional firefighter training for our own firefighters as well as neighbouring fire services. The table above indicates the number of training activities and programmes that were conducted over the past year. Our aim is to become a Fire Training Academy of excellence in providing quality training and skills development.

3.27.2 Disaster Management

This service delivery priority is aimed at the annual review of the Corporate Disaster Management Plan, which was reviewed and submitted for final approval and implementation. All Senior Managers were updated and informed of the plan regarding their specific functional responsibilities.

The Municipality renders relief services to fire victims by handing out food parcels and blankets. During 2023/24, 705 blankets and 370 food parcels were handed out. Shack fires remain a challenge.

3.27.2.1 Service Delivery Levels

The fire service aims to attend to all emergencies within the prescribed attendance times.

3.27.3 Capital Expenditure

The Fire and Disaster Section only spent R1,76 million or 57.8% of the final adjustments budget on fire and disaster capital projects for the year under review. The capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 113: Capital Expenditure 2023/24 - Fire and Disaster Management

Capital Expenditure 2023/24: Fire and Disaster Management					
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	Fire Fighting Vehicle	985,000	2,431,583	1,359,840	44.1%
2	Other Capital Projects	400,000	609,275	397,498	34.8%
3	Total Capital Expenditure	1,385,000	3,040,858	1,757,338	42.2%

3.27.4 Major Projects Completed

- The tender for the supply and delivery of a 4 x 4 medium fire engine has been approved. Delivery of the vehicle will take place in November 2024.

3.27.5 Operating Expenditure

Fire and disaster management services, as a community service, generated an operating deficit of R48.7 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 114: Operating Revenue and Expenditure: Fire and Disaster Management Services

Operating Revenue and Expenditure: Fire and Disaster Management Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(138,301)	(1,069,240)	(1,569,240)	(1,278,084)	-18.6%
2	Total Operating Revenue	(138,301)	(1,069,240)	(1,569,240)	(1,278,084)	-18.6%
3	Employee related costs	44,026,641	45,845,343	46,679,527	47,523,392	-1.8%
4	Contracted services	214,032	197,447	426,926	243,995	42.8%
5	Depreciation and amortisation	230,580	238,714	247,154	230,667	6.7%
6	Inventory consumed	150,289	107,133	651,434	156,903	75.9%
7	Operational Costs and Losses	1,637,903	1,195,480	1,873,722	1,856,138	0.9%
8	Total Operating Expenditure	46,259,444	47,584,117	49,878,763	50,011,095	-0.3%
9	Operating (Surplus) / Deficit	46,121,143	46,514,877	48,309,523	48,733,011	0.9%

3.27.6 Employee Statistics

The Fire and Disaster Management Section has 144 posts on the organisational structure approved by Council on 30 June 2023 of which 50 posts are frozen and 94 posts funded at year-end. The section had 74 filled posts at year-end with a 21.3% vacancy rate.

Table 115: Employees - Fire and Disaster Management

Employees: Fire and Disaster Management								
Serial No.	Job Level	2022/23	2023/24					
		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	3	3	0	3	3	0	0.0%
3	T12 - T14	6	12	3	9	7	2	22.2%
4	T09 - T11	12	25	13	12	12	0	0.0%
5	T06 - T08	50	99	33	66	49	17	25.8%
6	T03 - T05	3	5	1	4	3	1	25.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	74	144	50	94	74	20	21.3%

COMPONENT H: SPORT AND RECREATION

3.28 INTRODUCTION

The Sport and Recreation Section's mandate is to maintain Swimming Pools, and Sport Facilities and to coordinate recreation activities.

3.28.1 Holiday Resorts

Drakenstein Municipality has three resorts. Orleans Resort situated in Paarl, Antoniesvlei Resort in Wellington and Saron Resort. During the off-season Antoniesvlei is closed. (May to September). Orleans and Saron Resorts are open to the public all year round however, the swimming pool at the resort in Saron and the splash Pool at Orleans stay closed for off-season maintenance.

3.28.1.1 Service Statistics

Below are the statistics for the number of visitors per resort

Table 116: Population utilisation of holiday resorts

Population utilisation of holiday resorts				
Serial No.	Resorts	Number of Visitors 2021/2022	Number of Visitors 2022/23	Number of Visitors 2023/24
Column Ref.	A	B	C	D
1	Orleans Park	8,468	16,691	16,074
2	Saron Holiday Resort	11,284	3,319	13,706
3	Antoniesvlei Holiday Resort	19,366	11,454	13,954

3.28.1.2 Service Delivery Levels

The resorts are maintained to ensure service delivery and maximum use of the facilities to the public in general as well as residents from neighbouring towns.

3.28.2 Sport Grounds and Halls

Sports fields and halls in Drakenstein were prepared for 2,240 events/games for the year under review. The following table provides a comparison between 2021/22, 2022/23 and 2023/24 of the different sports codes' utilisation of the facilities

3.28.2.1 Service Statistics

Table 117: Sport codes utilisation of sport facilities

Sport codes utilisation of sport facilities					
Serial No	Sport Code	2021/22	2022/23	2023/24	Number of fields
Column Ref.	A	B	C	D	E
1	Rugby	193	420	364	21
2	Cricket	409	392	417	12
3	Soccer	475	624	582	13
4	Cycling	16	139	144	1
5	Hockey	0	6	47	4
6	Athletics	109	96	116	4
7	Netball	115	144	186	14
8	Darts, Karate, Kickboxing & Volleyball (Halls)	0	408	384	2

The Sport and Recreation Section has experienced a significant increase in sport bookings in the 2023/24 financial year, the situation have returned what it was pre COVID-19 Pandemic.

There was a dip in Weltevrede swimming pool because of gang violence and the armed robbery incident that took place in December and people were reluctant to visit the pool.

3.28.2.2 Service Delivery Levels

Due to the implementation of coordinated maintenance and upgrade plans and the addition of more operational staff service delivery levels automatically improved as we now could provide more playable surfaces to the various sporting codes. Upgraded the Fairyland Sports Field and constructed a turf wicket at Gouda Sports Field. The necessary tools of the trade was procured to enable our workstream to deliver more effective and efficient service. Our mandate remain access to all and with the resources available we commit to maintain our facilities to a standard to enable accessibility. We have also realised the importance of collaborating with external stakeholders in the sport facility maintenance space.

3.28.3 Swimming Pools

All five swimming pools resorting under the Sport and Recreation Section opened on 1 October 2023. Unfortunately, we had a fatal drowning of a 13- year old boy at Pentz Street Swimming Pool on 28 December 2023. Minor maintenance was done to all five pools during the off season.

3.28.3.1 Service Statistics

Table 118: Swimming Pools - Service Statistics

Swimming Pools – Services Statistics				
Serial No.	Swimming Pool	Number of patrons 2021/22	Number of patrons 2022/23	Number of patrons 2023/24
Column Ref.	A	B	C	D
1	Drakenstein	14,889	18,876	24,306
2	Pentz Street	Under Construction	4,079	14,968
3	Faure Street	18,750	18,072	19,878
4	Mbekweni	14,031	11,073	17,424
5	Weltevrede	15,172	16,595	5,911

There was a dip in Weltevrede swimming pool because of gang violence and the armed robbery incident that took place in December and people were reluctant to visit the pool.

3.28.3.2 Service Delivery Levels

All five swimming pools under the ambit of the Sport and Recreation Section was operational during the 2023/24 financial year.

3.28.4 Capital Expenditure

The Sport and Recreation Section spent R6.5 million or 96.3% 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 119: Capital Expenditure 2023/24 - Holiday Resorts, Sport Facilities and Swimming Pools

Capital Expenditure 2023/24: 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	Parking Area Daljosaphat Stadium	3,000,000	1,672,400	1,576,213	5.8%
2	Purchase of High Rider Bakkie	-	1,364,332	1,364,331	0.0%
3	Tools of Trade	1,300,000	1,207,645	1,207,643	0.0%
4	Upgrading of Facilities	800,000	794,670	794,669	0.0%
5	Development of De Kraal Sport Complex	3,000,000	692,734	692,734	0.0%
6	Upgrading of Jan Phillips Road	-	345,114	345,113	0.0%
7	Other Capital Projects	-	701,722	549,610	21.7%
8	Total Capital Expenditure	8,100,000	6,778,617	6,530,314	3.7%

3.28.5 Major Projects Completed

Various capital projects were undertaken by Community Services up until the 2023/24 financial year:

- Fairyland Sports Field: Construction of perimeter wall and second phase of netball courts plus irrigation.
- De Kraal: Installation of two rugby fields, installation of irrigation, construction of a ticket office, construction of gabion walls and installation of sewerage systems.
- Construction of a turf wicket at Gouda Sports Field.
- Upgrade of the cycling track at Faure Stadium.
- Procurement of tools of the trade and swimming pool equipment (sweepers, grass cutters (Kudus)).
- Procurement of two vehicles for the Sport Section.

3.28.6 Operating Expenditure

Holiday resorts, sport facilities and swimming pools services, as a community service, generated an operating deficit of R52.7 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 120: Operating Revenue and Expenditure: Holiday Resorts, Sport Facilities and Swimming Pools

Operating Revenue and Expenditure: Holiday Resorts, Sport Facilities and Swimming Pools						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(2,234,052)	(1,680,621)	(1,570,074)	(1,567,205)	-0.2%
2	Total Operating Revenue	(2,234,052)	(1,680,621)	(1,570,074)	(1,567,205)	-0.2%
3	Employee related costs	41,315,516	45,808,559	45,795,491	43,046,272	6.0%
4	Contracted services	1,982,860	1,562,609	2,043,799	542,643	73.4%
5	Depreciation and amortisation	7,260,396	7,544,448	7,782,273	7,263,156	6.7%
6	Inventory consumed	2,569,925	2,188,913	2,604,791	2,087,931	19.8%
7	Operational Costs and Losses	1,087,589	1,363,378	1,437,792	1,278,533	11.1%
8	Total Operating Expenditure	54,216,287	58,467,907	59,664,146	54,218,535	9.1%
9	Operating (Surplus) / Deficit	51,982,235	56,787,286	58,094,072	52,651,329	-9.4%

3.28.7 Employee Statistics

The Sport and Recreation Section has 181 posts on the organisational structure approved by Council on 30 June 2023 of which 61 posts are frozen and 120 posts funded at year-end. The section had 61 filled and 59 vacant post at year-end which resulted in a 49.2% vacancy rate. It should be noted that the majority of vacancies at year end, are for posts that are filled seasonally (October – March/April), when the swimming pools are open.

Table 121: Employees - Sport and Recreation

Employees: Sport and Recreation								
Serial No.	Job Level	2022/23	2023/24					
		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	1	1	0	1	1	0	0.0%
3	T12 - T14	1	1	0	1	0	1	100.0%
4	T09 - T11	1	1	0	1	1	0	0.0%
5	T06 - T08	18	48	20	28	19	9	32.1%
6	T03 - T05	42	130	41	89	40	49	55.1%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	63	181	61	120	61	59	49.2%

3.29 INTRODUCTION

In terms of Section 4(2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), a municipal council must, within the Municipality's financial and administrative capacity, and having regard for practical considerations:

- Exercise the Municipality's executive and legislative authority and use the resources of the Municipality in the best interests of the community;
- Provide, without favour or prejudice, democratic and accountable government;
- Encourage the involvement of the community;
- Strive to ensure that municipal services are provided to the community in a financially and environmentally sustainable manner;
- Consult the community on the level, quality, range and impact of municipal services and the available options for service delivery;
- Give members of the community equitable access to the municipal services to which they are entitled;
- Promote and undertake development in the Municipality;
- Promote gender equity in the exercise of the Municipality's executive and legislative authority;
- Promote a safe and healthy environment in the Municipality; and
- Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

3.30 EXECUTIVE AND COUNCIL SUPPORT

A council must annually review:

- The needs of the community;
- Its priorities to meet those needs;
- Its processes for involving the community;
- Its organisational and delivery mechanisms for meeting those needs; and
- Its overall performance in achieving the objects of local government as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

In terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), the municipal council must elect an executive mayor and other office-bearers. The executive mayor appoints a mayoral committee to assist the executive mayor. The municipal council may establish committees to assist the municipal council and/or the executive mayor. Under

the former Executive Mayor of Drakenstein Municipality, Ald CJ Poole and the current Executive Mayor of Drakenstein Municipality, Cllr SE Korabie, the Council have made substantial strides towards implementing the revised vision of Drakenstein, “A city of excellence” throughout the operations of Council and the Administration in the year under review.

3.30.1 Service Statistics

The Municipal Council adopted priorities for the Municipality, Executive Mayor and other political structures to meet on a regular basis in order to ensure that decision-making takes place in an efficient and effective manner.

Regular performance reports in terms of the Performance Management System, together with monthly reports to the Mayoral Committee and Council, provide these structures with continuous information on progress made with the achievement of targets as well as the implementation of decisions taken by them. These systems have been further enhanced by the issuing of electronic devices to Councillors and the procurement of an electronic system generating reports to the Portfolio Committees, the Mayoral Committee and Council.

Table 122: Service Statistics for the Executive and Council

Service Statistics for the Executive and Council				
Serial No	Council and Committee Structures	No. of meetings		
		2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Mayoral Committee	19	12	12
2	Special Mayoral Committee	0	1	1
3	Council	12	12	12
4	Special Council	3	1	1
5	Special Confidential Council	0	0	4
6	Corporate Services Portfolio Committee	6	9	8
7	Community Services Portfolio Committee	6	6	8
8	Finance Portfolio Committee	9	10	10
9	Engineering Services Portfolio Committee	6	4	7
10	Planning and Development Portfolio Committee	5	5	7
11	Governance and Compliance Portfolio Committee	1	1	3
12	Municipal Public Accounts Committee (MPAC)	4	8	5
13	Appeal Committee	0	0	0
14	Audit Committee	7	8	12
15	Fraud and Risk Management Committee	4	4	4
16	Budget Steering Committee	6	6	3

3.30.2 Service Delivery levels

All agendas are in terms of the approved Standard Operating Procedures of Administration distributed at least three calendar days before a meeting and in the case of minutes within five working days after the meeting was held.

3.30.3 Capital Expenditure

The Executive and Council section spent R55.1 thousand or 100% of the final adjustments budget on executive and council 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 123: Capital Expenditure 2023/24 - Executive and Council

Capital Expenditure 2023/24: Executive and Council					
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	Other Capital Projects	-	55,117	55,115	0.0%
2	Total Capital Expenditure	-	55,117	55,115	0.0%

3.30.4 Major Projects Completed

In order to promote virtual political meetings, all councillors have been given access to electronic platforms to facilitate virtual meetings.

Councillors can now also completed their declaration of interest electronically, which saves not only time, but also enhances confidentiality.

3.30.5 Operating Expenditure

Executive and Council generated an operating deficit of R157.4 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 124: Operating Revenue and Expenditure: Executive and Council

Operating Revenue and Expenditure: Executive and Council						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(2,333,694)	(1,984,198)	(1,680,673)	(2,075,498)	23.5%
2	Total Operating Revenue	(2,333,694)	(1,984,198)	(1,680,673)	(2,075,498)	23.5%
3	Employee related costs	51,005,754	80,219,094	65,024,243	53,905,661	17.1%
4	Contracted services	22,231,018	22,272,875	32,888,943	31,337,047	4.7%
5	Councillor related costs	33,213,291	37,158,900	37,158,900	34,340,227	7.6%
6	Depreciation and amortisation	615,880	528,126	660,152	691,643	-4.8%
7	Inventory consumed	38,984,165	33,024,523	33,923,137	32,207,553	5.1%
8	Operational Costs and Losses	8,424,480	13,233,419	7,084,830	6,946,306	2.0%
9	Total Operating Expenditure	154,474,587	186,436,937	176,740,205	159,428,437	9.8%
10	Operating (Surplus) / Deficit	152,140,893	184,452,739	175,059,532	157,352,939	-10.1%

3.30.6 Employee Statistics

The Executive and Council Support Section has 13 posts on the organisational structure approved by Council on 30 June 2023. The section had 12 filled posts at year-end with a 7.7% vacancy rate.

Table 125: Employees - Executive and Council Support

Employees: Executive and Council Support								
Serial No.	Job Level	2022/23	2023/24					
		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	0	0	0	0	0	0.0%
5	T06 - T08	13	13	0	13	12	1	7.7%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	13	13	0	13	12	1	7.7%

3.31 FINANCIAL SERVICES

The major key performance area is the focus on long-term financial sustainability. It is imperative that the generated revenue base is of such a nature that the Municipality is able to fund its short-, medium- and long-term operations in order to ensure continuity and a financially sound and stable organisation. The major key functional areas that have been identified and linked to financial sustainability are revenue enhancement, credit control measures and expenditure management.

Consumer debt remains a challenge, and a number of initiatives were implemented. Consumer debt (property rates, service charges, housing and sundry debtors – VAT and year-end accruals excluded) increased from R417.8 million at 30 June 2023 to R499.9 million at 30 June 2024. The relationship between the ever-increasing tariffs and outstanding debtors is an indication that consumers are struggling to meet their obligations in terms of payment for services. The worsening economic climate puts pressure not only on the world economy, but also filters down to households in municipalities globally.

The debtors' payment period for the 2023/24 financial year (before considering the provision for impairment) was 72.3 days, which is above the targeted number of 70 days. This is mainly due to credit control measures that cannot be exercised in Hermon, Saron and Gouda, as electricity is provided by ESKOM. The number of days for the 2022/23 financial year (before considering the provision for impairment) was 67.4 days which is below the targeted number of 70 days.

The Municipality's debtors' collection period in days (after impairment) increased to 42.1 days at 30 June 2024 compared with the 37.6 days as at 30 June 2023. The Municipality's debtors' collection period in days (before impairment) regressed by 4.9 days and the Municipality's debtors' collection period in days (after impairment) regressed by 4.5 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 47.4% of total operating revenue (conditional capital and operational grants excluded) at the end of the 2023/24 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 41.4% in the 2023/24 financial year (lower than the National Treasury norm of 45%) and to about 19.3% in accordance with the Long Term Financial Plan by the 2028/29 financial year.

3.31.1 Service Statistics

Table 126: Debt Recovery

Debt Recovery							
Serial No.	Revenue Service	2022/23 (R'000)			2023/24 (R'000)		
		Billed	Collected	% Collection Rate	Billed	Collected	% Collection Rate
Column Ref.	A	B	C	D	E	F	G
1	Property Rates	541,060,083	533,109,595	98.5%	599,111,066	587,145,611	98.0%
2	Electricity	1,112,762,273	1,103,991,890	99.2%	1,219,650,582	1,193,331,328	97.8%
3	Water	214,149,791	198,076,678	92.5%	262,532,381	229,192,704	87.3%
4	Sanitation	211,665,689	201,909,923	95.4%	189,540,404	176,588,029	93.2%
5	Refuse	176,686,466	158,781,038	89.9%	233,856,571	213,798,476	91.4%
6	Other	7,081,619	2,873,193	40.6%	18,574,512	16,148,189	86.9%
7	Totals	2,263,405,921	2,198,742,316	97.1%	2,523,265,516	2,416,204,337	95.8%

3.31.2 Service Delivery levels

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this section. These standards are incorporated as key performance indicators in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

3.31.3 Capital Expenditure

The Financial Services Department spent R493.2 thousand or 84% of the final adjustments budget on financial services 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 127: Capital Expenditure 2023/24 - Financial Services

Capital Expenditure 2023/24: Financial Services					
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	Other Capital Projects	2,725,000	587,332	493,190	16.0%
2	Total Capital Expenditure	2,725,000	587,332	493,190	16.0%

3.31.4 Major Projects Completed

No major capital projects were completed in the Department of Financial Services.

3.31.5 Operating Expenditure

Financial Services, as a support service, generated an operating surplus of R484.1 million for the 2023/24 financial year. The surplus, due to property rates revenue, is subsidising other community services operating at a loss.

Table 128: Operating Revenue and Expenditure: Financial Services (Procurement Services excluded)

Operating Revenue and Expenditure: Financial Services (Procurement Services excluded)						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(513,907,984)	(516,798,437)	(557,272,491)	(589,747,122)	5.8%
2	Total Operating Revenue	(513,907,984)	(516,798,437)	(557,272,491)	(589,747,122)	5.8%
3	Employee related costs	60,275,582	69,184,336	70,187,133	63,591,531	9.4%
4	Impairment losses and irrecoverable debt	13,594,636	16,118,501	6,500,000	1,887,263	71.0%
5	Contracted services	4,042,584	9,228,730	5,269,994	4,320,704	18.0%
6	Depreciation and amortisation	728,266	688,719	780,614	717,021	8.1%
7	Inventory consumed	2,890,394	2,523,561	2,830,359	2,046,330	27.7%
8	Operational Costs and Losses	32,449,683	34,985,889	33,760,928	33,046,917	2.1%
9	Total Operating Expenditure	113,981,145	132,729,736	119,329,028	105,609,767	11.5%
10	Operating (Surplus) / Deficit	(399,926,839)	(384,068,701)	(437,943,463)	(484,137,355)	10.5%

3.31.6 Employee Statistics

The Financial Services Department (Procurement Services Division excluded) has 213 posts on the organisational structure approved by Council on 30 June 2023 of which 157 approved posts was funded. The section had 137 filled posts at year-end with a 12.7% vacancy rate.

Table 129: Employees - Financial Services (Procurement Services Excluded)

Employees: Financial Services (Procurement Services Excluded)								
Serial No.	Job Level	2022/23	2023/24					
		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	2	2	0	2	2	0	0.0%
2	T15 - T17	6	6	0	6	6	0	0.0%
3	T12 - T14	12	23	5	18	14	4	22.2%
4	T09 - T11	2	9	2	7	6	1	14.3%
5	T06 - T08	71	112	31	81	73	8	9.9%
6	T03 - T05	40	61	18	43	36	7	16.3%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	133	213	56	157	137	20	12.7%

3.32 HUMAN RESOURCE SERVICES

The Human Resources Division consists of four sections namely, Training and Development, Personnel Administration, Benefits and Recruitment Services, Labour Relations, OHS and Employee Assistance Services and Organisational Efficiency Services. The total number of current staff is thirty – nine (39) and six (6) of those are vacant and budgeted.

The Human Resources Section coordinated the appointment of 178 employees inclusive of seasonal workers and promotions. The Municipality is committed to the principles of employment equity legislation and will continue to strive to appoint suitably qualified applicants while ensuring that the workforce is representative of the clients it serves. The Municipality also recognises the skills that our internal staff possesses hence it has embarked on a process of promoting internal staff through advertising some posts internally.

The HR Division has driven the Municipal Staff Regulations to ensure the effective implementation of the regulations. The focus of the regulations is the Organisational Structure, Job descriptions, Performance Management, Recruitment and Selection, and Training and Development. We are still embarking and encouraging departments to be effectively involved in promoting Succession Planning, coaching and mentoring and transferral of skills.

HR is continuously playing a vital role in terms of the Extended Public Works Programme by assisting various departments by creating all appointed EPWP employees on the HR/Payroll System, we also provide them with the UI19 forms when their contracts end so that they can go and register as unemployed with the Department of Home Affairs.

The Municipality has complied with the Employment Equity Act (EEA) by ensuring that the Employment Equity Report was prepared and electronically submitted to the Department of Labour on 15 January 2023. The Workplace Skills Plan and Annual Report were also submitted on 30 April 2023.

We pride ourselves with contributing positively to “*A city of excellence*” vision.

3.32.1 Service Statistics

Table 130: Service Statistics for Human Resources Services

Service Statistics for Humane Resources Services			
Serial No.	Submission Date	To	Document
Column Ref.	A	B	C
1	30 April 2024	LGSETA	Workplace Skills Plan
2	30 April 2024	LGSETA	Annual Training Report
3	30 June annually	Office of the City Manager	A report on the numbers of employees that are appointed on the first three levels of management
4	15 January annually	Department of Labour	Employment Equity Report
5	Monthly	Department. of Local Government	Municipal Finance Management Programme Reports
6	Monthly	Corporate and Planning Services Committee	Monthly Human Resources Report
7	Quarterly	Employment Equity Committee	Employment Equity report progress on the implementation of EE report

3.32.2 Service Delivery Levels

A significant number of job descriptions have been re-evaluated in the financial year 2023/24. Additional staff from different departments have been trained to write job descriptions as per the prescribed format.

3.32.3 Capital Expenditure

The Human Resources Division spent R1.45 million or 100% of the final adjustments budget on financial services 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 131: Capital Expenditure 2023/24: Human Resource Services

Capital Expenditure 2023/24: Human Resource Services					
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	ICT Equipment : Time and Attendance System	-	1,422,378	1,422,377	0.0%
2	Other Capital Projects	70,250	30,736	30,735	0.0%
3	Total Capital Expenditure	70,250	1,453,114	1,453,112	0.0%

3.32.4 Major Projects Completed

- Internal and External Bursary awards, Implementation of Municipal Staff Regulations, Performance Management and Development change management sessions and reviewal of policies.
- Construction Education and Training Authority (CETA), trained 70 learners in various fields: Plumbing, Carpentry, Electrical, and Bricklaying. The Local Government Sector Education and Training Authority (LG SETA), provided training of two learners in N6 Engineering Studies.
- The Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA), equipped thirty learners with the skills to provide technical support in Information and Communication Technologies, or ICT
- The Western Cape Department of Infrastructure trained six learners in Plumbing.

3.32.5 Operating Expenditure

Human Resource Services, as a support service, generated an operating deficit of R38.5 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 132: Operating Revenue and expenditure: Human Resource Services

Operating Revenue and Expenditure: Human Resources Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(2,273,318)	(750,000)	(2,290,602)	(3,142,012)	37.2%
2	Total Operating Revenue	(2,273,318)	(750,000)	(2,290,602)	(3,142,012)	37.2%
3	Employee related costs	18,460,330	21,446,156	20,239,585	20,896,355	-3.2%
4	Contracted services	3,370,265	3,441,501	4,384,719	3,687,766	15.9%
5	Depreciation and amortisation	427,721	272,775	458,466	427,820	6.7%
6	Inventory consumed	385,099	168,877	294,030	380,242	-29.3%
7	Operational Costs and Losses	14,924,540	15,663,673	16,445,357	16,214,661	1.4%
8	Total Operating Expenditure	37,567,955	40,992,982	41,822,157	41,606,843	0.5%
9	Operating (Surplus) / Deficit	35,294,637	40,242,982	39,531,555	38,464,832	-2.7%

3.32.6 Employee Statistics

The Human Resources Division has 51 posts on the organisational structure approved by Council on 30 June 2023 but only 39 of those are budgeted for. The section had 34 filled posts at year-end and with a 12.8% vacancy rate in terms of budgeted positions.

Table 133: Employees - Human Resources

Employees: Human Resources								
Serial No.	Job Level	2022/23	2023/24					
		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	5	5	0	5	4	1	20.0%
3	T12 - T14	7	12	2	10	10	0	0.0%
4	T09 - T11	7	11	1	10	7	3	30.0%
5	T06 - T08	12	16	6	10	9	1	10.0%
6	T03 - T05	3	7	3	4	4	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	34	51	12	39	34	5	12.8%

3.33 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Senior Manager Information and Communication Technology is responsible for the effective management and functional supervision of the following three sections:

- ICT Governance and Administration;
- Information Systems; and
- ICT Operations and Support.

3.33.1 ICT Governance and Administration

The section is responsible for the:

- Administration of the ICT Division;
- Processing of financial data;
- Technical management of the processes related to the SOLAR financial system; and
- Development and implementation of governance mechanisms and controls for the management of information and communication technology.

The following audits were conducted by independent auditors as part of the ICT Audit Plan with a positive outcome.

Reviewed the adequacy and effectiveness of ICT Continuity: Infrastructure:

- Infrastructure assessment and replacement planning;
- Maintenance contracts in respect of key infrastructure;
- Environmental controls (Fire prevention and detection, physical access control, management of air conditioners and generators;
- Follow up of agreed action plans from previous audits; and

- Cyber Security audit and penetration testing.

3.33.2 Information Systems

Information Systems are primarily responsible for:

- Business process redesign and optimisation;
- Managing all business system changes as part of the Change Management principles or new IT systems development projects.
- Developing and managing business application systems and user access.
- Developing and managing MS SQL databases and user access.
- Development and maintenance of an Enterprise Architecture in Business Application Systems.

In the 2023/24 this section spearheaded the review of the Municipality's mission critical systems.

3.33.3 Operations and Support

This section is responsible for:

- Planning, implementing and managing the ICT operations environment;
- Providing facilities to ensure the secure and optimal availability of all ICT infrastructure; telecommunications systems and data;
- ICT service desk and support function; and
- All ICT hardware deployed within Drakenstein Municipality resides under this section.

All ICT service infrastructure are currently hosted in a server room with a backup site to ensure continuity of service. This includes:

- Five host servers that houses the virtual server farm consisting of 62 virtual servers;
- 3 Physical servers for production and backups are also in use;
- 120 TB storage unit containing all data that is generated and stored;
- Core network node that provides connectivity to 68 sites using 129 switches and 53 wireless links;
- 35 Wi-Fi Access Points;
- Voice over internet protocol to all connected offices;
- Firewall and connectivity to the internet service provider; and
- Backup equipment with off-site storage and data replication.

Currently there are 983 users connecting to the network using the various systems. These users are supported from the ICT Service Desk. Support is provided online as well as through physical intervention. During the period under review, a total of 2,546 calls were resolved.

3.33.4 Capital Expenditure

The ICT Division spent R4.5 million or 99.6% of the final adjustments budget on ICT 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 134: Capital Expenditure 2023/24 - Information and Communication Technology (ICT) Services

Capital Expenditure 2023/24: Information and Communication Technology (ICT) Services					
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	ICT Equipment Computer Related	2,600,000	4,474,317	4,471,069	0.1%
2	Other Capital Projects	535,000	39,853	26,350	33.9%
3	Total Capital Expenditure	3,135,000	4,514,170	4,497,419	0.4%

3.33.5 Major Projects Completed

- New Segmented Wi-Fi which includes guest Wi-Fi;
- New Wi-Fi Radios installed;
- Fiber installation to Paarl East Housing were completed;
- Move from CommVault to VEEAM (Backup Software);
- Replace overhead projectors with 65"/75" Monitors;
- Fiber installation to Paarl East Housing were completed;
- Obsolete computer equipment was replaced and upgraded as part of our ICT Infrastructure Replacement Program;
- Cyber Security maturity assessment on our ICT environment Was completed by SALGA and SITA with a very good outcome; and
- Migrated from Hyper-V to VMWare.

3.33.6 Operating Expenditure

Information and communication technology services, as a support service, generated an operating deficit of R25.8 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 135: Operating Revenue and Expenditure: Information and Communication Technology (ICT) Services

Operating Revenue and Expenditure: Information and Communication Technology (ICT) Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	8,387,677	9,046,166	9,363,254	9,647,536	-3.0%
2	Contracted services	1,899,797	2,577,750	2,444,088	2,267,993	7.2%
3	Depreciation and amortisation	4,197,462	4,287,901	4,523,039	4,186,680	7.4%
4	Inventory consumed	169,902	105,000	170,000	149,391	12.1%
5	Operational Costs and Losses	9,168,814	9,116,900	10,664,000	9,571,293	10.2%
6	Total Operating Expenditure	23,823,651	25,133,717	27,164,381	25,822,892	4.9%
7	Operating (Surplus) / Deficit	23,823,651	25,133,717	27,164,381	25,822,892	4.9%

3.33.7 Employee Statistics

The ICT Division has 14 posts on the organisational structure approved by Council on 30 June 2023 of which 3 post are frozen and 11 posts funded at year-end. The section had 10 filled posts at year-end with a 9.1% vacancy rate.

Table 136: Employees - Information and Communication Technology (ICT) Services

Employees: Information and Communication Technology (ICT) Services								
Serial No.	Job Level	2022/23	2023/24					
		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	2	4	2	2	2	0	0.0%
3	T12 - T14	7	8	1	7	6	1	14.3%
4	T09 - T11	2	2	0	2	2	0	0.0%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	11	14	3	11	10	1	9.1%

3.34 PROPERTY SERVICES (BUILDING MAINTENANCE)

The Corporate Facilities and Building Maintenance Section under the Engineering Services Department provides building repairs and alterations, and new construction works through the building projects sub-section and day-to-day and preventative maintenance of all facilities and rental stock through the building maintenance and rental stock maintenance sub-sections. The section also provides assessments, repairs and assistance during emergencies like the storm in April 2024 where more than 110 municipalities properties were damaged and needed to be assessed, made safe and the work initiated to repair the buildings.

3.34.1 Service Statistics

Most of the reactive building maintenance are channelled through the SeeClickFix reporting system used by Drakenstein Municipality. For 2023/24 we received 4,965 service requests and closed 3,642.

3.34.2 Service Delivery Levels

These maintenance requests fall into 35 categories, with service delivery standard durations between 3 hours and 12 weeks, depending on the nature of the work. The target to close 90% of the service requests within the stipulated service level agreement (SLA) duration is incorporated as key performance indicator in the Service Delivery and Budget Implementation Plan, thereby ensuring measurement and compliance to the set service standards.

3.34.3 Capital Expenditure

The Property Services Section (Building Maintenance) spent R7.5 million or 95.1% of the final adjustments budget on municipal property 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 137: Capital Expenditure 2023/24 - Property Services

Capital Expenditure 2023/24: Property Services					
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	Backup Power Installations	6,300,000	5,371,696	5,371,695	0.0%
2	Corporate Facility Aircons	215,000	691,724	673,202	2.7%
3	Bar Fence at Wellington Museum	-	599,835	599,835	0.0%
4	Network Points	25,000	426,847	426,846	0.0%
5	Other Capital Projects	965,000	842,763	474,748	43.7%
6	Total Capital Expenditure	7,505,000	7,932,865	7,546,326	4.9%

3.34.4 Major Projects Completed

Major projects that include maintenance are completed by Engineering Services .

Table 138: Capital and Maintenance Projects

Capital, Operational and Maintenance Projects		
Serial No.	Project Description	Rand
Column Ref.	A	B
1	Installation of 825 kVA generator at Paarl Civic Centre	3,722,243
2	Installation of 680 kVA generator at Paarl Waste Water Treatment Works	1,419,799
3	Installation of 650 kVA generator at Market Street Building	657,658
4	Installation of inverters and batteries at Bergrivier Boulevard Traffic Department, Wellington Traffic department and Wellington Library.	298,400
5	Purchasing of containers for Groenberg and Wagenmakersvallei Library	264,000
6	BETA fence at Colibri Hall	245,447
7	Fence at Happy toddlers	193,859
8	Maintenance of stage at Huguenot Community Hall	193,741
9	BETA fence at Paarl Night Shelter	182,105
10	Construction of column foundation at Hermon Creche	160,530
11	Supply and fit lift buttons at Market Street Building	156,478
12	Paarl Main Stores Canopy Repairs	125,015
13	Container repairs at Park Depo	124,366
14	60 Breda Street – Minor Alterations	120,934
15	Lollipop Creche Asbestos Project (Lean to Roof)	110,028

3.34.5 Operating Expenditure

Property services, as a community service, generated an operating deficit of R50.9 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 139: Operating Revenue and Expenditure: Property Services (Building Maintenance)

Operating Revenue and Expenditure: Property Management						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	17,151,408	18,587,920	20,843,845	21,213,661	-1.8%
2	Contracted services	5,421,757	16,812,095	15,367,339	14,506,377	5.6%
3	Depreciation and amortisation	11,895,609	12,343,684	12,726,929	11,873,919	6.7%
4	Inventory consumed	546,455	654,898	3,876,451	3,086,776	20.4%
5	Operational Costs and Losses	457,095	362,429	356,190	262,446	26.3%
6	Total Operating Expenditure	35,472,324	48,761,026	53,170,754	50,943,179	4.2%
7	Operating (Surplus) / Deficit	35,472,324	48,761,026	53,170,754	50,943,179	4.2%

3.35 PROPERTY SERVICES (CORPORATE SERVICES)

The activities of this section contribute towards economic growth and development as well as social and community development by making properties available through the sale or lease thereof, and thereby creating economic opportunities while also providing for the development and empowerment of the poor and most vulnerable.

The main objective of the section is however, to administer Council's property portfolio and to ensure that the Municipality's property transactions are well administered, which include the lease or hire of immovable assets, the granting or obtaining of rights in properties as well as the alienation or acquisition thereof.

3.35.1 Service Statistics

Table 140: Properties sold

Properties for which final approval was granted from 1 July 2023 – 30 June 2024			
Serial No.	Properties sold	To	Purpose
Column Ref	A	B	C
1	Portions of Erven 1294 and 1295 Wellington	Die Voortrekkers (021-962-NPO)	Youth Development purposes
2	Portion erf 593 Paarl	Call for proposals	Mix use development
3	Portion of Erf 607 Gouda	Bedara Trust and Highway Group	Development of a freight fuel filling station
4	Portion of Remainder Erf 5058 Paarl	Adjacent landowner of Erf 19134 Paarl (Nexusag (Pty) Ltd)	Parking development purposes
5	Erf 2874 Paarl	Public Auction	Residential development purposes
6	erven 26685,26686 and 27796 Paarl	Call for Application Process	Community, Church, Welfare
7	Erf 39379 Paarl	Public Auction	Industrial purposes
8	Erf 30260	Call for applications	ECD
9	Portion of Klein Bos-en-Dal Street	Adjacent landowner of Erf 3793 Paarl	Gardening purposes
10	Erf 5571 Wellington (Public Place)	Verdeau Homeowners Association	Landscaping and additional parking bays
11	Portion of Erf 2665 Mbekweni	Adjacent landowner of Erf 2500 Mbekweni	For consolidation with existing property
12	Portion of Erf 39379	Public Auction	Industrial purposes
13	Portion of Erf 34	Springdeals	Name change/historical council decision
14	Erf 2481, Portion 2389 Paarl, Erf 7527,7528,7529,7530,7541,7542, 7543 Courtrai, 6358 Paarl	Public auction process	Mix used,single,conventional housing
15	Portion of Remainder Erf 5058 Paarl	Adjacent landowner of Erf 19147 Paarl (Landhold Properties (Pty) Ltd)	Parking development purposes
16	Erf 2874 Paarl	Verticor (Pty) Ltd	Residential purposes

Properties for which final approval was granted from 1 July 2023 – 30 June 2024			
Serial No.	Properties sold	To	Purpose
Column Ref	A	B	C
17	Portion H of Erf 4921 Paarl Railway Reserve	Adjacent landowner of Erf 33039 Paarl	For expansion of existing property
18	Portion klein Bos-en-dal street	Adjacent Landowner Of Erf 3793 Paarl	Gardening purposes

Table 141: Properties leased

Properties leased			
Serial No	Property	To	Purpose
Column No.	A	B	C
1	Portions of Erven 34 and 411 Wellington	Adjacent landowner of Erf 9907 (Van Zyl Family Trust)	Parking development purposes
2	Portion of Erf 34983 Paarl (Public Place)	Owner of Erf 34982 Paarl (Highway Oil (Pty) Ltd)	For the purpose of fencing the property and maintaining the stormwater retention pond
3	Erf 19519 Paarl	Ikhwezi Community Centre	Educational and Community Development purposes

3.35.2 Capital Expenditure

The Property Services Section (Corporate Services) had no capital expenditure.

3.35.3 Operating Expenditure

The financial information pertaining to Property Administration services (Corporate), is included with results of the next section – Legal Services

3.36 LEGAL SERVICES

Legal Services within the Municipality supports the Council and Administration with legal advice and support. In addition to general legal support, administering of own legislation, vetting of contracts and litigation management, the Legal Services Section also administers immovable property transactions which are governed in terms of the Asset Transfer Regulations. Property transactions are administered in close co-operation and consultation with technical line departments in order to ensure that these transactions play a key role in the implementation of strategic goals that align with the constitutional duties of local government. The section therefore does not only play a role in protecting the interests of the Municipality in relation to legal matters, but also fulfil a facilitating role in furthering

developmental goals such as the promoting of social and economic development through property transactions, in collaboration with other divisions of the Municipality. The administrative support of the section is currently performed by one permanent staff member.

Legal compliance supporting ethical conduct and good citizenship:

- Through the general legal support and advice provided by the Legal Services Section, the section supports ethical conduct by the administration as well as the political arm of the Municipality. Similarly these processes foster good governance in general since it provides the necessary guidance to ensure that policies, processes and procedures as well as applicable legislation are complied with.
- Good citizenship is furthermore also promoted by supporting the law enforcement processes of the Municipality. Consistent and effective law enforcement compels citizens to acknowledge and adhere to legislation and thereby a culture of good citizenship is instilled.

Municipal Court:

The Municipal Court was promulgated during March 2022 and has been operational since 1 December 2022.

The Municipal Court was established to promote law enforcement within the Municipality's jurisdiction and further enhance bylaw enforcement with a strong focus on the following areas:

- Traffic Bylaws;
- Provincial Traffic Bylaws;
- Law Enforcement Bylaws;
- Fire Bylaws;
- Building and Land Use Regulations;
- Environmental Bylaws;
- Electrical Bylaws;
- Nuisance Bylaw; and
- All other Bylaw contraventions.

3.36.1 Service Statistics

The following statistics reflect activities in the Legal Services Section in respect of litigation matters:

Table 142: Service Statistics - Legal Services

Serial No.	Category of litigation matters	Total cases registered		
		2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Eviction Cases	54	71	57
2	Evictions lodged out of municipal property	0	2	1
3	Litigation against Drakenstein	16	9	16
4	Litigation initiated by Drakenstein	1	0	0

3.36.2 Capital Expenditure

The Legal Services Section spent R143.7 thousand or 85.7% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 143: Capital Expenditure 2023/24 - Legal Services

Capital Expenditure 2023/24: Legal Services					
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	Other Capital Projects	-	167,640	143,706	14.3%
2	Total Capital Expenditure	-	167,640	143,706	14.3%

3.36.3 Major Projects Completed

In view of the nature of the service, being an internal legal support service, no capital projects were undertaken.

3.36.4 Operating Expenditure

Legal and administrative services (inclusive of rental housing and administration), as a support service, generated an operating deficit of R6.6 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 144: Operating Revenue and Expenditure: Legal and Administrative Services

Operating Revenue and Expenditure: Legal and Administrative Services						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(61)	(547)	(547)	0	-100.0%
2	Total Operating Revenue	(61)	(547)	(547)	0	-100.0%
3	Employee related costs	5,212,228	6,358,528	6,172,563	6,010,409	2.6%
4	Interest paid	255,430	241,852	0	0	0.0%
5	Contracted services	85,962	62,640	69,740	67,800	2.8%
6	Depreciation and amortisation	351,144	364,330	376,385	351,011	6.7%
7	Inventory consumed	15,414	0	0	28,894	0.0%
8	Operational Costs and Losses	47,718	132,040	164,550	145,988	11.3%
9	Total Operating Expenditure	5,967,896	7,159,390	6,783,238	6,604,102	2.6%
10	Operating (Surplus) / Deficit	5,967,835	7,158,843	6,782,691	6,604,102	-2.6%

3.36.5 Employee Statistics

The Legal and Property Administration Services Division (inclusive of the Housing Rental section) has 45 posts on the organisational structure approved by Council on 30 June 2023 of which 10 post are frozen and 35 posts funded at year-end. The section had 23 filled posts at year-end with a 34.3% vacancy rate.

Table 145: Employees - Legal Services (Legal Services, Property Administration and Housing Rental)

Employees: Legal Services (Legal Services, Property Administration and Housing Rental)								
Serial No.	Job Level	2022/23	2023/24					
		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	1	0	0.0%
2	T15 - T17	3	5	2	3	3	0	0.0%
3	T12 - T14	0	4	1	3	2	1	33.3%
4	T09 - T11	4	5	1	4	3	1	25.0%
5	T06 - T08	2	19	5	14	7	7	50.0%
6	T03 - T05	0	11	1	10	7	3	30.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	10	45	10	35	23	12	34.3%

3.37 RISK MANAGEMENT

The Risk Management Division consists of two main functions, the Integrated Risk Management Section (IRM) as well as the Fraud Risk Management Section (FRM).

The IRM Section is responsible for the risk management function at Drakenstein Municipality through a process of facilitation and providing advice to all stakeholders. Included in the functions of the IRM section is Business Continuity.

The FRM Section is based on four pillars, Prevention, Detection, Investigation and Feedback with regards to lessons learned.

3.37.1 Service Statistics

A Fraud and Risk Management Committee (FARMCO) meeting, providing an oversight over the division's function, is scheduled for each quarter of the financial year and took place as scheduled.

A total of 26 Risk Champions were nominated from current employment during the 2017/18 financial year and formally appointed. Training was provided by a representative of the Governance Department of Provincial Government and follow up training provided by the IRM Section.

One Annual Risk Identification and Assessment Workshop was performed for each of the five directorates and four divisions reporting to the City Manager, to compile a register where tactical risks were identified. Quarterly risk assessment updates were performed with the above departments and divisions.

The Strategic Risk Register is revised on an annual basis at the strategy session during the first quarter of each calendar year.

3.37.2 Service Delivery Levels

All of the Division's service levels were fully complied with.

3.37.3 Capital Expenditure

The Risk Management Services Section had no capital projects for the 2023/24 year.

3.37.4 Major Projects Completed

A comprehensive Business Continuity Master Plan was approved, as well as individual plans per directorate and divisions reporting to the City Manager.

3.37.5 Operating Expenditure

Risk Management Services, as a support service, generated an operating deficit of R2.5 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 146: Operating Revenue and Expenditure: Risk Management Services

Operating Revenue and Expenditure: Risk Management						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	2,535,765	2,647,783	2,564,598	2,366,236	7.7%
2	Contracted services	379,134	52,360	46,000	42,000	8.7%
3	Depreciation and amortisation	8,281	5,488	8,876	11,284	-27.1%
4	Inventory consumed	7,329	12,510	12,510	18,637	-49.0%
5	Operational Costs and Losses	42,597	139,761	114,761	56,993	50.3%
6	Total Operating Expenditure	2,973,105	2,857,902	2,746,745	2,495,150	9.2%
7	Operating (Surplus) / Deficit	2,973,105	2,857,902	2,746,745	2,495,150	9.2%

3.37.6 Employee Statistics

The Risk Management Division has 6 posts on the organisational structure approved by Council on 30 June 2023 of which 1 post is vacant and 5 post frozen at year-end. The section had 4 filled posts at year-end with a 20% vacancy rate.

Table 147: Employees - Risk Management

Employees: Risk Management								
Serial No.	Job Level	2022/23	2023/24					
		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	1	1	0	1	1	0	0.0%
3	T12 - T14	2	2	0	2	1	1	50.0%
4	T09 - T11	2	3	1	2	2	0	0.0%
5	T06 - T08	0	0	0	0	0	0	0.0%
6	T03 - T05	0	0	0	0	0	0	0.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	5	6	1	5	4	1	20.0%

3.38 INTERNAL AUDIT

S165(1) and (2) of the Municipal Finance Management Act 56 of 2003 states “Each municipality and each municipal entity must have an Internal Audit unit. The Internal Audit unit of a municipality and each municipal entity must-

- Prepare a risk-based audit plan and an internal audit program for each financial year;
- Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to-
 - Internal audit;
 - Internal controls;
 - Accounting procedures and practices;
 - Risk and risk management;
 - Performance management;
 - Loss control; and
 - Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
 - Perform such other duties as may be assigned to it by the accounting officer.

3.38.1 Service Statistics

3.38.2 Major Projects Completed

- Implementation of the 2023/24 Internal Audit Plan approved by the Audit Committee;
- Development of the Combined Assurance Plan for the municipality; and
- Procurement of Data Analytics Software

- No capital projects were planned for 2023/24.

3.38.3 Operating Expenditure

Internal Audit generated an operating deficit of R10.5 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 148: Operating Revenue and Expenditure: Internal Audit

Operating Revenue and Expenditure: Internal Audit						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Employee related costs	9,210,068	9,483,889	9,676,238	9,767,426	-0.9%
2	Contracted services	5,948	472,531	417,330	377,910	9.4%
3	Depreciation and amortisation	24,788	25,758	26,570	24,798	6.7%
4	Inventory consumed	39,504	54,264	66,015	52,895	19.9%
5	Operational Costs and Losses	256,703	399,540	411,247	314,977	23.4%
6	Total Operating Expenditure	9,537,011	10,435,982	10,597,400	10,538,006	0.6%
7	Operating (Surplus) / Deficit	9,537,011	10,435,982	10,597,400	10,538,006	0.6%

3.38.4 Capital Expenditure

The Internal Audit Division spent R29.5 thousand or 98.4% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure.

Table 149: Capital Expenditure 2023/24: Internal Audit

Capital Expenditure 2023/24: Internal Audit					
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	Other Capital Projects	-	30,000	29,534	1.6%
2	Total Capital Expenditure	-	30,000	29,534	1.6%

3.39 PROCUREMENT SERVICES

The Supply Chain Management Division resorts under the direct supervision of the Chief Financial Officer.

3.39.1 Service Statistics

For the 2023/24 financial year, purchase orders to the value of R1,192,792,584 were generated. The total value of deviations from the official procurement process increased to

R51,962,520 from R36,416,498 of the previous financial. Deviations that were regarded as being impractical or impossible to follow the official procurement process (included in the totals above) increased from the previous financial year from R325,085 to R23,125,729 due to the approval of a turnkey contractor for the Simondium Housing Development that was approved to the value of R23,000,000.

3.39.2 Service Delivery Levels

Service delivery levels are determined in the Standard Operating Procedures for every service rendered by this division. A number of standard operating procedures were drafted, approved and rolled out to departments for implementation. This improved efficiencies and reporting requirements.

3.39.3 Capital Expenditure

The Supply Chain Management Division spent R509.8 thousand or 98.2% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure.

Table 150: Capital Expenditure 2023/24: Procurement Services

Capital Expenditure 2023/24: Procurement Services					
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	CCTV Cameras: Stores and Auction Camp	243,395	518,941	509,754	1.8%
2	Total Capital Expenditure	243,395	518,941	509,754	1.8%

3.39.4 Major Projects Completed

No major projects have been completed that relates to Supply Chain Management.

3.39.5 Operating Expenditure

Procurement services generated an operating deficit of R20.9 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 151: Operating Revenue and Expenditure: Procurement Services

Operating Revenue and Expenditure: Procurement						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(489,448)	(482,058)	(2,432,058)	(1,164,433)	-52.1%
2	Total Operating Revenue	(489,448)	(482,058)	(2,432,058)	(1,164,433)	-52.1%
3	Employee related costs	16,782,375	19,019,553	18,302,872	17,738,085	3.1%
4	Interest paid	304,118	434,841	434,842	219,061	49.6%
5	Contracted services	72,229	1,140,000	425,063	290,762	31.6%
6	Depreciation and amortisation	2,581,131	2,621,302	2,887,635	2,707,382	6.2%
7	Inventory consumed	277,996	111,200	163,561	224,059	-37.0%
8	Operational Costs and Losses	471,944	272,560	529,826	888,422	-67.7%
9	Total Operating Expenditure	20,489,793	23,599,456	22,743,799	22,067,771	3.0%
10	Operating (Surplus) / Deficit	20,000,345	23,117,398	20,311,741	20,903,337	2.9%

3.39.6 Employee Statistics

The Procurement Division has 57 posts on the organisational structure approved by Council on 30 June 2023 of which 10 posts are frozen and 47 posts funded at year-end. The section had 38 filled posts at year-end with a 19.1% vacancy rate.

Table 152: Employees - Procurement Services

Employees: Procurement Services								
Serial No.	Job Level	2022/23	2023/24					
		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	1	1	0	1	1	0	0.0%
3	T12 - T14	4	6	1	5	5	0	0.0%
4	T09 - T11	11	15	4	11	10	1	9.1%
5	T06 - T08	20	28	3	25	19	6	24.0%
6	T03 - T05	6	7	2	5	3	2	40.0%
7	T01 - T02	0	0	0	0	0	0	0.0%
8	Total	42	57	10	47	38	9	19.1%

3.40 FLEET

The Fleet and Workshop Division resorts under the Engineering Services Department. The focus areas remained to improve operations in terms of the number of vehicles serviced inside the mechanical workshop, making refuse compactors available for service delivery and motivating the appropriate expenditure on fleet replacement items. In terms of the internal services performed in the mechanical workshop the target of 282 internal services was exceeded for the second year with 304 vehicles serviced inside the mechanical workshop. The average number of days that 15 refuse compactors are available for service delivery decreased

from 12.08 to 10.1, with three trucks being written-off during 2023/2024. The replacement vehicles bought targeted service delivery, reduction of hire expenditure and to relieve the impact of the aged fleet of the municipality. We therefor focussed on two refuse compactors, a digger loader, tipper truck, and light delivery vehicles for maintenance work.

3.40.1 Operating Expenditure

Fleet Services generated an operating deficit of R28.0 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 153: Operating Revenue and Expenditure: Fleet Management

Operating Revenue and Expenditure: Fleet Management and Workshop						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			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	(4,194)	(5,471)	(5,471)	(5,998)	9.6%
2	Total Operating Revenue	(4,194)	(5,471)	(5,471)	(5,998)	9.6%
3	Employee related costs	8,114,048	10,230,056	8,630,319	8,864,529	-2.7%
4	Interest paid	18,336,163	17,361,416	0	0	0.0%
5	Contracted services	89,319	1,131,163	138,821	25,002	82.0%
6	Depreciation and amortisation	6,634,282	6,967,419	7,170,140	6,700,633	6.5%
7	Inventory consumed	172,390	1,693,014	374,952	286,407	23.6%
8	Operational Costs and Losses	1,360,068	11,829,648	13,546,328	12,084,140	10.8%
9	Total Operating Expenditure	34,706,270	49,212,716	29,860,560	27,960,711	6.4%
10	Operating (Surplus) / Deficit	34,702,076	49,207,245	29,855,089	27,954,713	-6.4%

3.40.2 Capital Expenditure

The Fleet Division spent R15.9 million or 97.7% of the final adjustments budget on capital projects for the year under review. The main capital projects are listed in the table below with its budgeted and actual expenditure information.

Table 154: Capital Expenditure 2023/24 - Fleet Management

Capital Expenditure 2023/24: Fleet Management					
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	Fleet Annual Replacement Programme	5,500,000	16,000,418	15,625,543	2.3%
2	Other Capital Projects	590,000	317,277	317,276	0.0%
3	Total Capital Expenditure	6,090,000	16,317,695	15,942,819	2.3%

3.41 OTHER ADMINISTRATIVE SECTIONS

Other Administrative Sections comprise all other sections providing support to various Departments across the Municipality.

3.41.1 Operating Expenditure

Other Administrative Sections generated an operating deficit of R78.5 million for the 2023/24 financial year. The deficit is subsidised with the surpluses made by trading services.

Table 155: Operating Revenue and Expenditure: Other Administrative Sections

Operating Revenue and Expenditure: Other Administration						
Serial No.	Description	2022/23 (Restated) Actual Results	2023/24			
			Original Approved Budget	Final Adjustments Budget	Actual Results	Positive / (Negative) % Variance Between Column D & E
Column Ref.	A	B	C	D	E	F
1	Operational revenue	(8,530,762)	(7,987,296)	(8,507,296)	(21,867,420)	157.0%
2	Total Operating Revenue	(8,530,762)	(7,987,296)	(8,507,296)	(21,867,420)	157.0%
3	Employee related costs	74,816,000	79,002,682	78,257,834	75,983,479	2.9%
4	Interest paid	255,430	241,852	0	0	0.0%
5	Contracted services	5,198,389	4,420,509	5,162,290	4,643,761	10.0%
6	Depreciation and amortisation	1,743,852	1,665,492	1,629,370	1,736,372	-6.6%
7	Inventory consumed	1,344,481	1,426,540	3,897,233	2,797,717	28.2%
8	Operational Costs and Losses	6,578,101	7,572,321	12,113,441	15,202,988	-25.5%
9	Total Operating Expenditure	89,936,254	94,329,396	101,060,168	100,364,318	0.7%
10	Operating (Surplus) / Deficit	81,405,492	86,342,100	92,552,872	78,496,898	-15.2%

4. ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

4.1 INTRODUCTION

One major role that the Human Resources is tasked with is to ensure that employees are looked well after and that their morale is enhanced on a continuous basis.

Only the following mentioned programmes could be successfully implemented in 2023/24:

- Internal and External Bursaries;
- Long Service Ceremony; and
- Employee Assistance Programme.

The Employee Assistance Program provides access to professional counselling services for all employees and those in need of professional assistance are encouraged to use the program. The EA Programme services available to employees are:

- Psycho-social interventions consisting of assessment, counselling, referral to external psychologist or psychiatrist, follow-up and assistance with re-integration.
- Employee Awareness programmes implemented were employee health day, addictions awareness, financial wellness week, men's health and wellness, HIV/AIDS VCT campaign and women's health and wellness.
- Addictions Care Programme that provides assistance, counselling and referral of employees with substance abuse problems to rehabilitation programmes. Monthly support groups are offered to support employees in their recovery.
- Trauma support intervention are offered by providing individual and group trauma debriefing counselling to employees that are exposed to traumatic workplace incidents. Further external trauma counselling for affected employees and their families are also provided if needed.

4.2 TOTAL EMPLOYMENT

The total number of employees at the end of June 2024 is 1,644 and we have filled 178 posts in the financial year 2023/24. Terminations were mainly due to pensioners, death and very few dismissals.

4.2.1 Employee Totals per GFS Classification

The total number of employees 1,644 at the end of the 2023/24 financial year is depicted per GFS classification or functional area in the table below. The 1644 employees and 7 interns add to the total employees of 1651 at year-end. The organisational structure approved by Council on 30 June 2023 provides for 2,784 posts taking Drakenstein's future growth into consideration. The number of budgeted vacant positions is 334, the vacancy rate of 16.9% as at the end of the 2023/24 financial year, based on only budgeted positions.

Table 156: Total Employees per GFS Classification

Total Employees per GFS Classification								
Serial No.	Description of Departments/Divisions	2022/23	2023/2024					
		Number of Employees	Number of Approved Posts	Number of Frozen Posts (Unfunded)	Number of Approved Funded Posts	Number of Employees	Number of Vacancies (Funded)	Vacancy Rate
Column Ref.	A	B	C	D	E	F	G	H
1	Water and Waste Water Services	185	336	116	220	183	37	16.8%
2	Electricity Services	124	200	50	150	127	23	15.3%
4	Waste Management (Solid Waste and Landfill Management)	110	213	79	134	104	30	22.4%
5	Housing (Human Settlements and Rental Stock (Rural Development Excluded)	68	43	11	32	28	4	12.5%
6	Roads and Stormwater	146	241	80	161	143	18	11.2%
7	Planning Services	46	52	3	49	45	4	8.2%
8	Economic Development	9	10	0	10	8	2	20.0%
9	Library Services	65	107	30	77	72	5	6.5%
10	Cemeteries and Crematoria and Resorts	50	93	38	55	31	24	43.6%
11	Community Halls, Facilities & Thusong Centres	56	75	12	63	61	2	3.2%
12	Child Care, Aged Care & Social Programmes	8	10	1	9	8	1	11.1%
13	Environmental Management	5	8	3	5	5	0	0.0%
14	Biodiversity and Landscaping (Parks)	125	219	60	159	142	17	10.7%
15	Traffic, Licensing and Law Enforcement	104	190	74	116	102	14	12.1%
16	Fire and Disaster Management	74	144	50	94	74	20	21.3%
17	Sport and Recreation	63	181	61	120	61	59	49.2%
18	Executive and Council Support	13	13	0	13	12	1	7.7%
19	Financial Services	133	213	56	157	137	20	12.7%
20	Human Resources	34	51	12	39	34	5	12.8%
21	ICT Services	11	14	3	11	10	1	9.1%
22	Property Services	0	0	0	0	0	0	N/A
23	Legal and Administrative Services (Legal Services and Property Administration)	10	45	10	35	23	12	34.3%
24	Risk Management	5	6	1	5	4	1	20.0%
25	Procurement Services	42	57	10	47	38	9	19.1%
26	Other	167	263	46	217	192	25	11.5%
26	Total	1,653	2,784	806	1,978	1,644	334	16.9%
	Finance Interns		0			7		

4.2.2 Employee Vacancy Rate per Occupational Level

The Municipality filled a significant number of priority vacancies across all departments in the 2023/24 financial year. The vacancy rate for funded positions is 15.0% for the financial year reflected below.

Table 157: Employee Vacancy Rate per Occupational Level

Vacancy Rate per Occupational Level 2023/24									
Serial No.	Designation	Total number of approved posts	Vacancies (approved posts)	Vacancy rate (approved posts)	Number of Frozen posts (unfunded)	Number of Approved Budgeted Posts	Number of Employees (Filled Vacancies)	Number Budgeted Vacancies (Unfilled Vacancies)	Vacancy rate (budgeted posts)
Column Ref.	A	B	C	D	E	F	G	H	I
1	City Manager	1	0	0%	0	1	1	0	0%
2	CFO	1	0	0%	0	1	1	0	0%
3	Section 57 Managers	4	0	0%	0	4	3	1	25%
4	Senior Management: Levels 16 - 18	58	12	21%	7	51	46	5	10%
5	Senior Management: Levels 13 - 15	106	28	26%	17	89	78	11	12%
6	Highly skilled supervision: Levels 9 - 12	491	206	42%	149	342	285	57	17%
7	Total	661	246	37%	173	488	414	74	15%

4.2.3 Employee Turnover Rate

Based on the number of employees of 1,651 at year-end and the terminations of 104 for the year under review, the turnover rate is 6.2%.

Table 158: Turnover Rate

Turnover Rate				
Serial No.	Year	Number of Employees at year-end	Number of Terminations during the year	Turnover Rate*
Column Ref.	A	B	C	D
1	2021/22	1,706	85	5.0%
2	2022/23	1,653	101	6.1%
3	2023/24	1,651	104	6.2%

4.3 EMPLOYMENT EQUITY

The Employment Equity status of the Municipality is submitted on monthly basis to the Local Labour Forum, where both unions SAMWU and IMATU are present. The employer component is also represented at that forum. An Employment Equity Report is submitted to the Department of Labour on an annual basis. The Municipality also has an Employment Equity Forum that serves as a Labour Relations Forum subcommittee. This committee/forum meets on a quarterly basis and reports to the Local Labour Forum.

4.3.1 Employment Equity Targets/Actuals by Race Classification

Based on the number of current employees in service and the target set for all races, the Municipality has not reached targets for Africans, Coloureds and Whites (in lower-level positions). The reason targets not reached for white people in terms of the number reflected below is that very few white people apply for general worker positions. Although there is a significantly low number of Indians in our region, the municipality does appoint them.

EE targets are revisited every time a new structure is adopted and confirmation of budgeted posts. For the purpose of this report, the targets per gender classification will be based on the confirmed budgeted posts.

Table 159: Employment Equity Targets/Actuals by Race Classification

Employment Equity Targets/Actuals by Race Classification				
Serial No.	2023/24			
	Race Classification	Overall Target (as per 5-year EE Plan)	Actuals at Year-End	Target Achieved (C/B*100)
Column Ref.	A	B	C	D
1	African	634	454	71.6%
2	Coloured	1,329	1,089	82.0%
3	Indian	2	8	400.0%
4	Whites	215	100	46.51%
5	Total	2,180	1,651	75.7%

4.3.2 Employment Equity Targets/Actuals by Gender Classification

Table 160: Employment Equity Targets/Actuals by Gender Classification

Employment Equity Targets/Actuals by Gender Classification				
Serial No.	2023/24			
	Gender Classification	Overall Target (as per 5-year EE Plan)	Actuals at Year-End	Target Achieved (C/B*100)
Column Ref.	A	B	C	D
1	Male	1,304	1,032	79.14%
2	Female	876	619	70.66%
3	Total	2,180	1,651	75.7%

4.3.3 Employment Equity by Race and Gender within Occupational Levels

The overall number of employees by race and gender within the occupational levels at year-end are depicted in the table below.

Table 161: Number employees by Race and Gender within the Occupational Levels

Number of Employees by Race and Gender within the Occupational Levels											
Occupational Level Description	Male					Female					Grand Totals
	A	C	I	W	Total	A	C	I	W	Total	
Top Management	0	3	0	2	5	0	0	0	1	1	6
Senior Management	0	4	0	6	10	2	4	0	0	6	16
Professionally qualified and experienced specialists and mid-management	10	48	2	20	80	8	14	1	5	28	108
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	32	112	2	22	168	29	74	0	14	117	285
Semi-skilled and discretionary decision making	129	391	0	18	538	91	204	3	8	306	844
Unskilled and defined decision making	86	142	0	3	231	68	85	0	1	154	385
Total Employees	257	700	4	71	1,032	198	381	4	29	612	1,644

Note: The table above excludes the 7 interns.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.4 INTRODUCTION

All advertised posts are graded; and vacant graded positions are advertised and filled. New appointed staff is inducted on a monthly basis when the recruitment process has been completed. Induction is done both organisationally and departmentally. Our staff is also encouraged to make use of bursaries, skills programmes and artisan training to ensure that they are properly skilled.

4.4.1 Policies

There is a drive to review/write new or additional HR policies. The policies listed in the table below were developed and reviewed. The list includes policies that were developed and reviewed in 2023/24. The total number of policies that HR are responsible for is twenty-five (25). One new policy has been developed and adopted in this financial year as well as nine were reviewed and adopted at the end of 30 June 2023.

Table 162: HR Policies and Plans

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
1	Acting Additional and Secondment Allowance Policy	Reviewed	30 June 2023
2	Mentoring Policy	New	30 June 2023
3	Dress Code Policy	To be reviewed	30 January 2019
4	Training and Development	Reviewed	30 June 2023
5	External Bursary Policy	To be reviewed	27 June 2018
6	HIV AIDS Policy	To be reviewed	31 July 2019
7	Job Evaluation Policy	To be reviewed	24 August 2017
8	Leave Policy	To be reviewed	27 June 2018
9	Essential Vehicle Allowance Policy	To be reviewed	30 June 2022
10	Occupational Health and Safety Policy	To be reviewed	31 July 2018
11	Overtime Policy	Reviewed	30 June 2023
12	Personal Protective Equipment and Clothing Policy	To be reviewed	31 July 2019
13	Placement Policy	To be reviewed	13 December 2012
14	Private Work Policy	To be reviewed	27 June 2018
15	Probation Policy	Reviewed	30 June 2023
16	Recruitment and Selection Policy	Reviewed	30 June 2023
17	Sexual Harassment Policy	To be reviewed	30 January 2019
18	Smoking Policy	To be reviewed	27 July 2017
19	Standby Policy	Reviewed	30 June 2023
20	Substance Abuse Policy	To be reviewed	31 January 2018

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	Reviewed	2023 – 2027
25	HR Plan	Reviewed	2022 -2027

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 2023/24 financial year as depicted in the table below. The Department of Engineering Services (40.57%) and Community Services (22.79%) were the main contributors to sick leave as a percentage of total sick leave days taken.

Table 163: Sick Leave per Department/Division

Sick Leave per Department/Division					
Serial No.	Department/Division	2022/23		2023/24	
		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	19.0	0.13%	61	0.32%
2	Division: Risk Management	46.5	0.31%	23	0.12%
3	Division: Communication and Marketing	72.0	0.48%	53	0.28%
4	Division: Internal Audit	86.9	0.58%	70	0.37%
5	Division: Integrated Development Planning and Performance Management	30.0	0.20%	120	0.63%
6	Department: Corporate and Planning Services	1,764.7	11.68%	2,391	12.60%
7	Department: Financial Services	1,801.3	11.92%	2,429.50	12.80%
8	Department: Engineering Services	5,940.4	39.33%	7,701	40.57%
9	Department: Community Services	5,344.7	35.38%	4,325.50	22.79%
10	Department: Public Safety	N/A	N/A	1,806	9.52%
11	Total	15,105.5	100.00%	18,980	100%

4.4.2.2 Sick Leave per Occupational Level

From the table below it is clear that the semi-skilled occupational level (50.22%) and unskilled occupational level (23.45%) were the main contributors to sick leave as a percentage of total sick leave days taken.

Table 164: Sick Leave per Occupational Level

Sick Leave per Occupational Level					
		2022/23		2023/24	
Serial No	Occupational Level	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	Top Management	2	0.01%	33	0.17%
2	Senior Management	138	0.91%	83.5	0.44%
3	Professionally qualified	1,112.32	7.36%	1,224.50	6.45%
4	Skilled technical	2,500.95	16.56%	3,657	19.27%
5	Semi-skilled	7,134.21	47.23%	9,532	50.22%
6	Unskilled	4,218.03	27.92%	4,450	23.45%
7	Total	15,105.51	100.00%	18,980	100%

4.4.3 Injuries

The number of injury leave days taken during the year under review amounts to 624 working days and the 199 employees involved represents 9.32% of the total employees (2,133) (Inclusive of temporary and EPWP) in employment as at 30 June 2024.

4.4.3.1 Injuries per Department

Table 165: Number of injuries on duty 2023/24

Serial No.	Type of Injury	Number of Injury Leave Days Taken	Number of Employees Taking Injury Leave	Average Injury Leave Days/ Employee	*Percentage of total employees using injury leave
Column Ref.	A	B	C	D	E
1	Required basic medical attention only	265	147	1.80	6.89%
2	Temporary total disablement	277	50	5.54	2.34%
3	Permanent disablement	82	2	41.0	0.09%
4	Total	624	199	3.13	9.32%
5	* Based on total of 2,133 employees comprising of 1,651 employees plus 482 EPWP employees as at 30 June 2024.				

Table 166: Injuries per Department

Serial No.	Department	No. of injuries		
		2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Engineering Services	71	63	113
2	Community Services	78	113	69
3	Public Safety	-	-	7
4	Planning and Development	17	12	4
5	Financial Services	5	6	6
6	Corporate Services	6	10	4
7	Office of the City Manager	0	0	0
8	Total	177	204	203

4.4.3.2 Injuries per Occupational Level

Table 167: Injuries per Occupational Level

Serial No.	Occupational Level	No. of injuries		
		2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Unskilled	96	122	126
2	Semi-skilled	65	59	54
3	Skilled	15	20	22
4	Professional	1	1	0
5	Senior Management	0	2	1
6	Total	177	204	203

4.4.3.3 Cost of Injuries

The total cost due to injuries amounts to **R461 059.10** for the year under review.

4.4.3.4 Cost of Injuries per Department

The cost of injury leave is depicted per Department in the table below. The two Departments with the most employees, Engineering Services and Community Services, have the highest cost of injuries.

Table 168: Cost of Injuries per Department

Serial No.	Department	Cost of Injuries (R)		
		2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Engineering Services	R306,923.39	R145,495.95	R255 565.76
2	Community Services	R186,829.44	R276,755.39	R118 313.91
3	Pubic Safety	-	-	R28 824.10
4	Planning and Development	R21,736.13	R34,654.13	R5 997.12
5	Financial Services	R6, 864.43	R19,445.91	R9 463.91
6	Corporate Services	R4,106.44	R15,022.62	R42 894.30
7	Office of the City Manager	-	-	-
8	Total	R526,459.83	R491,374.00	R461 059.10

4.4.4 Suspensions

During the 2023/24 financial year a total of 6 (six) suspension hearings were held and all these six employees were placed on precautionary suspension pending disciplinary investigations into their involvement in cases of serious misconduct.

One (1) of the employees was found guilty and dismissed, one (1) employee resigned before the disciplinary hearing, one (1) employee was an (EPWP worker) contract expired, and one (1) employee's suspension was withdrawn due to SAPS investigation. Two (2) disciplinary hearings of suspended employees are still ongoing and are to be finalised soon.

4.4.4.1 Suspensions per Department

The six (6) employees placed on precautionary suspension during 2023/24 comprise of four (4 EPWP included) employees from the Engineering Services Department and two (2) employees from the Community Services Department.

4.4.4.2 Suspensions per Occupational Level

Out of the six (6) 2023/24 suspended employees, 1 (one) is Top Management, 1 (one) is Senior Management and 4 (four) is semi-skilled employees.

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 2023/24 financial year, the bursaries, workplace skills programme plan, occupational work-placements, 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 2023 until 30 June 2024. 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 169: Skills Matrix

Skills Matrix								
Serial No.	Management Level	Gender	Number of skilled employees required and actual as at 30 June					
			Learnerships		Skills programmes		Total	
			Actual 2024	Target	Actual 2024	Target	Actual 2024	Target
Column Ref.	A	B	C	D	E	F	G	H
1	CM and S57	Female	0	0	0	0	0	0
2		Male	1	1	0	0	1	1
3	Councillors, Senior Officials	Female	3	3	18	18	21	21
4		Male	3	3	12	12	15	15
5	Technicians and Associate	Female	6	6	42	42	48	48
6		Male	2	2	60	60	62	62
7	Professionals	Female	1	1	37	37	38	38
8		Male	5	5	22	22	27	27
9	Sub-Totals	Female	10	10	97	97	107	107
10		Male	11	11	94	94	105	105
11	Total		21	21	191	191	212	212

4.5.2 Skills Development – Training Provided

The table below indicates the skills areas and learning programmes the employees undertook in the year under review.

Table 170: Skills Development - Training Provided

Serial No.	Sector Priority	Skills Areas	Learning Programmes
Column Ref.	A	B	C
1	Infrastructure and service delivery	<ul style="list-style-type: none"> • Infrastructure Asset and Maintenance • Labour Intensive Construction • Electricity Reticulation • Water Services Roads 	<ul style="list-style-type: none"> • Truck Mounted Crane Full Course • Truck Mounted Crane Refresher Course • ARPL Carpentry Programme • ARPL Electrician • Confined Space Entry Full Course • Chainsaw Operator full course • Front - End and Backhoe Loader • Scaffolding Erection & Inspection • Weedeater Full Course • Weedeater Refresher Course • Chainsaw • Forklift Full Course • Tractor Operator • Working at Heights • ORHVS Entry to Substation Course • Fire Extinguisher Training • Cherry Picker Refresher Full Course • Cherry Picker Refresher Course • Digger Loader • Fire Extinguisher Training • Safe handling of Chlorine • Overhead Crane Full Course • High Tension Medium Voltage Cable Switching Refresher Course • High Tension Medium Voltage Cable Switching Full Course • ORHVS: Authorised Persons • ORHVS: Responsible Persons • High Tension Medium Voltage Cable Jointing Full Course • Implement Safety Health & Environmental Requirement in a Gas Installation Course • Firearm Refresher Training • ARPL Carpentry Programme • Front End Loader

Serial No.	Sector Priority	Skills Areas	Learning Programmes
			<ul style="list-style-type: none"> Confined Space Entry
2	Financial Viability	<ul style="list-style-type: none"> Property Valuation; Audit and Procurement; Municipal Finance; and Accounting Technicians. 	<ul style="list-style-type: none"> Municipal Finance and Administration Local Government Accounting Certificate NQF3 Local Government Advance Accounting Certificate NQF4 Chartered Certified Accountant Candidacy Programme Fraud and Fraud Risk Indicators
3	Community Based Participation and Planning	<ul style="list-style-type: none"> IDP; LED; Ward Committees; and Urban Planning. 	<ul style="list-style-type: none"> MS Office (Word/Excel/PowerPoint) Basic-Advance Advance Project Management Bursaries (Internal & LGSETA) Internships / Graduate Placements Induction & Orientation Workshop
4	Management and Leadership	<ul style="list-style-type: none"> Municipal Leadership Development 	<ul style="list-style-type: none"> Municipal Minimum Competency Levels; Integrated Councillor Induction Programme; and Diversity and Change Management.
5	AET and Foundational Learning	<ul style="list-style-type: none"> AET 	<ul style="list-style-type: none"> Driver Training Code 8, 10 & 11; and Basic Financial Literacy
6	Workplace Committee Training	<ul style="list-style-type: none"> LLF Training; ODETDP; and OHS. 	<ul style="list-style-type: none"> Occupational Health and Safety Act Construction Regulations First Aid L1, L2 & L3 Incident Investigation HIRAC Occupational Health and Safety Representative Flagging Asbestos Abatement Regulations

4.5.3 Skills Development – Budget Allocation

The table below indicates that a total amount of R1,009,311.00 was allocated by Council towards the workplace skills plan interventions, excluding bursaries and the Local Government Sector Education and Training Authority (LGSETA) annual grants. An amount of R1,007,094.93 was spent on the Council Training Vote equating to 100% utility of the budget.

Table 171: Skills Development – Budget Allocation

Skills Development – Budget Allocation				
Serial No.	Financial Year	Allocated Budget	Actual Expenditure	% Expenditure
Column Ref.	A	B	C	D
1	2021/2022	R700,452	R700,406	99.99%
2	2022/2023	R1,006,903	R999,058	99.99%
3	2023/2024	R1,009,311	R1,007,095	99.99%

Table 172: Skills Development – Expenditure 2023/24

Serial No.	Item	Allocated Budget	Actual Expenditure	Balance
Column Ref.	A	B	C	D
1	Council Training Budget 2023/24	R1,009,311	R1,007,095	R2,216
2	LGSETA Grants Vote 2023/24	R2,150,000	R1,376,669	R773,331
3	External Bursaries 2023/24	R300,000	R276,653	R23,347
4	Rural Bursaries 2023/24	R100,000	R97,770	R2,230
5	Internal Bursaries 2023/24	R1,400,000	R998,071	R401,929
6	WC Provincial Treasury Bursaries (FMG)2023/24	R140,602	R140,602	R0
7	Professional Bodies Affiliation and Annual Membership 2023/24	R400,000	R39,358	R642

4.5.4 MFMA Minimum Competencies

The Municipal Regulations on Municipal Competency Levels, 2007 aims to ensure that all municipal officials with financial management responsibilities comply with the issued minimum competency levels for their positions. Seventeen (17) of the nineteen (19) prescribed officials comply with the regulations, two have completed training and await results. Over and above the Regulations required target, Drakenstein Municipality has successfully trained a pool of officials through bursary mode and funded MFMP programmes.

Table 173: Financial Competency Development - Progress Report

Financial Competency Development : Progress Report							
Serial No.	Description	B- Total number of officials employed by municipality [Regulation 14(4)(a) and (c)]	C- Total number officials employed by municipal entities [Regulation 14(4)(a) and (c)]	Consolidated Total of B and C	Consolidated: Competency assessments completed for B and C [Regulation 14(4)(b) and (d)]	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 [Regulation 14(4)(f)]	Consolidated: Total number of officials that meet prescribed competency levels [Regulation 14(4)(e)]
Column No.	A	B	C	D	E	F	G
1	Financial Officials						
2	Accounting Officer	1	0	1	1	1	1
3	Chief Financial Officer	1	0	1	1	1	1
4	Senior Managers	4	0	4	4	4	3
5	Any other Financial Officials	9	0	9	9	9	8
6	Supply Chain Management Officials						
7	Heads of Supply Chain Management Units	1	0	1	1	1	1
8	Supply Chain Management Senior Managers	3	0	3	3	3	3
9	Total	19	0	19	19	19	17

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

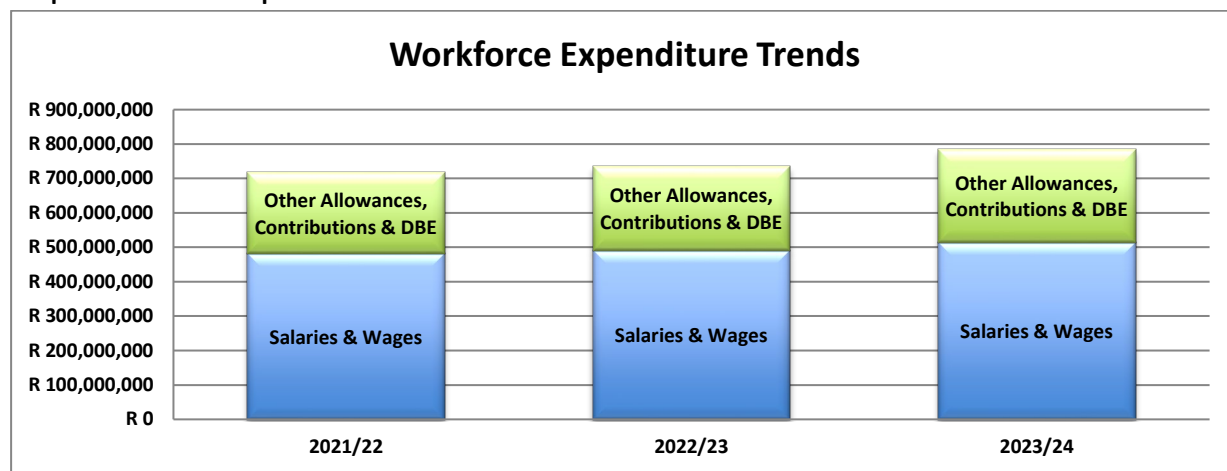
4.6 INTRODUCTION

Municipalities are required to carry out quality services in an effective, efficient and financially sound manner by supporting the principles of ensuring cost-effective and affordable service delivery. Accountability and transparency are, therefore, important when managing workforce expenditure. To be effective, it is important to ensure that the Municipality plans properly. To ensure that the Municipality adheres to legislation, only approved and budgeted posts on the structure are advertised. All positions are advertised on the Municipality's website and in the local media. Advertising in other media is based on the target market for the post. This saves on advertising costs and in the electronic age gives easy and quick access to applicants. Drakenstein strives to appoint employees who share the vision of “A city of excellence” and who will add value to the organisation. The training and development of internal staff is aimed at ensuring that they are able to perform their duties better.

4.6.1 Personnel Expenditure

Drakenstein's workforce expenditure of R785.3 million, depicted in the table below, and together with councillors remuneration, accounted for 27.7% of the total actual operating expenditure of R2.96 billion for the 2023/24 financial year.

Graph 7: Workforce Expenditure Trends



The total workforce expenditure of R785.3 million included R22.6 million of provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP. The 2022/23 workforce expenditure included R23.0 million of provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP. The 2021/22 workforce expenditure included R28.0 million of provisions for defined benefit plan (DBP) expenses as required by the SA Standards of GRAP.

It is clear from the above that the total workforce expenditure (incl council remuneration) as a percentage of the total actual operating expenditure has fluctuated over the last three financial years from 30.2% to 28.7 to 28.2%. This percentage is well within National Treasury's norm of 25% to 40% and will steadily rise over the next few years to Drakenstein's target of about 30%.

4.6.2 Personnel Expenditure per Line Item

The breakdown of personnel expenditure per line item for the 2022/23 and 2023/24 years is depicted in the table below. Salaries and wages have increased with R49,691,251 year-on-year.

Table 174: Personnel Expenditure per Line Item

Personnel Expenditure per Line Item					
Serial No.	Description	2022/23 Actual Expenditure	2023/24 Actual Expenditure	Variance Amount	Variance %
Column Ref.	A	C	C	D	E
1	Salaries and Wages	490,597,504	514,968,139	24,370,635	5.0%
2	Salaries	490,597,504	514,968,139	24,370,635	5.0%
3	Other Allowances and contributions	222,053,988	247,750,790	25,696,802	11.6%
4	Social contributions - UIF, pensions and medical aid etc.	116,650,456	121,680,976	5,030,520	4.3%
5	Travel, accommodation and other allowances	30,394,882	31,635,238	1,240,356	4.1%
6	Housing benefits and allowances	3,619,893	3,732,572	112,679	3.1%
7	Overtime payments	41,913,970	55,245,847	13,331,877	31.8%
8	Acting Allowance	920,341	1,135,454	215,113	23.4%
9	Shift Allowance	2,371,877	2,369,012	(2,865)	-0.1%
10	Standby Allowance	9,718,918	12,097,696	2,378,778	24.5%
11	Night Shift Allowance	3,203,880	3,419,433	215,553	6.7%
12	Cell Allowance	3,422,103	3,698,468	276,365	8.1%
13	Workman Compensation	4,468,034	4,616,563	148,529	3.3%
14	Contribution to leave reserve	4,002,737	7,294,466	3,291,729	82.2%
17	Provision for performance bonuses	1,366,897	825,065	(541,832)	-39.6%
18	Defined Benefit Plan Expense:	23,009,259	22,633,073	(376,186)	-1.6%
19	Post Employment Health Care Benefits	18,006,444	15,789,098	(2,217,346)	-12.3%
20	Ex Gratia Pension Benefits	(62,343)	(329,328)	(266,985)	428.3%
21	Long Service Awards	5,065,158	7,173,303	2,108,145	41.6%
22	Expenditure Recharged	-	-	-	
23	Expenditure Recharged to Capital	-	-	-	
24	Total Employee Related Costs	735,660,751	785,352,002	49,691,251	6.8%

4.7 DISCLOSURES OF FINANCIAL INTERESTS

Disclosures have been made by officials and Councillors concerning their financial interests, as required by Municipal Performance Regulations 805 of 2006 and are set out in Appendix I. No transgressions due to financial interests occurred.

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 R583.4 million compared with budgeted operating surplus of R372.1 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 175: Financial Summary

Serial No.	Description	Financial Summary					
		2022/23	2023/24			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	437,182,803	455,371,887	461,280,559	466,404,865	102.4%	101.1%
3	Service charges	1,853,804,554	2,042,174,620	2,081,056,537	2,096,677,278	102.7%	100.8%
4	Investment revenue	36,829,830	35,000,000	68,000,000	73,656,906	210.4%	108.3%
5	Transfers recognised – operational	206,950,334	278,722,000	252,725,225	231,790,279	83.2%	91.7%
6	Other own revenue	226,238,451	181,113,233	230,893,387	247,753,265	136.8%	107.3%
7	Total Revenue (excluding capital transfers and	2,761,005,972	2,992,381,740	3,093,955,708	3,116,282,594	104.1%	100.7%
8	Employee costs	749,944,399	834,244,973	824,879,934	801,749,439	96.1%	97.2%
9	Remuneration of Councillors	33,213,291	37,158,900	37,158,900	34,340,227	92.4%	92.4%
10	Depreciation	246,478,041	264,180,001	264,180,001	249,615,652	94.5%	94.5%
11	Finance charges	176,390,519	167,160,523	167,160,523	167,821,823	100.4%	100.4%
12	Materials and bulk purchases	1,033,398,650	1,209,724,063	1,265,394,988	1,227,980,899	101.5%	97.0%
13	Transfers and grants	24,907,428	18,245,000	15,405,242	14,850,554	81.4%	96.4%
14	Other expenditure	493,029,417	534,246,801	555,851,471	495,495,959	92.7%	89.1%
15	Total expenditure	2,757,361,745	3,064,960,261	3,130,031,059	2,991,854,553	97.6%	95.6%
16	Surplus (Deficit)	3,644,227	(72,578,521)	(36,075,351)	124,428,041	-171.4%	-344.9%
17	Transfers recognised – capital	153,802,529	444,641,000	454,896,119	458,952,438	103.2%	100.9%
18	Contributions recognised – capital and contributed assets	0	0	0	0	0.0%	0.0%
19	Surplus (Deficit) after capital transfers and	157,446,756	372,062,479	418,820,768	583,380,479	156.8%	139.3%
20	Share of surplus/(deficit) of associate	0	0	0	0	0.0%	0.0%
21	Surplus (Deficit) for the year	157,446,756	372,062,479	418,820,768	583,380,479	156.8%	139.3%
22	Capital Expenditure and Fund Sources						
23	Transfers recognised – capital	115,698,279	391,794,565	404,456,207	401,278,924	102.4%	99.2%
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	75,206,208	65,628,645	91,285,931	86,436,928	131.7%	94.7%
27	Total sources of capital funds	190,904,487	457,423,210	495,742,138	487,715,852	106.6%	98.4%
28	Financial Position						
29	Total current assets	926,512,045	832,807,570	1,236,259,785	1,275,598,959	153.2%	103.2%
30	Total non-current assets	6,655,103,906	6,993,234,811	6,904,559,855	6,881,939,594	98.4%	99.7%
31	Total current liabilities	(537,556,690)	(651,264,154)	(651,264,154)	(688,534,478)	105.7%	105.7%
32	Total non-current liabilities	(1,960,095,150)	(2,013,797,436)	(1,926,251,525)	(1,801,619,010)	89.5%	93.5%
33	Community wealth/ Equity	(5,083,964,111)	(5,160,980,791)	(5,563,303,961)	(5,667,385,065)	109.8%	101.9%

Financial Summary							
Serial No.	Description	2022/23	2023/24			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	497,826,550	597,364,998	633,947,110	849,466,467	142.2%	134.0%
36	Net cash from (used) investing	(170,846,492)	(457,418,363)	(495,242,138)	(520,079,495)	113.7%	105.0%
37	Net cash from (used) financing	(71,593,245)	(84,460,268)	(84,460,268)	(77,151,583)	91.3%	91.3%
38	Movement in cash/cash equivalents at the year end	255,386,813	55,486,367	54,244,704	252,235,389	454.6%	465.0%
39	Asset Management						
40	Asset register summary (WDV)	6,647,414,582	6,993,215,811	6,904,540,855	6,881,939,594	98.4%	99.7%
41	Depreciation and asset impairment	246,678,677	264,180,001	264,180,001	258,235,863	97.7%	97.7%
42	Renewal and upgrade of existing assets	98,143,971	279,717,142	271,314,157	266,584,481	95.3%	98.3%
43	Repairs and maintenance	278,624,028	337,186,074	339,555,624	312,965,359	92.8%	92.2%

5.3 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES

In the table below the operating expenditure performance by GFS Classification is depicted. Drakenstein Municipality has spent R2.992 billion of the final operating adjustments budget of R3.130 billion on operating activities and it represents 88.1% of the original approved budget and 88.3% of the final operating adjustments budget. This aligns to Appendix B1 to the Annual Financial Statements.

Table 176: Financial Performance of Operating Expenditure by GFS Classification

Financial Performance of Operational Expenditure by GFS Classification							
Serial No.	Description	2022/23	2023/24			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	132,370,030	144,825,307	174,466,307	168,109,788	-16.08%	3.64%
3	Wastewater (Sanitation)	154,251,993	146,042,169	147,647,559	142,443,575	2.46%	3.52%
4	Electricity	1,159,788,736	1,353,377,947	1,381,216,404	1,351,303,167	0.15%	2.17%
5	Waste Management	126,928,509	100,694,888	129,983,808	127,715,150	-26.83%	1.75%
6	Other	0	0	0	0	0.00%	0.00%
7	Component A: Sub-total	1,573,339,267	1,744,940,311	1,833,314,078	1,789,571,680	-2.56%	2.39%
8	Roads	163,388,277	154,333,128	146,624,894	142,063,270	7.95%	3.11%
9	Planning	62,259,801	67,436,226	67,580,617	65,416,728	2.99%	3.20%
10	Environmental Protection	1,770,722	1,886,390	1,875,133	1,874,882	0.61%	0.01%
11	Component B: Sub-total	227,418,800	223,655,744	216,080,644	209,354,880	6.39%	3.11%
13	Community and Social Services	38,507,423	39,078,614	41,528,381	41,761,835	-6.87%	-0.56%
14	Sport and Recreation	64,328,685	69,536,421	71,462,026	66,165,972	4.85%	7.41%
15	Security and Safety	201,017,937	230,706,878	240,470,074	218,009,962	5.50%	9.34%
16	Housing	77,217,495	115,550,206	102,141,310	75,547,042	34.62%	26.04%
17	Health	0	0	0	0	0.00%	0.00%
18	Component C: Sub-total	381,071,541	454,872,119	455,601,791	401,484,811	11.74%	11.88%
19	Corporate Policy Offices and Other	575,532,138	641,492,087	625,034,546	591,443,182	7.80%	5.37%
20	Component D: Sub-total	575,532,138	641,492,087	625,034,546	591,443,182	7.80%	5.37%
21	Total Expenditure	2,757,361,745	3,064,960,261	3,130,031,059	2,991,854,553	2.39%	4.41%

5.4 GRANT PERFORMANCE

5.4.1 Grants received and its performance

Drakenstein utilised R689.6 million and 2.5% less than the R707.4 million budgeted in the adjustment budget.

Table 177: Operating and Capital Transfers and Grants

Operating and Capital Transfers and Grants							
R' 000							
Serial No.	Description	2022/23	2023/24		2023/24 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:	278,032,999	604,392,000	604,392,000	596,823,446	-1.3%	-1.3%
3	Equitable Share	194,354,999	215,718,000	215,718,000	215,718,000	100.0%	100.0%
4	IUDG	61,989,000	58,616,000	58,616,000	58,615,997	100.0%	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)	16,000,000	10,000,000	10,000,000	10,000,000	100.0%	100.0%
7	Expanded Public Works Grant (EPWP)	4,139,000	4,363,000	4,363,000	4,363,000	100.0%	100.0%
8	RBI/G	0	290,310,000	290,310,000	290,310,000	100.0%	100.0%
9	Water Infrastructure Grant (WSIG)	0	13,400,000	13,400,000	13,400,000	100.0%	100.0%
10	Drommedaris Neighborhood Grant	0	10,000,000	10,000,000	2,668,576	26.7%	26.7%
11	Disaster Relief Support Grant	0	435,000	435,000	197,873	45.5%	45.5%
12	Provincial Department:	21,975,160	37,575,921	48,620,348	40,856,010	8.7%	-16.0%
13	Siyasiala	0	1,569,723	1,569,723	0	0.0%	0.0%
14	P59 Fairyland	1,080,868	2,513,787	3,358,512	634,735	25.3%	18.9%
15	Mbekweni 557	0	693,182	1,590,391	1,590,391	229.4%	100.0%
16	Dignified Sites	0	542,009	4,851,896	4,678,750	863.2%	96.4%
17	Drom 181/1407 HSDG	0	569,695	569,695	0	0.0%	0.0%
18	Drommedaris (EHP)	0	168,249	168,249	0	0.0%	0.0%
19	Carterville Housing Project	0	956,503	956,503	0	0.0%	0.0%
20	1068 Houses	0	152,225	152,225	0	0.0%	0.0%
21	Kingston Transfers	0	53,000	53,000	0	0.0%	0.0%
22	Accelerated Housing (Simondium)	0	20,000,000	24,589,516	24,474,454	122.4%	99.5%
23	Deeds Transfers	0	84,903	84,903	84,903	100.0%	100.0%
24	Accelerated Housing (Schoongezicht)	9,027,308	2,063,707	2,063,707	1,843,465	89.3%	89.3%
25	Municipal Service Delivery and Capacity Building	0	500,000	500,000	0	0.0%	0.0%
26	Western Cape Finance Capability	489,425	740,000	740,000	668,115	90.3%	90.3%
27	Fire Services Capacity Building	0	985,000	985,000	985,000	100.0%	100.0%
28	Maintenance Thusong Centre	0	116,000	116,000	73,630	63.5%	63.5%
29	Municipal Energy Resilience	800,000	800,000	800,000	799,975	100.0%	100.0%
30	Municipal Accreditation and Capacity Building	256,000	605,562	605,652	245,000	40.5%	40.5%
31	Community Development Workers	203,836	29,672	142,672	112,991	380.8%	79.2%
32	Cadity Building Grant (External Bursaries)	0	98,567	198,567	140,602	142.6%	70.8%
33	Municipal Tourism Challenge Fund	0	138	190,138	189,999	137680.4%	99.9%
34	Public Works and Transport (Roads)	3,517,723	4,334,000	4,334,000	4,334,000	100.0%	100.0%
35	Regional Socio-Economic Projects Programme	600,000	0	0	0	0.0%	0.0%
36	Municipal Loadshedding Grant	6,000,000	0	0	0	0.0%	0.0%
37	Other Grants	2,664,943	2,664,943	5,325,011	3,593,293	34.8%	-32.5%
38	Training Grant	1,430,707	1,430,707	3,570,773	2,647,808	0.0%	-25.8%
39	Neumarkt	1,234,236	1,234,236	1,754,238	945,485	76.6%	53.9%
40	District Municipality	1,254,752	1,042,449	1,134,087	738,087	1	0
39	Cape Winelands District Municipality	814,035	66,916	66,916	66,916	100.0%	100.0%
40	Cape Winelands District Municipality	113,042	36,958	36,958	36,958	100.0%	100.0%
41	Cape Winelands District Municipality(Tourism)	269,037	232,213	232,213	232,213	100.0%	100.0%
42	Cape Winelands District Municipality(Tourism)	0	100,000	100,000	100,000	100.0%	100.0%
43	Cape Winelands District Municipality (Bobbies)	0	500,000	500,000	302,000	60.4%	60.4%
44	Cape Winelands District Municipality(Tourism)	58,638	106,362	198,000	0	0.0%	0.0%
45	Donations and Other Contributions	56,134,954	363,572	47,988,616	47,625,044	13099.2%	99.2%
46	Trust Fund	0	363,572	363,572	0	0.0%	0.0%
47	Newton	0	0	579,922	579,922	0.0%	100.0%
48	Le Parc	0	0	4,664,809	4,664,809	0.0%	100.0%
49	Honeydew	0	0	1,036,096	1,036,096	0.0%	100.0%
50	Sun Thatch	0	0	540,000	540,000	0.0%	100.0%
51	Western Cape Government	0	0	501,079	501,079	0.0%	100.0%
52	Western Cape Government	0	0	307,906	307,906	0.0%	100.0%
53	Cape Winelands District Municipality	0	0	559,060	559,060	0.0%	100.0%
54	Vesting Transfers	0	0	7,000	7,000	0.0%	100.0%
55	Developers Contributions	56,134,954	0	39,429,172	39,429,172	0.0%	100.0%
56	Total Operating Transfers and Grants	360,062,808	646,038,885	707,460,062	689,635,880	6.7%	-2.5%

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 R91.9 million compared with the R83.5 million of the 2022/23 financial year.

Table 178: Grants received from sources other than the Division of Revenue Act (DoRA)

Grants received from sources other than Division of Revenue Act (DORA)			
Serial No.	Description	2022/23 Actual	2023/24 Actual
Column Ref.	A	B	C
1	Grants other than from DORA		
2	Provincial Department	24,497,579	40,912,947
3	Siyaslala	1,153,160	0
4	P59 Fairyland	1,567,605	844,725
5	Mbekweni 557	693,088	897,209
6	Dignified Sites	0	4,309,887
7	Drom 181/1407 HSDG	569,695	0
8	Accelerated Housing (Simondium)	0	24,589,516
9	Deeds Transfers	0	84,903
10	Accelerated Housing (Schoongezicht)	9,027,308	2,063,707
11	Municipal Accreditation and Capacity Building	256,000	245,000
12	Municipal Tourism Challenge Fund	0	190,000
13	Municipal Service Delivery and Capacity Building	0	500,000
14	Western Cape Finance Capability	200,000	740,000
15	Community Development Workers	113,000	113,000
16	Fire Services Capacity Building	0	985,000
17	Maintenance Thusong Centre	0	116,000
18	Capacity Building Grant External Bursaries	0	100,000
19	Municipal Energy Resilience	0	800,000
20	Proclaimed Roads	3,517,723	4,334,000
21	Rsep	600,000	0
22	Western Cape Finance Administration	6,000,000	0
23	Electricity Planning	800,000	0
24	Other Grants	2,086,713	2,626,787
25	Traning Grant	901,273	2,350,494
26	Neumarkt	1,185,440	276,293
27	District Municipality	816,250	798,000
28	Cape Winelands	165,000	0
29	Cape Winelands (Tourism)	150,000	0
30	Cape Winelands (Bobbies)	501,250	0
31	Cape Winelands	0	100,000
32	Cape Winelands	0	500,000
33	Cape Winelands	0	198,000

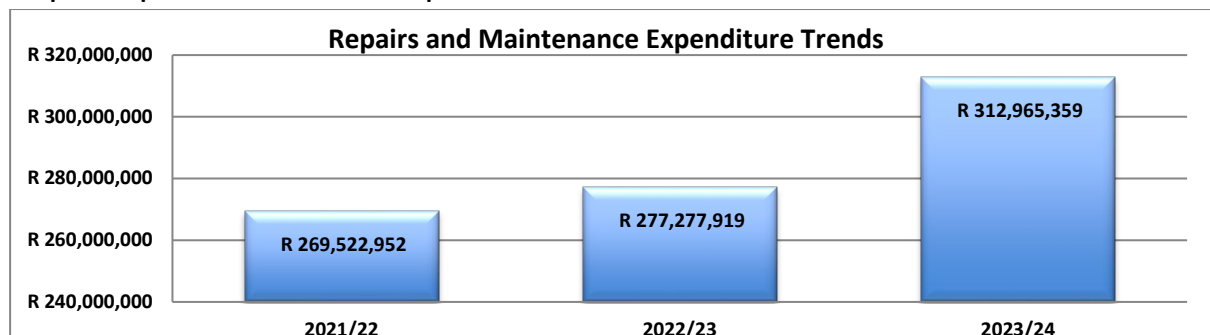
Grants received from sources other than Division of Revenue Act (DORA)			
Serial No.	Description	2022/23	2023/24
		Actual	Actual
Column Ref.	A	B	C
34	Other Grant Providers	56,134,950	47,625,044
35	Santam Risk and Resilience Project	243,581	0
36	Berg en dal Development	8,568,858	0
37	Honeydew Estate	3,082,155	0
38	Hugo Rust Primary	89,376	0
39	Mountain Dew Development	2,155,595	0
40	Park signage	18,916	0
41	Sportsmans Warehouse	1,541,799	0
42	The Acres	5,804,388	0
43	Vesting Public Spaces	326,000	0
44	Vesting Reserves	16,000	0
45	Disaster Fund	0	0
46	Newton	0	579,922
47	Le Parc	0	4,664,809
48	Honeydew Estate	0	1,036,096
49	Sun Thatch	0	540,000
50	Western Cape Government	0	501,079
51	Western Cape Government	0	307,906
52	Cape Winelands District Municipality	0	559,060
53	Vesting Transfers	0	7,000
54	Developers Contribution	34,288,282	39,429,172
55	Total Operating Transfers and Grants	83,535,492	91,962,778

**Note: It should be noted that funds received for the Library function is not treated as a grant but as funds received for goods and services and therefore will not reflect under grants and subsidies any more.*

5.5 REPAIRS AND MAINTENANCE EXPENDITURE

From the chart below, it can be seen that the investment in repairs and maintenance costs has substantially increased from R269.5 million in the 2021/22 year to R277.3 million in the 2022/23 year to R313.0 million in the current year. The repairs and maintenance costs represents 10.6% of the total operating expenditure of R2.96 billion for the year under review.

Graph 8: Repairs and Maintenance Expenditure Trends



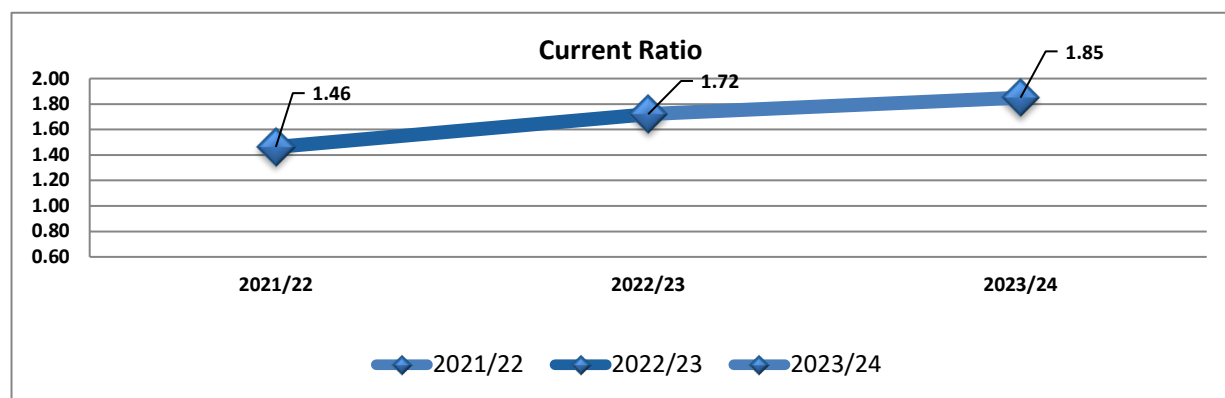
5.6 FINANCIAL RATIOS

The following section reflects the key financial ratios.

5.6.1 Current Ratio

The Current Ratio represents the ability of the Municipality's current assets to service its current liabilities. This ratio shows an upwards trend over the three years under review and the Municipality had a ratio of 1.85:1 at the end of the 2023/24 financial year.

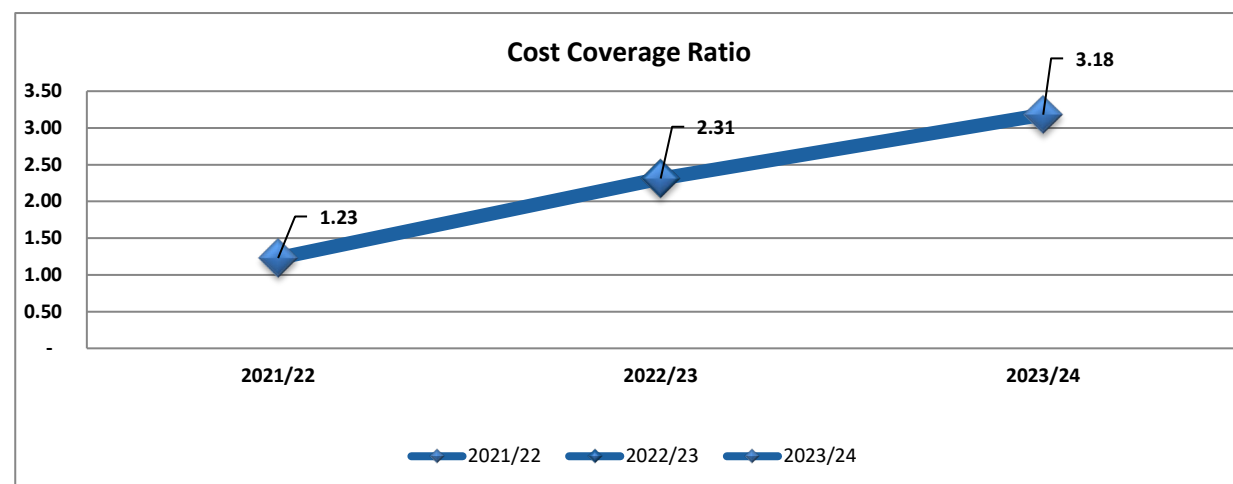
Graph 9: Current Ratio



5.6.2 Cost Coverage Ratio

This ratio represents the number of months' fixed expenditure that can be covered by the cash and liquid assets available to the Municipality. The cost coverage ratio year on year shows an upward trend from the 2021/22 year to the current 3.18 times coverage for the 2023/24 year. This is an indicator that the cash flow of the Municipality has recovered.

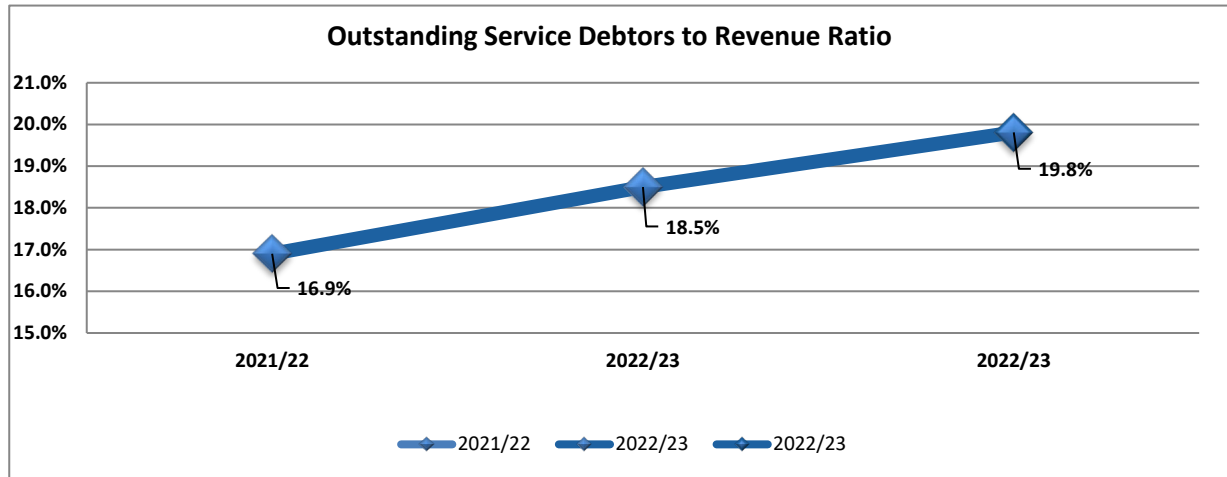
Graph 10: Cost Coverage Ratio



5.6.3 Outstanding Service Debtors to Revenue Ratio

This ratio measures how much money is owed by debtors when compared to the generated revenue. This is a measure of what the fraction of outstanding debt is from the total generated revenue. This ratio has increased from 2021/22 to 2023/24.

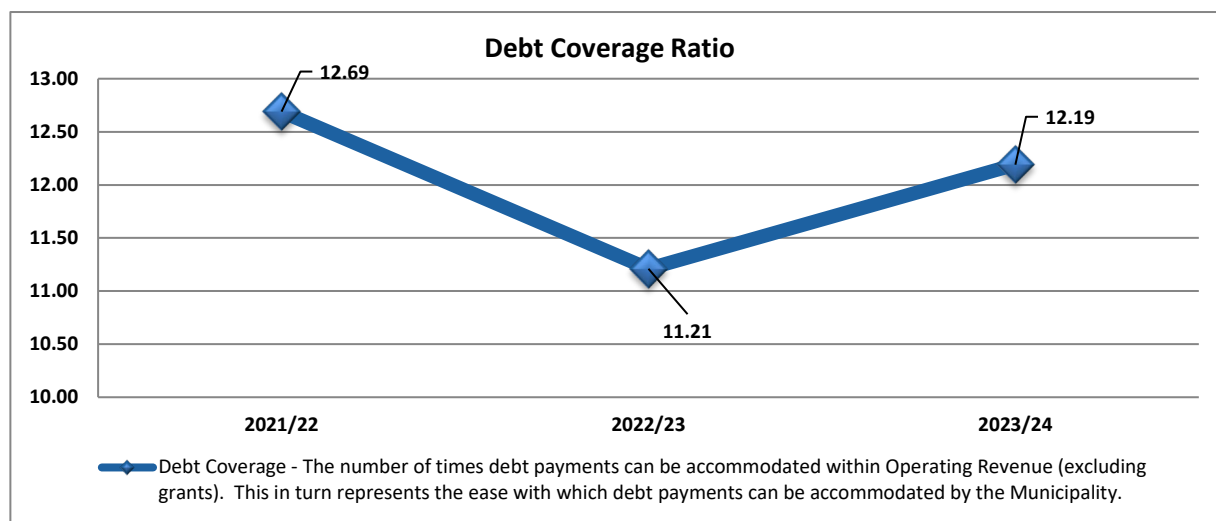
Graph 11: Outstanding Service Debtors to Revenue Ratio



5.6.4 Debt Coverage Ratio

This ratio shows a decrease from 11.21 at the end of the 2022/23 year to 12.19 at the end of the 2023/24 financial year. The is due to the decrease in the outstanding borrowings and the fact that no new borrowings has been taken up.

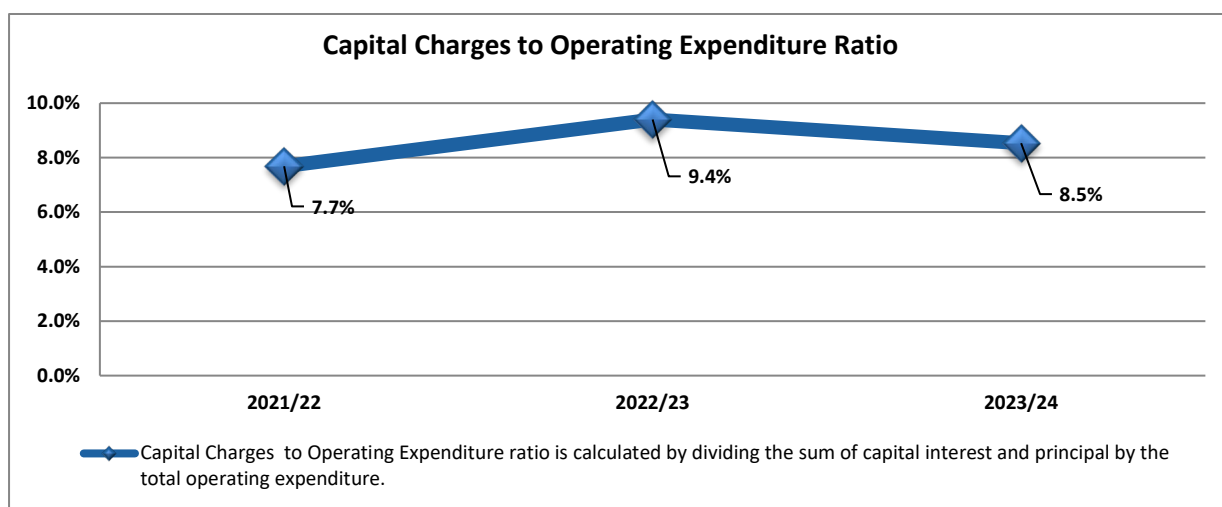
Graph 12: Debt Coverage Ratio



5.6.5 Capital Charges to Operating Expenditure Ratio

This ratio indicates the percentage that capital charges (interest and redemption on external borrowings) make out of the total operating expenditure. This is an indication of how geared the organisation is. The ratio has decreased from 9.4% in 2022/23 to 8.5% at the end of 2023/24.

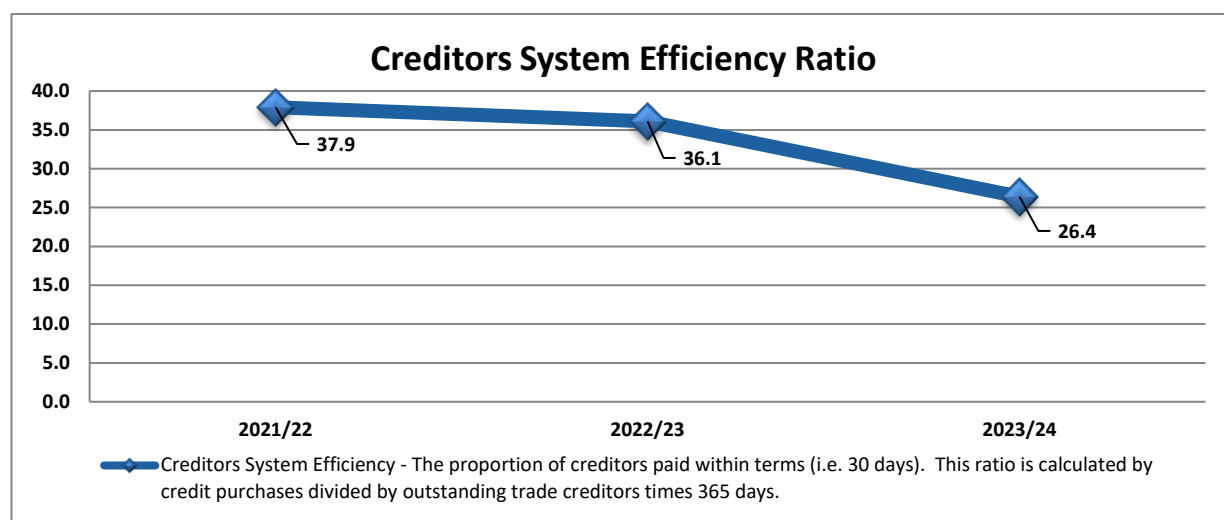
Graph 13: Capital Charges to Operating Expenditure Ratio



5.6.6 Creditors System Efficiency Ratio

The creditors' payment period has decreased from 37.9 days in 2021/22 to 36.1 days in 2022/23 to 26.4 days in the 2023/24 financial year, which is below the norm of 30 days, and is an improvement from the previous year.

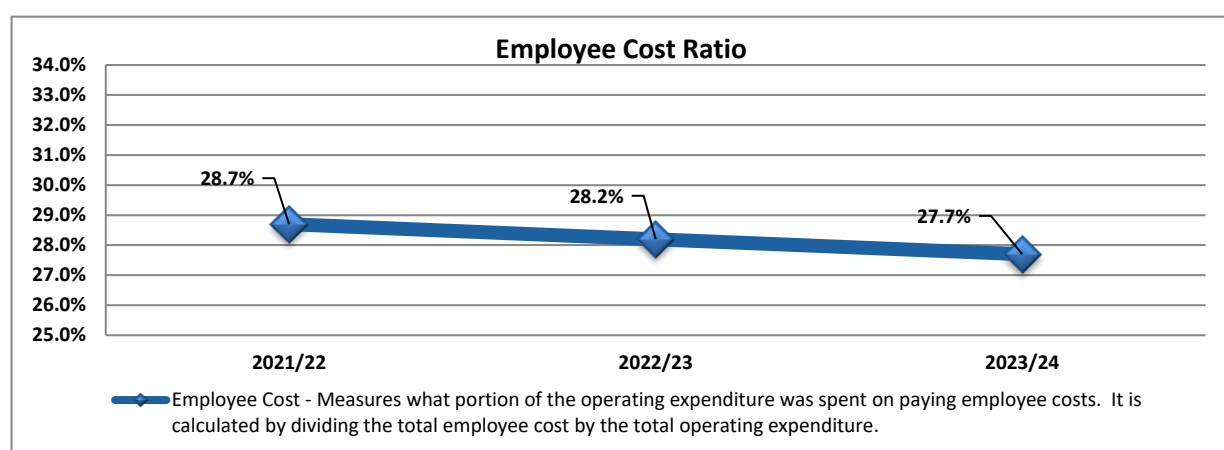
Graph 14: Creditors System Efficiency Ratio



5.6.7 Employee Cost Ratio

This ratio represents the percentage employee cost (including councillor remuneration) compared to the total expenditure of Council. This ratio has increased during the year under review due to higher than inflation increases. The ratio for 2023/24 27.7% is well within the norm of 25% to 40% of the industry.

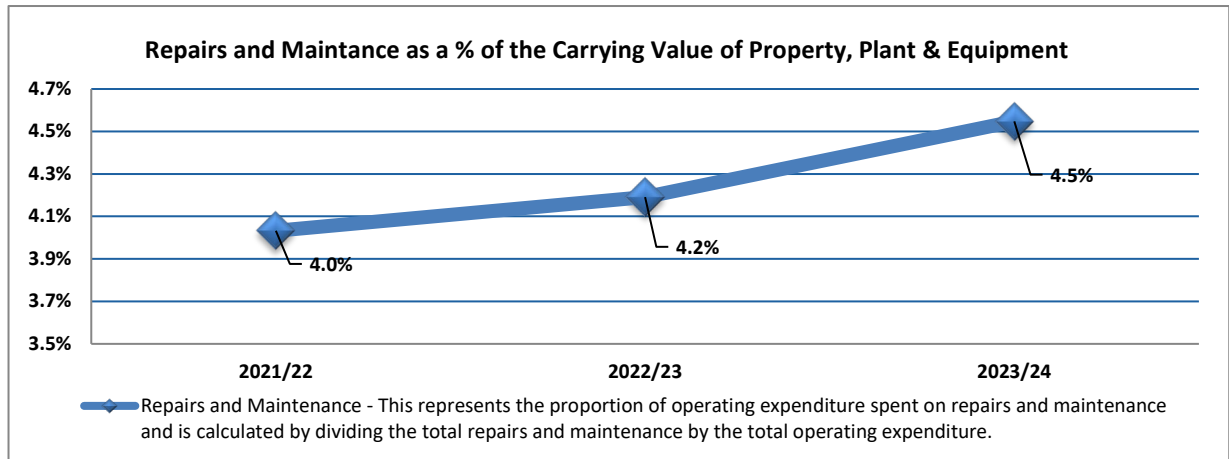
Graph 15: Employee Cost Ratio



5.6.8 Repairs and Maintenance as a Percentage (%) of the Carrying Value of Property, Plant and Equipment

Repairs and maintenance as a percentage (%) of the carrying value of property, plant and equipment increased from 4.2% for the 2022/23 year to 4.5% for the 2023/24 year. This is still well below the unreachable norm of 8% set by National Treasury for a municipality investing heavily in new and replacement infrastructure.

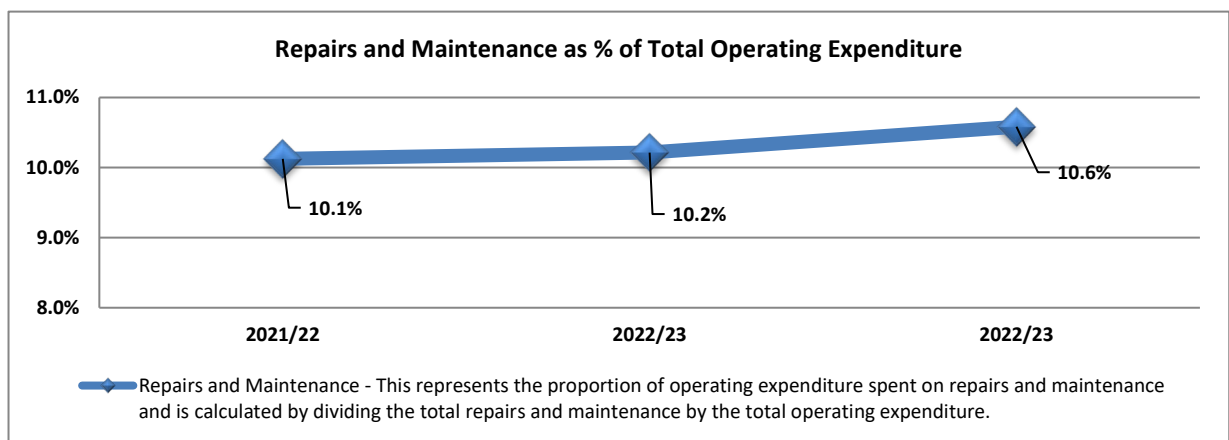
Graph 16: Repairs and Maintenance as a % of the Carrying Value of Property, Plant & Equipment



5.6.9 Repairs and Maintenance Ratio as a % of Total Operating Expenditure

The percentage amount of repairs and maintenance decreased from 10.2% in the 2022/23 financial year to 10.6% in the 2023/24. This is above and better than the norm of 10% of the National Treasury. This clearly indicates that the norm of 8% in paragraph 5.6.8 above is not realistic.

Graph 17: Repairs and Maintenance as a % of Total Operating Expenditure



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7 INTRODUCTION

As depicted in the report, R487.7 million or 98.4% of the final capital adjustments budget amount of R495.7 million was spent during the year under review. More information on the type of infrastructure spent will now be discussed below.

5.8 CAPITAL EXPENDITURE

The following three tables depict the information on capital spent on basic services, social services and operational services.

5.8.1 Capital Expenditure on Basic Services Infrastructure

An amount of R427.5 million was invested in basic services infrastructure (electricity, water, waste water, refuse, roads and stormwater) which represents 98.9% of the R432.2 million allocated for basic services infrastructure in the final adjustments budget.

Table 179: Capital Expenditure on Basic Services Infrastructure

Capital Expenditure 2023/24: Basic Services Infrastructure							
Serial No.	Capital Project Description	Actual 2022/23	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & E	% Variance Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Basic Services and Road Infrastructure	141,094,136	413,365,185	432,192,637	427,511,759	-3.4%	1.1%
2	Total Capital Expenditure	141,094,136	413,365,185	432,192,637	427,511,759	-3.4%	1.1%

5.8.2 Capital Expenditure on Social Infrastructure

An amount of R5.8 million was invested in social infrastructure which represents 92.1% of the R6.3 million allocated for social infrastructure in the final adjustments budget.

Table 180: Capital Expenditure on Social and Economical Infrastructure

Capital Expenditure 2023/24: Social and Economical Infrastructure							
Serial No.	Capital Project Description	Actual 2022/23	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & E	% Variance Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Social and Economical Infrastructure	6,060,245	9,584,130	6,325,616	5,825,031	39.2%	7.9%
2	Total Capital Expenditure	6,060,245	9,584,130	6,325,616	5,825,031	39.2%	7.9%

5.8.3 Capital Expenditure on Operational Infrastructure

An amount of R54.4 million was invested in operational infrastructure which represents 97.9% of the R57.2 million allocated for operational infrastructure in the final adjustments budget.

Table 181: Capital Expenditure on Operational Infrastructure

Capital Expenditure 2023/24:Operational Infrastructure							
Serial No.	Capital Project Description	Actual 2022/23	Original Approved Budget	Final Adjustments Budget	Actual Expenditure	% Variance Column C & E	% Variance Column D & E
Column Ref.	A	B	C	D	E	F	G
1	Operational Infrastructure	43,750,106	34,473,895	57,223,885	54,379,061	-57.7%	5.0%
2	Total Capital Expenditure	43,750,106	34,473,895	57,223,885	54,379,061	-57.7%	5.0%

5.9 CAPITAL EXPENDITURE SOURCES OF FINANCE

The funding sources of capital expenditure are depicted in the table below.

Table 182: Capital Expenditure - Funding Sources 2023/24

Capital Expenditure – Funding Sources 2023/24							
Serial No.	Details	2022/23	2023/24				R'000
		Actual	Original Budget (OB)	Adjustments Budget	Actual	Adjustments to OB Variance %	Actual to AB Variance (%)
Column Ref.	A	B	C	D	E	F	G
1	Source of finance						
2	External loans	0	0	0	0	0.00%	0.00%
3	Public contributions and donations	0	0	0	0	0.00%	0.00%
4	Grants and subsidies	115,698,279	391,794,565	404,456,207	401,278,924	-3.23%	0.79%
5	Other	75,206,208	65,628,645	91,285,931	86,436,928	-39.09%	5.31%
6	Total	190,904,487	457,423,210	495,742,138	487,715,852	-8.38%	1.62%
7	Percentage of finance						
8	External loans	0%	0%	0%	0%	0%	0.00%
9	Public contributions and donations	0%	0%	0%	0%	0%	0.00%
10	Grants and subsidies	61%	86%	82%	82%	5%	-0.85%
11	Other	39%	14%	18%	18%	-28%	3.75%
12	Capital expenditure						
13	Water and sanitation	32,567,779	303,015,145	289,043,868	288,587,873	4.61%	0.16%
14	Electricity	68,427,977	41,400,797	76,888,240	76,886,555	-85.72%	0.00%
15	Housing	12,678,579	33,545,000	35,968,839	34,788,085	-7.23%	3.28%
16	Roads and storm-water	27,610,484	34,619,493	35,235,733	32,099,190	-1.78%	8.90%
17	Other	49,619,668	44,842,775	58,605,458	55,354,150	-30.69%	5.55%
18	Total	190,904,487	457,423,210	495,742,138	487,715,852	-8.38%	1.62%
19	Percentage of expenditure						
20	Water and sanitation	17%	66%	58%	59%	12%	-1%
21	Electricity	36%	9%	16%	16%	-71%	-2%
22	Housing	7%	7%	7%	7%	1%	2%
23	Roads and storm-water	14%	8%	7%	7%	6%	7%
24	Other	26%	10%	12%	11%	-21%	4%

5.9.1 Grants

Grants, as depicted in the table above, amounted to R401.28 million or 82% of the total capital expenditure of R487.7 million for the year under review. This is more than the R115.7 million or 61% of the total capital expenditure of R190.9 million for the 2022/23 financial year.

5.9.2 Own Revenue from CRR

Own revenue, as depicted in the table above, amounted to R86.4 million or 18% of the total capital expenditure of R487.7 million for the year under review. This is more than the R75.2 million or 39% of the total capital expenditure of R190.9 million for the 2022/23 financial year.

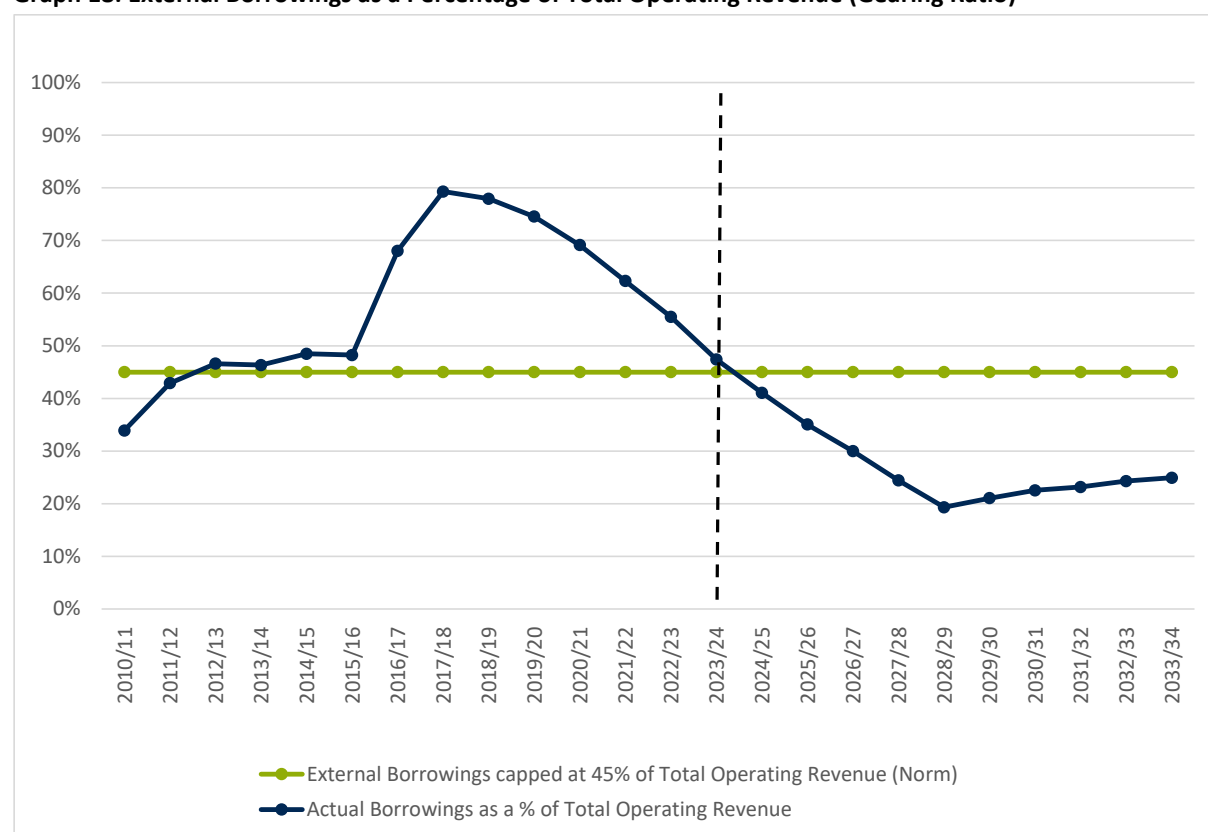
5.9.3 External Borrowings

No capital expenditure was funded from external borrowings, as no new loans were taken up.

5.9.3.1 Gearing Ratio

The gearing ratio stood at 47.4% at year-end as depicted in the graph below. This is based on total revenue excluding conditional capital and operating expenditure grants. During 2019/20 the majority of ten-year external loans were restructured, as it had become unaffordable for Drakenstein to service these loans in the current economic climate. Drakenstein does not plan to take up any additional loans in the next financial year. This will assist in decreasing the gearing ratio to 41.1% (2024/25) 35.1% (2025/26) 30.0% (2026/27), 24.4% (2026/27) and 19.3% (2027/28) and as depicted Graph 18 below. This will result that the gearing ratio decrease to below the National Treasury norm of 45% and within the 50% norm of Council's External Borrowing Policy by 2024/25.

Graph 18: External Borrowings as a Percentage of Total Operating Revenue (Gearing Ratio)



5.10 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Table 183: 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	Rehab & Upgrade of Paarl WWTW	183,186,957	169,487,721	169,487,720	0.00%	0.00%
2	Southern Paarl Bulk Sewer	82,300,000	82,955,758	82,955,758	100.00%	0.00%
3	New Connection BICL's	8,000,000	34,500,000	38,929,300	-386.62%	-12.84%
4	Acceleration of Housing Delivery Simondium	30,000,000	24,589,516	24,474,454	18.42%	0.47%
5	Fleet Annual Replacement Programme	5,500,000	16,000,418	15,625,543	-184.10%	2.34%

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 homeowners associations do their own internal electricity reticulation.

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

Table 184: Basic Services Backlogs as at 30 June 2024

Service Backlogs as at 30 June 2024					
Households (HHs)					
Serial No.	Basic Service	Service Level Above Minimum Standard		Service Level Below Minimum Standard	
		No. of HHs	% of HHs	No. of HHs	% of HHs
Column Ref.	A	B	C	D	E
1	Water	82,560	99.6%	*297	0.4%
2	Waste Water	79,313	95.7%	*3,544	4.3%
3	Electricity	45 831	89.9%	**4,663	10.1%
4	Waste Management	51,558	100%	0	0.0%
*Include farms which do not form part of the municipal water reticulation system.					
**Structures in informal settlements with no access to electricity.					

5.11.2 IUDG Expenditure on Service Backlogs

The IUDG allocations of R61.9 million (VAT inclusive) were spent as depicted in the table below.

Table 185: Integrated Urban Development Grant (IUDG) Expenditure on 2023/24 Service Backlogs

Integrated Urban Development Grant (IUDG) * Expenditure 2023/2024 on Service Backlogs							
Serial No.	Details	Original Budget	Adjustment Budget	Actual	Positive/ (Negative) % Variance		Major conditions applied by donor (continue below if necessary)
					Original Budget	Adjustment Budget	
Column Ref.	A	B	C	D	E	F	G
1	Infrastructure –Road transport	16,951,167	17,057,957	17,057,957	100.63%	100.00%	N/A
2	Roads, pavements and bridges	12,331,917	11,424,626	11,424,625	92.64%	100.00%	N/A
3	Storm water	4,619,250	5,633,331	5,633,331	121.95%	100.00%	N/A
4	Infrastructure – Electricity	18,101,167	18,100,941	18,100,941	100.00%	100.00%	N/A
5	Generation	0	0	0	0.00%	0.00%	N/A
6	Transmission and Reticulation	18,101,167	18,100,941	18,100,941	100.00%	100.00%	N/A
7	Street lighting	0	0	0	0.00%	0.00%	N/A
8	Infrastructure – Water	14,110,379	14,110,379	14,110,379	100.00%	100.00%	N/A
9	Dams and Reservoirs	0	0	0	0.00%	0.00%	N/A
10	Water purifications	0	0	0	0.00%	0.00%	N/A
11	Reticulation	14,110,379	14,110,379	14,110,379	100.00%	100.00%	N/A
12	Infrastructure – Sanitation	6,290,788	6,290,752	6,290,752	100.00%	100.00%	N/A
13	Reticulation	6,290,788	6,290,752	6,290,752	100.00%	100.00%	N/A
14	Sewerage purification	0	0	0	0.00%	0.00%	N/A
15	Infrastructure – Other	2,012,500	998,200	998,200	49.60%	100.00%	N/A
16	Waste Management	2,012,500	998,200	998,200	49.60%	100.00%	N/A
17	Transportation	0	0	0	0.00%	0.00%	N/A
18	Gas	0	0	0	0.00%	0.00%	N/A
19	Other specify	0	2,057,771	2,057,771	0.00%	100.00%	N/A
20	Traffic Lights (Drakenstein)	0	2,057,771	2,057,771	0.00%	100.00%	N/A
21	Total	57,466,000	58,616,000	58,616,000	102.00%	100.00%	N/A

*The spending above excludes VAT

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

5.12 INTRODUCTION

Cash flow is of vital importance to the health of a municipality. The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) requires that a municipality must establish an appropriate and effective cash management and investment policy. Under this policy framework, the municipality must:

- Conduct its cash management and investments; and
- Invest surplus cash that is not immediately required for expenditure purposes. This surplus could include income from rates and services, rents, fines, grants, subsidies, levies and interest earned on investments.

Investments are placed with top creditworthy institutions as rated by nationally recognised credit rating agencies.

The Department reports regularly to the Executive Mayor, the Finance Portfolio Committee, the Auditor-General, the National Treasury and Provincial Treasury in order to assess the performance of the investment portfolio and to ensure that the investments comply with policy objectives, guidelines, applicable laws and regulations.

5.13 CASH FLOW

Cash received from debtors has increased from the previous year, indicating an effective implementation of the Debtors' Policy. The cash available has overall increased due to the better cash management and planning.

Table 186: Cash Flow Outcomes

Cash Flow Outcomes					
Serial No.	Description	2022/23	Current Year 2023/24		
		Audited Outcome	Original Budget	Final Budget	Actual Outcome
		R	R	R	R
Column Ref.	A	B	C	D	E
1	Cash Flow from operating activities				
2	Net cash from (used) operating activities	497,826,550	597,364,998	633,947,110	849,466,467
3	Cash flow from investing activities				
4	Net cash from (used) investing activities	(170,846,492)	(457,418,363)	(495,242,138)	(520,079,495)
5	Cash flow from financing activities				
6	Net cash from (used) financing activities	(71,593,245)	(84,460,268)	(84,460,268)	(77,151,583)
7	Net increase/(Decrease) in cash held	255,386,813	55,486,367	54,244,704	252,235,389
8	Cash/cash equivalents at the beginning of the year	189,883,617	445,270,430	445,270,430	445,270,430
9	Cash/cash equivalents at the end of the year	445,270,430	500,756,797	499,515,134	697,505,819

5.14 BORROWINGS

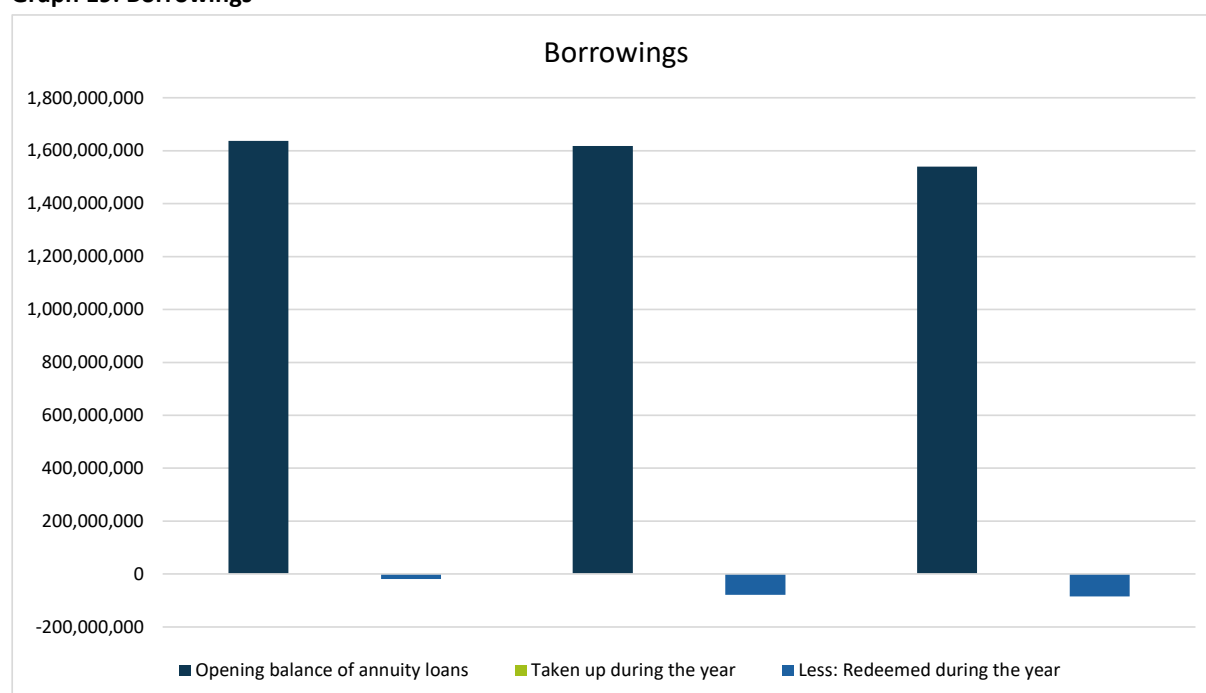
The application of the Municipality's Investment Policy aims to gain the optimal return on investments, without incurring undue risks, during those periods when cash revenue is not needed for capital or operational purposes, whereas the Borrowing Policy aims to gain the lowest interest rate on external borrowings.

During the year, R84.5 million of principle debt was repaid.

Table 187: Actual Borrowings

Actual Borrowings as at 30 June 2024				
Serial No.	Annuity Loans	2021/22	2022/23	2023/24
Column Ref.	A	B	C	D
1	Opening balance of annuity loans	1,636,956,882	1,618,401,012	1,539,712,710
2	Taken up during the year	0	0	0
3	Less: Redeemed during the year	(18,555,870)	(78,688,302)	(84,460,268)
4	Closing Balance of Annuity Loans	1,618,401,012	1,539,712,710	1,455,252,442

Graph 19: Borrowings



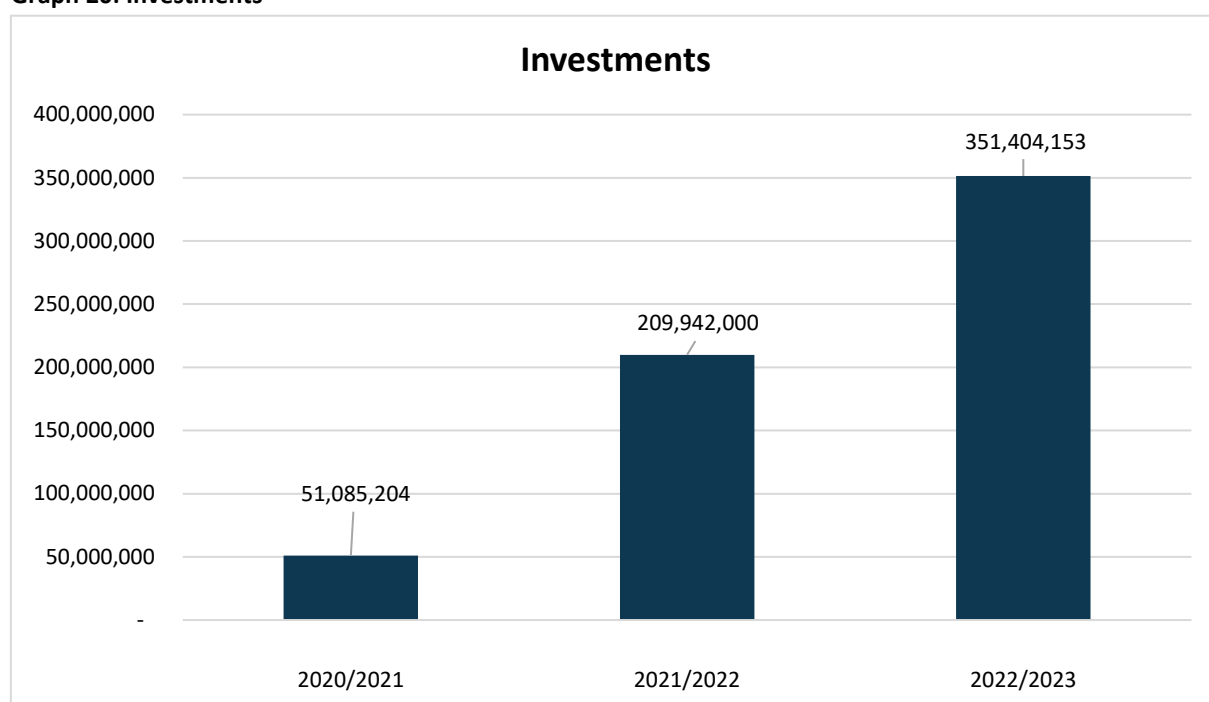
5.15 INVESTMENTS

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 2023/24 were made up of call deposits to the value of R606,724,783, whilst the bank deposits for 2022/23 were made up of call deposits to the value of R351,404,153.

Table 188: Municipal and Entity Investments

Municipal and Entity Investments				
Serial No.	Instrument	2021/22 Actual	2022/23 Actual	2023/24 Actual
Column Ref.	A	B	C	D
1	Securities – National government	-	-	-
2	Listed Corporate Bonds	-	-	-
3	Deposits – Bank	209,942,000	351,404,153	606,724,783
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	209,942,000	351,404,153	606,724,783

Graph 20: Investments



COMPONENT D: OTHER FINANCIAL MATTERS

5.17 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Division consists out of the following sections which covers all elements as required by the Municipal Supply Chain Management Regulations.

5.17.1 Acquisitions

This section deals with procurements up to a value of R300,000 (VAT included).

5.17.2 SCM Compliance

This section deals with the compliance to SCM processes, reporting on SCM actions as required by legislation as well as assessing risk areas within the SCM environment.

5.17.3 Tender Evaluations and Contract Management

This section deals with procurements above the value of R300,000 (VAT included). It furthermore deals with contract management and implementation in conjunction with user departments.

5.17.4 Logistics and Disposal Management

This section deals with the management of the Main Stores as well as the disposal of movable assets.

5.17.5 Tender Committee Administration

This section deals with the administrative processes and logistical support associated with the bid committees.

5.18 GRAP COMPLIANCE

The Municipality has fully implemented the Standards of GRAP (Generally Recognised Accounting Practice) in accordance with the MFMA and Directive 5 issued by the Accounting Standards Board (ASB) and did not deviate from any standard.

Table 189: GRAP Compliance List

Serial No.	Reference	Topic
Column Ref.	A	B
1	GRAP Framework	Framework for the preparation and presentation of financial statements GRAP 1
2	GRAP 1	Cash Flow Statements
3	GRAP 2	Accounting Policies, Changes in Accounting Estimates and Errors
4	GRAP 3	The Effects of Changes in Foreign Exchange Rates
5	GRAP 4	Borrowing Costs
6	GRAP 5	Consolidated and Separate Financial Statements
7	GRAP 6	Investment in Associates
8	GRAP 7	Investment in Joint Ventures
9	GRAP 8	Revenue from Exchange Transactions
10	GRAP 9	Financial Reporting in Hyperinflationary Economies
11	GRAP 10	Construction Contracts
12	GRAP 11	Inventories
13	GRAP 12	Leases
14	GRAP 13	Events After the Reporting Date
15	GRAP 14	Investment Property
16	GRAP 16	Property, Plant and Equipment
17	GRAP 17	Segment Reporting
18	GRAP 18	Provisions, Contingent Liabilities and Contingent Assets
19	GRAP 19	Related Party Disclosures (Revised)
20	GRAP 20	Impairment of Non-cash-generating Assets
21	GRAP 21	Revenue from Non-exchange Transactions (Taxes and Transfers)
22	GRAP 23	Presentation of Budget Information in Financial Statements
23	GRAP 24	Employee Benefits
24	GRAP 25	Impairment of Cash-generating Assets
25	GRAP 26	Agriculture
26	GRAP 27	Intangible Assets
27	GRAP 31	Service Concession Arrangements: Grantor
28	GRAP 32	Discontinued Operations
29	GRAP 100	Heritage Assets
30	GRAP 103	Financial Instruments
31	GRAP 104	Statutory Receivables
32	GRAP 108	Accounting by Principals and Agents
33	GRAP 109	Living and Non-living Resources
34	IFRS 4	Insurance contracts
35	IAS 12	Income taxes
36	IGRAP 1	Applying The Probability Test On Initial Recognition Of Revenue
37	IGRAP 2	Changes in Existing Decommissioning Restoration and Similar Liabilities
38	IGRAP 3	Determining Whether an Arrangement Contains a Lease
39	IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

Serial No.	Reference	Topic
Column Ref.	A	B
40	IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
41	IGRAP 6	Loyalty Programmes
42	IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
43	IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
44	IGRAP 9	Distributions of Non-cash Assets to Owners
45	IGRAP 10	Assets Received from Customers
46	IGRAP 11	Consolidation – Special Purpose Entities
47	IGRAP 12	Jointly Controlled Entities – Non-Monetary Contributions
48	IGRAP 13	Operating Leases – Incentives
49	IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
50	IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
51	IGRAP 16	Intangible Assets – Website Costs
52	IGRAP 17	Service Concession Arrangements where Grantor Controls Significant Residual Interest
53	IGRAP 18	Recognition and Derecognition of Land
54	IGRAP 19	Liabilities to Pay Levies
55	IGRAP 20	Accounting for Adjustments to Revenue
56	IFRIC 12	Service Concession Arrangements
57	SIC 25	Income Taxes – Changes in the status of an enterprise or its shareholders
58	SIC 29	Disclosure Service Concession
59	Directive 1	Deletion of Transitional Provisions in Standards of GRAP
60	Directive 3	Amended Transitional Provisions for High Capacity Municipalities
61	Directive 5	GRAP Reporting Framework
62	Directive 7	The Application of Deemed Cost
63	Directive 11	Changes in Measurement Bases following Initial Adoption of Standards of
64	ASB Guide	Accounting for Arrangements Undertaken i.t.o the National Housing Programme
65	ASB Guide	Accounting for Landfill Sites
66	ASB Guide	The Application of Materiality to Financial Statements

The adoption of the standards and interpretation above did not have a significant impact on the financial position, financial performance or cash flows of the Municipality.

6. AUDITOR-GENERAL AUDIT FINDINGS

The Annual Financial Statements as set out in Volume I and the Annual Performance Report as set out in Volume V was submitted to the Auditor-General on 31 August 2024. The Auditor-General performed their audit during the months of September 2024 to November 2024 and submitted their Auditor-General's Report (attached hereto as Volume II) as required by Section 126(3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) to the Municipality on 30 November 2024.

COMPONENT A: AUDITOR-GENERAL OPINION ON 2023/24 FINANCIAL YEAR

6.1 AUDITOR-GENERAL REPORT FOR 2023/24

In the tables below the Auditor-General's opinion on the 2023/24 annual financial statements and other legal and regulatory matters are discussed.

6.1.1 Auditor-General report on the 2023/24 financial statements

Drakenstein Municipality for the 2023/24 annual financial statements received an unqualified audit opinion. No material non-compliance issues on the annual financial statements were received.

Table 190: Auditor-General Report on 2023/24 Financial Performance

Auditor-General Report on 2023/24 Financial Performance	
Description	Opinion
Audit report status	Unqualified audit opinion
Material non-compliance issues	Remedial action taken
None	Not applicable

6.1.2 Auditor-General report on other legal and regulatory matters

No material findings was identified on the audit of pre-determined objectives or compliance with legislation.

Table 191: Auditor-General Report on 2023/24 Other Matters

Auditor-General Report on 2023/24 Other Matters	
Description	Conclusion
Annual Performance Report	No material findings
Compliance with Legislation	No material findings

6.1.2.1 *Predetermined objectives*

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.

6.1.2.2 *Compliance with legislation*

Drakenstein Municipality received no material findings on compliance with key legislation as set out in the general notice issued in terms of the PAA.

6.1.2.3 *Internal control*

The Auditor-General did not identify any significant deficiencies in internal control.

6.2 CONCLUDING COMMENT

The Auditor-General therefore gave Drakenstein Municipality an unqualified audit opinion with no material findings on pre-determined objective or compliance with key legislation.

COMPONENT B: AUDITOR-GENERAL OPINION FOR 2022/23 FINANCIAL YEAR

6.3 AUDITOR-GENERAL REPORT FOR 2022/23

In the tables below the Auditor-General's opinion on the 2022/23 annual financial statements and other legal and regulatory matters are discussed.

6.3.1 Auditor-General report on the 2022/23 financial statements

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.

Table 192: Auditor-General Report on 2022/23 Financial Performance

Auditor-General Report on 2022/23 Financial Performance	
Description	Opinion
Audit report status	Unqualified audit opinion
Material non-compliance issues	Remedial action taken
None	Not applicable

6.3.2 Auditor-General report on other legal and regulatory matters

No material findings was identified on the audit of pre-determined objectives or compliance with legislation.

Table 193: Auditor-General Report on 2022/23 Other Matters

Auditor-General Report on 2022/23 Other Matters	
Description	Conclusion
Annual Performance Report	No material findings
Compliance with Legislation	No material findings

6.3.2.1 Predetermined objectives

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.

6.3.2.2 Compliance with legislation

Drakenstein Municipality received no material findings on compliance with key legislation as set out in the general notice issued in terms of the PAA.

6.3.2.3 *Internal control*

The Auditor-General did not identify any significant deficiencies in internal control.

6.4 CONCLUDING COMMENT

The Auditor-General therefore gave Drakenstein Municipality an unqualified audit opinion with no material findings on pre-determined objective or compliance with key legislation.

7. ANNEXURES

ANNEXURE A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Table 194: Councillors, Committees allocated and Council attendance (1 July 2023-30 June 2024)

Councillors, Committees allocated and Council attendance							
Serial No. Column Ref.	Council members	Full- time	Part-time	Committees allocated	*Ward and/or party represented	Percentage Council Meetings attended	Percentage apologies for non-attendance
						%	%
1	A	B	C	D	E	F	G
1	Adams, Jaydine Henriette		√	Financial Services	Proportional	69	100
2	Adriaanse, Miriam Maria		√	Planning and Development	Ward 24	100	N/A
3	Albertyn, Pierre-Jeanne (resigned 19/03/2024) Replaced by Cupido, Jovan-Re Warnick (on 28/02/2024)		√	Governance and Compliance	Proportional	44	60
4	America, Derrick (Replaced Poole, Conrad James on 03/04/2024)	√ 01/06/2024	√	Financial Services; Combined Corporate and Governance; Combined Community and Public Safety; LLF.	Proportional until 31/05/2024	100	N/A
5	Anderson, Joan Veronica		√	Public Safety; Governance and Compliance; Combined Corporate and Governance; Combined Community and Public Safety.	Ward 26	100	N/A
6	Andreas, Margaretha Aletta	√		Community Services; Planning and Development; Combined Community and Public Safety; LLF.	Proportional	100	N/A
7	Appollis, Avron Marchius Beres	√		Disciplinary Committee; Community Services; Public Safety; Combined Community and Public Safety.	Ward 29	100	N/A
8	Arendse, Lorenzo Clive	√		Financial Services; and Community Services.	Ward 33	94	100
9	Arnolds, Ruth Belldine		√	Engineering Services; Public Safety; Combined Community and Public Safety.	Ward 7	81	100
10	Baron, Elizabeth	√		Financial Services; Corporate Services;	Ward 18	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	%	%
				Planning and Development; Combined Corporate and Governance; Combined Community and Public Safety; LLF; Training and Development Committee.			
11	Bester, Theunis Gerhardus	√		Engineering Services	Ward 19	100	N/A
12	Bolani, Luvuyo		√	Planning and Development, Governance and Compliance	Ward 9	88	50
13	Booyesen, Vanessa Charmaine		√	Appeal Committee; and Engineering Services.	Ward 27	94	0
14	Carollissen, Doreen		√	Planning and Development	Proportional	88	50
15	Combrink, Gert Cornelius	√		Financial Services	Proportional	100	N/A
16	Cupido, Felix Patric		√	Corporate Services; Community Services; and Combined Corporate and Governance.	Ward 22	94	100
17	Cupido, Jovan-Re Warnick replaced PJ Albertyn on 28/02/2024		√	n/a	Proportional	100	N/A
18	Cupido Patricia Beverly Ann		√	Planning and Development	Ward 20	100	N/A
19	Cyster, Lorraine	√		Engineering Services, Planning and Development, Community Services; Public Safety; Combined Community and Public Safety.	Ward 17	100	N/A
20	De Kock, John		√	Financial Services	Proportional	88	100
21	De Waal, Charlse		√	Corporate Services; and Combined Corporate and Governance.	Proportional	81	67
22	Du Plessis, Adriaan Johannes		√	Engineering Services;	Proportional	94	100
23	Duba, Bongiwe Primrose		√	Financial Services; Corporate Services; and Combined Corporate and Governance.	Proportional	75	100
24	Fourie, Andrew		√	Financial Services	Proportional	94	100
25	Ganandana, Sangolomzi		√	Engineering Services, Planning and Development.	Ward 32	81	100
26	Gertse, Keagan Je-Ron		√	Corporate Services; Public Safety;	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	%	%
				Combined Corporate and Governance; Combined Community and Public Safety.			
27	Godongwana, Ntombovuyo		√	Appeal Committee; Engineering Services; and Planning and Development	Ward 8	75	100
28	Gouws, Eva	√		Community Services; and Combined Community and Public Safety.	Ward 21	100	N/A
29	Gravel, Sindile		√	Governance and Compliance; Engineering Services; Combined Corporate and Governance.	Proportional	63	67
30	Jacobs, Bazil		√	Corporate Services; and Engineering Services.	Proportional	88	100
31	Jacobs, Catherine Maria		√	Corporate Services; and Combined Corporate and Governance.	Ward 31	94	100
32	Jacobs, Frances		√	Financial Services	Proportional	94	100
33	Kearns, Christephine	√		Chief Whip; and Disciplinary Committee.	Ward 10	100	N/A
34	Klaaste (Davids), Claire Olivia		√	Corporate Services; Combined Corporate and Governance	Proportional	75	75
35	Koegelenberg, Renier Adriaan	√ 01/06/2024	√	Appeal Committee; Disciplinary Committee; LLF; and Engineering Services.	Proportional until 31/05/2024	100	N/A
36	Korabie, Stephen	√ 05/04/2024	√	Financial Services, Community Services (until became Executive Mayor)	Proportional	100	N/A
37	Kroutz, Calvin		√	Corporate Services; and Combined Corporate and Governance.	Ward 1	100	N/A
38	Kulsen, G		√	Engineering Services	Proportional	100	N/A
39	Landsberg, Stephan		√	Governance and Compliance; Public Safety; and Combined Corporate and Governance.	Proportional	100	N/A
40	Landu, Linda		√	Public Safety; Corporate Services; Combined Community and Public Safety; and Combined Corporate and Governance.	Proportional	94	100
41	Le Roux, Jacobus Francois	√		Appeal Committee	Proportional	100	N/A
42	Liebenberg, Stephanus, Johannes		√	MPAC	Ward 15	75	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	%	%
43	Mangena, Tembekile Christopher		√	Appeal Committee, Governance and Compliance; Public Safety; Combined Corporate and Governance; and Combined Community and Public Safety.	Proportional	69	80
44	Matthee, Leandra Chamaney		√	Community Services; and Combined Community and Public Safety.	Proportional	63	17
45	Miller, Johan	√		Disciplinary Committee , Engineering Services, Governance and Compliance; and Combined Corporate and Governance.	Ward 4	100	N/A
46	Mooi, Thobani Patrick		√	Financial Services; Community Services; and Combined Community and Public Safety.	Ward 5	81	100
47	Nell, Rodney Heinrich		√	MPAC	Proportional	100	N/A
48	Nongogo, Nothulu		√	Engineering Services; Community Services; and Combined Community and Public Safety.	Ward 6	81	100
49	Poole, Conrad James, resigned 07/03/2024 (Replaced by America, Derrick)	√		Executive Mayor	Proportional	100	N/A
50	Richards, Abdul Moutie		√	MPAC Disciplinary Committee	Proportional	82	100
51	Ross, Soudah		√	Governance and Compliance; Financial Services; and Combined Corporate and Governance.	Ward 13	88	100
52	Sambokwe, Ludia Sindiswa		√	MPAC, Disciplinary Committee	Ward 12	94	100
53	Sauerman, Nicolaas Daniël		√	Appeal Committee, Governance and Compliance; and Combined Corporate and Governance.	Ward 2	100	N/A
54	September, Jerome Alex		√	MPAC	Proportional	88	100
55	Smit, Johannes		√	Engineering Services	Ward 30	94	100
56	Solomons, Elizabeth Aletta		√	MPAC	Ward 23	100	N/A
57	Stoffels, Johannes, Nicolaas Hendrick		√	Community Services; and Combined Community and Public Safety.	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	%	%
58	Stowman, Aidan Charles		√	MPAC	Ward 11	100	N/A
59	Stulweni, Ahmed Mputumi		√	Community Services; and Combined Community and Public Safety.	Proportional	94	0
60	Van Niekerk, Laurichia Tylial	√		Planning and Development, Governance and Compliance, Training and Development Committee; and Combined Corporate and Governance.	Ward 25	75	100
61	Van Nieuwenhuyzen, Reinhardt Heinrich	√		LLF, Training and Development Committee; and Financial Services.	Ward 28	100	N/A
62	Van Rooyen, Annelize		√	Corporate Services; Governance and Compliance; and Combined Corporate and Governance.	Ward 3	94	N/A
63	Van Santen, Aletta Johanna		√	MPAC	Proportional	100	N/A
64	Van Willingham, Brenda		√	Community Services	Ward 14	88	100
65	Xhego, Zamikhaya		√	Community Services, Governance and Compliance; Combined Community and Public Safety; and Combined Corporate and Governance.	Ward 16	94	100
66	Zoya, Nomzamo		√	Disciplinary Committee	Proportional	63	83
67	Zwinye, Mawuzeni		√	Public Safety; Corporate Services; Combined Community and Public Safety; and Combined Corporate and Governance.		88	100

ANNEXURE B: COMMITTEES AND COMMITTEE PURPOSES

Table 195: Committees (other than Mayoral Committee) and purposes of committees

Committees (other than Mayoral/Executive Committee) and purposes of Committees		
Serial No.	Municipal Committees	Purpose of committee
Column Ref.	A	B
1	Municipal Public Accounts Committee	To perform an oversight function on behalf of Council over the executive functionaries of the Council.
2	Appeals Committee	To deal with appeals in terms of Section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
3	Audit Committee	<p>In terms of Section 166(2) of the MFMA, an audit committee must advise the municipal council, the political office bearers, the accounting officer and the management staff of a municipality, on matters relating to:</p> <p>Internal financial control and internal audits;</p> <ul style="list-style-type: none"> • Risk management; • Accounting policies; • The adequacy, reliability and accuracy of financial reporting and information; • Performance management; • Effective governance; • Compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation; • Performance evaluation; and • Any other issues referred to it by the municipality.
4	Fraud and Risk Management Committee (FARMCO)	To assist the City Manager to fulfil his fraud and risk management responsibilities in accordance with prescribed legislation and corporate governance principles. FARMCO assists the City Manager by reviewing the effectiveness of the Municipality's fraud and risk management systems, practices and procedures and providing recommendations for improvement.
5	Budget Steering Committee	To assist Council in ensuring that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
6	Special Committee (Code of Conduct for Councillors)	<p>To serve as administrative tribunal to conduct hearings of Councillors charged for contravention of the Code of Conduct for Councillors and to make recommendations to Council regarding proposed sanctions; and</p> <p>To consider any other matter of a disciplinary nature relating to Councillors and make a recommendation to Council.</p>

ANNEXURE C: SECOND AND THIRD TIER ADMINISTRATIVE STRUCTURE

Table 196: Second and Third-tier Structure

Second and Third-tier Structure		
Serial No.	Department	Executive Manager/Manager
Column Ref.	A	B
1	Office of the City Manager	City Manager (Dr JH Leibbrandt)
2	Division: Communication and Marketing	Manager: Communication and Marketing (R Geldenhuys)
3	Division: Risk Management	Chief Risk Officer (GJ Dippenaar)
4	Division: IDP and Performance Management	Manager: IDP and Performance Management (C September)
5	Division: Internal Audit	Chief Audit Executive (RJ Jaftha)
6	Section: Internal Audit	Manager: Internal Audit (D Korabie)
7	Section: Performance Audit	Manager: Performance Audit (N Magongo)
8	Financial Services	
9	Department: Financial Services	Chief Financial Officer (B Brown)
10	Division: Financial Planning and Accounting	Financial Planning and Accounting Analyst (I Engelmohr)
11	Division: Supply Chain Management	Manager: Supply Chain Management (H Vergotine)
12	Division: Revenue and Expenditure	Senior Manager: Revenue and Expenditure (NG Keketsi)
13	Section: Expenditure	Manager: Expenditure (DM Pikinini)
14	Section: Revenue	Manager: Revenue (AC Abrahams)
15	Division: Budget, Assets and Financial Reporting	Senior Manager: Budget, Assets and Financial Reporting (C Lategan)
16	Section: Financial Systems	Head: Financial Systems (Vacant)
17	Section: Budget Control and Cost Accounting	Manager: Budget Control and Cost Accounting (L Crotz)
18	Section: Assets and Insurance Management Services	Manager: Assets and Insurance Management (C Wessels)
19	Section: Financial Statements, Reporting & Cash Management	Manager: Financial Statements, Reporting & Cash Management (A Viola)
20	Corporate and Planning Services	
21	Department: Corporate Services and Planning	Executive Director: Corporate and Planning Services (S Johaar)
22	Division: Human Resource Management	Senior Manager: Human Resource (N Matolengwe)
23	Section: HR Administration & Recruitment & Selection	Manager: Personnel Administration and Recruitment and Selection (T van der Westhuizen)
24	Section: Training and Development	Manager: Training and Development (M Sibeko)
25	Section: Labour Relations, Employee Wellness and OHS	Manager: Labour Relations, Employee Wellness and OHS (Vacant)
26	Section: Organisational Efficiency	Manager: Organisational Efficiency (K Begbie)
27	Division: Legal and Administrative Services	Senior Manager: Legal and Administrative Services (NC October)
28	Section: Legal Services	Manager: Legal Services (Vacant)
29	Section: Rental Stock	Manager: Rental Stock (U Johannesburg)
30	Section: Operations Support and Demand Administration	Manager: Operations Support and Demand Administration (Vacant)
31	Section: Administrative Services	Manager: Administrative Services (F Goosen)
32	Section: CRM and Political Office Support	Customer Relations Officer (M Carolissen)

Second and Third-tier Structure		
Serial No.	Department	Executive Manager/Manager
Column Ref.	A	B
33	Division: Information Communication and Technology	Senior Manager: Information Communication and Technology (F Theron)
34	Section: ICT Operation and Support	Manager: Operation and Support (Vacant)
35	Section: MIS/Systems	Manager: MIS/System (I Claims)
36	Section: ICT Governance and Administration	Manager: ICT Governance and Administration (Vacant)
37	Division: Planning Services	Senior Manager: Planning Services (D Delaney)
38	Section: Land Use Planning and Surveying	Manager: Land Use Planning and Surveying (HG Strijdom)
39	Section: Building Control	Manager: Building Control (CF Pietersen)
40	Section: Spatial Planning and Heritage	Manager: Spatial Planning and Heritage (W Hendricks)
41	Division: Economic Growth and Tourism	Senior Manager: Local Economic Growth and Tourism (C Phillips)
42	Section: Economic Growth	Manager: Economic Growth (M Mlangeni)
43	Section: Tourism	Senior Tourism Officer (C Carse)
44	Division: Environmental Management	Manager: Environmental Management (C Winter)
45	Section: Natural Resource Management	Senior Environmental Officer (S Reece)
46	Section: Environmental Management Systems, Monitoring and Compliance	Senior Environmental Officer (Vacant)
47	Section: Planning and Sustainability	Senior Environmental Officer (Vacant)
48	Section: Rural Development	Manager: Rural Development (T Cloete)
49	Community Services	
50	Department: Community Services	Executive Director: Community Services (G Esau)
51	Division: Parks, Sports and Cemeteries	Senior Manager: Parks, Sport and Cemeteries (E Saayman)
52	Section: Parks	Manager: Parks (Vacant)
53	Section: Cemeteries and Resorts	Manager: Cemeteries and Resorts (Vacant)
54	Section: Sports and Recreation	Manager: Sports and Recreation (Y Tsolo)
55	Section: Programmes, Projects & SP Maintenance	Manager: Programme and Projects (Vacant))
56	Section: Technical Planning / Project Management	Manager Technical Planning (RSA Sauls)
57	Division: Community Development & Library & Information Services	Senior Manager: Development and Library Services (Vacant)
58	Section: Library and Information Services	Manager: Library and Information Services (L Thomas)
59	Division: Housing Projects and Technical Support	Senior Manager: Housing Projects (F Rhoda)
60	Section: Housing Projects	Manager: Human Settlements Projects (C Jacobs)
61		
62	Public Safety	
63	Department: Public Safety	Executive Director: Public Safety (E Barnard)
64	Section: Traffic, Law Enforcement and Licensing	Manager: Traffic Services (J Cornelissen)
65	Section: Fire, Rescue and Disaster Management	Manager: Fire Services (D Damons)
66	Section: Municipal Law Enforcement and Security	Manager: Municipal Law Enforcement and Security (S Jacobs)
67	Engineering Services	
68	Department: Engineering Services	Executive Director: Engineering Services (L Pienaar)

Second and Third-tier Structure		
Serial No.	Department	Executive Manager/Manager
Column Ref.	A	B
69	Section: Roads, Stormwater & Traffic Eng. Services	Senior Manager: Roads, Stormwater and Traffic Engineering Services (H Liedeman)
70	Section: Infrastructure Management	Manager: Infrastructure Management (Vacant)
71	Division: Water and Waste Water Services	Manager: Water Services (AA Kowalewski)
72	Division: Technical Support and Project Management	Senior Manager: Technical Support & Project Management (P Pansegrouw)
73	Section: EPWP	Manager: EPWP (Vacant)
74	Division: Electro Technical Services	Senior Manager: Electro Technical Services (Vacant)
75	Section: Operations and Maintenance	Manager: Operations and Maintenance (M Fredericks)
76	Section: Planning and Customer Services	Manager: Planning and Customer Services (L Laing)
77	Section: Electrical Engineering Efficiency Management	Manager: Electrical Engineering Efficiency Management (Vacant)
78	Division: Solid Waste and Landfill Management	Senior Manager: Solid Waste and Landfill Management (MT Serfontein)
79	Section: Solid Waste and Functional Management	Manager: Solid Waste and Functional Management (Vacant)
80	Section: Solid Waste Operational Management	Manager: Solid Waste Operational Management (J Beasley)
81	Section: Waste Disposal Facilities	Senior Engineering Technician Waste, Disposal and Facilities (Vacant)
82	Division: Facilities and Mechanical Management	Senior Manager: Facilities and Mechanical Manager (Vacant)
83	Section: Fleet Management and Maintenance	Manager: Fleet Management and Maintenance (FW Nieuwoudt)
84	Section: Building Projects and Maintenance	Manager: Building Projects and Maintenance (TE Tlhapane)
85	Section: Corporate Facilities and Projects	Manager: Corporate Facilities and Projects (Vacant)

ANNEXURE D: FUNCTIONS OF MUNICIPALITY

Table 197: Municipal Functions

Municipal Functions			
	Municipal Functions	Function applicable to Municipality	
		Yes	No
	Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 4, Part B functions:		
Column Ref.	A	B	C
1	Air pollution	✓	
2	Building regulations	✓	
3	Child care facilities	✓	
4	Electricity and gas reticulation	✓	
5	Firefighting services	✓	
6	Local tourism	✓	
7	Municipal airports		✓
8	Municipal planning	✓	
9	Municipal health services		✓
10	Municipal public transport		✓
11	Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other.	✓	
12	Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto		✓
13	Stormwater management systems in built-up areas	✓	
14	Trading regulations	✓	
15	Water and sanitation services limited to potable water supply systems and domestic waste - water and sewerage disposal systems.	✓	
16	Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 5, Part B functions:		
17	Beaches and amusement facilities		✓
18	Billboards and the display of advertisements in public places	✓	
19	Cemeteries, funeral parlours and crematoria	✓	
20	Cleansing	✓	
21	Control of public nuisances	✓	
22	Control of undertakings that sell liquor to the public	✓	
23	Facilities for the accommodation, care and burial of animals	✓	
24	Fencing and fences		✓
25	Licensing of dogs	✓	
26	Licensing and control of undertakings that sell food to the public	✓	
27	Local amenities	✓	
28	Local sports facilities		✓
29	Markets		✓
30	Municipal abattoirs	✓	
31	Municipal parks and recreation	✓	
32	Municipal roads	✓	
33	Noise pollution	✓	
34	Pounds	✓	
35	Public spaces	✓	
36	Refuse removal, refuse dumps and solid waste disposal	✓	

Municipal Functions			
	Municipal Functions	Function applicable to Municipality	
		Yes	No
	Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Schedule 4, Part B functions:		
37	Street trading	✓	
38	Street lighting	✓	
39	Traffic and parking	✓	

ANNEXURE E: WARD REPORTING

The table below reflects ward reporting activities that occurred during the reporting period. The statistics include IDP meetings that took place during the period.

Table 198: Functionality of Ward Committees

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
1	WARD COUNCILLOR	Yes	4	4	2
	Cllr C Kroutz				
	WARD COMMITTEE MEMBERS				
	Mr Jack Botha				
	Mr Collin van der Westhuizen				
	Ms Let Hendricks				
	Mr Ivan Patel				
	Mr Ivan Marang				
	Mr Henry Valentyn				
	Ms Yolinda Botes				
	Ms Jo-Ann Johannes				
	Mr Jeffrey Bekeer				
	Ms Ida Plaatjies				
2	WARD COUNCILLOR	Yes	5	5	4
	Cllr N. Sauerma				
	WARD COMMITTEE MEMBERS				
	Ms Ronel Saayman				
	Mr Albertus Buckle				
	Mr Ockert Vermeulen				
	Mr Steven von Schlicht				
	Ms Thandi Buckle				
	Mr Adriaan van Niekerk				
	Ms Marlene Weyers				
	Mr Niel Schoeman				
	Mr Charles Barend				
3	WARD COUNCILLOR	Yes	4	4	1
	Cllr A. van Rooyen				
	WARD COMMITTEE MEMBERS				
	Mr Abel Mento				
	Ms Eleen Hugo				
	Ms Charmaine Lewis				
	Ms Christolene Lewis				
	Ms Jade Jaars				
	Mr Jakobus van der Westhuizen				
	Ms Beatrice Kachu				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
4	WARD COUNCILLOR	Yes	4	4	1
	Cllr J Miller				
	WARD COMMITTEE MEMBERS				
	Ms Amanda Du Toit				
	Ms Cornelia Jacoba van Eeden				
	Mr Bruce Hancock				
	Mr Ernest Derek Taylor				
	Mr Anton Els				
	Mr Jacques Stofberg				
	Ms Bets Engelmohr				
	Mr Dirk Breytenbach				
	Mr Johannes Frederick Kotze				
5	WARD COUNCILLOR	Yes	3	3	2
	Cllr T. Mooi				
	WARD COMMITTEE MEMBERS				
	Ms Asanda Mzamo				
	Mr Thulani Mahlabelo				
	Ms Evelin Pietersen				
	Ms Siphe Ngcobondwana				
	Ms Nokuthula Abraham				
	Mr Glentow Sonamzi				
	Ms Nontombizini Soga				
	Mr Saziso Ntsali				
	Mr Moses Pietersen				
	Mr Luthando Ntese				
6	WARD COUNCILLOR	Yes	5	5	4
	Cllr N. Wana/Nongogo				
	WARD COMMITTEE MEMBERS				
	Ms Phathiwe Juba				
	Mr Bangilizwe Joseph Nkukuma				
	Mr Luyanda Ngayo				
	Mr Ntsikelelo Zeyo				
	Mr Nicholus Sandise Goso				
	Ms Nolwandle Melele				
	Ms Zintle Njili				
	Mr Lindikhaya Magxala				
	Ms Sesethu Sogayise				
	Mr Hlomla Lucas Welem				
7	WARD COUNCILLOR	Yes	7	7	3
	Cllr RB Arnolds				
	WARD COMMITTEE MEMBERS				
	Mr Hendry Joseph				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Frederick Maasdorp				
	Ms Anneline Isaacs				
	Ms Saromeo Oliphant				
	Mr Martin Cloete				
	Mr Freek Jacobs				
	Ms Velensia September				
	Mr David Geduld				
	Ms Bellmordene Robson				
	Ms Diona Monk				
8	WARD COUNCILLOR	Yes	4	4	0
	Cllr C. Godongwana				
	WARD COMMITTEE MEMBERS				
	Ms Ntombifikile Koti				
	Ms Yandiswa Mbuzwana				
	Ms Ntomboxolo Godongwana				
	Mr Monde Maqungo				
	Mr Vuyo Mangaliso				
	Ms Victoria Thimbilili				
	Ms Theodora Makabane				
	Mr Nkosikhona Dlokweni				
	Ms Palesa Xaba				
	Ms Noncedo Mahlathi				
9	WARD COUNCILLOR	Yes	4	4	2
	Cllr L. Bolani				
	WARD COMMITTEE MEMBERS				
	Mr Ntsasa Adoro				
	Mr Mongezi Dlwathi				
	Ms Nontuthuzelo Kwini				
	Mr Sello Moahloli				
	Mr Mongezi Dlwathi				
	Mr Qondephi Yantolo				
	Ms Agnes Boniswa Sishuba				
	Ms Neliswa Sijaji				
	Mr Andile Human				
10	WARD COUNCILLOR	Yes	4	4	2
	Cllr C Kearns				
	WARD COMMITTEE MEMBERS				
	Mr Marshal Hendricks				
	Ms Audrey Mackay				
	Ms Maureen Cameron				
	Mr Henrich Appollis				
	Mr Sulaiman Abrahams				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Grant du Toit				
	Ms Chine Isaacs				
	Mr Richard Fortuin				
11	WARD COUNCILLOR	Yes	3	3	3
	Ald AC Stowman				
	WARD COMMITTEE MEMBERS				
	Ms Leezil Laubscher				
	Charles Botman				
	Ms Nereen Foster				
	Ms Merencia Jooste				
	Ms Suzette van der Heever				
	Mr Willem Mettler				
	Mr Carlo Demas				
	Ms Nokhanyo Dyosiba				
	Ms Leandra Smith				
	Ms Monica Samuels				
12	WARD COUNCILLOR	Yes	4	4	0
	Cllr L. Sambokwe				
	WARD COMMITTEE MEMBERS				
	Ms Asanda Mrawuzeli				
	Ms Nosithembele Madotyeni				
	Ms Ruth Jimlongo				
	Mr Bonakele Mnweba				
	Ms Ntombizanele Xabanisa				
	Ms Koliswa Sizani				
	Ms Thembisa Mfundisi				
	Mr Vuyani Desmond Hans				
	Ms Busisiwe Siyali				
13	WARD COUNCILLOR	Yes	4	4	2
	Cllr S Ross				
	WARD COMMITTEE MEMBERS				
	Mr Nugent Davis				
	Ms Angelique Mamani				
	Ms Veronica Koopman				
	Ms Johanna Muller				
	Ms Muneebah Jannicke				
	Ms Juliana Tessa Demas				
	Ms Shariefah/Katy Hendricks				
	Ms Boniwe Matiwana				
	Ms Vivienne Zungula				
	Ms Rowina van Staden				
14	WARD COUNCILLOR	Yes	4	4	1

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Cllr B. van Willingham				
	WARD COMMITTEE MEMBERS				
	Ms Flora Kalipa				
	Mr Ayanda Ringane				
	Ms Sandiswa Tafane				
	Mr Trevor Davey				
	Ms Cleo Winter				
	Ms Christie Morris				
	Mr Simon Pietersen				
15	WARD COUNCILLOR	Yes	4	4	2
	Cllr S. Liebenberg				
	WARD COMMITTEE MEMBERS				
	Ms Chantel Hauptfleisch				
	Mr Michael Sass				
	Mr Mark Human				
	Mr Louis Herold Louw				
	Ms Aletia Grundling				
	Mr Ludwig Thiart				
	Mr Paul Pieterse				
	Mr Johan Jordaan				
	Ms Ilse Human				
16	WARD COUNCILLOR	Yes	5	5	2
	Cllr Z. Xhego				
	WARD COMMITTEE MEMBERS				
	Mr Lungani Fihlani				
	Ms Nolubusiso Jaxa				
	Ms Olinda Njila				
	Ms Ntombikayise Menzi				
	Ms Funeka Ndarala				
	Ms Maseka Sifumba				
	Mr Sindisile Fundakubi				
	Mr Mlungiseleli Ndara				
	Ms Andisiwe Ncumeza- Dumbela				
17	WARD COUNCILLOR	Yes	3	3	3
	Cllr L Cyster				
	WARD COMMITTEE MEMBERS				
	Ms Margaret Lucille Fortuin				
	Mr TC Botha				
	Ms Annie Marie de Villiers				
	Mr Johannes Heyns				
	Ms Katriena Karolus				
	Ms Mina Kock				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Ms Fransiska Williams				
	Mr Kobus Conradie				
	Mr CHC Sadenbergh				
	Ms Marcelle Hanekom				
18	WARD COUNCILLOR	Yes	4	4	1
	Cllr E. Baron				
	WARD COMMITTEE MEMBERS				
	Mr Adanaan Arnold				
	Ms Anneline Lackay/Kammies				
	Mr Andre Snyders				
	Ms Anna van Wyk				
	Mr Ryan Ivir Goliath				
	Mr Carlyle Baron				
	Mr Martin Christians				
	Ms Rebecca Appollis				
	Ms Yolene September				
	Mr Jerry Kennedy				
	WARD COUNCILLOR				
	Cllr T Bester				
19	WARD COMMITTEE MEMBERS	Yes	6	6	4
	Ms Anna Barton				
	Mr John Barsby				
	Ms Geraldine Gordon				
	Mr Joachim Scholtz				
	Mr Wiaan Swart				
	Ms Browen Baayman				
	Mr Willem Esterhuizen				
	Ms Belinda Theron				
	Mr Johannes Andrews				
	Mr Hendrik du Toit				
	WARD COUNCILLOR				
	Cllr P Cupido				
	WARD COMMITTEE MEMBERS				
	Mr Brandon Jacobs				
20	Ms Mariaane McKay	Yes	4	4	2
	Ms Molly Hartzenberg				
	Mr Christopher Tromp				
	Ms Michelle Lamont				
	Ms Jeronay Paulse				
	Mr Abraham Bekeer				
	Ms Ulanda Manuel				
	Nicolaas Cleophas				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Ms Nicolette Davids				
21	WARD COUNCILLOR	Yes	5	5	2
	Cllr E Gouws				
	WARD COMMITTEE MEMBERS				
	Ms Freda Arendse				
	Mr Donovan Roelfse				
	Mr Marshal Goedeman				
	Ms Violet Moss				
	Ms Mary-Ann Leon				
	Mr Johnley Muller				
	Ms Alima Ficks				
	Ms Rayline Pedro				
	Mr Keith du Ploy				
	Ms Ingrid Davids				
22	WARD COUNCILLOR	Yes	5	5	4
	Cllr F Cupido				
	WARD COMMITTEE MEMBERS				
	Mr Aylmer Manko				
	Ms Samantha Kulsen				
	Ms Lindsay van der Berg				
	Mr Alexander Fisher				
	Mr David Arendse				
	Mr Johannes van Wyk				
	Mr Benjamin Collins				
	Mr Ivan Africa Martin				
23	WARD COUNCILLOR	Yes	4	4	2
	Cllr E. Solomons				
	WARD COMMITTEE MEMBERS				
	Ms Linda Poggenpoel				
	Ms Rozanne Botha				
	Mr David Frost				
	Mr Leon Bester				
	Ms Susan Rens				
	Mr Errol Beukes				
	Mr Lesley Agulhas				
	Mr Edmund Bam				
	Mr Saul Cookson				
	Mr Abraham Syster				
24	WARD COUNCILLOR	Yes	5	5	1
	Ald MM Adriaanse				
	WARD COMMITTEE MEMBERS				
	Mr Kervin Bowers				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Ms Vanessa Adams				
	Ms Porchia Windvogel				
	Ms Selma Jolanda Claasen				
	Ms Ragel Claasen				
	Ms Helen van Wyk				
	Mr Vernon Steyn				
	Mr Andrais Gouws				
	Mr Adrian Simonse				
	Mr Khaashif Benjamin				
25	WARD COUNCILLOR	Yes	5	5	3
	Cllr L van Niekerk				
	WARD COMMITTEE MEMBERS				
	Ms Morencia Moses				
	Ms Nataley Mayekiso				
	Ms Edith Cupido				
	Ms Hayley-Ann Louw				
	Ms Vernita Poggenpoel				
	Ms Angeline Roman				
	Ms Jennifer Adonis				
	Mr John Roman				
	Mr Graham Claasen				
26	WARD COUNCILLOR	Yes	5	5	4
	Cllr J Anderson				
	WARD COMMITTEE MEMBERS				
	Ms Samantha Goosen				
	Ms Raylene Cupido				
	Mr Fiela de Wee				
	Mr Koos Fransman				
	Ms Lorraine Hendricks				
	Ms Jacoba Pietersen				
	Mr David Cameron				
	Ms Anneke van Niekerk				
	Ms Kalonna Abrhams				
	Ms Susan Pietbooi				
27	WARD COUNCILLOR	Yes	4	4	3
	Cllr V Booyesen				
	WARD COMMITTEE MEMBERS				
	Ms Carluin-Lee Haupt				
	Ms Nadia Mayekiso				
	Ms Dawn Frantz				
	Ms Wilhelmina Hendricks				
	Mr Enslin Goedeman				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Karools Isaacs				
	Mr Peter Pietersen				
	Mr William Philander				
	Ms Angela Brown				
28	WARD COUNCILLOR	Yes	4	4	2
	Cllr RH van Nieuwenhuyzen				
	WARD COMMITTEE MEMBERS				
	Ms Cecilia Mitchell				
	Ms Gail Petersen				
	Ms Angelique Milly Stevens				
	Mr Karel Pienaar				
	Mr Christopher Andrews				
	Ms She-Earl Mitchell				
	Mr John Stevens				
	Ms Rozaan Minnaar				
	Mr Godwin Tiemie				
	Ms Mariaan Jacobs				
29	WARD COUNCILLOR	Yes	4	4	2
	Cllr A. Appollis				
	WARD COMMITTEE MEMBERS				
	Mr Jonathan Liebenberg				
	Mr Graham Hendricks				
	Mr Erasmus Spamer				
	Ms Chelsey le Roux				
	Mr Joseph Samuels				
	Mr Kelvin Antonie				
	Ms Stephanie Esau				
	Mr William Kearns				
	Mr Jeremy Williams				
	Ms Getruida Januarie				
30	WARD COUNCILLOR	Yes	4	4	3
	Cllr J Smit				
	WARD COMMITTEE MEMBERS				
	Ms Christene Loff				
	Ms Esmeralda Fielies				
	Ms Magrieta Marsh				
	Ms Shirley Adams				
	Ms Arthurina Siegelaaar				
	Ms Anna de Vries				
	Mr Raymond Witbooi				
	Ms Sophia Hendricks				
	Mr Gert Engelbrecht				

Ward Number	Name of Ward Councillor and elected Ward Committee Members	Committee established Yes/No	Number of quarterly Committee meetings held during the year	Number of Quarterly Reports submitted to Speaker's Office on time	Number of quarterly public Ward Meetings held during the year
	Mr Christopher Joachims				
31	WARD COUNCILLOR	Yes	6	6	3
	Cllr C. Jacobs				
	WARD COMMITTEE MEMBERS				
	Mr Gavin Lakey				
	Ms Elizabeth Fryer				
	Mr Rodney Louw				
	Ms Natalie Heyns				
	Ms Johanna Heynes				
	Mr Roger Oersen				
	Mr Tashwell Hendricks				
	Ms Elizabeth September				
32	WARD COUNCILLOR	Yes	4	4	2
	Cllr S. Ganandana				
	WARD COMMITTEE MEMBERS				
	Mr Lukholo Dyabooi				
	Ms Nolundi Kopisi/Santi				
	Ms Julia Oliphant				
	Ms Nonkosi Mbula				
	Ms Pinky Spaydeli				
	Ms Nomathandazo Tshona				
	Ms Nobomi Qashani				
	Mr Nolubabalo Nomchane				
	Mr Simphiwe Pantsula				
	Ms Nomthetho Ngoyo				
33	WARD COUNCILLOR	Yes	3	3	2
	Cllr L. Arendse				
	WARD COMMITTEE MEMBERS				
	Mr Shalin Williams				
	Ms Joyce Kroutz				
	Ms Batronesia Arendse				
	Mr Abri Pietersen				
	Ms Jody Jordaan				
	Ms Laura-Ann Adonis				
	Ms Charne Solomons				
	Mr Delton de Kock				
	Ms Haycil Scheffers				
	Mr Mornay Jones				

ANNEXURE F: WARD INFORMATION

Table 199: Capital Projects: Ten largest 2023/24

Capital Projects: Ten largest 2023/24 (Full list in Appendix N)				
Serial No.	Project Name and Detail	Start date	End date	Total value
Column Ref	A	B	C	D
1	Rehab & Upgrade of Paarl WWTW	1-Jul-23	30-Jun-24	169,487,720.11
2	Southern Paarl Bulk Sewer	1-Jul-23	30-Jun-24	82,955,757.65
3	New Connection BICL's	1-Jul-23	30-Jun-24	38,929,299.68
4	Acceleration of Housing Delivery Simondium	1-Jul-23	30-Jun-24	24,474,453.66
5	Fleet Annual Replacement Programme	1-Jul-23	30-Jun-24	15,625,543.11
6	Replace/Upgrade Water Reticulation System	1-Jul-23	30-Jun-24	11,652,172.83
7	Replacement of Ysterbrug Victoria Pumpline	1-Jul-23	30-Jun-24	10,269,895.00
8	MV Substations	1-Jul-23	30-Jun-24	8,913,791.13
9	Reseal of Streets in Terms of the RAMS	1-Jul-23	30-Jun-24	6,472,846.34
10	Increase Existing HT Network Capacity	1-Jul-23	30-Jun-24	5,965,145.00
None of the seven largest capital projects were allocated to a specific ward. Capital projects benefited more than one ward. See Appendix N.				

Table 200: Basic Service Provision

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	82,560	79,313	42,927	45,831	
Households without minimum service delivery	297	3,544	0	0	
Total households*	82,857	82,857	42,927	45,831	
Houses completed in year					413
Shortfall in housing units					21,605
*Indicating service points					

Table 201: Top four Service Delivery Priorities

Top four Service Delivery Priorities (Highest priority first)		
No.	Priority name and detail	Progress during 2023/24
1	Housing	413 opportunities provided.
2	Electricity	7.08% electricity losses.
3	Skills development	<ul style="list-style-type: none"> Construction: 380 beneficiaries trained; Vlakkeland Farmer training: 22 beneficiaries trained; and Tourism Monitor training: 8 beneficiaries trained.
4	Job creation	928 work opportunities on EPWP Projects were created.

ANNEXURE G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Table 202: Municipal Audit Committee Recommendations

Municipal Audit Committee Recommendations		
Meeting Date	Recommendations during 2023/24	Adopted by Council on
23/08/2023 31/08/2023	<p><u>Review of Draft Annual Financial Statements</u></p> <p>The AC considered the draft AFS 2022/23. We noted that the draft AFS was reviewed by internal staff as well as the external assurance provider. The AC noted that the accounting policies remain unchanged from the prior year and no new accounting standards were adopted in the financial year. The library grant has been amended on the AFS. Further engagement with the South African Revenue Service will be undertaken to confirm the way forward regarding the VAT component. The AC requested that the future of library services in the municipality be discussed at the next meeting.</p>	14/12/2023
	<p><u>Review of Draft Annual Performance Report</u></p> <p>The AC considered the draft APR 2022/23. The AC considered the report of Internal Audit (IA) on the draft APR. The audit findings were discussed and the management comments considered which indicated the changes that will be made to the draft APR before submission to the AG on 31 August 2023.</p>	
	<p><u>Internal Audit</u></p> <p>The AC approves the risk-based IA plan in July annually. The risk-based IA Plan includes a number of audit areas based on the risk profile of the Municipality. Internal Audit reports to the Audit Committee quarterly on progress with the execution of the IA Plan and the results of audits completed in the quarter under review. The Audit Committee considered the Internal Audit (IA) fourth quarterly progress report for the 2022/2023 financial year. The CAE reported that the execution of the revised IA Plan is 100% complete.</p> <p>The AC considered the findings reported by IA and the agreed management action plans in response to the reported findings. The AC noted that the implementation of the agreed management action plans is monitored through the DAAP (Departmental Audit Action Plans) process, and the AC receives a quarterly progress report in this regard. The AC also noted that IA performed the verification of the implementation of the expired action plans flowing from the AGSA's annual audit.</p>	

Municipal Audit Committee Recommendations		
Meeting Date	Recommendations during 2023/24	Adopted by Council on
	<p><u>Combined Assurance</u></p> <p>The Municipality implemented a Combined Assurance Framework, and the first report was tabled to the AC in May 2023, with an updated report presented to the AC in August 2023. The AC acknowledge that it is work in progress and made certain recommendations on the way forward to Management. The implementation of these recommendations together with ongoing enhancements of the process will be monitored by the AC.</p>	
	<p><u>Review of the 4th Quarter Performance Information</u></p> <p>The CAE presented the IA assessment of the Q4 Performance Information report, which is a legislative audit requirement. The CAE reported that management has made progress with the reliability of the portfolio of evidence and management assurance on the top layer SDBIP, but the same discipline must be applied on the departmental indicator level. The AC noted that IA has verified the changes on the APR and will verify the portfolio of evidence supporting the APR before it is submitted to the AGSA.</p>	
	<p><u>Review of the AGSA Audit Strategy</u></p> <p>The AC reviewed the AGSA audit strategy which outlines the audit scope and objectives of the external audit. The AC had a critical review of the strategy and suggested certain changes while noting that the AGSA audit fee increased by 5% compared to the prior year.</p>	
05/12/2023	<p><u>Internal Audit</u></p> <p>The AC approves the risk-based IA plan in July annually. The risk-based IA Plan includes a number of audit areas based on the risk profile of the Municipality. Internal Audit reports to the Audit Committee quarterly on progress with the execution of the IA Plan and the results of audits completed in the quarter under review. The Audit Committee considered the Internal Audit (IA) 1st quarterly progress report for the 2023/2024 financial year. The CAE reported that the execution of the IA Plan is slightly behind schedule and the impact thereof will be considered in the possible revision of the plan in January 2024.</p> <p>The AC considered the findings reported by IA and the agreed management action plans in response to the reported findings. The AC noted that the implementation of the agreed management action plans is monitored through the DAAP (Departmental Audit Action Plans) process, and the AC receives a quarterly progress report in this regard. The CAE presented the Internal Audit Annual Report which is a summary of the audit results for the 2022/23 financial year.</p>	28/02/2024

Municipal Audit Committee Recommendations		
Meeting Date	Recommendations during 2023/24	Adopted by Council on
	<p><u>Combined Assurance</u></p> <p>The Municipality implemented a Combined Assurance Framework, and the first report was tabled to the AC in May 2023, with an updated report presented to the AC in August 2023. The AC acknowledge that it is work in progress and made certain recommendations on the way forward to Management. The AC reiterated the point that Combined Assurance needs to be spread throughout the Municipality and does not belong to one department or unit. Management reported that discussions were underway regarding the future responsibility for Combined Assurance. The AC is awaiting further communication in this regard.</p>	
	<p><u>Risk Profile</u></p> <p>The AC considered the risks profile of the Municipality as presented and provided input that could assist the risk management process within the Municipality. The review of IT risks at a high level by AC, and the fiscal constraints announced by National Treasury, required risks management strategies that can secure the Municipality's sustainability. Management has indicated that these matters are being managed and that the possible impact on the Municipality is monitored on an ongoing basis.</p>	
	<p><u>Review of 1st Quarter Performance Information</u></p> <p>The CAE presented the IA assessment of the Q1 Performance Information report, which is a legislative audit requirement. The CAE reported that management has made progress with the reliability of the portfolio of evidence as no related findings were reported. Further improvement is required to ensure the consistency between the key performance indicators and targets reported in the Quarterly Performance Assessment report compared to the approved SDBIP.</p>	
	<p><u>Auditor General Outcome</u></p> <p>The AC reviewed the audited financial statements, final management report and audit report. The AC is satisfied with the audit outcome and wishes to congratulate management on achieving an unqualified audit opinion with no other matters.</p>	
06/03/2024	<p><u>Internal Audit</u></p> <p>The AC approves the risk-based IA plan in July annually. The risk-based IA Plan includes a number of audit areas based on the risk profile of the Municipality. Internal Audit reports to the Audit Committee quarterly on progress with the execution of the IA Plan and the results of audits completed in the quarter under review. The Audit Committee considered</p>	26/06/2024

Municipal Audit Committee Recommendations		
Meeting Date	Recommendations during 2023/24	Adopted by Council on
	<p>the Internal Audit (IA) 2nd quarterly progress report for the 2023/24 financial year. The CAE reported that the execution of the IA Plan is slightly behind schedule. 2 Audits that were scheduled for completion in Quarter 2 was not completed. The CAE confirmed that it is expected that the plan will be fully executed by 30 June 2024.</p> <p>The AC considered the findings reported by IA and the agreed management action plans in response to the reported findings. The AC noted that the implementation of the agreed management action plans is monitored through the DAAP (Departmental Audit Action Plans) process, and the AC receives a quarterly progress report in this regard.</p>	
	<p><u>Combined Assurance</u></p> <p>The CAE presented the Combined Assurance Plan and that indicated that the second line assurance providers have been identified and their roles and responsibilities in terms of the Combined Assurance model have been explained. The first draft Combined Assurance plan has been based on the strategic risks. The definition and rating of the strategic risks are still under discussion, and it is anticipated that it will be finalised by the end of Quarter 3. The report also outlined the future actions and due dates for the roll-out of Combined Assurance.</p>	
	<p><u>Review of Annual Report</u></p> <p>The Audit Committee reviewed the annual report and provided input to management to enhance certain areas within the annual report.</p>	
	<p><u>Review of the 2nd Quarter Performance Information</u></p> <p>The CAE presented the IA Assessment of the Q2 Performance Information report, which is a legislative audit requirement. Further improvement is required to ensure consistency between the key performance indicators and targets reported in the Quarterly Performance Assessment report compared to the approved SDBIP. The portfolio of evidence for TL26 (relates to the number of registered informal settlements receiving a refuse collection service) is incomplete and requires urgent management attention to ensure the annual results is supported by a reliable PoE.</p>	

ANNEXURE H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Table 203: Long-term Contracts (Largest contracts active in 2023/24)

Long-term Contracts (Largest contracts active in 2023/2024)						
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 Waste Disposal and Waste Diversion Activities at the Wellington Landfill Site	10-Oct-22	30-Jun-27	T Serfontein	R88,832,619
2	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	R133,379,468
3	Stefanutti Stocks (Pty) Ltd	CES 1/2023: Paarl Wastewater Treatment Works - Liquid Tream: Civil Works	30-Jun-23	30-Nov-24	A Kowalewski	R277,404,565
4	Inenzo Water (Pty) Ltd	CES 4/2023: Paarl Wastewater Treatment Works – Liquid Stream: Mechanical and Electrical Installation	31-Aug-23	31-Dec-25	A Kowalewski	R134,370,455
5	Cornfield Construction 2004 (Pty) Ltd	CES 17/2023: Upgrade of Drommedaris Street, Paarl, Phase 1	23 -May-24	26-Jan-26	E Schreuder	R53,574,198

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

Table 204: Public Private Partnerships entered into 2023/24

Public-Private Partnerships entered into 2023/24					
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 I: DISCLOSURES OF FINANCIAL INTEREST

The councillors declared in terms Schedule 1 to the Municipal Systems Act 2000 (Act 32 of 2000) (Item 7) their financial interest held:

- (a) Shares and securities in any company;
- (b) Membership of any close corporation;
- (c) Interest in any trust;
- (d) Directorships;
- (e) Partnerships;
- (f) Other financial interests in any business undertaking;
- (g) Employment and remuneration;
- (h) Interest in property;
- (i) Pension; and
- (j) Subsidies, grants and sponsorships by any organisation.

Table 205: Disclosure of Financial Interests

Disclosure of Financial Interests		
Period 1 July 2023 to 30 June 2024		
No	Position	Name
Executive Mayor		
1	Executive Mayor	Ald CJ Poole/ Replaced by S Korabie
Deputy Executive Mayor		
2	Deputy Executive Mayor	Ald GC Combrink
Members of the Mayoral Committee:		
3	Portfolio: Human Settlements and Property Management	MA Andreas
4	Portfolio: Social Development	E Gouws
5	Portfolio: Parks, Waste and Cemeteries	L Cyster
6	Portfolio: Engineering Services	T Bester
7	Portfolio: Planning and Development	LT van Niekerk
8	Portfolio: Corporate Services	E Baron
9	Portfolio: Public Safety	A Appollis
10	Portfolio: Sport, Recreation, Arts and Culture	LC Arendse
11	Portfolio: Communication and IGR	RH van Nieuwenhuyzen
12	Portfolio: Governance and Compliance	J Miller
Speaker		
13	Speaker	JF le Roux
Chief Whip		
14	Chief Whip	C Kearns

Disclosure of Financial Interests		
Period 1 July 2023 to 30 June 2024		
No	Position	Name
Councillors:		
15	Councillor	J Stoffels
16	Councillor	C De Waal
17	Councillor	N Sauerman
18	Councillor	S Liebenberg
19	Councillor	A Fourie
20	Councillor	A van Santen
21	Councillor	E Solomons
22	Councillor	S Landsberg
23	Councillor	T Mooi
24	Councillor	F Jacobs
25	Councillor	R Nell
26	Councillor	Z Xhego
27	Councillor	S Ganandana
28	Councillor	M Zwinye
29	Councillor	D Carolissen
30	Councillor	F Cupido
31	Councillor	B Duba
32	Councillor	A van Rooyen
33	Councillor	L Bolani
34	Councillor	L Sambokwe
35	Councillor	N Godongwana
36	Councillor	K Gertse
37	Councillor	J Adams
38	Councillor	T Mangena
39	Councillor	V Booysen
40	Councillor	J Anderson
41	Councillor	C Jacobs
42	Councillor	N Zoya
43	Councillor	S Gravel
44	Councillor	G Kulsen
45	Councillor	A Koegelenberg
46	Councillor	P Cupido
47	Councillor	L Landu
48	Councillor	M Richards
49	Councillor	J de Kock

Disclosure of Financial Interests		
Period 1 July 2023 to 30 June 2024		
No	Position	Name
50	Councillor	B Jacobs
51	Councillor	Adl A Stowman
52	Councillor	J Smit
53	Councillor	B van Willingh
54	Councillor	C Kroutz
55	Councillor	R Arnolds
56	Councillor	S Ross
57	Councillor	C Davids
58	Councillor	J September
59	Councillor	N Nongogo
60	Councillor	L Matthee
61	Councillor	A du Plessis
62	Councillor	P Albertyn
63	Councillor	M Adriaanse
64	Councillor	L Landu
65	Councillor	J Cupido
66.	Councillor	D America

ANNEXURE J: REVENUE COLLECTION PERFORMANCE

ANNEXURE J (I): REVENUE COLLECTION BY VOTE

Table 206: Revenue Collection Performance by GFS Vote *

Revenue Collection Performance by Vote							
Serial No.	Vote Description	2022/23	2023/24			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	20,039,435	1,984,198	15,880,673	22,171,425	1017.4%	39.6%
2	Finance and Administration	537,111,855	543,246,804	567,229,173	612,638,756	12.8%	8.0%
3	Community and Social Services	21,351,066	5,065,368	25,275,072	22,936,326	352.8%	-9.3%
4	Sport and Recreation	2,676,145	1,841,642	1,834,595	2,018,644	9.6%	10.0%
5	Public Safety	126,116,785	144,252,009	145,132,502	119,970,032	-16.8%	-17.3%
6	Housing	23,279,862	77,878,192	69,847,055	47,565,590	-38.9%	-31.9%
7	Planning and Development	14,995,414	11,799,132	14,417,191	13,900,917	17.8%	-3.6%
8	Road Transport	7,890,248	14,890,941	14,920,941	11,098,969	-25.5%	-25.6%
9	Energy Sources	1,530,095,717	1,599,002,155	1,659,331,630	1,649,517,918	3.2%	-0.6%
10	Water Management	213,785,878	254,664,860	256,576,238	286,222,298	12.4%	11.6%
11	Waste Water Management	228,109,905	559,371,179	547,830,408	549,400,446	-1.8%	0.3%
12	Waste Management	189,356,191	223,026,260	230,576,349	237,793,711	6.6%	3.1%
13	Total revenue by vote	2,914,808,501	3,437,022,740	3,548,851,827	3,575,235,032	4.0%	0.7%

* - Agrees to Appendix B1 to the Annual Financial Statements

ANNEXURE J (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Table 207: Revenue Performance by Source

Revenue Collection Performance by Source							
Serial No.	Description	2022/23	2023/24			Postive / (Negative) % Variance	
		Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F	G
1	Services charges - Electricity	1,349,431,681	1,510,137,398	1,542,463,647	1,524,505,542	0.95%	-1.16%
2	Services charges - Waste management	151,548,988	165,183,065	170,214,841	169,957,737	2.89%	-0.15%
3	Services charges - Waste water management	140,799,379	151,600,117	153,124,009	153,561,418	1.29%	0.29%
4	Services charges - Water	191,040,434	215,254,040	215,254,040	236,510,660	9.88%	9.88%
5	Sales of goods and rendering of services	34,761,612	15,085,390	38,931,086	33,907,962	124.77%	-12.90%
6	Rental from fixed assets	7,081,619	5,595,867	5,981,765	8,312,162	48.54%	38.96%
7	Interest on investments	36,829,830	35,000,000	68,000,000	73,656,906	110.45%	8.32%
8	Interest on receivables	12,884,063	9,752,514	17,197,243	19,480,489	99.75%	13.28%
9	Operational revenue	13,898,926	5,693,525	5,560,084	29,349,934	415.50%	427.87%
10	Licences or permits	21,094,734	23,250,738	23,250,738	21,786,042	-6.30%	-6.30%
11	Property rates	437,182,803	455,371,887	461,280,559	466,404,865	2.42%	1.11%
12	Availability charges - Electricity	2,245,856	0	0	2,527,545	-	-
13	Availability charges - Waste management	7,786,942	0	0	4,002,553	-	-
14	Availability charges - Waste water management	6,609,042	0	0	3,385,134	-	-
15	Availability charges - Water	4,342,232	0	0	2,226,690	-	-
16	Surcharges and taxes	2,230,462	1,622,271	3,010,543	3,084,653	90.14%	2.46%
17	Fines, penalties and forfeits	104,450,942	120,112,928	120,261,928	97,292,325	-19.00%	-19.10%
18	Transfers and subsidies	358,981,940	722,776,000	706,867,234	687,684,125	-4.86%	-2.71%
19	Operational revenue (non-Exchange)	1,770,924	587,000	754,110	1,741,571	196.69%	130.94%
20	Construction Contract Revenue	0	0	0	1,317,020	-	-
21	Total revenue (excluding capital transfers and contributions)	2,884,972,407	3,437,022,740	3,532,151,827	3,540,695,332	3.02%	0.24%

ANNEXURE K: CONDITIONAL GRANTS RECEIVED

Table 208: Conditional Grants excluding IUDG

Conditional Grants: excluding IUDG						
Serial No.	Details	Budget	Adjustment Budget	Actual	Positive / (Negative) % Variance	
					Budget	Adjustment Budget
Column Ref.	A	B	C	D	E	F
1	SIYASHLALA	1,569,723	1,569,723	0	-100%	-100%
2	P59 FAIRYLANDS	3,358,512	3,358,512	634,735	-81%	-81%
3	MBEKWENI 557	1,590,391	1,590,391	1,590,391	0%	0%
4	DIGNIFIED SITES	4,851,896	4,851,896	4,678,750	-4%	-4%
5	DROM 181/1407 (HSDG)	569,695	569,695	0	-100%	-100%
6	DROMMEDARIS (EHP)	168,249	168,249	0	-100%	-100%
7	CARTERVILLE HOUSING	956,503	956,503	0	-100%	-100%
8	1068 HOUSING	152,225	152,225	0	-100%	-100%
9	KINGSTON TOWN	53,000	53,000	0	-100%	-100%
10	ACCELERATED HOUSING (SIMONDIUM)	24,589,516	24,589,516	24,474,454	0%	0%
11	DEEDS TRANSFER	84,903	84,903	84,903	0%	0%
12	ACCELERATED HOUSING (SCHOONGEZICHT)	2,063,707	2,063,707	1,843,465	-11%	-11%
13	MUNICIPAL ACCREDITATION AND CAPACITY BUILDING	605,652	605,652	245,000	-60%	-60%
14	MUNICIPAL TOURISM CHALLENGE FUND	190,138	190,138	190,138	0%	0%
15	MUNICIPAL SERVICE DELIVERY AND CAPACITY BUILDING	500,000	500,000	0	-100%	-100%
16	WESTERN CAPE FINANCE MANAGEMENR CAPABILITY	740,000	740,000	668,115	-10%	-10%
17	COMMUNITY DEVELOPMENT WORKERS	142,672	142,672	112,991	-21%	-21%
18	FIRE SERVICES CAPABILITY BUILDING	985,000	985,000	985,000	0%	0%
19	MAINTENANCE THUSONG CENTRE	116,000	116,000	73,630	-37%	-37%
20	CAPACITY BUILDING (EMPLOYEE BURSARIES)	198,567	198,567	140,602	-29%	-29%
21	MUNICIPAL ENERGY RESILIANCE GRANT	800,000	800,000	800,000	0%	0%
22	PUBLIC WORKS AND TRANSPORT (ROADS) 80%	4,334,000	4,334,000	4,334,000	0%	0%
23	TRAINING LEVY	3,570,773	3,570,773	2,647,808	-26%	-26%
24	CAPE WINELANDS DISTRICT MUNICIPALITY	66,916	66,916	66,916	0%	0%
25	CAPE WINELANDS DISTRICT MUNICIPALITY	36,958	36,958	36,958	0%	0%
26	CAPE WINELANDS DISTRICT MUNICIPALITY	232,213	232,213	232,213	0%	0%
27	CAPE WINELANDS DISTRICT MUNICIPALITY	100,000	100,000	100,000	0%	0%
28	CAPE WINELANDS DISTRICT MUNICIPALITY	500,000	500,000	302,000	-40%	-40%
29	CAPE WINELANDS DISTRICT MUNICIPALITY	304,362	304,362	0	-100%	-100%
30	NIEUWMARKT	1,754,238	1,754,238	945,485	-46%	-46%
31	Total	R 55,185,809	R 55,185,809	R 45,187,554	-18%	-18%

ANNEXURE L: CAPITAL EXPENDITURE – NEW AND UPGRADE/RENEWAL PROJECTS

ANNEXURE L (I): CAPITAL EXPENDITURE – NEW ASSETS

Table 209: Capital Expenditure - New Assets

Capital Expenditure - New Assets								
Serial No. Column Ref.	Description	R' 000						
		2022/23 Actual	2023/24 Original Budget	2023/24 Adjustments Budget (after virements)	2023/24 Actual Expenditure	Planned Capital Expenditure		
	A	B	C	D	E	2024/25 F	2025/26 G	2026/27 H
1	Capital Expenditure by Asset Class							
2	Infrastructure	47,404	130,465	162,106	161,969	113,430	11,453	9,278
3	Roads Infrastructure	428	3,450	2,143	2,047	480	680	280
4	Roads	–	–	–	–	–	–	–
5	Road Structures	428	3,450	2,143	2,047	480	680	280
6	Road Furniture	–	–	–	–	–	–	–
7	Capital Spares	–	–	–	–	–	–	–
8	Storm water Infrastructure	2,597	–	69	69	–	–	–
9	Drainage Collection	2,597	–	69	69	–	–	–
10	Storm water Conveyance	–	–	–	–	–	–	–
11	Attenuation	–	–	–	–	–	–	–
12	Electrical Infrastructure	33,465	11,850	42,368	43,507	10,000	9,500	8,800
13	Power Plants	–	–	–	–	–	–	–
14	HV Substations	522	8,600	34,500	38,929	–	–	–
15	HV Switching Station	–	–	–	–	–	–	–
16	HV Transmission Conductors	–	–	–	–	–	–	–
17	MV Substations	189	–	–	–	–	–	–
18	MV Switching Stations	–	–	–	–	–	–	–
19	MV Networks	–	–	1,157	1,157	–	1,500	800
20	LV Networks	32,753	3,250	6,711	3,420	10,000	8,000	8,000
21	Capital Spares	–	–	–	–	–	–	–
22	Water Supply Infrastructure	1,437	2,865	5,247	4,697	150	1,273	198
23	Dams and Weirs	–	–	–	–	–	–	–
24	Boreholes	180	–	–	–	–	–	–
25	Reservoirs	–	–	–	–	–	–	–
26	Pump Stations	–	–	–	–	–	–	–
27	Water Treatment Works	–	310	279	279	–	–	–
28	Bulk Mains	–	–	–	–	–	–	–
29	Distribution	1,257	2,555	4,968	4,418	150	1,273	198
30	Distribution Points	–	–	–	–	–	–	–
31	PRV Stations	–	–	–	–	–	–	–
32	Capital Spares	–	–	–	–	–	–	–
33	Sanitation Infrastructure	9,478	112,300	112,279	111,650	102,800	–	–
34	Pump Station	–	–	–	–	–	–	–
35	Reticulation	9,478	112,300	112,279	111,650	102,800	–	–
36	Waste Water Treatment Works	–	–	–	–	–	–	–
37	Outfall Sewers	–	–	–	–	–	–	–
38	Toilet Facilities	–	–	–	–	–	–	–
39	Capital Spares	–	–	–	–	–	–	–
40	Solid Waste Infrastructure	–	–	–	–	–	–	–
41	Landfill Sites	–	–	–	–	–	–	–
42	Waste Transfer Stations	–	–	–	–	–	–	–
43	Waste Processing Facilities	–	–	–	–	–	–	–
44	Waste Drop-off Points	–	–	–	–	–	–	–
45	Waste Separation Facilities	–	–	–	–	–	–	–
46	Electricity Generation Facilities	–	–	–	–	–	–	–
47	Capital Spares	–	–	–	–	–	–	–
48	Rail Infrastructure	–	–	–	–	–	–	–
49	Rail Lines	–	–	–	–	–	–	–
50	Rail Structures	–	–	–	–	–	–	–
51	Rail Furniture	–	–	–	–	–	–	–
52	Drainage Collection	–	–	–	–	–	–	–
53	Storm water Conveyance	–	–	–	–	–	–	–
54	Attenuation	–	–	–	–	–	–	–
55	MV Substations	–	–	–	–	–	–	–
56	LV Networks	–	–	–	–	–	–	–
57	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure - New Assets								
R' 000								
Serial No. Column Ref.	Description A	2022/23	2023/24		Planned Capital Expenditure			
		Actual B	Original Budget C	Adjustments Budget (after virements) D	Actual Expenditure E	2024/25 F	2025/26 G	2026/27 H
58	Coastal Infrastructure	–	–	–	–	–	–	–
59	Sand Pumps	–	–	–	–	–	–	–
60	Piers	–	–	–	–	–	–	–
61	Revetments	–	–	–	–	–	–	–
62	Promenades	–	–	–	–	–	–	–
63	Capital Spares	–	–	–	–	–	–	–
64	Information and Communication Infrastructure	–	–	–	–	–	–	–
65	Data Centres	–	–	–	–	–	–	–
66	Core Layers	–	–	–	–	–	–	–
67	Distribution Layers	–	–	–	–	–	–	–
68	Capital Spares	–	–	–	–	–	–	–
69	Community Assets	1,833	400	2,342	2,062	3,000	925	5,000
70	Community Facilities	1,554	400	1,379	1,251	3,000	925	5,000
71	Halls	–	–	–	–	–	–	–
72	Centres	349	400	532	485	–	700	–
73	Crèches	–	–	–	–	–	–	–
74	Clinics/Care Centres	–	–	–	–	–	–	–
75	Fire/Ambulance Stations	–	–	–	–	–	–	–
76	Testing Stations	–	–	–	–	–	–	–
77	Museums	–	–	–	–	–	–	–
79	Galleries	–	–	–	–	–	–	–
80	Theatres	–	–	–	–	–	–	–
81	Libraries	–	–	–	–	–	–	–
82	Cemeteries/Crematoria	–	–	402	401	3,000	225	5,000
83	Police	–	–	247	165	–	–	–
84	Parks	1,205	–	199	199	–	–	–
85	Public Open Space	–	–	–	–	–	–	–
86	Nature Reserves	–	–	–	–	–	–	–
87	Public Ablution Facilities	–	–	–	–	–	–	–
88	Markets	–	–	–	–	–	–	–
89	Stalls	–	–	–	–	–	–	–
90	Abattoirs	–	–	–	–	–	–	–
91	Airports	–	–	–	–	–	–	–
92	Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–
93	Capital Spares	–	–	–	–	–	–	–
94	Sport and Recreation Facilities	279	–	963	811	–	–	–
95	Indoor Facilities	–	–	–	–	–	–	–
96	Outdoor Facilities	279	–	963	811	–	–	–
97	Capital Spares	–	–	–	–	–	–	–
99	Heritage assets	–	–	–	–	–	–	–
100	Monuments	–	–	–	–	–	–	–
101	Historic Buildings	–	–	–	–	–	–	–
102	Works of Art	–	–	–	–	–	–	–
103	Conservation Areas	–	–	–	–	–	–	–
104	Other Heritage	–	–	–	–	–	–	–
105	Investment properties	–	–	–	–	–	–	–
106	Revenue Generating	–	–	–	–	–	–	–
107	Improved Property	–	–	–	–	–	–	–
108	Unimproved Property	–	–	–	–	–	–	–
109	Non-revenue Generating	–	–	–	–	–	–	–
110	Improved Property	–	–	–	–	–	–	–
111	Unimproved Property	–	–	–	–	–	–	–
112	Other assets	10,018	9,858	9,767	9,541	855	2,450	450
113	Operational Buildings	10,018	9,858	9,767	9,541	855	2,450	450
114	Municipal Offices	10,018	9,858	9,767	9,541	855	2,450	450
115	Pay/Enquiry Points	–	–	–	–	–	–	–
116	Building Plan Offices	–	–	–	–	–	–	–
117	Workshops	–	–	–	–	–	–	–
118	Yards	–	–	–	–	–	–	–
119	Stores	–	–	–	–	–	–	–
120	Laboratories	–	–	–	–	–	–	–
121	Training Centres	–	–	–	–	–	–	–
122	Manufacturing Plant	–	–	–	–	–	–	–
123	Depots	–	–	–	–	–	–	–
124	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure - New Assets								
R' 000								
Serial No. Column Ref.	Description A	2022/23	2023/24		Planned Capital Expenditure			
		Actual	Original Budget	Adjustments Budget (after virements)	Actual Expenditure	2024/25	2025/26	2026/27
		B	C	D	E	F	G	H
125	Housing	–	–	–	–	–	–	–
126	Staff Housing	–	–	–	–	–	–	–
127	Social Housing	–	–	–	–	–	–	–
128	Capital Spares	–	–	–	–	–	–	–
129	Biological or Cultivated Assets	–	–	–	–	–	–	–
130	Biological or Cultivated Assets	–	–	–	–	–	–	–
131	Intangible Assets	–	3,310	241	219	–	190	–
132	Servitudes	–	–	–	–	–	–	–
133	Licences and Rights	–	3,310	241	219	–	190	–
134	Water Rights	–	–	–	–	–	–	–
135	Effluent Licenses	–	–	–	–	–	–	–
136	Solid Waste Licenses	–	–	–	–	–	–	–
137	Computer Software and Applications	–	3,310	241	219	–	190	–
138	Load Settlement Software Applications	–	–	–	–	–	–	–
139	Unspecified	–	–	–	–	–	–	–
140	Computer Equipment	10,286	2,600	6,121	6,104	3,769	4,605	3,450
141	Computer Equipment	10,286	2,600	6,121	6,104	3,769	4,605	3,450
142	Furniture and Office Equipment	826	14,419	13,156	12,801	1,295	305	310
143	Furniture and Office Equipment	826	14,419	13,156	12,801	1,295	305	310
144	Machinery and Equipment	7,132	8,204	9,346	8,896	6,156	5,760	6,515
145	Machinery and Equipment	7,132	8,204	9,346	8,896	6,156	5,760	6,515
146	Transport Assets	14,962	6,485	20,874	19,427	12,422	23,870	20,795
147	Transport Assets	14,962	6,485	20,874	19,427	12,422	23,870	20,795
148	Land	300	1,000	–	–	–	–	–
149	Land	300	1,000	–	–	–	–	–
150	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
151	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
152	Total Capital Expenditure on New Assets	92,761	176,741	223,953	221,019	140,927	49,557	45,799

ANNEXURE L (II): CAPITAL EXPENDITURE – UPGRADE PROJECTS

Table 210: Capital Expenditure – Upgrade / Renewal Programme

Capital Expenditure – Upgrade/Renewal Programme*								
Serial No.	Description	R'000						
		2022/23	2023/24			Planned Capital Expenditure		
Column Ref.	A	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
1	Capital Expenditure by Asset Class	-	-	-	-	-	-	-
2	Infrastructure	70,928	244,957	239,992	238,848	553,898	493,119	71,410
3	Roads Infrastructure	7,485	14,125	15,095	15,048	16,301	13,535	14,714
4	Roads	5,988	9,575	11,341	11,297	14,601	10,435	10,904
5	Road Structures	1,497	4,550	3,754	3,751	1,700	3,100	3,810
6	Road Furniture	-	-	-	-	-	-	-
7	Capital Spares	-	-	-	-	-	-	-
8	Storm water Infrastructure	4,995	5,850	5,661	5,661	6,990	4,725	5,000
9	Drainage Collection	-	-	-	-	-	-	-
10	Storm water Conveyance	4,995	5,850	5,661	5,661	6,990	4,725	5,000
11	Attenuation	-	-	-	-	-	-	-
12	Electrical Infrastructure	27,466	19,905	26,965	25,868	23,270	29,398	30,156
13	Power Plants	-	-	-	-	-	-	-
14	HV Substations	-	-	-	-	-	-	-
15	HV Switching Station	-	-	-	-	-	-	-
16	HV Transmission Conductors	2,000	5,965	5,965	5,965	3,010	2,000	5,059
17	MV Substations	13,913	-	-	-	2,904	11,478	10,369
18	MV Switching Stations	-	-	-	-	-	-	-
19	MV Networks	1,800	4,000	4,000	4,000	4,000	3,492	5,000
20	LV Networks	9,753	9,940	17,000	15,903	13,356	12,427	9,729
21	Capital Spares	-	-	-	-	-	-	-
22	Water Supply Infrastructure	10,042	13,590	13,927	13,927	13,908	8,103	10,003
23	Dams and Weirs	-	-	-	-	-	-	-
24	Boreholes	-	-	-	-	-	-	-
25	Reservoirs	59	120	102	102	-	-	-
26	Pump Stations	-	-	-	-	-	-	-
27	Water Treatment Works	23	-	-	-	-	-	-
28	Bulk Mains	319	10,270	10,270	10,270	-	-	-
29	Distribution	9,379	2,200	2,179	2,179	12,908	7,753	9,478
30	Distribution Points	262	1,000	1,376	1,376	1,000	350	525
31	PRV Stations	-	-	-	-	-	-	-
32	Capital Spares	-	-	-	-	-	-	-
33	Sanitation Infrastructure	20,942	191,487	178,345	178,345	493,429	437,359	11,537
34	Pump Station	751	-	-	-	1,490	220	260
35	Reticulation	6,488	4,995	5,495	5,495	7,000	11,062	11,277
36	Waste Water Treatment Works	13,702	186,492	172,850	172,850	484,939	426,077	-
37	Outfall Sewers	-	-	-	-	-	-	-
38	Toilet Facilities	-	-	-	-	-	-	-
39	Capital Spares	-	-	-	-	-	-	-
40	Solid Waste Infrastructure	-	-	-	-	-	-	-
41	Landfill Sites	-	-	-	-	-	-	-
42	Waste Transfer Stations	-	-	-	-	-	-	-
43	Waste Processing Facilities	-	-	-	-	-	-	-
44	Waste Drop-off Points	-	-	-	-	-	-	-
45	Waste Separation Facilities	-	-	-	-	-	-	-
46	Electricity Generation Facilities	-	-	-	-	-	-	-
47	Capital Spares	-	-	-	-	-	-	-
48	Rail Infrastructure	-	-	-	-	-	-	-
49	Rail Lines	-	-	-	-	-	-	-
50	Rail Structures	-	-	-	-	-	-	-
51	Rail Furniture	-	-	-	-	-	-	-
52	Drainage Collection	-	-	-	-	-	-	-
53	Storm water Conveyance	-	-	-	-	-	-	-
54	Attenuation	-	-	-	-	-	-	-
55	MV Substations	-	-	-	-	-	-	-
56	LV Networks	-	-	-	-	-	-	-
57	Capital Spares	-	-	-	-	-	-	-
58	Coastal Infrastructure	-	-	-	-	-	-	-
59	Sand Pumps	-	-	-	-	-	-	-
60	Piers	-	-	-	-	-	-	-
61	Revetments	-	-	-	-	-	-	-
62	Promenades	-	-	-	-	-	-	-
63	Capital Spares	-	-	-	-	-	-	-

Capital Expenditure – Upgrade/Renewal Programme*								
R'000								
Serial No.	Description	2022/23	2023/24			Planned Capital Expenditure		
		Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Column Ref.	A	B	C	D	E	F	G	H
64	Information and Communication Infrastructure	–	–	–	–	–	–	–
65	Data Centres	–	–	–	–	–	–	–
66	Core Layers	–	–	–	–	–	–	–
67	Distribution Layers	–	–	–	–	–	–	–
68	Capital Spares	–	–	–	–	–	–	–
69	Community Assets	4,228	3,800	2,105	2,096	13,150	8,325	6,500
70	Community Facilities	210	–	1	1	3,250	3,075	4,500
71	Halls	–	–	–	–	1,700	–	–
72	Centres	–	–	–	–	–	–	–
73	Crèches	–	–	–	–	–	–	–
74	Clinics/Care Centres	–	–	–	–	–	–	–
75	Fire/Ambulance Stations	19	–	–	–	–	–	–
76	Testing Stations	–	–	–	–	–	–	–
77	Museums	–	–	–	–	–	–	–
78	Galleries	–	–	–	–	–	–	–
79	Theatres	–	–	–	–	–	–	–
80	Libraries	–	–	–	–	–	–	–
81	Cemeteries/Crematoria	–	–	–	–	–	–	–
82	Police	–	–	–	–	–	–	–
83	Parks	–	–	–	–	1,200	2,000	2,000
84	Public Open Space	–	–	–	–	–	–	–
85	Nature Reserves	–	–	–	–	–	–	–
86	Public Ablution Facilities	–	–	–	–	–	–	–
87	Markets	–	–	–	–	–	–	–
88	Stalls	191	–	1	1	350	1,075	2,500
89	Abattoirs	–	–	–	–	–	–	–
90	Airports	–	–	–	–	–	–	–
91	Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–
92	Capital Spares	–	–	–	–	–	–	–
93	Sport and Recreation Facilities	4,017	3,800	2,104	2,094	9,900	5,250	2,000
94	Indoor Facilities	–	–	–	–	–	–	–
95	Outdoor Facilities	4,017	3,800	2,104	2,094	9,900	5,250	2,000
96	Capital Spares	–	–	–	–	–	–	–
97	Heritage assets	–	–	–	–	–	–	–
98	Monuments	–	–	–	–	–	–	–
99	Historic Buildings	–	–	–	–	–	–	–
100	Works of Art	–	–	–	–	–	–	–
101	Conservation Areas	–	–	–	–	–	–	–
102	Other Heritage	–	–	–	–	–	–	–
103	Investment properties	–	–	–	–	–	–	–
104	Revenue Generating	–	–	–	–	–	–	–
105	Improved Property	–	–	–	–	–	–	–
106	Unimproved Property	–	–	–	–	–	–	–
107	Non-revenue Generating	–	–	–	–	–	–	–
108	Improved Property	–	–	–	–	–	–	–
109	Unimproved Property	–	–	–	–	–	–	–
110	Other assets	265	2,015	1,698	1,335	10,115	–	–
111	Operational Buildings	265	2,015	1,698	1,335	10,115	–	–
112	Municipal Offices	265	2,015	1,698	1,335	10,115	–	–
113	Pay/Enquiry Points	–	–	–	–	–	–	–
114	Building Plan Offices	–	–	–	–	–	–	–
115	Workshops	–	–	–	–	–	–	–
116	Yards	–	–	–	–	–	–	–
117	Stores	–	–	–	–	–	–	–
118	Laboratories	–	–	–	–	–	–	–
119	Training Centres	–	–	–	–	–	–	–
120	Manufacturing Plant	–	–	–	–	–	–	–
121	Depots	–	–	–	–	–	–	–
122	Capital Spares	–	–	–	–	–	–	–
123	Housing	–	–	–	–	–	–	–
124	Staff Housing	–	–	–	–	–	–	–
125	Social Housing	–	–	–	–	–	–	–
126	Capital Spares	–	–	–	–	–	–	–
127	Biological or Cultivated Assets	–	–	–	–	–	–	–
128	Biological or Cultivated Assets	–	–	–	–	–	–	–
129	Intangible Assets	–	–	–	–	–	–	–
130	Servitudes	–	–	–	–	–	–	–

Capital Expenditure – Upgrade/Renewal Programme*								
R'000								
Serial No.	Description	2022/23	2023/24			Planned Capital Expenditure		
		Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Column Ref.	A	B	C	D	E	F	G	H
131	Licences and Rights	–	–	–	–	–	–	–
132	Water Rights	–	–	–	–	–	–	–
133	Effluent Licenses	–	–	–	–	–	–	–
134	Solid Waste Licenses	–	–	–	–	–	–	–
135	Computer Software and Applications	–	–	–	–	–	–	–
136	Load Settlement Software Applications	–	–	–	–	–	–	–
137	Unspecified	–	–	–	–	–	–	–
138	Computer Equipment	–	–	–	–	–	–	–
139	Computer Equipment	–	–	–	–	–	–	–
140	Furniture and Office Equipment	–	–	–	–	–	–	–
141	Furniture and Office Equipment	–	–	–	–	–	–	–
142	Machinery and Equipment	55	–	–	–	–	–	–
143	Machinery and Equipment	55	–	–	–	–	–	–
144	Transport Assets	–	–	–	–	–	–	–
145	Transport Assets	–	–	–	–	–	–	–
146	Land	–	–	–	–	–	–	–
147	Land	–	–	–	–	–	–	–
148	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
149	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
150	Total Capital Expenditure on renewed assets	75,477	250,772	243,796	242,279	577,163	501,444	77,910

ANNEXURE L (III): CAPITAL EXPENDITURE – RENEWAL PROJECTS

Table 211: Capital Expenditure – Upgrade Renewal Programme

Capital Expenditure – Upgrade/Renewal Programme*								
R'000								
Serial No.	Description	2022/23	2023/24			Planned Capital Expenditure		
		Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Column Ref.	A	B	C	D	E	F	G	H
1	Capital Expenditure by Asset Class	-	-	-	-	-	-	-
2	Infrastructure	70,928	244,957	239,992	238,848	553,898	493,119	71,410
3	Roads Infrastructure	7,485	14,125	15,095	15,048	16,301	13,535	14,714
4	Roads	5,988	9,575	11,341	11,297	14,601	10,435	10,904
5	Road Structures	1,497	4,550	3,754	3,751	1,700	3,100	3,810
6	Road Furniture	-	-	-	-	-	-	-
7	Capital Spares	-	-	-	-	-	-	-
8	Storm water Infrastructure	4,995	5,850	5,661	5,661	6,990	4,725	5,000
9	Drainage Collection	-	-	-	-	-	-	-
10	Storm water Conveyance	4,995	5,850	5,661	5,661	6,990	4,725	5,000
11	Attenuation	-	-	-	-	-	-	-
12	Electrical Infrastructure	27,466	19,905	26,965	25,868	23,270	29,398	30,156
13	Power Plants	-	-	-	-	-	-	-
14	HV Substations	-	-	-	-	-	-	-
15	HV Switching Station	-	-	-	-	-	-	-
16	HV Transmission Conductors	2,000	5,965	5,965	5,965	3,010	2,000	5,059
17	MV Substations	13,913	-	-	-	2,904	11,478	10,369
18	MV Switching Stations	-	-	-	-	-	-	-
19	MV Networks	1,800	4,000	4,000	4,000	4,000	3,492	5,000
20	LV Networks	9,753	9,940	17,000	15,903	13,356	12,427	9,729
21	Capital Spares	-	-	-	-	-	-	-
22	Water Supply Infrastructure	10,042	13,590	13,927	13,927	13,908	8,103	10,003
23	Dams and Weirs	-	-	-	-	-	-	-
24	Boreholes	-	-	-	-	-	-	-
25	Reservoirs	59	120	102	102	-	-	-
26	Pump Stations	-	-	-	-	-	-	-
27	Water Treatment Works	23	-	-	-	-	-	-
28	Bulk Mains	319	10,270	10,270	10,270	-	-	-
29	Distribution	9,379	2,200	2,179	2,179	12,908	7,753	9,478
30	Distribution Points	262	1,000	1,376	1,376	1,000	350	525
31	PRV Stations	-	-	-	-	-	-	-
32	Capital Spares	-	-	-	-	-	-	-
33	Sanitation Infrastructure	20,942	191,487	178,345	178,345	493,429	437,359	11,537
34	Pump Station	751	-	-	-	1,490	220	260
35	Reticulation	6,488	4,995	5,495	5,495	7,000	11,062	11,277
36	Waste Water Treatment Works	13,702	186,492	172,850	172,850	484,939	426,077	-
37	Outfall Sewers	-	-	-	-	-	-	-
38	Toilet Facilities	-	-	-	-	-	-	-
39	Capital Spares	-	-	-	-	-	-	-
40	Solid Waste Infrastructure	-	-	-	-	-	-	-
41	Landfill Sites	-	-	-	-	-	-	-
42	Waste Transfer Stations	-	-	-	-	-	-	-
43	Waste Processing Facilities	-	-	-	-	-	-	-
44	Waste Drop-off Points	-	-	-	-	-	-	-
45	Waste Separation Facilities	-	-	-	-	-	-	-
46	Electricity Generation Facilities	-	-	-	-	-	-	-
47	Capital Spares	-	-	-	-	-	-	-
48	Rail Infrastructure	-	-	-	-	-	-	-
49	Rail Lines	-	-	-	-	-	-	-
50	Rail Structures	-	-	-	-	-	-	-
51	Rail Furniture	-	-	-	-	-	-	-
52	Drainage Collection	-	-	-	-	-	-	-
53	Storm water Conveyance	-	-	-	-	-	-	-
54	Attenuation	-	-	-	-	-	-	-
55	MV Substations	-	-	-	-	-	-	-
56	LV Networks	-	-	-	-	-	-	-
57	Capital Spares	-	-	-	-	-	-	-

Capital Expenditure – Upgrade/Renewal Programme*								
R'000								
Serial No.	Description	2022/23	2023/24			Planned Capital Expenditure		
		Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Column Ref.	A	B	C	D	E	F	G	H
58	Coastal Infrastructure	–	–	–	–	–	–	–
59	Sand Pumps	–	–	–	–	–	–	–
60	Piers	–	–	–	–	–	–	–
61	Revetments	–	–	–	–	–	–	–
62	Promenades	–	–	–	–	–	–	–
63	Capital Spares	–	–	–	–	–	–	–
64	Information and Communication Infrastructure	–	–	–	–	–	–	–
65	Data Centres	–	–	–	–	–	–	–
66	Core Layers	–	–	–	–	–	–	–
67	Distribution Layers	–	–	–	–	–	–	–
68	Capital Spares	–	–	–	–	–	–	–
69	Community Assets	4,228	3,800	2,105	2,096	13,150	8,325	6,500
70	Community Facilities	210	–	1	1	3,250	3,075	4,500
71	Halls	–	–	–	–	1,700	–	–
72	Centres	–	–	–	–	–	–	–
73	Crèches	–	–	–	–	–	–	–
74	Clinics/Care Centres	–	–	–	–	–	–	–
75	Fire/Ambulance Stations	19	–	–	–	–	–	–
76	Testing Stations	–	–	–	–	–	–	–
77	Museums	–	–	–	–	–	–	–
78	Galleries	–	–	–	–	–	–	–
79	Theatres	–	–	–	–	–	–	–
80	Libraries	–	–	–	–	–	–	–
81	Cemeteries/Crematoria	–	–	–	–	–	–	–
82	Police	–	–	–	–	–	–	–
83	Parks	–	–	–	–	1,200	2,000	2,000
84	Public Open Space	–	–	–	–	–	–	–
85	Nature Reserves	–	–	–	–	–	–	–
86	Public Ablution Facilities	–	–	–	–	–	–	–
87	Markets	–	–	–	–	–	–	–
88	Stalls	191	–	1	1	350	1,075	2,500
89	Abattoirs	–	–	–	–	–	–	–
90	Airports	–	–	–	–	–	–	–
91	Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–
92	Capital Spares	–	–	–	–	–	–	–
93	Sport and Recreation Facilities	4,017	3,800	2,104	2,094	9,900	5,250	2,000
94	Indoor Facilities	–	–	–	–	–	–	–
95	Outdoor Facilities	4,017	3,800	2,104	2,094	9,900	5,250	2,000
96	Capital Spares	–	–	–	–	–	–	–
97	Heritage assets	–	–	–	–	–	–	–
98	Monuments	–	–	–	–	–	–	–
99	Historic Buildings	–	–	–	–	–	–	–
100	Works of Art	–	–	–	–	–	–	–
101	Conservation Areas	–	–	–	–	–	–	–
102	Other Heritage	–	–	–	–	–	–	–
103	Investment properties	–	–	–	–	–	–	–
104	Revenue Generating	–	–	–	–	–	–	–
105	Improved Property	–	–	–	–	–	–	–
106	Unimproved Property	–	–	–	–	–	–	–
107	Non-revenue Generating	–	–	–	–	–	–	–
108	Improved Property	–	–	–	–	–	–	–
109	Unimproved Property	–	–	–	–	–	–	–
110	Other assets	265	2,015	1,698	1,335	10,115	–	–
111	Operational Buildings	265	2,015	1,698	1,335	10,115	–	–
112	Municipal Offices	265	2,015	1,698	1,335	10,115	–	–
113	Pay/Enquiry Points	–	–	–	–	–	–	–
114	Building Plan Offices	–	–	–	–	–	–	–
115	Workshops	–	–	–	–	–	–	–
116	Yards	–	–	–	–	–	–	–
117	Stores	–	–	–	–	–	–	–
118	Laboratories	–	–	–	–	–	–	–
119	Training Centres	–	–	–	–	–	–	–
120	Manufacturing Plant	–	–	–	–	–	–	–
121	Depots	–	–	–	–	–	–	–
122	Capital Spares	–	–	–	–	–	–	–

Capital Expenditure – Upgrade/Renewal Programme*								
R' 000								
Serial No.	Description	2022/23	2023/24			Planned Capital Expenditure		
		Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
Column Ref.	A	B	C	D	E	F	G	H
123	Housing	–	–	–	–	–	–	–
124	Staff Housing	–	–	–	–	–	–	–
125	Social Housing	–	–	–	–	–	–	–
126	Capital Spares	–	–	–	–	–	–	–
127	Biological or Cultivated Assets	–	–	–	–	–	–	–
128	Biological or Cultivated Assets	–	–	–	–	–	–	–
129	Intangible Assets	–	–	–	–	–	–	–
130	Servitudes	–	–	–	–	–	–	–
131	Licences and Rights	–	–	–	–	–	–	–
132	Water Rights	–	–	–	–	–	–	–
133	Effluent Licenses	–	–	–	–	–	–	–
134	Solid Waste Licenses	–	–	–	–	–	–	–
135	Computer Software and Applications	–	–	–	–	–	–	–
136	Load Settlement Software Applications	–	–	–	–	–	–	–
137	Unspecified	–	–	–	–	–	–	–
138	Computer Equipment	–	–	–	–	–	–	–
139	Computer Equipment	–	–	–	–	–	–	–
140	Furniture and Office Equipment	–	–	–	–	–	–	–
141	Furniture and Office Equipment	–	–	–	–	–	–	–
142	Machinery and Equipment	55	–	–	–	–	–	–
143	Machinery and Equipment	55	–	–	–	–	–	–
144	Transport Assets	–	–	–	–	–	–	–
145	Transport Assets	–	–	–	–	–	–	–
146	Land	–	–	–	–	–	–	–
147	Land	–	–	–	–	–	–	–
148	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
149	Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
150	Total Capital Expenditure on renewed assets	75,477	250,772	243,796	242,279	577,163	501,444	77,910

ANNEXURE M: CAPITAL PROGRAMME BY PROJECT

Table 212: Capital Programme by Main Project 2023/24

Capital Programme by Main Project 2023/24						
Serial No.	Capital Project	Original Budget	Adjustments Budget	Actual	Variance (Act – Adj) %	Variance (Act – OB) %
Column Ref.	A	B	C	D	E	F
1	Water					
2	Replace/Upgrade Water Reticulation System	13,913,043	11,652,174	11,652,173	0.00%	-16.25%
3	Replacement of Ysterbrug Victoria Pumpline	10,269,895	10,269,895	10,269,895	0.00%	0.00%
4	Extension of Basic Services: Informal Settlements Water	2,000,000	2,999,586	2,999,586	0.00%	49.98%
5	Sanitation/Sewerage					
6	Rehab & Upgrade of Paarl WWTW	183,186,957	169,487,721	169,487,720	0.00%	-7.48%
7	Southern Paarl Bulk Sewer	82,300,000	82,955,758	82,955,758	0.00%	0.80%
8	Replace/Upgrade Sewerage System	2,995,000	2,995,000	2,995,000	0.00%	100.00%
9	Electricity					
10	New Connection BICL's	8,000,000	34,500,000	38,929,300	12.84%	100.00%
11	MV Substations	8,695,652	8,913,791	8,913,791	0.00%	2.51%
12	Increase Existing HT Network Capacity	5,965,145	5,965,145	5,965,145	0.00%	100.00%
13	Road Transport					
14	Reseal of Streets in Terms of the RAMS	6,473,406	6,472,847	6,472,846	0.00%	-0.01%
15	Refurbish Storm Water Systems	5,850,000	5,660,878	5,660,878	0.00%	-3.23%
16	Upgrading Of Oosbosch Street	4,570,435	4,569,696	4,529,696	-0.88%	-0.89%
17	Housing					
18	Acceleration of Housing Delivery Simondium	30,000,000	24,589,516	24,474,454	-0.47%	-18%
19	Loverslane Bulk Sewer	0	4,618,464	4,216,110	-8.71%	100%
20	Schoongezicht Civil Services Water	0	2,390,008	1,839,868	-23.02%	100.00%
21	Refuse Removal					
22	Organic Waste Diversion Infrastructure	5,100,000	2,999,000	2,999,000	0.00%	-41.20%
23	Wheelie Bins	1,000,000	2,151,574	2,151,565	0.00%	115.16%
24	Solid Waste Skips	1,750,000	1,605,800	1,605,800	0.00%	-8.24%
25	Economic Development					
26	Other Capital Projects	400,000	27,638	27,638	0.00%	-93.09%
27	Sports, Art and Culture					
28	Parking Area Daljosaphat Stadium	3,000,000	1,672,400	1,576,213	-5.75%	-47.46%
29	Purchase of High Rider Bakkie	0	1,364,332	1,364,331	0.00%	#DIV/0!
30	Tools of Trade	1,300,000	1,207,645	1,207,643	0.00%	100.00%
31	Executive and Council					
32	Other Capital Projects	0	55,117	55,115	0.00%	100.00%
33	Corporate Services					
34	Fleet Annual Replacement Programme	5,500,000	16,000,418	15,625,543	-2.34%	184.10%
35	Backup Power Installations	6,300,000	5,371,696	5,371,695	0.00%	-14.73%
36	ICT Equipment Computer Related	2,600,000	4,474,317	4,471,069	-0.07%	71.96%
37	Budget and Treasury Office					
38	Other Capital Projects	2,725,000	587,332	493,190	-16.03%	100.00%
41	Community and Social Services					
42	Develop Nieuwedrift Cemeteries	0	401,601	401,157	-0.11%	100.00%
43	Safety and Security					
44	CCTV System	3,100,000	3,121,164	2,986,495	-4.31%	-3.66%
45	Vehicles (Law Enforcement)	0	1,790,514	1,790,514	0.00%	#DIV/0!
46	Fire Fighting Vehicle	985,000	2,431,583	1,359,840	-44.08%	38.05%

ANNEXURE N: CAPITAL PROGRAMME BY PROJECT BY WARD

Table 213: Capital Programme by Project by Ward 2023/24

Capital Programme by Project by Ward 2023/24			
Serial No.	Capital Programme	Wards affected	Works completed (Yes/No)
Column Ref.	A	B	C
1	Water		
2	Replace/Upgrade Water Reticulation System	All	Yes
3	Replacement of Ysterbrug Victoria Pumphline	All	Yes
4	Extension of Basic Services: Informal Settlements Water	All	Yes
5	Sanitation/Sewerage		
6	Rehab & Upgrade of Paarl WWTW	All	Yes
7	Southern Paarl Bulk Sewer	All	Yes
8	Replace/Upgrade Sewerage System	All	Yes
9	Electricity		
10	New Connection BICL's	All	Yes
11	MV Substations	All	Yes
12	Increase Existing HT Network Capacity	All	Yes
13	Housing		
14	Acceleration of Housing Delivery Simondium	All	Yes
15	Loverslane Bulk Sewer	All	Yes
16	Schoongezicht Civil Services Water	All	Yes
17	Refuse Removal		
18	Organic Waste Diversion Infrastructure	All	Yes
19	Wheelie Bins	All	Yes
20	Solid Waste Skips	All	Yes
21	Economic Development		
22	Other Capital Projects	All	Yes
23	Sports, Art And Culture		
24	Parking Area Daljosaphat Stadium	All	Yes
25	Purchase of High Rider Bakkie	All	Yes
26	Tools of Trade	All	Yes
27	Road And Transport		
28	Reseal of Streets in Terms of the RAMS	All	Yes
29	Refurbish Storm Water Systems	All	Yes
30	Upgrading Of Oosbosch Street	All	Yes
31	Executive and Council		
32	Other Capital Projects	All	Yes
33	Corporate Services		
34	Fleet Annual Replacement Programme	All	Yes
35	Backup Power Installations	All	Yes
36	ICT Equipment Computer Related	All	Yes
37	Budget and Treasury Office		
38	Other Capital Projects	All	Yes
41	Community and Social Services		
42	Develop Nieuwedrift Cemeteries	All	Yes
43	Safety and Security		
44	CCTV System	All	Yes
45	Vehicles (Law Enforcement)	All	Yes
46	Other Capital Projects	All	Yes

ANNEXURE O: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Table 214: Service Backlogs - Schools and Clinics

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Waste
Schools				
None	None	None	None	None
Clinics				
None	None	None	None	None

ANNEXURE P: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Table 215: Service backlogs experienced by the community where another sphere of government is the service provider

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)		
Service and locations	Scale of backlogs	Impact of backlogs
Clinics		
General health services – Windmeul	The facility is too small and cannot serve all the needs of the people in this rural farming area. No doctor. Only referrals from general health nurse. Current service a mobile service and a fixed clinic.	The mobile clinic in Windmeul is also complemented by a fixed clinic at the school.
Mbekweni CDC Centre	The facility is too small and cannot serve all the needs of the people who require general health services.	Facility inadequate to serve all the people who require services and not conducive to dispensary services. New clinic to be built in Groenheuwel in progress.
Soetendal Clinic – Wellington	No shelter for the patients during winter months or whilst waiting for transport to collect them to be transported to the nearest hospital. Hermon patients require transport to Soetendal Clinic on a regular basis.	Matter was referred to Department of Health for further investigation.
Van Wyksvlei CDC (Wards 5, 7, 10 and 11)	A fully-fledged hospital is needed in the area as the clinic is insufficient.	Facility is more central and adequate to serve in full capacity in the area.
Nederburg Clinic – Ward 25	Request for the Clinic at Nederburg to be enlarged and more staff should be appointed.	This clinic was closed by the Department of Health. Drakenstein Municipality will now lease out the premises for Social programs
Housing		
Informal Settlements Drakenstein Municipality	Estimated informal households (8,641) encompassing approximately 16,158 persons in 43 recognised informal settlements and one unregistered informal settlement on delivery of basic services	Increase in the erection of illegal structures. Threat to well-located land. Insufficient funding. Increase of evictions. Cause of serious social problems. Threats of land invasions. Pressure
Housing Demand	21,605 active applications.	15,923 cancelled applications that need to be updated.
Electrification	There are 43 registered informal settlements of which 27 has been completed ($27/43 * 100 = 63\%$).	Limited funding, resources and existing infrastructure that require upgrading to facilitate future growth and development.
Driving Licensing and Testing Centre		
None	None	None

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on agency basis)		
Service and locations	Scale of backlogs	Impact of backlogs
Reservoirs		
None	None	None
Schools (Primary and High)		
Windmeul (Ward 3)	Train youth to assist the Health Workers on the Farm.	Training was provided for Health care workers to assist with the workflow at the farms through Wammakersvallei
	Clinic in Windmeul only services half of the whole Ward 3	Mobile service extended to other areas in Ward 3.
Carterville (Ward 5)	Visibility and patrol of SAPS in ward.	Matter was referred to CPF in Mbekweni.
	Development of Neighbourhood Watches	Matter was referred to Safety.
Silvertown, Mbekweni (Ward 6)	Development of Arts Centre in Mbekweni	There is already a development centre within the Mbekweni area.
New Primary School (Ward 5)	Community requests new primary school for Ward 5.	Van Wyksvlei Primary and Hillcrest Primary Schools are accessible for Ward 5.
Mbekweni, Drommedaris (Ward 16)	Drommedaris needs a primary school	They are building a new school in Groenheuwel
Newton, Van Wyksvlei, Safmarine (Ward 11)	Wheelchair access to the day hospital needed	The Safmarine is leased to an None Profit organisation

ANNEXURE Q: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Table 216: Declaration of loans and grants made by the Municipality 2023/24

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
1	<i>*No loans were granted to any organisation</i>			
2	<i>Grants made by the Municipality</i>			
3	Bursaries (Employees And Non-Employees)	Study Bursaries	None	515,025
4	Badisa Paarl	Council Grants & Donations	MFMA Sec 67 reporting	8,333
5	Badisa Wellington	Council Grants & Donations	MFMA Sec 67 reporting	8,333
6	Bergriver High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
7	Boland Landbou High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
8	Boland Rugby Union	Council Grants & Donations	MFMA Sec 67 reporting	50,000
9	Bonokuhle After School Care Association	Council Grants & Donations	MFMA Sec 67 reporting	8,333
10	Butterfly Educare Centre NPO	Council Grants & Donations	MFMA Sec 67 reporting	8,333
11	Cape Winelands Cycling	Council Grants & Donations	MFMA Sec 67 reporting	75,000
12	Charleston Hill Secondary School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
13	Child Welfare South Africa: Wellington & District	Council Grants & Donations	MFMA Sec 67 reporting	8,333
14	CN Nasorg	Council Grants & Donations	MFMA Sec 67 reporting	8,333
15	Cricket Boland NPC	Council Grants & Donations	MFMA Sec 67 reporting	50,000
16	Desmond Mpilo Tutu High Sch	Council Grants & Donations	MFMA Sec 67 reporting	10,000
17	Drakenstein Centre For Person With Disabilities	Council Grants & Donations	MFMA Sec 67 reporting	8,333
18	Fuller- Ross Feeding Scheme NPO	Council Grants & Donations	MFMA Sec 67 reporting	8,333
19	Future Stars Daycare Centre	Council Grants & Donations	MFMA Sec 67 reporting	8,333
20	Gimnasium High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
21	Hope For Youth South Africa NPO	Council Grants & Donations	MFMA Sec 67 reporting	8,333

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
22	Hugenate High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
23	Inceba Trust It2378/2004(C)	Council Grants & Donations	MFMA Sec 67 reporting	8,333
24	Intsika Yesizwe Community Soup Kitchen	Council Grants & Donations	MFMA Sec 67 reporting	8,333
25	John Smit Throwing Academy	Council Grants & Donations	MFMA Sec 67 reporting	12,000
26	Kathy'S Educare & Pre - Primary School NPO	Council Grants & Donations	MFMA Sec 67 reporting	8,333
27	Kiddies University	Council Grants & Donations	MFMA Sec 67 reporting	8,333
28	Klein Nederburg High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
29	Labori High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
30	Life Fantastic Educare	Council Grants & Donations	MFMA Sec 67 reporting	8,333
31	Little Flower Educare	Council Grants & Donations	MFMA Sec 67 reporting	8,333
32	Little Pumpkin Pirates Daycare NPO	Council Grants & Donations	MFMA Sec 67 reporting	8,333
33	Little Rascals Day Care NPO	Council Grants & Donations	MFMA Sec 67 reporting	8,333
34	Little Stars Kleuterskool & Pre- School	Council Grants & Donations	MFMA Sec 67 reporting	8,333
35	Mbekweni Shaq Squad Basketball Club	Council Grants & Donations	MFMA Sec 67 reporting	8,333
36	Monwabisi Educare Centre	Council Grants & Donations	MFMA Sec 67 reporting	8,333
37	Nederburg Primary School	Council Grants & Donations	MFMA Sec 67 reporting	20,000
38	New Orleans High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
39	Noorder Paarl High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
40	Ocean United Rvk	Council Grants & Donations	MFMA Sec 67 reporting	8,333
41	OTB Ministries NCP	Council Grants & Donations	MFMA Sec 67 reporting	8,333
42	Paarl Boys High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
43	Paarl Dienssentrum Vir Bejaardes	Council Grants & Donations	MFMA Sec 67 reporting	8,333

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
44	Paarl Museum	Council Grants & Donations	MFMA Sec 67 reporting	100,000
45	Patriots Of Christ SA	Council Grants & Donations	MFMA Sec 67 reporting	8,333
46	Paulus Joubert High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
47	Percy Bilton Dienssentrum	Council Grants & Donations	MFMA Sec 67 reporting	8,333
48	Rhodes Quality Half Marathon	Council Grants & Donations	MFMA Sec 67 reporting	60,000
49	Roodezandt High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
50	Saron Rugbyklub	Council Grants & Donations	MFMA Sec 67 reporting	8,333
51	Sportsa Online (Pty) Ltd	Council Grants & Donations	MFMA Sec 67 reporting	20,000
52	Sunflower Seeds Projects	Council Grants & Donations	MFMA Sec 67 reporting	8,333
53	Sunshine Daycare NPO	Council Grants & Donations	MFMA Sec 67 reporting	8,333
54	The Early Education Centre	Council Grants & Donations	MFMA Sec 67 reporting	8,333
55	The Giving Tree	Council Grants & Donations	MFMA Sec 67 reporting	8,333
56	Wellington High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
57	Wellington Vereniging Vir Bejaardes	Council Grants & Donations	MFMA Sec 67 reporting	8,333
58	Weltevrede High School	Council Grants & Donations	MFMA Sec 67 reporting	10,000
59	Western Cape Canoe Union	Council Grants & Donations	MFMA Sec 67 reporting	60,000
60	Zama Home Base	Council Grants & Donations	MFMA Sec 67 reporting	8,333
61	Zisa Ithemba To Bring Hope NPC	Council Grants & Donations	MFMA Sec 67 reporting	8,333
62	Adama Foundation Trust	Mayoral Discretionary Grant	MFMA Sec 67 reporting	4,000
63	Aim Talent Management	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
64	Amstelhof Primary	Mayoral Discretionary Grant	MFMA Sec 67 reporting	11,000
65	Bergrivier Tafeldruif Produsente Vereniging	Mayoral Discretionary Grant	MFMA Sec 67 reporting	4,000

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
66	Boland Blind Cricket	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
67	Boland Masters Athletics	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,500
68	Boland Schools Hockey	Mayoral Discretionary Grant	MFMA Sec 67 reporting	30,000
69	Bosconian Youth Development	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,000
70	Cape Winelands High Schools Netball	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
71	Cape Winelands Netball	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
72	Cjp Majorettes	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
73	Concern Group	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
74	Drakenstein Cricket Club	Mayoral Discretionary Grant	MFMA Sec 67 reporting	3,000
75	Drakenstein Dance Studio	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,000
76	Drakenstein Majorettes	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
77	Ebenezer Primary	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
78	Empowerment Of Girls Only	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,000
79	Esterhuizen Projects	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,000
80	Garent Ncaca Foundation	Mayoral Discretionary Grant	MFMA Sec 67 reporting	3,000
81	HMS La Rochelle	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,500
82	Holy Trinity Church Paarl	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,000
83	Isidingo Arts & Recreation Centre	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,000
84	Kaapse Wynland Jukskei	Mayoral Discretionary Grant	MFMA Sec 67 reporting	3,000
85	Laerskool Drakenstein	Mayoral Discretionary Grant	MFMA Sec 67 reporting	500
86	Magnolia Primary	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
87	Moment Of Grace	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
88	Newton Service Centre	Mayoral Discretionary Grant	MFMA Sec 67 reporting	3,000
89	NR Ennis Boerdery	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
90	Paarl Junior Town Council	Mayoral Discretionary Grant	MFMA Sec 67 reporting	20,000
91	Patrick Ross Karate Academy	Mayoral Discretionary Grant	MFMA Sec 67 reporting	9,000
92	Paulus Joubert Primary	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
93	Pool South Africa	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
94	Radio KC	Mayoral Discretionary Grant	MFMA Sec 67 reporting	5,000
95	Saron Primary	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
96	Segullah	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
97	Thurlow Marsh Foundation	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,000
98	Violets Paarl Rugby	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,000
99	Wagon Of Hope	Mayoral Discretionary Grant	MFMA Sec 67 reporting	1,500
100	Wellington Bejaardesorg Vereniging	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,000
101	Wellington Primer	Mayoral Discretionary Grant	MFMA Sec 67 reporting	3,000
102	William Lloyd Primary	Mayoral Discretionary Grant	MFMA Sec 67 reporting	3,000
103	Zama Funeral Services	Mayoral Discretionary Grant	MFMA Sec 67 reporting	2,500
104	Ace Fitness Gym (Pty) Ltd	Ward Project Donations	MFMA Sec 67 reporting	55,000
105	Acvv Fyngoud Dienssentrum Wellington	Ward Project Donations	MFMA Sec 67 reporting	10,000
106	ACVV Wellington	Ward Project Donations	MFMA Sec 67 reporting	45,000
107	ACVV Wellington Silwerkruin	Ward Project Donations	MFMA Sec 67 reporting	20,000
108	Alfons Primary School	Ward Project Donations	MFMA Sec 67 reporting	7,000
109	Athlone House Of Strength	Ward Project Donations	MFMA Sec 67 reporting	5,000

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
110	ATKV Wellington Gesinstak	Ward Project Donations	MFMA Sec 67 reporting	10,000
111	Bakerville Primereskool	Ward Project Donations	MFMA Sec 67 reporting	10,000
112	Bergrivier NGK Primere Skool	Ward Project Donations	MFMA Sec 67 reporting	7,000
113	Blouvlei Academy	Ward Project Donations	MFMA Sec 67 reporting	3,000
114	Boland Autism School	Ward Project Donations	MFMA Sec 67 reporting	16,000
115	Breakthru Restoration Community Church	Ward Project Donations	MFMA Sec 67 reporting	120,000
116	Charleston Hill Primer Skoolfonds	Ward Project Donations	MFMA Sec 67 reporting	10,000
117	Charleston Hill Secondary School	Ward Project Donations	MFMA Sec 67 reporting	5,000
118	Cheve Neighbourhood Watch	Ward Project Donations	MFMA Sec 67 reporting	24,000
119	Chicago Society For The Aged	Ward Project Donations	MFMA Sec 67 reporting	2,000
120	Christian Restoration Church	Ward Project Donations	MFMA Sec 67 reporting	5,000
121	Creative Garden Daycare	Ward Project Donations	MFMA Sec 67 reporting	5,000
122	CYDA	Ward Project Donations	MFMA Sec 67 reporting	5,000
123	Daljosaphat Primere Skool	Ward Project Donations	MFMA Sec 67 reporting	5,000
124	Denneburg Noodgroep NPO	Ward Project Donations	MFMA Sec 67 reporting	5,000
125	Divine Life Kingdom Centre NPO	Ward Project Donations	MFMA Sec 67 reporting	4,000
126	Drakenstein Palliative Hospice	Ward Project Donations	MFMA Sec 67 reporting	6,000
127	Eternal Life Christian Ministries	Ward Project Donations	MFMA Sec 67 reporting	10,000
128	Eva Paulse Blokwag	Ward Project Donations	MFMA Sec 67 reporting	5,000
129	Excellent Woman Of Power NPC	Ward Project Donations	MFMA Sec 67 reporting	10,000
130	Future Stars Daycare Centre	Ward Project Donations	MFMA Sec 67 reporting	2,000
131	Gouda Educare Centre Creche	Ward Project Donations	MFMA Sec 67 reporting	2,500

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
132	Hallelujah Volk Van Christus	Ward Project Donations	MFMA Sec 67 reporting	3,000
133	Hillcrest United Rugbyklub	Ward Project Donations	MFMA Sec 67 reporting	5,000
134	HJS Oudstudiante Unie	Ward Project Donations	MFMA Sec 67 reporting	10,000
135	Hugenate Laerskool	Ward Project Donations	MFMA Sec 67 reporting	10,000
136	Huis Andrew Murray Kinder-En Jeugorgsentrum	Ward Project Donations	MFMA Sec 67 reporting	3,000
137	Jembekkies Day Care	Ward Project Donations	MFMA Sec 67 reporting	7,500
138	Kersboslaagte Primere Skool	Ward Project Donations	MFMA Sec 67 reporting	7,000
139	Klein Parys Neighbourhood Watch	Ward Project Donations	MFMA Sec 67 reporting	5,000
140	Klippiessdal Buurtwag	Ward Project Donations	MFMA Sec 67 reporting	5,000
141	Krynauw M S H/A Krynauw Oord	Ward Project Donations	MFMA Sec 67 reporting	5,000
142	Laerskool LK Zeeman	Ward Project Donations	MFMA Sec 67 reporting	5,000
143	Laerskool Paulus Joubert	Ward Project Donations	MFMA Sec 67 reporting	5,000
144	Laerskool Sonop	Ward Project Donations	MFMA Sec 67 reporting	55,000
145	Legioene Senior Club	Ward Project Donations	MFMA Sec 67 reporting	10,000
146	Life Fantastic Educare	Ward Project Donations	MFMA Sec 67 reporting	2,500
147	Ligstraal Skool Vir Leerders Met Spesiale Onderwy	Ward Project Donations	MFMA Sec 67 reporting	10,000
148	Lions Club Of Paarl	Ward Project Donations	MFMA Sec 67 reporting	10,000
149	Little Mermaid Dagsorg	Ward Project Donations	MFMA Sec 67 reporting	4,000
150	Little Pumpkin Pirates Daycare NPO	Ward Project Donations	MFMA Sec 67 reporting	2,500
151	Magnolia Primary	Ward Project Donations	MFMA Sec 67 reporting	5,000
152	Makhulu'S Happy Toddlers Of Mbekweni	Ward Project Donations	MFMA Sec 67 reporting	2,500
153	Mbekweni Kuyase Eldery Centre	Ward Project Donations	MFMA Sec 67 reporting	30,000

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
154	Miqlat NPC	Ward Project Donations	MFMA Sec 67 reporting	1,255,000
155	Mommy's Day Care	Ward Project Donations	MFMA Sec 67 reporting	3,000
156	Networking For Christ SA NPO 184-438	Ward Project Donations	MFMA Sec 67 reporting	256,500
157	New Season Family Worship Centre South Africa NPO	Ward Project Donations	MFMA Sec 67 reporting	5,000
158	Newton Diens Sentrum	Ward Project Donations	MFMA Sec 67 reporting	20,000
159	Newton Primere Skool	Ward Project Donations	MFMA Sec 67 reporting	10,000
160	Newtons Rugby Club	Ward Project Donations	MFMA Sec 67 reporting	10,000
161	NG Gemeente Toringkerk	Ward Project Donations	MFMA Sec 67 reporting	23,000
162	NG Kerk Wellington-Oos	Ward Project Donations	MFMA Sec 67 reporting	10,000
163	Nieuwe Drift Primer	Ward Project Donations	MFMA Sec 67 reporting	10,000
164	Nomzamo Educare Centre NPO	Ward Project Donations	MFMA Sec 67 reporting	2,500
165	Oase Dienssentrum	Upgrading Of The R301	None	15,500
166	Olive Leafs Senior Club	Ward Project Donations	MFMA Sec 67 reporting	5,000
167	Paarl Central Neighbourhood Watch	Ward Project Donations	MFMA Sec 67 reporting	5,000
168	Paarl Jeug Inisiatief (Ver Ingelyf Kragtens Art 21	Ward Project Donations	MFMA Sec 67 reporting	20,000
169	Paarl Service Centre For The Aged	Ward Project Donations	MFMA Sec 67 reporting	5,000
170	Paarl Voortrekkers	Ward Project Donations	MFMA Sec 67 reporting	10,000
171	Paarlzicht Primary School	Ward Project Donations	MFMA Sec 67 reporting	5,000
172	Power Cosmos FC	Ward Project Donations	MFMA Sec 67 reporting	5,000
173	Primere Skool Windmeul	Ward Project Donations	MFMA Sec 67 reporting	7,000
174	Rise Up With Advocacy And Action	Ward Project Donations	MFMA Sec 67 reporting	10,000
175	Rusoord Tehuis Vir Oues Van Dae Paarl	Ward Project Donations	MFMA Sec 67 reporting	35,000

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
176	Rusthof Ouetehuis	Ward Project Donations	MFMA Sec 67 reporting	8,000
177	Saron Animal Welfare Centre	Ward Project Donations	MFMA Sec 67 reporting	5,000
178	Silukhanyo Educare Centre	Ward Project Donations	MFMA Sec 67 reporting	2,500
179	Simondium Rfc Club	Ward Project Donations	MFMA Sec 67 reporting	11,000
180	Sporty Bears Creche	Ward Project Donations	MFMA Sec 67 reporting	3,000
181	St Albans Church Wellington	Ward Project Donations	MFMA Sec 67 reporting	10,000
182	St Stephens Church Paarl	Ward Project Donations	MFMA Sec 67 reporting	10,000
183	Sunfield Home (Wellington) NPC	Ward Project Donations	MFMA Sec 67 reporting	10,000
184	Sunshine Daycare NPO	Ward Project Donations	MFMA Sec 67 reporting	2,500
185	Talente Vir Christus Pinkster Gemeente Kerk	Ward Project Donations	MFMA Sec 67 reporting	7,500
186	Teddy Bear Nursery School	Ward Project Donations	MFMA Sec 67 reporting	3,000
187	Temperance Rugby Voetbalkub Association	Ward Project Donations	MFMA Sec 67 reporting	5,000
188	The Members Wilgerboom Elderly Club	Ward Project Donations	MFMA Sec 67 reporting	2,000
189	The Methodist Church Of South Africa Paarl Valley	Ward Project Donations	MFMA Sec 67 reporting	10,000
190	The Sprouts Organisation NPC	Ward Project Donations	MFMA Sec 67 reporting	5,000
191	Tiny Bubble	Ward Project Donations	MFMA Sec 67 reporting	2,000
192	Tomorrows Angels NPO	Ward Project Donations	MFMA Sec 67 reporting	3,000
193	Vetus Schola Boland	Ward Project Donations	MFMA Sec 67 reporting	24,000
194	VGK Gemeente Wellington	Ward Project Donations	MFMA Sec 67 reporting	8,000
195	VGK Wellington-Bergrivier	Ward Project Donations	MFMA Sec 67 reporting	10,000
196	Villagers Rugby Football Club	Ward Project Donations	MFMA Sec 67 reporting	10,000
197	Vrykyk Neighbourhood Watch	Ward Project Donations	MFMA Sec 67 reporting	24,000

Declaration of loans and grants made by the Municipality 2023/24				
Serial No	All organisations or persons in receipt of loans*/grants* provided by the Municipality	Reason for application	Conditions attached to funding	Value 2023/24
Column Ref.	A	B	C	D
198	Vukukhanye Educare Centre	Ward Project Donations	MFMA Sec 67 reporting	2,500
199	WA Joubert Skoolfonds	Ward Project Donations	MFMA Sec 67 reporting	12,500
200	Wagenmakersvallei Rugby Klub	Ward Project Donations	MFMA Sec 67 reporting	2,000
201	Wamakersvallei Training Centre	Ward Project Donations	MFMA Sec 67 reporting	70,000
202	Wamakersvallei Voortrekkerkommando	Ward Project Donations	MFMA Sec 67 reporting	10,000
203	Wamakervallei Training Centre	Ward Project Donations	MFMA Sec 67 reporting	20,000
204	Wellington Cricket Club	Ward Project Donations	MFMA Sec 67 reporting	5,000
205	Wellington Malaga Football Club	Ward Project Donations	MFMA Sec 67 reporting	5,000
206	Wellington Primer	Ward Project Donations	MFMA Sec 67 reporting	3,000
207	Wellington United	Ward Project Donations	MFMA Sec 67 reporting	5,000
208	Wellington Warriors Sport Academy	Ward Project Donations	MFMA Sec 67 reporting	3,000
209	Western Cape Cultural Commission	Ward Project Donations	MFMA Sec 67 reporting	6,220
210	Western Cape Schools Cricket	Ward Project Donations	MFMA Sec 67 reporting	2,000
211	Wielie Walie Versorgingsoord	Ward Project Donations	MFMA Sec 67 reporting	10,000
212	Young Super Stars RFC	Ward Project Donations	MFMA Sec 67 reporting	11,000
213	Youngblues Rugby Voetbalklub	Ward Project Donations	MFMA Sec 67 reporting	5,000
214	Zion Fellowship Church Of God In Christ	Ward Project Donations	MFMA Sec 67 reporting	10,000
215	Western Cape Government	Upgrading Of The R301	None	10,000,000

ANNEXURE R: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

Table 217: MFMA S71 returns not made during 2023/24 according to reporting requirements

MFMA Section 71 returns not made during 2023/24 according to reporting requirements	
Return	Reason return has not been properly made on due date
All returns were submitted timely	

ANNEXURE S: PRESIDENTIAL OUTCOME FOR LOCAL GOVERNMENT

Table 218: Presidential outcome for Local Government

Presidential outcome for Local Government			
Serial No.	Outcome/Output	Progress to date	Number or percentage achieved
Column Ref.	A	B	C
1	Output: Improving access to basic services		
2	Provision of Basic Services	Formal households having access to all basic services.	Water 100% Sanitation 100%
3		Informal households having access to water, sanitation and refuse removal services at the minimum level.	Water 90.54% Sanitation 71.30% Refuse 100%
4		Informal households having access to electricity services.	44.7%
5	Output: Implementation of the Community Work Programme		
6	The Community Works Programme functions in the Municipality, but is managed on behalf of national government by an external service provider.	The number of work opportunities could not be provided for the 2023/24 year. <u>Note</u> Disclaimer: Work opportunities can be allocated to the same beneficiary more than once during the employer cycle of 12 months.	The number of work opportunities could not be provided for the 2023/24 year.
7	Output: Deepen democracy through a refined Ward Committee Model		
8	All Ward Committees are 100% functional.	New ward committees were established.	All Ward Committees are 100% functional.
9	Output: Administrative and financial capability		
10	Debt Collection and Indigent Support Policy as well as the Writing Off of Irrecoverable Debt Policy were reviewed.	These policies were approved by Council to ensure that consumers who are struggling financially can be accommodated without severe negative effects to the Municipality.	95.8% debt collection rate for 2023/24

8. VOLUMES

VOLUME I: REPORT OF THE AUDITOR-GENERAL

The report of the Auditor-General to the Western Cape Provincial Parliament and the Municipal Council on Drakenstein Municipality's 2023/24 Annual Financial Statements, Annual Performance Report, compliance with legislation, other information and internal control deficiencies now follows on the next 10 pages.

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Drakenstein Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Drakenstein Municipality set out on pages 9 to 156, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Drakenstein Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Irregular expenditure

8. As disclosed in note 50,2 to the financial statements, irregular expenditure of R165 million was incurred, as appropriate procurement process was not followed in terms of strip and quote expenditure.

Material impairment

9. As disclosed in note 9,1 and 9,2 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R202 million (2022-23: R176 million).
10. As disclosed in note 10.1 to the financial statements, the municipality provided for an impairment of receivables from non-exchange transactions of R187 million (2022-23: R180 million).

Material bad debts written off

11. As disclosed in note 39 to the financial statements, the municipality has written off bad debt of R98 million (2022-23: R104 million).

Other matters

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

14. The supplementary information set out on pages 157 to 165 do not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate

governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

17. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 7 forms part of our auditor's report.

Report on the audit of the annual performance report

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area (KPA) presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
20. I selected the following key performance area (KPA) presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a KPA that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key performance area (KPA)	Page numbers	Purpose
KPA 4: Physical infrastructure and services	19 - 24	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services

21. I evaluated the reported performance information for the selected KPA against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
22. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives

- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance

23. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

24. I did not identify any material findings on the reported performance information for the KPA 4: Physical infrastructure and services.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

27. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 19 to 24.

KPA 4: Physical infrastructure and services

Targets achieved: 83,33% (10 out of 12 indicators) Budget spent: 98%		
Key service delivery indicator not achieved	Planned target	Reported achievement
TL 18: Limit water network losses to less than 19% measured annually (difference between water units supplied and water units billed as a percentage of water supplied)	<19%	21.9%
TL 20: Wastewater quality managed and measured quarterly i.e. the South African National Standards (SANS) accreditation physical and micro parameters	75%	72.25%

Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
31. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

32. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.
33. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

34. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
36. I have nothing to report in this regard.

Internal control deficiencies

37. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
38. I did not identify any significant deficiencies in internal control.

Other reports

39. I draw attention to the following engagement conducted. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
40. An independent consultant investigated an allegation of fraud and corruption at the request of the municipality. The investigation was concluded in August 2022. Criminal charges were formally filed against the employees implicated in the report with the South African Police Service (SAPS). The case was subsequently transferred to the Directorate for Priority Crime Investigation (the Hawks) and this investigation was still in progress at the date of this auditor's report.

Auditor-General

Auditor-General

Cape Town

30 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:
 - The auditor-general's responsibility for the audit
 - The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected key performance area and on the municipality's compliance with selected requirements in key legislation.

Financial statements

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
 - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

4. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<p>Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii),</p> <p>Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f),</p> <p>Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 126(1)(a),</p> <p>Sections: 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	<p>Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e),</p> <p>Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i),</p> <p>Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)</p>
Municipal Systems Act 32 of 2000	<p>Sections: 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 43(2),</p> <p>Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)</p>
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 31
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 12(5), 16(1)
Construction Industry Development Board Act 38 of 2000	Section 18(1)

Legislation	Sections or regulations
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

VOLUME II: AUDIT OUTCOME IMPROVEMENT PLAN

Table 219: Audit Outcome Improvement Plan

AUDITOR-GENERAL REPORT 2023/24	
Report on the audit of the financial statements	Unqualified opinion
Report on the audit of the pre-determined objectives	No material findings
Report on the audit of compliance with legislation	No material findings
Issues Raised	Corrective Measures Required
Emphasis of Matters	
Restatement of corresponding figures	
As disclosed in note 50.2 to the financial statements, irregular expenditure of R163 005 450 was incurred, as a proper procurement process was not followed in terms of strip and quote expenditure.	None. Simply an information statement by the Auditor-General.
Material Losses/Impairments – Trade Debtors	
As disclosed in note 9.1 and 9.2 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R202 million (2022-23: R176 million).	None. Simply an information statement by the Auditor-General.
As disclosed in note 10.1 to the financial statements, the municipality provided for an impairment of receivables from non-exchange transactions of R187 million (2022-23: R180 million).	
As disclosed in note 39 to the financial statements, the municipality has written off bad debt of R98 million (2022-23: R104 million).	None. Simply an information statement by the Auditor-General.

AUDIT COMMITTEE RESPONSIBILITY

The achievement of good governance within the Drakenstein Municipality requires effective oversight and monitoring by governance structures. Critical to the achievement of this is an independent Audit Committee that is supported by the leadership structures within the Municipality. Section 166 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA), as amended, requires every municipality to establish an independent Audit Committee which must advise the Municipal Council, accounting officer and management staff of the municipality on matters relating to internal financial controls and internal audits, risk management and accounting policies; as well as provide advice on the adequacy, reliability and accuracy of financial reporting and information within the municipality. In addition, the committee advises on performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation, performance evaluation, and/or other issues referred to it by the municipality.

The Committee is pleased to report that it has fulfilled all its responsibilities arising from the Terms of Reference and the annual work plan for the year under review, including relevant legislative requirements.

The Committee Chairperson openly and honestly reported the committee's activities to Council on a quarterly basis, with detailed approved minutes also being tabled at the Council meetings.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

In terms of its Charter, the Audit Committee listed below, is required to meet at least 4 times per annum, although additional meetings may be scheduled as the need arises. 7 meetings were held during the 2023/24 financial year.

Table 220: Audit Committee Members and Attendance

Audit Committee Member	Qualifications	Date appointed/ reappointed as Committee Member	Meetings Attended
Mr. R. Najaar (Chairperson)	(Hons B Compt. /CTA –CPA (USA) & CIA & CRMA	(Re-appointed) 1 August 2021	7
Mr. P. Strauss	CA(SA)	(Re-appointed) 1 August 2023	7
Mr. R.G. Nicholls	CA (SA) (CIA)	(Re-appointed) 1 August 2021	7
Mr. C. Whittle	CA (SA)	(Re-appointed) 1 August 2021	4

The terms of Mr R Najaar, RG Nicholls and C Whittle came to an end at 31 July 2024. The Committee want to thank them for the positive contribution they have made to the municipality. Mr M Burton, Mr M Basson and Ms K Talmakkies have been appointed from 1 August 2024 for a period of 3 years.

The Deputy Mayor, the MMC for Governance & Compliance, City Manager, members of the Executive Management Team attend all meetings. Where required, relevant officials will be invited. The Office of the Auditor-General South Africa (AGSA) has a standing invitation to all committee meetings and attended the meetings. The meeting agendas are substantial and Committee members all participate in meetings with the highest levels of commitment and objectivity.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Committee reviewed the annual financial statements prior to submission to the AGSA and discussed them with management. These financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, (Act No 5 of 2023). The Committee did not have unresolved matters with the annual financial statements when submitted for external audit.

The Committee is pleased that the AGSA issued an unqualified audit opinion, with no other matters, on the financial statements of the municipality for the year ended 30 June 2024. Management has expressed commitment to implementing the necessary controls to prevent and reduce the re-occurrence of audit findings.

The Committee is of the opinion that the audited financial statements should be accepted and read together with the Report of the Auditor-General.

PERFORMANCE MANAGEMENT

The Committee reviewed the quarterly performance results presented by Management as well as the quarterly reports of Internal Audit on the verification of the reported performance results. The Committee noted the enhancements of the information management system that supports the results of performance information. This is reflected in the positive outcome of the AGSA's review of the Municipality's pre-determined objectives. The accuracy and verification process of the performance information is crucial and has to be maintained in order to ensure that the performance management information is credible.

INTERNAL CONTROL AND RISK MANAGEMENT

The Municipality is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, to adapt to changes in the environment it operates in and to promote efficiency and effectiveness of operations, supports reliable reporting and compliance with laws and regulations.

The Drakenstein Municipality adopted a Combined Assurance Framework which identifies and integrates assurance providers to enhance and maintain effective internal controls, adherence to policies, procedures, norms, standards and frameworks.

Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The Committee considered the work performed by Internal Audit on a quarterly basis and reviewed the Internal Audit Annual Statement on the Internal Control environment within the Municipality for the year ended 30 June 2024. The Internal Audit Annual Statement concluded that improvement is needed in some of the Municipality's system of internal control, however the Committee is satisfied, that in general, the controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are managed and/or objectives are met. Management has accepted the recommendations and agreed to implement the necessary corrective actions to address the weaknesses.

The Committee reviewed the risk profile of the Municipality when the Internal Audit Plan priorities were determined. The Municipality has a Risk Management Function as one of its assurance levels and a Fraud & Risk Committee (FARMCO), with an independent chairperson

and members as its advisory oversight structure. The overall Municipal Enterprise Risk Management Framework is aimed at delivering an effective and efficient Municipal-wide Risk Management, Risk controls, Risk Finance and business continuity management function for the Municipality's departments. A member of the Audit Committee is a standing invitee to FARMCO meetings.

The Committee noted the AGSA's report and related recommendations and findings on internal control, governance and compliance.

CONCLUSION

The committee is satisfied that it has, during the past financial year, met its responsibilities as stipulated in its charter and that it has complied with its legal, regulatory and other responsibilities. The Committee wants to take this opportunity to congratulate the Municipality on the audit outcome achieved and the commitment by management to enhance the control effectiveness going forward.



PAL. Strauss
Audit Committee Chairperson
Date: 13 December 2024

VOLUME IV: 2023/2024 ANNUAL AUDITED FINANCIAL STATEMENTS

The Audited 2023/24 Annual Financial Statements will now follow for the next 166 pages. Drakenstein Municipality received an unqualified audit opinion from the Auditor-General for the 2023/24 financial year.



DRAKENSTEIN

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AUDITED ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2024



AUDITOR-GENERAL
SOUTH AFRICA

Melanie Joffe - 30 November 2024

A city of excellence

www.drakenstein.gov.za

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

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Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

General Information

Executive mayor and mayoral committee (1 July 2023 up until 31 May 2024)

Portfolio	Councillor
EXECUTIVE MAYOR AND CHAIRPERSON OF MAYORAL COMMITTEE	CJ POOLE (1 July 2023 up until 28 February 2024) GC COMBRINK (Acting: 1 March 2024 up until 4 April 2024) SE KORABIE (5 April 2024 up until 31 May 2024)
DEPUTY EXECUTIVE MAYOR & MAYORAL COMMITTEE MEMBER OF FINANCE	GC COMBRINK
MAYORAL COMMITTEE MEMBER OF PLANNING AND DEVELOPMENT	LT VAN NIEKERK
MAYORAL COMMITTEE MEMBER OF SOCIAL DEVELOPMENT	E GOUWS
MAYORAL COMMITTEE MEMBER OF HUMAN SETTLEMENTS	MA ANDREAS
MAYORAL COMMITTEE MEMBER OF SPORT, RECREATION ARTS AND CULTURE (SRAC)	LC ARENDSE
MAYORAL COMMITTEE MEMBER OF CORPORATE SERVICES	E BARON
MAYORAL COMMITTEE MEMBER OF PUBLIC SAFETY	AMB APPOLLIS
MAYORAL COMMITTEE MEMBER OF COMMUNICATION AND INTERGOVERNMENTAL RELATIONS (IGR)	RH VAN NIEUWENHUYZEN
MAYORAL COMMITTEE MEMBER OF ENGINEERING SERVICES	TG BESTER
MAYORAL COMMITTEE MEMBER OF PARKS, WASTE AND CEMETERIES	L CYSTER
MAYORAL COMMITTEE MEMBER OF GOVERNANCE AND COMPLIANCE	J MILLER



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

General Information

Executive mayor and mayoral committee (1 June 2024 up until 30 June 2024)

Portfolio

EXECUTIVE MAYOR AND CHAIRPERSON OF MAYORAL COMMITTEE

Councillor

SE KORABIE

DEPUTY EXECUTIVE MAYOR & MAYORAL COMMITTEE MEMBER OF FINANCE

GC COMBRINK

MAYORAL COMMITTEE MEMBER OF PLANNING, ECONOMIC DEVELOPMENT AND TOURISM

LT VAN NIEKERK

MAYORAL COMMITTEE MEMBER OF SOCIAL DEVELOPMENT, SPORT AND RECREATION

LC ARENDSE

MAYORAL COMMITTEE MEMBER OF URBANISATION AND HUMAN SETTLEMENTS

E BARON

MAYORAL COMMITTEE MEMBER OF PARKS, RESORTS AND CEMETERIES

L CYSTER

MAYORAL COMMITTEE MEMBER OF CORPORATE AND GOVERNANCE

D AMERICA

MAYORAL COMMITTEE MEMBER OF PUBLIC SAFETY

AMB APPOLLIS

MAYORAL COMMITTEE MEMBER OF COMMUNICATION AND INTERGOVERNMENTAL RELATIONS (IGR)

R ANDREAS

MAYORAL COMMITTEE MEMBER OF WATER AND SANITATION

J MILLER

MAYORAL COMMITTEE MEMBER OF ELECTRICITY AND ROADS

A KOEGELENBERG

MAYORAL COMMITTEE MEMBER OF WASTE MANAGEMENT

TG BESTER

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

General Information

Executive management

Position	Name
CITY MANAGER	DR JH LEIBBRANDT
CHIEF FINANCIAL OFFICER	MR B BROWN
EXECUTIVE DIRECTOR: CORPORATE AND PLANNING SERVICES	MR S JOHAAR
EXECUTIVE DIRECTOR: PUBLIC SAFETY	MS E BARNARD
EXECUTIVE DIRECTOR: ENGINEERING SERVICES	MR L PIENAAR
EXECUTIVE DIRECTOR: COMMUNITY SERVICES	MR G ESAU

Members of the Audit Committee (1 July 2023 up until 31 July 2024)

CHAIRPERSON	MR R NAJJAAR
MEMBER	MR P STRAUSS
MEMBER	MR R NICHOLLS
MEMBER	MR C WHITTLE

Members of the Audit Committee (1 August 2024 up until currently)

CHAIRPERSON	MR P STRAUSS
MEMBER	MR M BURTON
MEMBER	MR M BASSON
MEMBER	MS K TALMAKKIES

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

General Information

Council members as at 30 June 2024

Nr	Surname	Initials	Nr	Surname	Initials
1	ADAMS	JH	34	KOEGELENBERG *	RA
2	AMERICA	D	35	KORABIE	SE
3	ADRIAANSE *	MM	36	KROUTZ	C
4	ANDERSON	JV	37	KULSEN	G
5	ANDREAS	MA	38	LANDSBERG	S
6	APPOLLIS	AMB	39	LANDU	L
7	ARENDSE	LC	40	LE ROUX *	JF
8	ARNOLDS	RB	41	LIEBENBERG	SJ
9	BARON	E	42	MANGENA	TC
10	BESTER	TG	43	MATTHEE	LC
11	BOLANI	LE	44	MILLER	J
12	BOOYSEN	VC	45	MOOI	TP
13	CAROLLISEN	D	46	NELL	RH
14	COMBRINK *	GC	47	NONGOGO / WANA	N
15	CUPIDO	FP	48	RICHARDS	AM
16	CUPIDO	JW	49	ROSS	S
17	CUPIDO	PBA	50	SAMBOKWE	LS
18	CYSTER	L	51	SAUERMAN	ND
19	DE KOCK	J	52	SEPTEMBER	JA
20	DU PLESSIS	AJ	53	SMIT	J
21	DUBA	BP	54	SOLOMONS	EA
22	DE WAAL	C	55	STOFFELS	JNH
23	FOURIE	A	56	STOWMAN *	A
24	GANANDANA	S	57	STULWENI	AM
25	GERTSE	KJ	58	VAN NIEKERK	LT
26	GODONGWANA	N	59	VAN NIEUWENHUYZEN *	RH
27	GOUWS *	E	60	VAN ROOYEN	A
28	GRAVEL	S	61	VAN SANTEN	AJ
29	JACOBS	B	62	VAN WILLINGH	B
30	JACOBS	CM	63	XHEGO	Z
31	JACOBS	F	64	ZOYA	N
32	KEARNS *	C	65	ZWINYE	M
33	KLAASTE	CO			

* The "Alderman / Alderlady" status were bestowed onto these councillors.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

General Information

Legal form of entity	MUNICIPALITY IN TERMS OF SECTION 1 OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT (ACT 117 OF 1998) READ WITH SECTION 155 (1) OF THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (ACT 108 OF 1996)
Nature of business and principal activities	THE PROVISION OF SERVICES (ELECTRICITY, WATER, SANITATION AND REFUSE) TO COMMUNITIES IN A SUSTAINABLE MANNER, TO PROMOTE SOCIAL AND ECONOMIC DEVELOPMENT; AND TO PROMOTE A SAFE AND HEALTHY ENVIRONMENT
Legislation governing the municipality's operations	CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (ACT 108 OF 1998) LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT (ACT 56 OF 2003) LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT (ACT 32 OF 2000) LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT (ACT 117 OF 1998) MUNICIPAL PROPERTY RATES ACT (ACT OF 6 2004) DIVISION OF REVENUE ACT (ACT 1 OF 2007)
Other information	
Executive Mayor	COUNCILLOR SE KORABIE
Executive Deputy Mayor	ALDERMAN GC COMBRINK
Speaker	ALDERMAN JF LE ROUX
Registered head office	DRAKENSTEIN MUNICIPALITY CIVIC CENTRE BERG RIVER BOULEVARD PAARL 7646
Physical address	CIVIC CENTRE BERG RIVER BOULEVARD PAARL 7646
Postal address	P O BOX 1 PAARL 7622
Telephone	(021) 807 - 4500
Fax	(021) 872 - 8054
Bankers	NEDBANK
Auditors	AUDITOR-GENERAL OF SOUTH AFRICA (AGSA)
Demarcation code	WC023
VAT registration number	4500109717



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Statement

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the audited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the audited annual financial statements and was given unrestricted access to all financial records and related data.

The audited annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

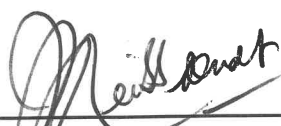
The audited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I, as the Accounting Officer (accounting authority) acknowledges that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I have set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 37 to these audited annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The audited annual financial statements set out on pages 9 to 156, in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), which have been prepared on the going concern basis and which I have signed on behalf of the municipality on 31 August 2024:



DR. H. LEIBBRANDT
ACCOUNTING OFFICER

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Abbreviations

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
LGSETA	Local Government Services Sector Education and Training Authority
MSIG	Municipal System Improvement Grant
NDPG	Neighbourhood Development And Partnership Grant
SRAC	Sports, Recreation, Arts and Culture
ASB	Accounting Standards Board
IPSASB	International Public Sector Accounting Standards Board
IFRS	International Financial Reporting Standards
BNG	Breaking New Ground
SAMWU	South African Municipal Workers Union
SARS	South African Revenue Service
VAT	Value Added Taxation
MFMA	Municipal Finance Management Act
GFS	Government Finance Statistics
ISAB	International Accounting Standards Board
DCAS	Western Cape Department of Cultural Affairs and Sports
mSCOA	Municipal Standard Chart of Accounts

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	3	6,742,599,182	6,521,880,699
Heritage assets	4	47,633,645	47,633,645
Intangible assets	5	3,051,767	3,689,458
Investment property	6	88,655,000	81,900,000
Non-current receivables from exchange transactions	7	-	104
Total Non-Current Assets		6,881,939,594	6,655,103,906
Current Assets			
Inventories	8	44,006,655	41,178,585
Trade and other receivables from exchange transactions	9	381,802,648	320,264,030
Receivables from non-exchange transactions	10	110,499,746	106,960,780
Cash and cash equivalents	11	697,505,821	445,270,431
Current portion of non-current receivables	12	802	18,121
VAT control receivable	13	41,783,287	12,820,098
Total Current Assets		1,275,598,959	926,512,045
Total Assets		8,157,538,553	7,581,615,951
Liabilities			
Non-Current Liabilities			
Borrowings	14	1,364,427,699	1,455,252,441
Finance lease liabilities	15	-	472,639
Employee benefits	16	247,664,000	245,809,000
Provision	17	189,527,311	258,561,070
Total Non-Current Liabilities		1,801,619,010	1,960,095,150
Current Liabilities			
Consumer deposits	18	80,367,377	72,713,346
Trade and other payables from exchange transactions	19	335,296,888	282,991,202
Unspent conditional grants and receipts	20	17,540,042	11,211,654
Borrowings	14	90,824,743	84,460,268
Finance lease liabilities	15	472,639	345,347
Employee benefits	16	94,358,362	85,372,523
Provision	17	69,674,427	462,350
Total Current Liabilities		688,534,478	537,556,690
Total Liabilities		2,490,153,488	2,497,651,840
Net Assets		5,667,385,065	5,083,964,111
Net assets presented by:			
Housing Development Fund	21	31,607,100	30,625,309
Reserves and Funds	22	1,657,921,383	1,713,429,005
Accumulated Surplus	23	3,977,856,582	3,339,909,797
Total Net Assets		5,667,385,065	5,083,964,111

* See Note 48



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Exchange Revenue			
Services charges – Electricity	24	1,524,505,542	1,349,427,510
Services charges – Water	24	236,510,660	193,211,551
Services charges – Waste management	24	169,957,737	155,442,459
Services charges – Waste water management	24	153,561,417	144,103,900
Sales of goods and rendering of services	25	33,907,961	34,761,614
Rental from fixed assets	26	8,312,161	7,081,620
Interests on investments	27	73,656,906	36,829,830
Interest earned from receivables	28	19,480,489	12,884,062
Operational revenue	29	29,349,935	13,898,928
Licences or permits	30	21,786,042	21,094,733
Total Exchange Revenue		2,271,028,850	1,968,736,207
Non-Exchange Revenue			
Property rates	31	466,404,866	437,182,802
Availability charges – Electricity	32	2,527,545	2,250,026
Availability charges – Water	32	2,226,690	2,171,116
Availability charges – Waste management	32	4,002,553	3,893,471
Availability charges – Waste water management	32	3,385,134	3,304,521
Surcharges and taxes		3,084,653	2,230,462
Fines, penalties and forfeits	33	97,292,325	104,450,941
Transfers and subsidies	34	687,684,123	358,981,940
Operational revenue	29	1,741,571	1,770,924
Construction contract revenue	35	1,317,020	-
Total Non-Exchange Revenue		1,269,666,480	916,236,203
Total Revenue		3,540,695,330	2,884,972,410
Expenditure			
Employee related cost	37	785,352,002	735,660,751
Remuneration of councillors	38	34,340,227	33,213,291
Bad Debts Written Off	39	98,252,872	103,647,744
Depreciation and amortisation	40	249,015,369	246,263,533
Impairment losses on financial assets	39	29,903,348	65,632,959
Impairment losses on PPE, IA and HA	41	600,287	214,518
Finance costs	42	167,821,823	176,390,519
Bulk purchases	43	1,149,421,997	959,067,970
Inventory consumed		78,558,903	74,330,682
Contracted services	44	209,962,486	173,600,618
Transfers and subsidies		14,850,554	24,907,429
Operational cost	45	109,157,815	104,757,524
Operating leases	46	20,106,781	17,838,685
Fair value and loss on disposal adjustment of assets	36	9,970,424	11,999,426
Total Expenditure		2,957,314,888	2,727,525,649
Surplus for the year		583,380,442	157,446,761

* See Note 48



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Property rates		457,254,080	431,732,759
Service charges		2,266,430,816	2,053,618,786
Transfers, subsidies and construction contracts revenue received		708,946,130	330,268,592
Interest		72,977,684	37,941,765
Other receipts and fines received		267,501,977	226,137,864
Payments			
Employees cost		(811,651,058)	(761,227,712)
Suppliers		(1,890,984,371)	(1,570,152,456)
Interest charges		(166,944,742)	(176,390,519)
Net VAT paid		(46,245,953)	(66,720,145)
Net cash from(used) operating activities	47	857,284,563	505,208,934
Cash flows from investing activities			
Receipts			
Proceeds on disposal of fixed and intangible assets		3,593,465	5,961,123
Decrease in short term investments		-	40,000,000
Payments			
Capital assets		(523,837,024)	(216,807,614)
Net cash flows from investing activities		(520,243,559)	(170,846,491)
Cash flows from financing activities			
Payments			
Decrease in finance leases		(345,347)	(287,326)
Decrease in borrowing long-term		(84,460,267)	(78,688,303)
Net cash flows from financing activities		(84,805,614)	(78,975,629)
Net increase/(decrease) in cash		252,235,390	255,386,814
Cash and cash equivalents at year begin		445,270,431	189,883,617
Cash and cash equivalents at year end		697,505,821	445,270,431

* See Note 48



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Statement of changes in net assets

	Housing development fund	Revaluation reserve	Accumulated Surplus	Total net assets
Figures in Rand				
Opening balance as previously reported	28,144,553	1,787,635,465	3,103,384,610	4,919,164,628
Adjustments				
Correction of errors	-	(110,000)	7,538,850	7,428,850
Balance at 01 July 2022 as restated*	28,144,553	1,787,525,465	3,110,923,460	4,926,593,478
Surplus for the year	-	-	157,446,761	157,446,761
Transfers to Housing Deveopment Fund	2,480,756	-	(2,595,678)	(114,922)
Decrease in revaluation reserve	-	38,800	74,135,254	74,174,054
Offsetting depreciation	-	(54,244,587)	-	(54,244,587)
Offsetting of land inventory	-	(19,890,673)	-	(19,890,673)
Total changes	2,480,756	(74,096,460)	228,986,337	157,370,633
Restated* Balance at 01 July 2023	30,625,309	1,713,429,005	3,339,909,797	5,083,964,111
Surplus for the year	-	-	583,380,442	583,380,442
Transfers to Housing Deveopment Fund	981,791	-	(941,280)	40,511
Decrease in revaluation reserve	-	-	55,507,622	55,507,622
Offsetting depreciation	-	(53,998,522)	-	(53,998,522)
Offsetting of sale of land	-	(1,509,100)	-	(1,509,100)
Total changes	981,791	(55,507,622)	637,946,784	583,420,953
Balance at 30 June 2024	31,607,100	1,657,921,383	3,977,856,582	5,667,385,065
Note(s)	21	22	23	

* See Note 48

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Original budget	*Budget adjustments	Final adjustments budget	***Virement	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Figures in Rand									
2024									
Statement of financial performance									
Property rates	455,371,887	5,908,672	461,280,559		461,280,559	466,404,865	5,124,306	101.11 %	102.42 %
Services charges	2,042,174,620	38,881,917	2,081,056,537		2,081,056,537	2,096,677,278	15,620,741	100.75 %	102.67 %
Investment revenue	35,000,000	33,000,000	68,000,000		68,000,000	73,656,906	5,656,906	108.32 %	210.45 %
Transfer recognised - operational	278,722,000	(25,996,775)	252,725,225		252,725,225	231,790,279	(20,934,946)	91.72 %	83.16 %
Other own revenue	181,113,233	49,780,154	230,893,387		230,893,387	247,753,265	16,859,878	107.30 %	136.79 %
Total Revenue (excl. capital transfers and contributions)	2,992,381,740	101,573,968	3,093,955,708		3,093,955,708	3,116,282,593	22,326,885	100.72 %	104.14 %
Employee costs	(834,244,973)	9,365,039	(824,879,934)	-	(824,879,934)	(801,749,439)	23,130,495	97.20 %	96.10 %
Remuneration of councillors	(37,158,900)	-	(37,158,900)	-	(37,158,900)	(34,340,227)	2,818,673	92.41 %	92.41 %
Depreciation and amortisation	(264,180,001)	-	(264,180,001)	-	(264,180,001)	(249,615,652)	14,564,349	94.49 %	94.49 %
Finance charges	(167,160,523)	-	(167,160,523)	-	(167,160,523)	(167,821,823)	(661,300)	100.40 %	100.40 %
Inventory consumed and bulk purchases	(1,209,724,063)	(56,348,482)	(1,266,072,545)	677,557	(1,265,394,988)	(1,227,980,899)	37,414,089	97.04 %	101.51 %
Transfers and subsidies	(18,245,000)	2,837,792	(15,407,208)	1,966	(15,405,242)	(14,850,554)	554,688	96.40 %	81.40 %
Other expenditure	(534,246,801)	(20,925,147)	(555,171,948)	(679,523)	(555,851,471)	(495,495,959)	60,355,512	89.14 %	92.75 %
Total Expenditure	(3,064,960,261)	(65,070,798)	(3,130,031,059)	-	(3,130,031,059)	(2,991,854,553)	138,176,506	95.59 %	97.61 %
Surplus	(72,578,521)	36,503,170	(36,075,351)	-	(36,075,351)	124,428,040	160,503,391	(344.91)%	(171.44)%
Transfers and subsidies - capital	444,641,000	10,255,119	454,896,119		454,896,119	450,756,565	(4,139,554)	99.09 %	101.38 %
Transfers and subsidies - capital (in-kind)	-	-	-		-	8,195,837	8,195,837	- %	- %
Surplus for the year	372,062,479	46,758,289	418,820,768	-	418,820,768	583,380,442	164,559,674	139.29 %	156.80 %



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Original budget	*Budget adjustments	Final adjustments budget	***Virement	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Figures in Rand									
Capital expenditure and funds sources									
Capital expenditure	457,423,210	38,318,928	495,742,138	-	495,742,138	487,715,852	(8,026,286)	98.38 %	106.62 %
Transfers recognised – capital	391,794,565	12,661,642	404,456,207	-	404,456,207	401,278,924	(3,177,283)	99.21 %	102.42 %
Borrowings	-	-	-	-	-	-	-	- %	- %
Internally generated funds	65,628,645	25,657,286	91,285,931	-	91,285,931	86,436,928	(4,849,003)	94.69 %	131.71 %
	457,423,210	38,318,928	495,742,138	-	495,742,138	487,715,852	(8,026,286)	98.38 %	106.62 %
Financial position									
Total current assets	832,807,570	403,452,215	1,236,259,785	-	1,236,259,785	1,275,598,959	39,339,174	103.18 %	153.17 %
Total non-current assets	6,993,234,811	(88,674,956)	6,904,559,855	-	6,904,559,855	6,881,939,594	(22,620,261)	99.67 %	98.41 %
Total current liabilities	(651,264,154)	-	(651,264,154)	-	(651,264,154)	(688,534,478)	(37,270,324)	105.72 %	105.72 %
Total non-current assets	(2,013,797,436)	87,545,911	(1,926,251,525)	-	(1,926,251,525)	(1,801,619,010)	124,632,515	93.53 %	89.46 %
Community wealth/equity	(5,160,980,791)	(402,323,170)	(5,563,303,961)	-	(5,563,303,961)	(5,667,385,065)	(104,081,104)	101.87 %	109.81 %
Cash flow									
Net cash from (used) operating	597,364,998	36,582,112	633,947,110	-	633,947,110	849,466,467	215,519,357	134.00 %	142.20 %
Net cash from (used) investing	(457,418,363)	(37,823,775)	(495,242,138)	-	(495,242,138)	(520,079,495)	(24,837,357)	105.02 %	113.70 %
Net cash from (used) financing	(84,460,268)	-	(84,460,268)	-	(84,460,268)	(77,151,583)	7,308,685	91.35 %	91.35 %
	55,486,367	(1,241,663)	54,244,704	-	54,244,704	252,235,389	197,990,685	465.00 %	454.59 %

Commentary

*Budget adjustments done in terms of section 28 and section 31 of the MFMA.

***Virement in terms of Council Approved Policy, virements must offset each other so that virements in Total Expenditure column equals zero.

All explanations of variances greater than 10% for Final Budget and Actual Amounts are listed and explained in note 66.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

Basis of preparation

These audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

The audited annual financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of issued and effective Standards of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with GRAP 3 as read with Directive 5. Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of the unaudited annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior period unaudited annual financial statements, unless specified otherwise. Details of any changes in the accounting policies are provided in note Changes in accounting policies.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited annual financial statements, is disclosed below:

1. Summary of significant accounting policies

These standards are summarised as follows:

Reference	Description
GRAP Framework	Framework for the preparation and presentation of financial statements
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investment in Associates
GRAP 8	Investment in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures (Revised)
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 32	Service Concession Arrangements: Grantor
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and Non-living Resources



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1. Summary of significant accounting policies (continued)

IFRS 4	Insurance Contracts
IAS 12	Income Taxes
IGRAP 1	Applying The Probability Test On Initial Recognition Of Revenue
IGRAP 2	Changes in Existing Decommissioning Restoration and Similar Liabilities
IGRAP 3	Determining Whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 12	Jointly Controlled Entities – Non-Monetary Contributions
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs
IGRAP 17	Service Concession Arrangements where Grantor Controls Significant Residual Interest
IGRAP 18	Recognition and Derecognition of Land
IGRAP 19	Liabilities to Pay Levies
IGRAP 20	Accounting for Adjustments to Revenue
IGRAP 21	The Effect of Past Decisions on Materiality
IFRIC 12	Service Concession Arrangements
SIC 25	Income Taxes – Changes in the Status of an Enterprise or its Shareholders
SIC 29	Disclosure Service Concession
Directive 1	Deletion of Transitional Provisions in Standards of GRAP
Directive 3	Amended Transitional Provisions for High Capacity Municipalities
Directive 5	GRAP Reporting Framework
Directive 7	The Application of Deemed Cost
Directive 11	Changes in Measurement Bases following Initial Adoption of Standards of GRAP
Guideline	Accounting for Arrangements Undertaken i.t.o the National Housing Programme
Guideline	Accounting for Landfill Sites
Guideline	The Application of Materiality to Financial Statements

The cash flow statement is prepared using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed.

Accounting policies for material transactions, events or conditions not covered by the above GRAP standards have been developed in accordance with GRAP 3. Where required, accounting policies were developed for standards of GRAP that have been issued by the ASB, but for which an effective date have not been determined by the Minister of Finance.

1.1 New standards and interpretations

1.1 Standards, amendments to standards and interpretations effective and adopted in the current year

No new Standards have been adopted, except the revised GRAP 25 that became effective.

Accounting Policies

1.1 New standards and interpretations (continued)

Standards, amendments to standards and interpretations issued, but not yet effective

GRAP 104 on Financial Instruments and effective date for the reporting periods has been set as 1 April 2025. Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the IASB amended its existing Standards to deal with these issues. The IASB issued (IFRS®) Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised IPSAS in June 2018 so as to align them with the equivalent IFRS Standards. The changes mostly relate to financial instrument categories and the calculation of impairment losses. This is expected to have a significant impact on all municipalities. The policy currently states that the changes are not expected to have a significant impact.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

GRAP 1: Going concern the amendments are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The transitional provisions are specified in the revised Standard. The Standard may be used by entities in developing an accounting policy.

All other standards as listed above will only be effective on the date it is announced by the Minister of Finance.

The Accounting Standards Board Directive 5 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board or, International Financial Reporting Standards. Where a standard of GRAP has been issued, but is not in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying the Standards of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Management has considered all of the above-mentioned GRAP standards issued but not effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

1.2 Presentation currency

These audited annual financial statements are presented in South African Rand and are rounded off to the nearest Rand.

1.3 Going concern assumption

These unaudited annual financial statements have been prepared on a going concern basis.

1.4 Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.5 Comparative information

Current year comparatives

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations (MBRR). The amounts are scheduled as a separate additional financial statement, called the Statement of comparison of budget and actual amounts, based on the classifications as contained in the A Schedule, specifically Table A1 – Budget Summary. Actual performance is expressed based the budget classifications as contained in Budget Schedule A, table A1. A reconciliation of the base as presented in the Statement of Financial Performance and Cash Flow Statement is presented in the notes.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.5 Comparative information (continued)

Explanatory comment is provided in the notes to the audited annual financial statements giving motivations for over- or under spending on line items where it is found to be material. In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the audited annual financial statements in determining whether a difference between the budgeted and actual amount is material.

The annual budget figures included in the audited annual financial statements are for the municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 01 July 2023 to 30 June 2024.

Prior year comparatives

The comparative figures of one prior period is disclosed. When the presentation or classification of items in the audited annual financial statements is amended, prior period comparative amounts are restated. The nature and reasons for the reclassification are disclosed.

1.6 Housing development reserve

The Housing development fund was established in terms of the Housing Act (Act No. 107 of 1997).

Housing development fund

Sections 15(5) and 16 of the Housing Act, 1997 (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund.

The Housing Act also requires in terms of section 14(4)(d)(iii)(aa) read with, inter alia, section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the municipality for housing development, development in accordance with the National Housing Policy.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy, and also for housing development projects approved by the National Minister of Human Settlements.
- Any contributions to or from the fund must be shown as transfers in the Statement of changes in net assets.
- Interest earned on the investments backing up this fund must be recorded as part of interest earned in surplus or deficit for the year in the Statement of Financial Performance.

Accounting Policies

1.6 Housing development reserve (continued)

Un-realized housing proceeds

In order to comply with Section 14(4)(d)(i) and (ii) of the Housing Act, (Act 107 of 1997) where all net proceeds need to be paid into the Housing Development Fund, it was necessary to create a holding account which represents the un-realized funds due by long-term housing selling schemes and sponsored loan debtors. This account is reduced when debtors are billed for their payment.

1.7 Internal reserves and revaluation reserve

Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus / (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus / (deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

1.8 Provisions

Provisions are recognised when the municipality has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, where the provision being measured involves a large population of items; the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of financial performance and financial position.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure and post monitoring cost, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of financial performance and financial position.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.9 Property, plant and equipment

Initial recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent measurement – cost model

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property, plant and equipment, excluding land and buildings, are measured at cost, less accumulated depreciation and accumulated impairment losses.

Subsequent measurement – revaluation model

Subsequent to initial recognition, land and buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent values every four years to coincide with the implementation of the general valuation such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.9 Property, plant and equipment (continued)

When revalued assets are sold or retired, the amounts included in the revaluation reserve in respect of that assets, are transferred to accumulated surplus or deficit.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight- line method, to allocate their cost or revalued amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the municipality. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation rates are based on the following estimated useful lives:

Asset class	Useful lives as applied in the Asset Register (years)
Infrastructure	
• Roads	5 - 100
• Stormwater	5 - 100
• Electricity	5 - 75
• Water	5 - 100
• Sewerage	5 - 100
• Solid Waste	5 - 100
Buildings	
• Buildings	30 - 50
• Recreational and sports facilities	5 - 100
• Resorts	5 - 100
• Housing assets	30 - 50
Other Structures and facilities	
• Parks, gardens and cemeteries	5 - 100
• Parking structures	30 - 50
• Other structures	5 - 50
• Communication assets	30 - 50
• Leasehold improvements	30 - 50
• Containerized structures	5 - 50
Moveable assets	
• Transport assets	5 - 20
• Computer equipment	3 - 10
• Furniture and office equipment	3 - 10
• Machinery and equipment	5 - 10
• Other movable assets	3 - 10

The useful lives, residual values and depreciation method are reviewed annually at the end of the financial year where there is any indication that the municipality's expectations about the residual amount and the useful life of an asset has changed since the preceding reporting date. Any adjustments arising from the annual review are applied prospectively.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.9 Property, plant and equipment (continued)

Historical reviews have impacted the lives of the assets. The following table indicates the impact on the actual lives of the assets as a result of historical reviews and adjustments made:

Asset class	Useful lives as applied in the Asset Register (years)
Infrastructure	
• Roads	5 - 100
• Stormwater	5 - 100
• Electricity	5 - 80
• Water	5 - 140
• Sewerage	5 - 120
• Solid Waste	5 - 100
Buildings	
• Buildings	1 - 60
• Recreational and sports facilities	1 - 100
• Resorts	1 - 100
• Housing assets	1 - 60
Other Structures and facilities	
• Parks, gardens and cemeteries	1 - 100
• Parking structures	30 - 50
• Other structures	3 - 50
• Communication assets	30 - 50
• Leasehold improvements	30 - 50
• Containerized structures	5 - 50
Moveable assets	
• Transport assets	5 - 35
• Computer equipment	1 - 30
• Furniture and office equipment	1 - 35
• Machinery and equipment	1 - 35
• Other movable assets	1 - 50

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease.

De-recognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

Gains or losses are calculated as the difference between the carrying values of assets (Cost less accumulated depreciation and accumulated impairment losses) and the disposal proceeds is included in the Statement of financial performance and financial position as a gain or loss on disposal of property, plant and equipment.

1.10 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

Accounting Policies

1.10 Intangible assets (continued)

Initial recognition and measurement

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and if the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. The cost of an intangible assets is the purchase price and other costs attributable to bring the intangible assets to the location and condition necessary for it to be capable of operating in the manner intended by the municipality, or where an intangible assets is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Subsequent measurement

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets, which is estimated to be between 3 to 10 years upon initial recognition. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are annually tested for impairment and the estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible assets is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of financial performance and financial position.

1.11 Investment property

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Investment property also includes land held for an undetermined future use.

Accounting Policies

1.11 Investment property (continued)

Initial recognition

Investment property shall be recognised as an asset when, and only when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and the cost or fair value of the investment property can be measured reliably.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as investment properties;
- Land held for a currently undetermined future use;
- A building owned (or held by under a finance lease) and leased out under one or more operating leases;
- Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held;
- A building that is vacant but is held to be leased out under one or more operating leases;
- Property that is being constructed or developed for future use as investment property.

Subsequent measurement – fair value model

Investment property is subsequently measured using the fair value model. Investment property is carried at fair value, representing open market value determined by external valuer on reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value to be reliably measurable when construction is completed, it measures that investment property at cost until the fair value can be reliably determined or construction has been completed.

Where the municipality has determined that the fair value of an investment property (other than investment property under construction) is not determinable on a continuing basis, the municipality measures that investment property using the cost model.

Derecognition/Disposal

Investment properties are derecognised (eliminated from the Statement of Financial Position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of financial performance and financial position.

1.12 Heritage assets

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

The municipality classifies assets as heritage assets where the significance as a heritage asset can be determined. In regards to land and buildings all graded sites are classified heritage assets. Furthermore, land with a natural significance is not componentised but seen as a single heritage asset due to all parts contributing together to make up its significance.

GRAP 103 requires that land and buildings that qualify as heritage asset, but of which a significant portion of that land and buildings is held for use in the production or supply of goods or services or for administrative purposes, should be recognised as property, plant and equipment, rather than heritage asset.

Accounting Policies

1.12 Heritage assets (continued)

Initial recognition and measurement

The cost of an item of heritage assets is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of heritage assets acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent measurement

Subsequent expenditure relating to heritage assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in the Statement of Financial Performance to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in the Statement of Financial Performance.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the Statement of Financial Performance. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Subsequently all heritage assets (excluding heritage assets which are land and buildings) are measured at cost less accumulated impairment losses. Heritage assets are not depreciated.

Subsequent to initial recognition, land and buildings which qualify as heritage assets are carried at a revalued amount based on municipal valuations less subsequent accumulated impairment losses. Revaluations are performed by external independent valuers every four years to coincide with the implementation of the general valuation such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

De-recognition of heritage assets

The carrying amount of an item of heritage assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of heritage assets.

1.13 Inventory

Inventory consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the first in first out basis, and net realisable value, except for items which are valued at the tariffs charged. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Accounting Policies

1.13 Inventory (continued)

Cost of inventory comprises all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Inventories shall be recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the entity; and the cost of the inventories can be measured reliably. Inventories that qualify for recognition as assets shall initially be measured at cost. Where inventories are acquired through a non-exchange transaction, their cost shall be measured at their fair value as at the date of acquisition.

Redundant and slow-moving inventory are identified and written down to their estimated net realisable values estimated by management. Inventories are written down according to their age, condition and utility. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of financial performance and financial position in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory were sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

Water inventory

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, and is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at Statement of Financial Position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates.

Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

Land inventory for BNG housing projects

The Accounting Standards Board issued the guideline on Accounting for Arrangements Undertaken in terms of the National Housing Programme.

In terms of the guideline, land currently controlled by the municipality and recognised as either property, plant and equipment or investment property, that has been designated for the purposes of a BNG housing development - in terms of Council's approved housing pipeline projects - meets the definition of inventory and requires reclassification to inventory.

The municipality only reclassifies the portion of land that it would not control after entering into an arrangement with the provincial Department of Human Settlements, to inventory.

Once the township development is completed, revisions that may need to be made to the values of the land initially reclassified as inventory is treated as a change in accounting estimate in terms of GRAP 3.

The carrying amount of the land up until the date of reclassification, as determined in accordance with the accounting policy of property, plant and equipment or investment property, is the cost amount on the date of reclassification.

Land inventory is derecognised once an agreement has been entered into with the provincial Department of Human Settlement, that passed control to the department.

Accounting Policies

1.14 Living and non-living resources

Living resources are those resources that undergo biological transformation, whilst non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Non-living resources, other than land, are not be recognised as assets.

A living resource is regarded as an asset when the municipality controls the right or access to future economic benefits or service potential of the resource. This is done by considering whether the following indicators that conclude that control, exists:

- The intervention by a municipality in the management of the physical condition of the living resource.
- The ability to restrict the movement of living resource.
- The ability to direct the use of the living resource.

The municipality is in terms of its mandate responsible for management and/or conservation of the environment as a whole, inclusive of natural resources such as plants and trees within parks and recreational facilities, but it does not manage the physical condition of each individual plant within that environment. As a result, the municipality concludes that it does not control these trees and plants as living resources, and does not regard them as separate assets.

1.15 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

Impairment of cash-generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the individual asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment of assets carried at revalued amount reduces the revaluation surplus for that asset. The decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

Accounting Policies

1.15 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets (continued)

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

Impairment of non-cash-generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.16 Employee benefits

The municipality provides short term benefits, long term benefits and retirement benefits for its employees and councillors.

Short-term employee benefits

Remuneration to employees is recognised in the Statement of financial performance and financial position as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service.

Post-employment benefits: Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of financial performance and financial position in the period in which the service is rendered by the relevant employees.

Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out by independent qualified actuaries regularly, as may be required for fair presentation.

Actuarial gains or losses recognised immediately in the Statement of financial performance and financial position.

Post-retirement health care benefits

The municipality has an obligation to provide post-retirement health care benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Past-service costs are recognised immediately, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Ex-gratia pension benefits

The municipality provides pension and retirement gratuity benefits to certain employees who were in the employment of the former Paarl, Wellington, Gouda and Saron Municipalities (now incorporated into the Drakenstein Municipality) at 31 December 1994 (Paarl) and 31 March 1995 (Wellington) and still in the employment of Drakenstein Municipality at date of normal retirement, medical disability, retrenchment or death. The gratuity is calculated on the salary benefits during 1994/1995.

The Municipality's obligation under these plans is valued by independent qualified actuaries, and the corresponding liability is raised.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries

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Accounting Policies

1.16 Employee benefits (continued)

Long-service allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of financial performance and financial position.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

National- and provincially administered defined benefit plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued every 3 years on the projected unit credit method basis.

Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

The municipality does not apply defined benefit accounting to the defined benefit funds to which it is a member where these funds are classified in terms of the Standard of GRAP 25 on Employee Benefits as multiemployer plans, as sufficient information is not available to apply the principals involved. As a result, this standard of GRAP is applied and such funds are accounted for as defined contribution funds.

Salaried personnel are members of the Cape Joint Pension fund established in terms of the Local Authorities Pension Fund Ordinance, 1969 (Ordinance 23 of 1969), and the provisions of the Pension Fund Act, 1956 (Act 24 of 1956) or the SAMWU National Provident Fund, SALA pension fund, Consolidated retirement fund, Municipal Councillors' pension fund, National fund for municipal workers.

Leave pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position. Rand value is used to determine the leave pay, such as the remuneration package of the employee. Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.

Provision for bonus

The municipality recognises the expected cost of bonuses as a provision only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made at reporting date.

The performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.17 Leases

Lease classification

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Accounting Policies

1.17 Leases (continued)

Municipality as lessee

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on the straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Municipality as lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

1.18 Borrowing costs

Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis. Borrowings are initially recognised at fair value, net of transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

Borrowing costs are recognised as an expense in the Statement of financial performance and financial position in the period in which they are incurred.

1.19 Financial instruments

The municipality has various types of financial instruments and these can be broadly categorised as either financial assets or financial liabilities.

A financial instrument is recognised if the municipality becomes a party to the contractual provisions of the instrument.

1.19.1 Classification of financial instruments

Financial assets

A financial asset is any asset that is a cash or contractual right to receive cash. In accordance with GRAP 104 the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

Financial asset at amortised cost being a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Financial assets measured at fair value being financial assets that meet either of the following conditions:

- Derivatives;
- Combined instruments that are designated at fair value;
- Instruments held for trading;
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or

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Accounting Policies

1.19 Financial instruments (continued)

- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial assets measured at cost being investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of financial asset

Finance lease receivables
Non-current receivables from exchange transactions
Current portion of non-current receivables
Receivables from exchange transactions
Receivables from non-exchange transactions
Short-term investments
Cash and cash equivalents
Investments in stock

Classification in terms of GRAP 104

Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at amortised cost
Financial assets at fair value

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets at amortised cost.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

The following main categories of financial liabilities and the classification determining how they are measured exist:

- Financial liabilities measured at amortised cost; or
- Financial liabilities measured at fair value.

The municipality has the following types of financial liabilities as reflected on the face of the Cash flow or in the notes thereto:

Type of financial liability

Long-term borrowings
Current portion of long-term borrowings
Payables from Exchange Transactions
Bank overdraft
Consumer Deposits

Classification in terms of GRAP 104

Financial liability at amortised cost
Financial liability at amortised cost
Financial liability at amortised cost
Financial liability at amortised cost
Financial liability at amortised cost

Financial liabilities that are measured at fair value that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial liabilities where there is recent actual evidence of short-term profiteering or are derivatives).

Any other financial liabilities should be classified as financial liabilities at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Drakenstein Municipality

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Accounting Policies

1.19 Financial instruments (continued)

1.19.2 Initial and subsequent measurement

Initial recognition and measurement

Financial assets:

Financial assets at amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial assets. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an effective yield basis.

Trade and other receivables (excluding Value Added Taxation, prepayments and operating lease receivables), loans to municipal entities and loans that have fixed and determinable payments that are not quoted in an active market are classified as financial assets at amortised cost.

Financial assets measured at fair value are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the Statement of Financial Performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the Statement of Financial Performance.

Financial liabilities:

Financial liabilities measured at fair value are stated at fair value, with any resulted gain or loss recognised in the Statement of financial performance and financial position.

Any other financial liabilities classified at amortised cost (All payables, loans and borrowings are classified as other liabilities) and are initially measured at fair value, net of transaction costs. Trade and other payables, interest-bearing debt including finance lease liabilities, non-interest bearing debt and bank borrowings are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in the Statement of financial performance and financial position by applying the effective interest rate.

Bank borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

1.19.3 Impairment of financial assets

Financial assets, other than those measured at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

Trade receivables encompass long term debtors, consumer debtors and other debtors. A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

According to GRAP 104, the assessment for impairment needs to be made for each individual financial asset separately or for groups of financial assets with similar credit risks. The following methodology was followed to make a provision for bad debts for the year under review:

Consumer debtors

Consumer debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

Accounting Policies

1.19 Financial instruments (continued)

Other debtors

Other debtors are reviewed individually considering payment histories and disputes about certain amounts. Provision for impairment is made accordingly.

Long-term debtors

Housing loans

The loans in this group are assessed by reviewing their payment histories and ratios. Provision for impairment is made accordingly.

Other long-term loans

No provision for impairment is made for Other long-term loans, because it is envisaged that these debts will be fully recovered.

Other financial assets at amortised cost are assessed individually for impairment.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off directly through the Statement of Financial Performance. Subsequent recoveries of amounts previously written off are recognised in the Statement of Financial Performance. Changes in the carrying amount of the allowance account are recognised in the Statement of financial performance and financial position.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of financial performance and financial position to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.19.4 Derecognition

Financial assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial assets, the municipality continues to recognise the financial assets and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.20 Statutory receivables

1.20.1 Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The municipality has the following major categories under the ambit of statutory receivables:

- VAT receivables
- Rates debtors
- Traffic fine debtors
- Availability charges debtors:

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Accounting Policies

1.20 Statutory receivables (continued)

- Electricity;
- Water;
- Waste; and
- Waste water.

1.20.2 Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

1.20.3 Measurement

The municipality initially measures statutory receivables at their transaction amount.

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

1.20.4 Impairment of statutory receivables

Statutory receivables, other than those measured at fair value, are assessed for indicators of impairment at the end of each reporting period. Statutory receivables are impaired where there is objective evidence of impairment of Statutory receivables (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 108.

A provision for impairment of receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

According to GRAP 108, the assessment for impairment needs to be made for each individual financial asset separately or for groups of statutory receivables with similar credit risks. The following methodology was followed to make a provision for bad debts for the year under review:

Rate debtors and availability charge debtors

Rates debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

Traffic fine debtors

Traffic fine debtors are reviewed collectively considering payment histories and disputes about certain amounts. Provision for impairment is made accordingly.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of financial performance and financial position to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Drakenstein Municipality

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Accounting Policies

1.20 Statutory receivables (continued)

1.20.5 De-recognition of statutory receivables

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers control of the statutory receivable and substantially all the risks and rewards of ownership of the asset to another entity; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.21 Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Recognition and measurement

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.21 Revenue (continued)

1.21.1 Revenue from exchange transactions

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers. Basic fees are calculated per the size of connection.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

Pre-paid electricity

Revenue from the sale of pre-paid electricity are recognised at the point of sale. Revenue from the sale of prepaid electricity are recognised based on an estimate of the pre-paid electricity consumed as at the reporting date.

Interest earned and rentals received

Interest and rentals are recognised on a time proportion basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Traffic charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licenses and permits.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.21 Revenue (continued)

Housing rental and instalments

Finance income from the sale of housing by way of instalment sale agreements or finance leases is recognised on a time proportion basis.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.21.2 Revenue from non-exchange transactions

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

Donations and contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met.

Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Assets acquired in non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.21 Revenue (continued)

Government grants and receipts

- Unconditional grants

Equitable share allocations are recognised in revenue upon receipt of funds during financial year.

- Conditional grants and receipts

Conditional grants recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

- Interest earned on unspent grants and receipts

Interest earned on unspent grants and receipts is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance and Financial Position in accordance with GRAP 9.

Services received in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue.

Availability fees

Revenue arising from legislation is recognised in accordance with the approved tariffs.

1.22 Accounting by principal and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.22 Accounting by principal and agents (continued)

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.23 Housing arrangements

The ASB issued the guideline on Accounting for Arrangements Undertaken in terms of the National Housing Programme.

Top structures

Where the municipality acts as a project manager in a housing arrangement, it is regarded as an agent in terms of the principles of GRAP 109 - Accounting by Principals and Agents.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.23 Housing arrangements (continued)

Where the municipality is regarded as an agent, costs related to the construction of top structures and the related recovery thereof (revenue) is not be recognised in the Statement of financial performance and financial position of the municipality.

Where the municipality is identified as a project developer, the construction of the houses is performed by the municipality or by the appointment of a sub-contractor to undertake the construction on the municipality's behalf. The municipality applies the GRAP 11, Construction Contracts to account for these construction activities.

Where the municipality is regarded as the project developer and if the outcome of the construction contract can be estimated reliably, then contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract revenue will be in the form of a grant from the Department of Human settlements and presented and disclosed under transfers and subsidies in the Statement of financial performance and financial position.

Contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Other transactions related to housing arrangements:

Other transactions may also arise from the Housing Arrangements and fall within the ambit of GRAP 11: Construction Contracts, others with GRAP 9: Revenue from Exchange Transactions, GRAP 23: Revenue from Non-exchange Transactions and GRAP 109: Principal Agent Arrangements.

- Income from grants pertaining to the planning and construction of civil services of a project is considered to be grants and subsidies in terms of GRAP 23: Revenue from Non-exchange transactions.
- Receipts directly attributable to the administration of beneficiaries are accounted for under Operational Revenue as Housing services rendered in terms of GRAP 9: Revenue from Exchange Transactions.
- Receipts that are received to register the title deed in the name of the beneficiary are regarded as receipts and payments on behalf of the beneficiaries in terms of GRAP 109: Principal Agent Arrangements, and as such the municipality is regarded as an agent.

1.24 Value Added Tax

The municipality is registered with the South African Revenue Service (SARS) for Value Added Tax (VAT) on the payments basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

1.25 Grants-in-aid

The municipality transfers money to individuals, organizations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the audited annual financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.26 Unauthorised expenditure

Section 1 of the MFMA, defines Unauthorised expenditure as follows:

- Overspending of the total amount appropriated in the municipality's approved budget;
- Overspending of the total amount appropriated for a vote in the approved budget;
- Expenditure from a vote unrelated to the department or functional area covered by the vote;
- Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- Spending of an allocation referred to in the above paragraphs of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- A grant by the municipality otherwise than in accordance with this Act.

Section 1 of the MFMA also defines a Vote as:

Accounting Policies

1.26 Unauthorised expenditure (continued)

- One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The municipality uses the Municipal Standard Chart of Accounts (mSCOA) Functions and Sub-functions, previously the Government Finance Statistics (GFS) functions, as well as departments as the main groupings of segments of the municipality's budget segments within the municipality are grouped per department to facilitate greater accountability and budget implementation by the respective Executive Directors as well as per mSCOA classification to facilitate comparisons on a higher level.

All expenditure relating to unauthorised expenditure is recognised as an expense in the Statement of financial performance and financial position in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance and financial position. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular Expenditure is accounted for as an expense in the Statement of financial performance in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

1.28 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of financial performance and financial position in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance and financial position. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

1.29 Foreign currencies

Transactions in foreign currencies are translated to the functional currency of the municipality at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gains or loss on monetary items is the difference between amortised cost or fair value in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in surplus or deficit.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Cash flows arising from transactions in a foreign currency are recorded in Rand's by applying, to the foreign currency amount, the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.30 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Accounting Policies

1.30 Change in accounting policies, estimates and errors (continued)

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the audited annual financial statements where applicable.

1.31 Related parties and related party transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Close members of the family of an individual are those family members who may be expected to influence or be influenced by that individual in their dealings with the municipality. An individual is considered to be a close member of the family of another individual if they are married or live together in a relationship similar to a marriage; or if they are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration.

In the case of permanent employees acting in management positions, only the remuneration received additionally for acting in that position is disclosed.

Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the municipality.

The municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.32 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the audited annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the audited annual financial statements.

1.33 Contingent assets and contingent liabilities

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the municipality.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.34 Segmental reporting

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

The reportable segments identified are those functional segments reported in the Government Finance Statistics (GFS's) format and the Municipal Vote (Departmental) format per the Monthly Section 71 Management Reports. The information that will be reported is aligned to the monthly section 71 reports which are reviewed by the executive management. The Government Finance Statistics (GFS's) format allows for universal comparability of segments. The main factors considered in selecting the segments were the level of comparability with other preparers and a level of aggregation that does not detract from presenting the separate revenue or service delivery components.

The Municipality uses the Municipal Vote (Departmental) as Primary and the GFS as Secondary segment reporting levels.

The report will not be aggregated.

The municipality manages its assets and liability as a whole. Only capital expenditure is reviewed based on the location. All other asset and liability management techniques are focused on the asset base as a whole rather than the asset and liability management for a specific area. Service delivery staff are organised in such a manner that service delivery takes place timeously in each town, but it's not a strategic principle to organise assets and liabilities in such a manner that each town is its own small economic/service delivery unit that can operate separately from the rest of the organisation. Segment reporting per geographic area is therefore not deemed relevant.

The assets and liabilities are not reviewed at all on a segregated basis.

The reporting measurement basis for the management reports is the same as that of the annual financial statements.

1.35 Capital commitments

Capital commitments disclosed in the financial statements represent the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.36 Consumer deposits

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with the council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.37 Unspent conditional grants and receipts

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies, and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue is driven by legislation.

Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered a financial instrument

The liability must always be cash-backed.

Unspent conditional grants are recognised as a liability when the grant is received.

When grant conditions are met an amount equal to the conditions met is transferred to revenue in the Statement of Financial Performance.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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2. Key judgements and sources of estimation uncertainty

In the application of the municipality's accounting policies, which are described above, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.1. Judgements

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the audited annual financial statements:

Materiality

Materiality is judged by reference to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence the decisions that users make on the basis of these audited annual financial statements.

In preparation of the audited annual financial statements materiality has been considered in:

- Deciding what to report in the audited annual financial statements and how to present it.
- Assessing the effect of omissions, misstatements and errors on the audited annual financial statements

In assessing whether an item, transaction or event is material, specific thresholds for specific items, transactions and events, or aggregations thereof has been developed. These thresholds are used to make decisions about the reporting of information (i.e. how to recognise, measure, present and disclose items, transactions and events), and used as a margin of error or framework within which to assess misstatements and errors.

	2024	
	Base Rand	Level of materiality Rand
Classes of transactions		
Revenue	3,548,851,827	17,744,259
Capital and Operational Expenditure	3,625,773,197	18,128,866
Total Assets	7,575,688,217	37,878,441
Equity (Net Assets)	5,061,803,956	25,309,020

Based on professional judgement the quantitative value of materiality for the 2024 financial year is set at R17.7 million.

The municipality has also considered whether certain transactions or balances may be qualitatively material based on the inherent characteristics thereof, even though the transaction or balance is quantitatively immaterial, if:

- The item, transaction or event relates to legal or regulatory requirements.
- Related party transactions.
- The regularity or frequency with which an item, transaction or event occurs.
- The item, transaction or event results in the reversal of a trend.
- The item, transaction or event is likely to result in a change in accounting policy.
- The commencement of a new function, or the reduction or cessation of an existing function.
- The degree of estimation or judgement that is needed to determine the value of an item, transaction or event.
- An item, transaction or event that affects the going concern assumption of the municipality.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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2. Key judgements and sources of estimation uncertainty (continued)

Lease classification – Municipality as lessor

The municipality has entered into commercial property leases on its investment property portfolio. The municipality has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

Lease classification – Municipality as lessee

The municipality has entered into a number of leases for office equipment. In determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the municipality.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. The municipality has exercised its judgement on the appropriate classification of equipment leases, and has determined a number of lease arrangements are finance leases.

Classification of property as held for strategic purposes

The municipality classifies vacant land that is earmarked for future development in terms of the municipality's Spatial Development Framework, as property, plant and equipment, rather than investment property.

Criteria for the classification of properties as investment property rather than property, plant and equipment, when classification is difficult

All properties held to earn market-related rentals or for capital appreciation or both and that are not for administrative purposes and that will not be sold in the ordinary course of operations are classified as investment property.

Land held for currently undetermined future use

Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment property. The rental revenue generated is incidental to the purposes for which the property is held.

Componentisation of infrastructure assets

All infrastructure assets, acquired before the adoption of GRAP where the acquisition cost could not be obtained, with significant components relating to different useful lives are unbundled into their components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market replacement cost of each component, depreciated for age and condition and recalculated to deemed cost at the acquisition date if known or to the date of initially adopting the standards of GRAP. All infrastructure assets acquired after the adoption of GRAP with significant components relating to different useful lives are unbundled into their components based on the actual expenditure incurred.

Determination of repairs and maintenance cost

Repairs and maintenance is based on management's own judgement of costs incurred in cost centres responsible for the maintenance and repair of municipality owned assets.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

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2. Key judgements and sources of estimation uncertainty (continued)

2.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Classification of financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. The Accounting Policy on Financial Instruments describes the factors and criteria considered by the management of the municipality in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial Instruments.

Impairment of receivables

The Accounting Policy on Financial Instruments describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considers the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that the impairment of financial assets recorded during the year is appropriate.

The calculation in respect of the impairment of service debtors (receivables from exchange and non-exchange transactions) is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

The calculation in respect of the impairment of fine receivables (receivables from non-exchange transactions) is based on an assessment of the past payment history of fines per category.

Valuation of financial assets at fair value

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Assessment of control over land

Land is regarded under control of the municipality, where it holds legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land (substantive rights).

Land for which the municipality holds legal title, but is not recognised as under its control, include properties under the house selling schemes, or where a transfer/sales agreement has been entered into with a prospective buyer/transferee, that obtains the right control by means of a binding agreement, if specified that by that agreement that the right transfers before legal title transfers.

Land for which the municipality does not hold legal title or have custodian of land appointed in terms of legislation, but which is recognised as under the control of the municipality, are in instances where the municipality has existing infrastructure such as substations or waste water treatment works or permanent facilities, such as office buildings and community facilities, that it receives the sole economic and service potential from.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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2. Key judgements and sources of estimation uncertainty (continued)

Review of useful lives of property, plant and equipment and intangible assets

The useful lives of assets are based on management's estimation. Management considers whether there is any indication that expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. These include changes in the composition, condition and nature of the asset, its susceptibility and adaptability to changes in technology and processes, the nature of the processes and environment in which the asset is deployed availability of funding to replace the asset and changes in the market in relation to the asset, as well as planned repairs and maintenance including refurbishments.

Valuation of land and buildings and fair value estimations of investment property

Land and buildings were valued and the fair value of investment property determined, by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Impairment of property, plant and equipment, intangible assets, heritage assets and inventory

The Accounting Policies on impairment of cash and non-cash generating assets as well as inventory describes the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to the impairment of property, plant and equipment, intangible assets and heritage assets and the write down of Inventories to the lowest of Cost and Net Realisable Values (NRV).

In making the above-mentioned estimates and judgement, management considers the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of non-cash generating Assets and GRAP 26: Impairment of cash generating assets.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Assumptions were used in determining the provision for rehabilitation of landfill sites. Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers. The estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money. The increase in the rehabilitation provision due to passage of time is recognised as finance cost in the Statement of financial performance and financial position.

Revenue recognition

The Accounting Policies on Revenue from Exchange Transactions and Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality. In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-exchange Transactions.

In particular, in regard to revenue from exchange revenue - when goods are sold, whether the management had transferred to the buyer the significant risks and rewards of ownership of the goods; and, when services is rendered, whether the service has been rendered.

Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. In regard to revenue from non-exchange transactions - significant estimations were made to the initial recognition and measurement of revenue on fines, on the estimated reductions on initial recognition and measurement. Based on past experience, of the amount of revenue the municipality is entitled to collect was calculated as 2.95% of the value of the fines issued, whereas it was estimated that 83.43% of the value of the fines issued were impaired. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Budget information

Management assumes deviations between budget and actual amounts to be material when a deviation of more than 10% exists. All material differences are explained in the notes to the audited annual financial statements.



Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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2. Key judgements and sources of estimation uncertainty (continued)

Management also calculates and supplies some estimates to the calculation of:

- Water inventory;
- Bonus provision accrual;
- Performance bonus accrual;
- Staff leave accrual; and
- Prepaid electricity accrual.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

3.1 Summary

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1,082,809,843	(73,689)	1,082,736,154	1,085,110,891	(73,689)	1,085,037,202
Buildings	1,163,764,738	(208,559,930)	955,204,808	1,148,589,232	(139,579,694)	1,009,009,538
Other Structures and Facilities	51,319,213	(15,784,651)	35,534,562	49,870,143	(12,872,684)	36,997,459
Electrical Infrastructure	2,587,464,362	(1,370,096,374)	1,217,367,988	2,514,691,906	(1,333,632,649)	1,181,059,257
Water Supply Infrastructure	1,732,492,649	(716,419,938)	1,016,072,711	1,702,064,296	(684,181,318)	1,017,882,978
Solid Waste Infrastructure	185,053,536	(115,211,316)	69,842,220	197,558,813	(108,317,356)	89,241,457
Sanitation Infrastructure	2,014,515,537	(646,547,250)	1,367,968,287	1,741,519,738	(607,956,663)	1,133,563,075
Roads Infrastructure	1,570,217,332	(913,823,392)	656,393,940	1,537,435,725	(877,130,889)	660,304,836
Storm water Infrastructure	269,336,202	(128,742,861)	140,593,341	256,048,147	(125,184,338)	130,863,809
Transport Assets	232,476,905	(106,518,814)	125,958,091	213,500,986	(99,942,274)	113,558,712
Machinery and Equipment	48,720,370	(37,135,097)	11,585,273	44,257,706	(34,754,541)	9,503,165
Furniture and Office Equipment	53,985,849	(43,228,658)	10,757,191	51,462,827	(39,816,994)	11,645,833
Computer Equipment	58,073,011	(40,577,609)	17,495,402	52,953,988	(35,023,153)	17,930,835
Other Movable Assets	34,054,018	(19,052,861)	15,001,157	29,756,438	(16,884,212)	12,872,226
Capital Spares	20,088,057	-	20,088,057	12,410,317	-	12,410,317
Total	11,104,371,622	(4,361,772,440)	6,742,599,182	10,637,231,153	(4,115,350,454)	6,521,880,699

Included in the carrying value for land is an amount of R2,945,685 (2023: R2,945,685) for land assets where the municipality is not the legal owner or the appointed custodian in terms of legislation, but the land to be under the control of the municipality in terms of IGRAP 18. Please refer to note 2 for key judgements and assumptions made regarding control of land.

The prior year comparatives have been restated, please refer to note 48 for more detailed information



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Included in the above are the following work-in-progress projects:

	2024		2023	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Buildings	34,864,590	34,864,590	32,055,377	32,055,377
Other Structures and Facilities	1,554,679	1,554,679	7,618,322	7,618,322
Electrical Infrastructure	163,913,190	163,913,190	124,422,402	124,422,402
Water Supply Infrastructure	46,434,861	46,434,861	43,799,705	43,799,705
Solid Waste Infrastructure	5,387,943	5,387,943	3,207,078	3,207,078
Sanitation Infrastructure	281,142,085	281,142,085	27,686,228	27,686,228
Roads Infrastructure	14,494,794	14,494,794	6,563,626	6,563,626
Storm water Infrastructure	5,899,245	5,899,245	-	-
Machinery and Equipment	75,900	75,900	75,900	75,900
Total	553,767,287	553,767,287	245,428,638	245,428,638



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – 2024

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Other changes, movements	Depreciation	Impairment loss/ reversal	Total
Land	1,085,037,202	7,000	(2,308,047)	-	-	-	-	-	1,082,736,155
Buildings	1,009,009,538	16,200,506	(376,677)	-	-	-	(69,628,559)	-	955,204,808
Other Structures and Facilities	36,997,459	1,449,070	-	-	-	-	(2,911,967)	-	35,534,562
Electrical Infrastructure	1,181,059,257	85,042,284	(4,988,525)	-	-	148,898	(43,893,926)	-	1,217,367,988
Water Supply Infrastructure	1,017,882,978	42,933,974	(374,419)	-	-	(10,865,859)	(33,503,963)	-	1,016,072,711
Solid Waste Infrastructure	89,241,457	2,999,000	-	50,834	(15,555,111)	-	(6,893,960)	-	69,842,220
Sanitation Infrastructure	1,133,563,075	272,434,261	(165,342)	-	-	942,675	(38,806,382)	-	1,367,968,287
Roads Infrastructure	660,304,836	26,652,640	(1,104,486)	-	-	7,677,733	(37,136,783)	-	656,393,940
Storm water Infrastructure	130,863,809	11,626,855	(67,655)	-	-	2,096,553	(3,926,221)	-	140,593,341
Transport Assets	113,558,711	19,935,228	(304,265)	-	-	-	(6,631,296)	(600,287)	125,958,091
Machinery and Equipment	9,503,165	4,518,010	(10,903)	-	-	-	(2,424,999)	-	11,585,273
Furniture and Office Equipment	11,645,833	2,589,624	(22,100)	-	-	-	(3,456,166)	-	10,757,191
Computer Equipment	17,930,835	5,225,692	(33,087)	-	-	-	(5,628,038)	-	17,495,402
Other Movable Assets	12,872,226	4,297,580	-	-	-	-	(2,168,649)	-	15,001,157
Capital Spares	12,410,317	-	-	-	-	7,677,739	-	-	20,088,056
Total	6,521,880,698	495,911,724	(9,755,506)	50,834	(15,555,111)	7,677,739	(257,010,909)	(600,287)	6,742,599,182

The remaining useful lives of assets were reviewed and adjusted where necessary during 2024. This was treated as a change in accounting estimate. All changes in accounting estimates are applied prospectively and accordingly no prior year adjustments were made due to the review of remaining useful lives of assets.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Included in the above are the following work-in-progress projects:

	Opening balance	Additions	WIP converted to capital	Total
Buildings	32,055,377	6,132,599	(3,323,386)	34,864,590
Other Structures and Facilities	7,618,322	401,157	(6,464,800)	1,554,679
Electrical Infrastructure	124,422,402	47,096,360	(7,605,572)	163,913,190
Water Supply Infrastructure	43,799,705	19,115,160	(16,480,004)	46,434,861
Solid Waste Infrastructure	3,207,078	2,999,000	(818,135)	5,387,943
Sanitation Infrastructure	27,686,228	257,604,762	(4,148,905)	281,142,085
Roads Infrastructure	6,563,626	8,004,537	(73,369)	14,494,794
Storm water Infrastructure	-	5,899,245	-	5,899,245
Machinery and Equipment	75,900	-	-	75,900
Total	245,428,638	347,252,820	(38,914,171)	553,767,287

Reconciliation of property, plant and equipment – 2023



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Revaluations	Other changes, movements	Depreciation	Impairment loss/ reversal	Total
Land	1,114,230,941	792,000	(13,320,833)	-	(16,703,706)	38,800	-	-	-	1,085,037,202
Buildings	1,072,867,990	9,386,338	(223,573)	-	(3,486,270)	-	-	(69,534,947)	-	1,009,009,538
Other Structures and Facilities	38,103,396	1,677,902	(290,365)	-	-	-	-	(2,493,474)	-	36,997,459
Electrical Infrastructure	1,148,194,988	81,786,129	(2,177,669)	-	-	-	-	(46,744,191)	-	1,181,059,257
Water Supply Infrastructure	1,021,429,748	29,784,790	(184,945)	-	-	-	-	(33,146,615)	-	1,017,882,978
Solid Waste Infrastructure	70,505,241	1,230,395	-	23,154,176	(1,367,754)	-	-	(4,280,601)	-	89,241,457
Sanitation Infrastructure	1,140,956,043	31,940,223	(413,428)	-	-	-	-	(38,919,763)	-	1,133,563,075
Roads Infrastructure	678,808,691	18,602,267	(161,199)	-	-	-	-	(36,944,923)	-	660,304,836
Storm water Infrastructure	125,656,880	9,187,454	(22,998)	-	-	-	-	(3,957,527)	-	130,863,809
Transport Assets	103,927,320	15,274,228	-	-	-	-	-	(5,632,764)	(10,073)	113,558,711
Machinery and Equipment	8,330,758	3,697,643	(16,923)	-	-	-	-	(2,303,868)	(204,445)	9,503,165
Furniture and Office Equipment	12,220,942	2,762,101	(81)	-	-	-	-	(3,337,129)	-	11,645,833
Computer Equipment	12,402,866	10,594,067	(7,693)	-	-	-	-	(5,058,405)	-	17,930,835
Other Movable Assets	12,055,678	2,634,661	-	-	-	-	-	(1,818,113)	-	12,872,226
Capital Spares	14,747,326	-	-	-	-	-	(2,337,008)	-	-	12,410,318
Total	6,574,438,808	219,350,198	(16,819,707)	23,154,176	(21,557,730)	38,800	(2,337,008)	(254,172,320)	(214,518)	6,521,880,699

The remaining useful lives of assets were reviewed and adjusted where necessary during 2023. This was treated as a change in accounting estimate. All changes in accounting estimates are applied prospectively and accordingly no prior year adjustments were made due to the review of remaining useful lives of assets.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Included in the above are the following work-in-progress projects:

	Opening balance	Additions	WIP converted to capital	Total
Buildings	33,009,861	4,095,505	(5,049,989)	32,055,377
Other Structures and Facilities	6,264,221	1,599,181	(245,080)	7,618,322
Electrical Infrastructure	91,136,966	45,572,565	(12,287,129)	124,422,402
Water Supply Infrastructure	35,335,412	10,829,589	(2,365,296)	43,799,705
Solid Waste Infrastructure	2,388,943	818,135	-	3,207,078
Sanitation Infrastructure	16,609,924	11,278,904	(202,600)	27,686,228
Roads Infrastructure	3,826,626	2,737,000	-	6,563,626
Machinery and Equipment	-	75,900	-	75,900
Total	188,571,953	77,006,779	(20,150,094)	245,428,638



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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3. Property, plant and equipment (continued)

3.2 Land and buildings carried at revalued value

Land and buildings were revalued to fair value during the 2021/2022 financial year. The effective date of revaluation was 01-Jul-2021 and the valuation was performed by registered and independent valuers. The independent valuers are not connected to the municipality.

3.3 Property, plant and equipment pledged as security

No assets have been pledged as security.

3.4 Impairment of property, plant and equipment

The municipality assessed its items of property, plant and equipment for any potential impairment losses or reversal of impairment losses on assets.

The following impairment losses were recognised during the year:

Impairments

Machinery and equipment	-	204,445
Transport assets	600,287	10,073
Total	600,287	214,518

Impairment losses on vehicles were predominantly due to the assets being damaged beyond repair.

Impairment losses on land and buildings are due to valuation losses.

3.5 Change in estimate

Useful life of property, plant and equipment

A review of the remaining useful lives and residual values of items of property, plant and equipment has been performed. The change in the estimated remaining useful lives and residual values of various assets of the municipality has resulted in a decrease in depreciation of R 7,018,593 (2023: R 4,295,858). It is impracticable to estimate the effect of these changes on future periods.

3.6 Property, plant and equipment under construction

2024

No projects were identified where construction or development has been halted or that is taking a significantly longer period of time to complete them.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
3. Property, plant and equipment (continued)		
3.7 Maintenance of property, plant and equipment		
Preventative and corrective maintenance		
Electrical infrastructure	64,227,538	62,286,205
Water supply infrastructure	27,720,216	26,428,584
Sanitation infrastructure	34,739,698	30,924,792
Solid waste infrastructure	31,923,513	28,692,283
Machinery and equipment	45,103,093	33,832,537
Furniture and office equipment	1,891,784	1,399,826
Computer equipment	5,736,583	4,876,244
Roads infrastructure	8,848,542	8,860,426
Buildings	85,745,442	74,095,867
Other Structures and Facilities	498,478	-
Total	306,434,887	271,396,764

4. Heritage assets

4.1 Reconciliation of carrying value

2024

	Land and buildings	Conservation areas and nature reserves	Other assets	Total
Opening carrying value as at 01 July 2023				
Cost	24,295,000	22,250,000	1,088,645	47,633,645
Cost	24,295,000	22,250,000	1,088,645	47,633,645
Accumulated impairment losses	-	-	-	-
	24,295,000	22,250,000	1,088,645	47,633,645

2023

	Land and buildings	Conservation areas and nature reserves	Other assets	Total
Opening carrying value as at 01 July 2022				
Cost	24,295,000	22,250,000	1,088,645	47,633,645
Cost	24,295,000	22,250,000	1,088,645	47,633,645
Accumulated impairment losses	-	-	-	-
	24,295,000	22,250,000	1,088,645	47,633,645



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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4. Heritage assets (continued)

4.1.1 Heritage assets

Land, Conservation areas, Nature reserves and Buildings Heritage assets were revalued to fair value during the 2021/2022 financial period. The effective date of revaluation was 1 July 2021 and the valuation were performed by registered and independent valuers.

The comparative sales method was applied to land (historical sites and conservation areas), where comparable valid sales in a specific area was used, compared to the specific property, and market valuation derived. Due to the nature of historical buildings and monuments, i.e. where there are no comparable property sales, the generally accepted methodology of these was limited to the discounted replacement cost of the physical structures.

Included in the historical and naturally significant Conservation areas above is the Paarl Mountain (Paarlberg) and the Paarl Arboretum. Paarl Mountain is particularly known for its mountain or "Paarl Rock". The huge granite rock is formed by three rounded outcrops that make up Paarl Mountain and is the second largest granite outcrop in the world and forms part of the Nature Reserve. The site is a Provincial Heritage Site (SAHRA Nr 9/2/069/0028).

The Paarl Arboretum is situated on the eastern bank of the Berg River, is 2.8 km long and occupies approximately 31 ha. Divided into 6 "continents" a unique feature is that trees and shrubs are grouped according to continents of origin. In excess of 2 600 trees and shrubs, entering some 650 different species can be observed.

The following buildings owned by the Municipality, declared Provincial Heritage sites, have been classified as Heritage assets:

1. De Oude Woning, 214 Main Street, Paarl (SAHRA Nr 9/2/069/0105) dating from the late 1780's.
2. The Old Dutch Reformed Church Parsonage (now the Paarl Museum), Van der Lingen plein, Paarl (SAHRA Nr 9/2/069/0071). The Parsonage was built in 1787.
3. Coronation Arch, Victoria Jubilee Park, Church Street, Wellington (SAHRA Nr 9/2/106/0019/1), dating to 1902.

All of the municipality's Heritage Assets are held under freehold interests and no Heritage Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Heritage Assets of the municipality.

4.2 Maintenance of heritage assets

2024

The following maintenance costs were incurred:

	Land and buildings	Conservation areas and nature reserves	Other assets	Total
Contracted Services	-	575,752	-	575,752
Employee Related Cost	-	5,836,025	-	5,836,025
Inventory	-	118,695	-	118,695
Operational Cost	-	-	-	-
Total	-	6,530,472	-	6,530,472

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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4. Heritage assets (continued)

2023

The following maintenance costs were incurred:

	Land and buildings	Conservation areas and nature reserves	Other assets	Total
Contracted Services	-	396,501	-	396,501
Employee Related Cost	-	5,252,303	-	5,252,303
Inventory	-	232,351	-	232,351
Operational Cost	-	-	-	-
Total	-	5,881,155	-	5,881,155

The prior year comparatives for maintenance have been restated, please refer to note 48 for more detail information.

5. Intangible assets

5.1 Reconciliation of carrying value

2024

		Computer software	Plans and designs	Licence and rights	Total
Opening carrying value as at 01 July 2023					
Cost		9,667,731	-	887,832	10,555,563
Accumulated depreciation and impairment		(6,011,003)	-	(855,102)	(6,866,105)
		3,656,728	-	32,730	3,689,458
Amortisation	40	(611,178)	-	(13,489)	(624,667)
Carrying value of disposals / transfers					
Cost		(120,805)	-	(724,133)	(844,938)
Accumulated depreciation and impairment		120,805	-	711,107	831,912
		-	-	(13,026)	(13,026)
Closing carrying value as at 30 June 2024		3,045,550	-	6,215	3,051,765
Cost		9,546,926	-	163,699	9,710,625
Accumulated amortisation and impairment		(6,501,375)	-	(157,483)	(6,658,858)
		3,045,551	-	6,216	3,051,767



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023		
5. Intangible assets (continued)					
2023					
		Computer software	Plans and design	Licence and rights	Total
Opening carrying value as at 01 July 2022					
Cost		10,734,352	-	965,715	11,700,067
Accumulated amortisation and impairment		(6,203,851)	-	(881,310)	(7,085,161)
		4,530,501	-	84,405	4,614,906
Amortisation	40	(695,278)	-	(16,134)	(711,412)
Carrying value of disposals / transfers					
Cost		(1,066,622)	-	(77,883)	(1,144,505)
Accumulated amortisation and impairment		888,126	-	42,343	930,469
		(178,496)	-	(35,540)	(214,036)
Closing carrying value as at 30 June 2023					
		3,656,727	-	32,731	3,689,458
Cost		9,667,730	-	887,833	10,555,563
Accumulated amortisation and impairment		(6,011,003)	-	(855,102)	(6,866,105)
		3,656,727	-	32,731	3,689,458

The amortisation expense has been included in the line item 'Depreciation and Amortisation' in the Statement of financial performance and financial position (see Note 40).

The amortisation method and useful life of intangible assets is set out in the accounting policy note of intangible assets.

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

5.2 Change in estimate

A review of the remaining useful lives for intangible assets has been performed. The change in the estimated remaining useful lives of various intangible assets of the municipality has resulted in a decrease in amortisation of R 62,511 (2023: R 57,183). It is impracticable to estimate the effect of these changes on future periods.

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
6. Investment property		
6.1 Reconciliation of carrying value		
Opening carrying value		
Cost	81,900,000	59,096,957
Accumulated depreciation and impairment losses	-	-
	81,900,000	59,096,957
Fair Value Adjustments	6,755,000	4,877,766
Other movements (transfers to IP)	-	18,810,277
	6,755,000	23,688,043
Carrying value of disposals / transfers		
Cost	-	(885,000)
Closing carrying value	88,655,000	81,900,000
Cost	88,655,000	81,900,000
Accumulated depreciation and impairment losses	-	-
	88,655,000	81,900,000

Criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business is set out in the accounting policy note of investment property.

Method of asset valuation 2023/2024

The date of fair value assessment was on 30 June 2024.

Valuations were performed by an independent valuer, (Reg no. 4729), Jean Marais, of Real Direct Property Valuations. The independent valuers are not connected to the municipality and have recent experience in location and category of the investment property being valued.

Each property was identified and inspected and fair values adjusted where appropriate. An investment property could be described as a real estate property that has the ability of earning a return on investment, either through rental income and/or the future resale of the property or both. The methodology applied was therefore based on open market value, taking into account the zoning status of the property, the cost implications of the rezoning process and any other limitations.

A register containing the information required by section 63 of the Municipal Finance Management Act (Act 56 of 2003) is available for inspection at the registered offices of the municipality.

Revenue and expenditure disclosed in the Statement of financial performance and financial position include rental revenue earned from investment property to the amount of R 215,224 (2023: R 121,891).

All of the municipality's investment property is held under freehold interests and no investment property had been pledged as security for any liabilities of the municipality.

There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal.

There are contractual obligations for repairs to certain investment property which are leased out.

Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023
7. Non-current receivables			
Other receivables			
Housing selling schemes		802	18,225
Transferred to current receivables	12	(802)	(18,121)
Total non-current other receivables	7.1	-	104

7.1 Non-current receivables from exchange transactions

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
Housing selling schemes	11,658	(10,856)	802	38,388	(20,163)	18,225
Public organisations	-	-	-	77,834	(77,834)	-
Total	11,658	(10,856)	802	116,222	(97,997)	18,225

Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the National Housing Policy. These loans attract interest, as determined by the National Minister of Housing, currently 13.5% per annum and are repayable over 20 years.

Public organisations

Loans to public organisations are granted in terms of the National Housing Policy. The applicable interest rate and loan repayment periods are determined by the National Minister of Housing. At present these loans attract interest at 1% (buildings) and 11% (infrastructure) and are repayable over 30 years.

7.1.1 Impairment reconciliation of non-current receivables from exchange transactions

	2024			2023		
	Opening balance	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment reversed / debt written off	Closing balance
Housing selling schemes	20,163	(9,307)	10,856	98,443	(78,280)	20,163
Public organisations	77,834	(77,834)	-	77,834	-	77,834
Total	97,997	(87,141)	10,856	176,277	(78,280)	97,997

In determining the recoverability of a Long-term Receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of the credit risk is limited due to the customer base being large and unrelated. Accordingly, management believe that there is no further credit provision required in excess of the Provision for Impairment.



Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
8. Inventories		
Consumables	7,521,803	4,280,313
Materials and supplies	47,897,619	38,322,856
Water	706,470	558,677
Spare parts for Plant & Equipment	404,248	460,028
Plants held for resale	174,011	129,317
Land for BNG housing	7,390,540	9,837,705
Less: Inventory held as spare parts for infrastructure assets	(20,088,036)	(12,410,311)
Total Inventories	44,006,655	41,178,585

No inventories were pledged as security for liabilities.

During the year inventory to the amount of R 248,064 (2023: R420,823) was written off due to discrepancies identified during the annual stock count. An amount of R 91,673 (2023: R 85,089) was written off due to valuation of inventory at the lower of cost and NRV in accordance with GRAP 12. Some prior year comparatives have been restated, please refer to note 48 for more detail information.

Inventories of R 20,088,036 (2023: R 12,410,311) are held as major spare parts for infrastructure assets and has been transferred to property, plant and equipment.

R78,558,903 (2023: R74,330,682) of total inventory was recognised as an expense in the current year.

9. Trade and other receivables from exchange transactions

Trade service and consumer service debtors	9.1		
Electricity		234,559,417	208,155,883
Water		57,500,939	43,697,263
Waste management		33,579,534	26,453,913
Waste water management		27,135,794	21,921,259
Housing rental scheme		1,667,824	1,488,383
Housing selling scheme		102,078	97,852
		354,545,586	301,814,553
Other receivables from exchange transactions	9.2		
Sundry debtors		23,148,237	22,809,917
Other receivables from exchange transactions		17,490,802	8,737,671
Less: Provision for impairment		(13,381,977)	(13,098,111)
		27,257,062	18,449,477
Total trade and other receivables from exchange transactions		381,802,648	320,264,030

The prior year comparatives have been restated, please refer to note 48 for more detail information.

9.1 Consumer receivables

The average credit period for consumer receivables is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of consumer receivables.

The management of the municipality is of the opinion that the carrying value of consumer receivables approximate their fair values.

The fair value of consumer receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and consumer receivables as well as the current payment ratio's of the municipality's consumer receivables.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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9. Trade and other receivables from exchange transactions (continued)

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables from exchange transactions						
Electricity	259,876,921	(25,317,505)	234,559,416	231,747,711	(23,591,828)	208,155,883
Water	130,466,826	(72,965,886)	57,500,940	104,008,795	(60,311,532)	43,697,263
Waste management	85,631,129	(52,051,595)	33,579,534	71,530,842	(45,076,929)	26,453,913
Waste water management	58,109,502	(30,973,708)	27,135,794	48,841,147	(26,919,888)	21,921,259
Housing rental scheme	7,509,950	(5,842,126)	1,667,824	7,081,338	(5,592,955)	1,488,383
Housing selling scheme	1,209,240	(1,107,162)	102,078	1,051,875	(954,023)	97,852
Total	542,803,568	(188,257,982)	354,545,586	464,261,708	(162,447,155)	301,814,553

9.1.1 Ageing of impaired consumer receivables

2024

	Not due			Past due		
	Current	Current impaired	31 - 60	31 - 60 impaired	61 - 90	61 - 90 Impaired
Consumer receivables						
Ageing by debt type						
Electricity	199,846,177	1,914,443	8,074,515	1,834,729	3,239,024	1,538,380
Water	33,287,704	1,857,601	6,521,072	2,124,167	5,852,521	3,298,865
Waste management	14,673,893	481,486	3,958,306	511,610	2,932,054	1,142,762
Waste water management	14,719,200	435,046	2,890,945	445,888	1,963,173	821,543
Housing rental scheme	566,351	4,407	354,644	9,162	269,622	36,849
Housing selling scheme	26,036	943	22,028	944	20,475	784
Total	263,119,361	4,693,926	21,821,510	4,926,500	14,276,869	6,839,183



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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9. Trade and other receivables from exchange transactions (continued)

	Past due				
	91 - 120+	91 - 120+ impaired	Total	Total impaired	Total - Past due but not impaired
Consumer receivables					
Ageing by debt type					
Electricity	48,717,205	20,029,953	259,876,921	25,317,505	36,627,682
Water	84,805,529	65,685,253	130,466,826	72,965,886	26,070,837
Waste management	64,066,876	49,915,737	85,631,129	52,051,595	19,387,127
Waste water management	38,536,184	29,271,231	58,109,502	30,973,708	12,851,640
Housing rental scheme	6,319,333	5,791,708	7,509,950	5,842,126	1,105,880
Housing selling scheme	1,140,701	1,104,491	1,209,240	1,107,162	76,985
Total	243,585,828	171,798,373	542,803,568	188,257,982	96,120,151

2023

	Not due		Past due			
	Current	Current impaired	31 - 60	31 - 60 impaired	61 - 90	61 - 90 Impaired
Consumer receivables						
Ageing by debt type						
Electricity	168,726,304	1,585,161	8,033,760	1,500,548	3,470,906	1,541,458
Water	25,836,885	1,442,332	6,451,764	1,774,696	3,905,416	2,211,361
Waste management	12,511,300	561,065	3,703,556	583,757	2,990,559	1,376,034
Waste water management	12,869,205	399,958	2,584,739	412,253	1,938,292	891,698
Housing rental schemes	489,859	22,996	301,847	28,012	221,312	28,858
Housing selling scheme	29,175	2,305	23,206	2,297	21,808	2,346
Total	220,462,728	4,013,817	21,098,872	4,301,563	12,548,293	6,051,755



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Figures in Rand	2024	2023
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9. Trade and other receivables from exchange transactions (continued)

	Past due				
	91 - 120+	91 - 120+ impaired	Total	Total impaired	Total - Past due but not impaired
Consumer receivables					
Ageing by debt type					
Electricity	51,516,741	18,964,661	231,747,711	23,591,828	41,014,740
Water	67,814,730	54,883,143	104,008,795	60,311,532	19,302,710
Waste management	52,325,427	42,556,073	71,530,842	45,076,929	14,503,678
Waste water management	31,448,911	25,215,979	48,841,147	26,919,888	9,452,012
Housing rental scheme	6,068,320	5,513,089	7,081,338	5,592,955	1,021,520
Housing selling scheme	977,686	947,075	1,051,875	954,023	70,982
Total	210,151,815	148,080,020	464,261,708	162,447,155	85,365,642

The impairment provision was calculated after individually assessing consumer receivables and by estimating the probability of future payment ratios, using a formula-based approach by considering the historical payment ratios and other characteristics found per groups of consumer debtors.

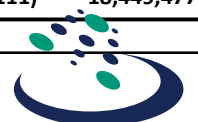
In determining the recoverability of a Consumer receivable, the municipality considers any change in the credit quality of the Consumer receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

In 2023 the model for the impairment of debtors was further refined and the credit control measures available per ward was considered. Drakenstein normally restricts electricity on outstanding accounts as per its Credit Control and Debt Collection Policy, by means of a block on prepaid electricity meters (see par 8.9 of the Credit Control and Debt Collection Policy) or disconnection of credit meters. However, the municipality does not have any credit control mechanisms to restrict electricity (via prepaid meter blocking) in the areas of Saron, Gouda & Hermon (Wards 30 & 31), where a consumer account falls in arrears, as these areas are serviced by Eskom directly, prohibiting credit control measures. All debt older than 60 days is regarded as fully impaired for these areas.

Included in the Allowance for Doubtful Debts are individually impaired Consumer receivables with a balance of R2,807,846 (2023: R1,862,221) which have been placed under liquidation. The impairment recognised represents the difference between the carrying amount of these Consumer receivables and the present value of the expected liquidation proceeds. The municipality holds no collateral over these balances.

9.2 Other receivables

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
Other receivables from exchange transactions						
Sundry debtors	23,148,237	-	23,148,237	22,809,917	-	22,809,917
Other receivables from exchange transactions	17,490,802	-	17,490,802	8,737,671	-	8,737,671
Less: Provision for impairment	-	(13,381,977)	(13,381,977)	-	(13,098,111)	(13,098,111)
Total	40,639,039	(13,381,977)	27,257,062	31,547,588	(13,098,111)	18,449,477



Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figures in Rand

9. Trade and other receivables from exchange transactions (continued)

9.2.1 Impairment reconciliation of other receivables from exchange transactions

	2024				2023			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Other receivables from exchange transactions								
Consumer receivables	162,447,154	49,117,072	(23,306,242)	188,257,984	93,984,824	83,019,511	(14,557,181)	162,447,154
Other receivables	13,098,111	925,121	(641,255)	13,381,977	12,030,822	1,749,882	(682,593)	13,098,111
Total	175,545,265	50,042,193	(23,947,497)	201,639,961	106,015,646	84,769,393	(15,239,774)	175,545,265



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Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023
10. Receivables from non-exchange transactions			
Consumer receivables	10.1		
Property rates		52,418,725	41,470,262
Electricity		833,436	628,595
Water		958,984	578,468
Waste management		1,939,735	1,286,451
Waste water management		1,335,724	761,348
Fines		28,986,334	34,218,439
		86,472,938	78,943,563
Other receivables	10.1		
Grants and subsidies		9,716,813	14,617,459
Prepayments		9,064,682	8,640,357
Other receivables		5,245,313	4,751,056
Rental leases : straight line		-	8,345
		24,026,808	28,017,217
Total receivables		110,499,746	106,960,780

10.1 Receivables from non-exchange transactions

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables						
Property rates	74,017,297	(21,598,572)	52,418,725	62,558,049	(21,087,787)	41,470,262
Electricity	1,376,039	(542,602)	833,436	1,267,692	(639,097)	628,595
Water	2,784,573	(1,825,590)	958,984	2,355,498	(1,777,030)	578,468
Waste management	4,442,034	(2,502,299)	1,939,735	3,751,253	(2,464,802)	1,286,451
Waste water management	3,806,358	(2,470,634)	1,335,724	3,299,853	(2,538,505)	761,348
Fines	186,575,754	(157,589,420)	28,986,334	186,089,864	(151,871,425)	34,218,439
	273,002,055	(186,529,117)	86,472,938	259,322,209	(180,378,646)	78,943,563
Other receivables						
Grants and subsidies	9,716,813	-	9,716,813	14,617,459	-	14,617,459
Prepayments	9,064,682	-	9,064,682	8,640,357	-	8,640,357
Other receivables	5,245,313	-	5,245,313	4,751,056	-	4,751,056
Rental leases: Straight line	-	-	-	8,345	-	8,345
	24,026,808	-	24,026,808	28,017,217	-	28,017,217
Total	297,028,863	(186,529,117)	110,499,746	287,339,426	(180,378,646)	106,960,780



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Figures in Rand

10. Receivables from non-exchange transactions (continued)

10.1.1 Impairment reconciliation of receivables from non-exchange transactions

	2024				2023			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Consumer receivables								
Property rates	(21,087,787)	(1,286,977)	776,192	(21,598,572)	(8,308,729)	(13,380,119)	601,061	(21,087,787)
Availability charges receivables	(7,419,434)	(185,311)	263,620	(7,341,125)	(1,590,866)	(5,993,229)	164,661	(7,419,434)
Fines	(151,871,425)	(78,983,561)	73,265,566	(157,589,420)	(166,321,479)	(73,192,195)	87,642,249	(151,871,425)
Total	(180,378,646)	(80,455,849)	74,305,378	(186,529,117)	(176,221,074)	(92,565,543)	88,407,971	(180,378,646)



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10. Receivables from non-exchange transactions (continued)

10.1.2 Ageing of receivables from non-exchange transactions

2024

	Not due		Past due			
	Current	Current impaired	31 - 60	31 - 60 impaired	61 - 90	61 - 90 Impaired
Consumer receivables						
Aging by debt type						
Property rates	34,061,008	678,160	4,083,603	674,194	2,143,647	707,273
Electricity	210,164	6,182	70,058	6,182	56,530	6,012
Water	190,935	5,004	78,505	5,004	67,020	27,130
Waste management	744,346	14,021	166,183	14,021	122,251	55,724
Waste water management	284,691	7,434	117,412	7,434	99,132	40,641
Fines	7,782,425	6,730,114	8,033,975	7,022,213	7,989,881	6,979,958
Total	43,273,569	7,440,915	12,549,736	7,729,048	10,478,461	7,816,738

Past due				
91 - 120+	91 - 120+ impaired	Total	Total impaired	Total - Past due but not impaired

Consumer receivables

Aging by debt type

Property rates	33,729,039	19,538,945	74,017,297	21,598,572	19,035,877
Electricity	1,039,287	524,226	1,376,039	542,602	629,455
Water	2,448,113	1,788,452	2,784,573	1,825,590	773,052
Waste management	3,409,254	2,418,533	4,442,034	2,502,299	1,209,410
Waste water management	3,305,123	2,415,125	3,806,358	2,470,634	1,058,467
Fines	162,769,473	136,857,135	186,575,754	157,589,420	27,934,023
Total	206,700,289	163,542,416	273,002,055	186,529,117	50,640,284



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10. Receivables from non-exchange transactions (continued)

2023

	Not due		Past due			
	Current	Current impaired	31 - 60	31 - 60 impaired	61 - 90	61 - 90 Impaired
Consumer receivables						
Aging by debt type						
Property rates	27,475,615	788,759	3,836,205	789,100	2,619,323	855,119
Electricity	274,287	10,204	69,467	10,204	52,273	10,204
Water	172,813	7,587	78,820	7,587	66,085	33,343
Waste management	668,296	19,186	156,751	19,186	132,793	71,356
Waste water management	260,281	12,276	119,195	12,276	103,020	55,469
Fines	6,196,493	5,269,162	9,346,312	7,866,504	10,468,528	8,504,298
Total	35,047,785	6,107,174	13,606,750	8,704,857	13,442,022	9,529,789

Past due				
91 - 120+	91 - 120+ impaired	Total	Total impaired	Total - Past due but not impaired

Consumer receivables

Aging by debt type

Property rates	28,626,906	18,654,809	62,558,049	21,087,787	14,783,406
Electricity	871,665	608,485	1,267,692	639,097	364,512
Water	2,037,780	1,728,513	2,355,498	1,777,030	413,242
Waste management	2,793,413	2,355,074	3,751,253	2,464,802	637,341
Waste water management	2,817,357	2,458,484	3,299,853	2,538,505	513,343
Fines	160,078,531	130,231,461	186,089,864	151,871,425	33,291,108
Total	197,225,652	156,036,826	259,322,209	180,378,646	50,002,952

Property rates

Property rates receivables are statutory receivables and arise from property taxes levied on property owners based on the valuation of properties per the valuation roll in accordance with the Municipal Property Rates Act, No 6 of 2004 and Drakenstein Municipality's Property Rates Policy. A general valuation is performed every 4 years, with supplementary valuations inbetween.

The average credit period for property rates receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of property rates receivables.

The management of the municipality is of the opinion that the carrying value of property rates receivables approximate their fair values.

The impairment provision was calculated after individually assessing property rates receivables and by estimating the probability of future payment ratios, using a formula-based approach by considering the historical payment ratios and other characteristics found per groups of property rates debtors.



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10. Receivables from non-exchange transactions (continued)

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

Availability charges on water, electricity, refuse and sewerage

Availability charges on Water, Electricity, Refuse & Sewerage receivables are statutory receivables and arise from basic charges levied on vacant properties in accordance with the relevant bylaws of the Drakenstein Municipality.

The average credit period for availability charges on Water, Electricity, Refuse & Sewerage receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of Availability charges on Water, Electricity, Refuse & Sewerage receivables.

The management of the municipality is of the opinion that the carrying value of Availability charges on Water, Electricity, Refuse & Sewerage receivables approximate their fair values.

The impairment provision was calculated after individually assessing Availability charges on Water, Electricity, Refuse & Sewerage receivables and by estimating the probability of future payment ratios, using a formula-based approach by considering the historical payment ratios and other characteristics found per groups of availability charges on Water, Electricity, Refuse & Sewerage debtors.

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

Traffic fines

Traffic fines receivables are statutory receivables and arise from traffic infringements committed and fines issued as a result, in terms of the Criminal Procedure Act, No 501 of 1977.

The traffic fines must be issued within 30 days of offence, after which it is payable. No interest is charged.

The management of the municipality is of the opinion that the carrying value of traffic fines receivables approximate their fair values.

The impairment provision was calculated after collectively assessing traffic fines receivables and by calculating the historical payment ratios and assuming that future payment ratios would be similar to the historical payment ratios.

The provision for doubtful debts on traffic fines receivables exist predominantly due to the possibility that these debts will not be recovered were assessed individually for impairment.

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

Other receivables

The average credit period for Government Grants and Subsidies is dependent on the Government Department involved and the nature of the claim. No interest is charged on outstanding Government Grants and Subsidies. The subsidies is payable to the municipality due to allocations made in the DORA or based on agreements between the municipality and the relevant departments.

The claims instituted against the municipality's insurance company are supported by valid insurance claims which are claimable in terms of the insurance contract entered into by the municipality. The average waiting period depends on the nature of the claim. No interest is charged on outstanding insurance claims.



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10. Receivables from non-exchange transactions (continued)

The average credit period for other receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of other receivables.

The management of the municipality is of the opinion that the carrying value of other receivables approximate their fair values.

The fair value of other receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and National / Provincial Departments as well as other receivables. The current payment ratio's of other receivables were also taken into account for fair value determination.

The impairment provision was calculated after individually assessing other receivables and by calculating the historical payment ratios and assuming that future payment ratios would be similar to the historical payment ratios.

The provision for doubtful debts on other receivables exist predominantly due to the possibility that these debts will not be recovered were assessed individually for impairment.

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Allowance for Doubtful Debts.

The prior year comparatives have been restated, please refer to note 48 for more detail information.

11. Cash and cash equivalents

11.1 Bank accounts

The municipality has the following cash book accounts:

Nedbank Primary Bank Account	92,154,604	89,615,886
Nedbank Secondary Bank Account	425,745	4,064,561
Nedbank Traffic Fines Bank Account	4,210	5,718
Nedbank Motor Vehicle Licensing Bank Account	2,142	16,459
Nedbank Sundry Receipts Bank Account	(1,813,861)	138,702
Total	90,772,840	93,841,326
Bank statement balance at beginning of year	97,756,214	19,487,755
Bank statement balance at end of year	259,021,492	97,756,214
Cash book balance at beginning of year	93,841,326	19,916,665
Bank statement balance at end of year	259,021,492	97,765,214
Net movement / reconciling items	(168,248,652)	(3,923,888)
Cash book balance at end of year	90,772,840	93,841,326



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11. Cash and cash equivalents (continued)		
The municipality has the following bank accounts:		
(Bank statement balances)		
Nedbank Primary Bank Account (122-750-451-9)	259,021,492	97,765,214
Nedbank Secondary Bank Account (122-906-183-5)	-	-
Nedbank Traffic Fines Bank Account (122-906-180-0)	-	-
Nedbank Motor Vehicle Licensing Bank Account (122-906-181-9)	-	-
Nedbank Sundry Receipts Bank Account (122-906-184-3)	-	-
	259,021,492	97,765,214

11.2 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Call deposits and investments		
Short term investment deposits	606,724,781	351,404,153
Cash at bank		
Bank account	90,772,840	93,841,326
Cash on hand	8,200	24,952
Total cash and cash equivalents	697,505,821	445,270,431

All account balances are cleared on a daily basis to the main account. The municipality does not have an overdraft facility with Nedbank.

For the purposes of the Cash flow statement, bank balances, cash and cash equivalents include cash-on-hand, cash in banks and investments less than 12 months.

The management of the municipality is of the opinion that the carrying value of bank balances, cash and cash equivalents recorded at amortised cost in the audited annual financial statements approximate their fair values.

The fair value of bank balances, cash and cash equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

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Figures in Rand			2024	2023
11. Cash and cash equivalents (continued)				
Call deposits and investments by financial institution				
Institution	Account number	Account type		
ABSA BANK	93-5338-8392	CALL DEPOSIT	132,181,336	48,777,383
ABSA BANK	93-5591-4684	CALL DEPOSIT	67,468,699	61,854,655
ABSA BANK	93-5612-6210	CALL DEPOSIT	68,524,079	62,694,374
ABSA BANK	90-5907-5162	CALL DEPOSIT	71	71
			268,174,185	173,326,483
NEDBANK	03/7881536373/000052	CALL DEPOSIT	6,649,089	5,153,403
NEDBANK	03/7881182954/000002	NOTICE DEPOSIT ACCOUNT	17,825,000	-
			24,474,089	5,153,403
GRINDROD BANK	110-0061-1166	CALL DEPOSIT	197,857,096	17,000,000
			197,857,096	17,000,000
STANDARD BANK	07-875-830-0-057	CALL DEPOSIT	28,844,157	26,741,692
STANDARD BANK	07-875-830-0-060	CALL DEPOSIT	60,220,781	104,007,404
STANDARD BANK	07-875-830-0-063	CALL DEPOSIT	27,154,475	25,175,171
			116,219,413	155,924,267
Total investments			606,724,783	351,404,153
12. Current portion of non-current receivables				
Other receivables from non-exchange transactions				
Housing Selling Schemes			802	18,121
13. VAT control receivable				
Accrual VAT transactions			35,242,303	3,392,687
VAT return balance			6,540,984	9,427,411
Total			41,783,287	12,820,098
The prior year comparatives have been restated, please refer to note 48 for more detail information.				
VAT receivable, interest and other charges arises from Value Added Tax Act 89 of 1991.				
14. Borrowings				
Total borrowings				
Annuity Loans			1,455,252,442	1,539,712,709
Less: Current portion transferred to current liabilities				
Annuity Loans			(90,824,743)	(84,460,268)
Total non-current borrowings			1,364,427,699	1,455,252,441



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14. Borrowings (continued)

14.1 Summary of arrangements

Annuity loans are repaid over periods varying from 4 to 13 (2023: 1 to 14) years and at interest rates varying from 10.73% to 11.48% (2023: 9.87% to 11.48%) per annum.

Annuity loans are not secured.

The fair value of borrowings was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Refer to Appendix 'A' for more detail on borrowings.

15. Finance lease liabilities

Finance lease liabilities	15.1	472,639	817,986
Less: Transferred to current liabilities		(472,639)	(345,347)
Total non-current liabilities		-	472,639

15.1 Obligation under finance leases

The municipality as lessee

The obligations under finance leases are as follow:

Total future minimum lease payments

Payable within 1 year	564,408	564,408
Payable within 2 to 5 years	-	564,408
Total minimum lease payments	564,408	1,128,816
Less: Future finance charges	(91,769)	(310,830)
Total	472,639	817,986

Present value of minimum lease payments

Payable within 1 year	472,639	345,347
Payable within 2 to 5 years	-	472,639
Total	472,639	817,986

Finance leases were entered into for certain photocopier machines for a lease period of 36 months. Interest rates are fixed at the inception of the agreements. No arrangements have been entered into for contingent rental payments. The minimum lease payments equal the fair value of the equipment.

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16. Employee benefits			
Non-current employee benefits			
Post employment health care benefits	16.1	204,669,000	201,416,000
Ex-Gratia pension benefits	16.2	370,000	688,000
Provision for long-service awards	16.3	42,625,000	43,705,000
		247,664,000	245,809,000
Current employee benefits			
Post employment health care benefits	16.1	12,708,000	11,856,000
Ex-Gratia pension benefits	16.2	58,000	108,000
Provision for long-service awards	16.3	8,696,000	5,109,000
Provision for bonuses	16.4	22,053,981	20,568,587
Performance bonuses	16.5	2,284,468	2,762,856
Leave	16.6	48,557,913	44,968,080
		94,358,362	85,372,523
Total		342,022,362	331,181,523

16.1 Post employment health care benefits

The municipality provides certain post-retirement medical benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current conditions of service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees.

Subsidy Arrangements

The Municipality has agreed to subsidise the medical aid contributions of retired members in the following way:

- All new pensioners (that are currently still in service) will receive a 70% subsidy (payable should they be a member of a medical scheme at retirement).
- All existing continuation members (pensioners) will continue to receive a 70% subsidy.
- Widow(er)s and orphans of eligible in-service members are not entitled to receive a subsidy on and after the death in-service of an employee.
- Upon a member's death-in-retirement, the surviving dependants will continue to receive the same 70% subsidy subject to no subsidy cap.

Due to the nature of the benefit, the Municipality is mainly exposed to the risk of changes in the assumed level of mortality; changes in medical aid inflation (including to possible effect of the implementation of the NHI); and changes in the average retirement age.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by Mr Julian van der Spuy and Ms Elmarie Swanepoel of ZAQEN Actuaries Pty (Ltd). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The Post Employee Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follow:

	Number	
In-service members (Employees)	723	713
Continuation members (Retirees)	218	215
Total members	941	928



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16. Employee benefits (continued)

The liability in respect of past service has been estimated as follow:

In-service members (Employees)	103,846,000	105,127,000
Continuation members (Retirees)	113,531,000	108,145,000
Total liability	217,377,000	213,272,000
Current	12,708,000	11,856,000
Non-current	204,669,000	201,416,000
Total liability	217,377,000	213,272,000

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Key Health
- LA Health
- Fed Health
- Samwumed
- GEMS

The Future-service Cost for the ensuing year is estimated to be R 6,596,000 whereas the Interest Cost is estimated to be R 26,342,000.

Valuation assumptions:

The principal assumptions used for the purposes of the actuarial valuations were as follow:

i) Rates of interest

Discount rate	Yield curve	Yield curve
Consumer Price Inflation (CPI)	Difference between nominal and yield curve	Difference between nominal and yield curve
Health care cost inflation rate	CPI+1%	CPI+1%
Net effective discount rate	Yield curve base	Yield curve base

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follow:

'The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.'

The Actuaries used the nominal and real zero curves as at 28 June 2024 supplied by the JSE to determine the discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, they used the prevailing yield at the time of performing their calculations. The methodology was changed from a point estimate to that of a curve in order to present a more accurate depiction of the liability. Previously only one discount rate was used to value all the liabilities. This changed methodology would be seen as a change in estimate basis.

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16. Employee benefits (continued)

Although the actuaries have used the yield curve for the discount rates and the corresponding inflation rates, for indicative purposes the actuaries show that the discount rate and CPI corresponds to the implied duration of the liability. The implied duration of the liability for this valuation is 13.35 years. It is however important to note that this is solely for indicative purposes as the actuaries used the entire yield curve to obtain the financial variables.

Rates of Interest

Discount rate	13.35 %
CPI (Consumer Price Inflation)	7.94 %
Normal salary increase rate	8.94 %
Net effective discount rate	4.21 %

Medical aid inflation

The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period.

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increases for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would out-strip general inflation by 1% per annum over the foreseeable future.

ii) Mortality rates

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

iii) Average and Normal retirement age

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements. The normal retirement age (NRA) for all active employees was assumed to be 65 years.

iv) Spouses and dependents

The actuaries assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement and vice versa.

v) Withdrawal rates

Assumptions have also been made on the withdrawal rates from service per 5 years of age gap and per gender.

Age band	Withdrawal rate males	Withdrawal rate females
20 - 24	16.00 %	24.00 %
25 - 29	12.00 %	18.00 %
30 - 34	10.00 %	15.00 %
35 - 39	8.00 %	10.00 %
40 - 44	6.00 %	6.00 %
45 - 49	4.00 %	4.00 %
50 - 54	2.00 %	2.00 %
55 - 59	1.00 %	1.00 %
60 +	0.00 %	0.00 %



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16. Employee benefits (continued)

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position is as follows:

Present value of unfunded obligations	217,377,000	213,272,000
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Amounts recognised in the statement of financial performance and financial performance

The amounts recognised in the statement of financial performance and financial performance is as follows:

Current service cost	5,961,000	7,525,000
Interest cost	27,170,000	24,178,000
Actuarial loss/ (gain) recognised in the year	(17,341,902)	(13,696,556)
Total post-retirement benefit included in employee related costs	37	15,789,098

The main reasons for the actuarial gain can be attributed to the following factors:

- Changes in economic variables - over the past year, there have been various changes in the discount rates and inflation rates. The discount rates have increased over the past year and the inflation has also since updated since the previous valuation date. The net effect of this was an overall decrease in liability of around R14 335 000.
- Membership changes and other experience items - Membership changes and other demographic experience over the past year was different to what was expected at the previous valuation date. Despite a slight increase in membership, the average years of service amongst in-service members decreased more than expected. The medical schemes of certain members also changed. The net effect of this, along with other smaller changes, resulted in a decrease in liability of around R3 006 902.

Movements in the present value of the defined benefit obligation

Opening Balance	213,272,000	206,094,001
Current service cost	5,961,000	7,525,000
Interest cost	27,170,000	24,178,000
Actual employer benefit payments	(11,684,098)	(10,828,445)
Actuarial loss/(gain) (Financial Assumptions)	(14,335,000)	(27,409,000)
Actuarial loss/(gain) (Demographic Assumptions)	(3,006,902)	13,712,444
Present value of fund obligation at the end of the year	217,377,000	213,272,000

Movements in the present value of the defined benefit assets

Contributions from the employer	11,684,098	10,828,445
Benefits paid	(11,684,098)	(10,828,445)
Closing balance	-	-

History of experienced adjustments

	2020	2021	2022	2023	2024
Present value of defined benefit obligation	177,959,000	198,323,000	206,094,000	213,272,000	217,377,000
Fair value of plan assets	-	-	-	-	-
Deficit	177,959,000	198,323,000	206,094,000	213,272,000	217,377,000
Experienced adjustments on defined benefit obligation	-	-	-	-	-



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16. Employee benefits (continued)

Sensitivity analysis

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

- 20% increase/decrease in the assumed level of mortality;
- 1% increase/decrease in the Medical Aid inflation;
- 1% increase/decrease in the discount rate;
- 1 year increase/decrease in the average retirement age

Mortality rate

Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the Municipality. If the actual rates of mortality turn out higher than the rates assumed in the valuation basis, the cost to the Municipality in the form of subsidies will reduce and vice versa.

The effect of a 20% movement in the assumed mortality rates are as follow on the ensuing years assumptions:

	-20% Mortality rate	+20% Mortality rate
Total accrued liability	235,404,000	202,575,000
Effect on the aggregate of the interest cost	28,591,000	24,495,000
Effect on the aggregate of the current service cost	7,160,000	6,123,000

Medical aid inflation

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

The effect of a 1% movement in the assumed rate of health care cost inflation is as follow:

	-1% Decrease	+1% Increase
Effect on the defined benefit obligation	194,432,000	244,686,000
Effect on the aggregate of the interest cost	23,459,000	29,776,000
Effect on the aggregate of the current service cost	5,545,000	7,904,000

Total accrued liability

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cashflows. If the discount rate is higher the present value of the liability will be lower and vice versa.

The effect of a 1% movement in the assumed discount rates are as follow on the ensuing years assumptions:

	-1% Discount rate	+1% Discount rate
Total accrued liability	243,752,000	195,452,000
Effect on the aggregate of the interest cost	29,659,000	23,587,000
Effect on the aggregate of the current service cost	7,857,000	5,591,000

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16. Employee benefits (continued)

Average retirement age

The liability value is directly influenced by the assumption about the average retirement age of members as this determines the length these benefits are paid out to members.

The effect of a one-year movement in the assumed retirement age are as follow on the ensuing years assumptions:

	-1 year average retirement age	+1 year average retirement age
Total accrued liability	230,648,000	205,673,000
Effect on the aggregate of the interest cost	27,952,000	24,855,000
Effect on the aggregate of the current service cost	6,668,000	5,744,000

Maturity analysis of the defined benefit obligations

The following table presents information about the distribution of the timing of benefit payments:

	Within one year from valuation date	Between 1 and 5 years from valuation date	Longer than 5 years from valuation date	Total
Post Employment Health Care Benefits	12,708,000	27,233,000	177,436,000	217,377,000

The municipality expects to make a contribution of R 12,708,000 to the Defined Benefit Plan during the next financial year.

Refer to note 57 Retirement Benefit Information to the audited annual financial statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

16.2 Ex-Gratia pension benefits

The municipality provides pension and retirement gratuity benefits to certain employees who were in the employment of the [Former Paarl, Gouda and Wellington Municipality] (now incorporated into the Drakenstein Municipality) at 31-Dec-1994 (Paarl) and 31-Mar-1995 (Wellington) and Gouda still in the employment of Drakenstein Municipality at date of normal retirement, medical disability, retrenchment or death. The gratuity is calculated on the salary benefits during 1994/1995.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by Mr Julian van der Spuy and Ms Elmarie Swanepoel of ZAQEN Actuaries Pty (Ltd). The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the multiplying the annual pension provided, by an appropriate annuity factor as at the valuation date.

Due to the nature of the plan, the Municipality is mainly exposed to the risk of changes in the assumed level of mortality and changes in the average retirement age.

The Ex-Gratia pension benefits plan is a defined benefit plan, of which the members are made up as follow:

	Number	
In-service members (Employees)	89	105
Continuation members (Retirees)	2	4
Total members	91	109



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Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
16. Employee benefits (continued)		
The liability in respect of past service has been estimated as follow:		
In-service members (Employees)	374,000	552,000
Continuation members (Retirees)	54,000	244,000
Total liability	428,000	796,000
Lump sum benefit	374,000	552,000
Pension benefit	54,000	244,000
Total liability	428,000	796,000
Current	58,000	108,000
Non-current	370,000	688,000
Total liability	428,000	796,000

The interest-cost for the next year is estimated to be R 67,000. The actuaries are of opinion that future service cost need not be determined for pension fund liability as all benefits vests immediately.

Valuation Assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follow:

i) Rates of interest

	Lump sum valuation	Lump sum valuation
Discount rate	9.96 %	9.76 %
Consumer Price Inflation (CPI)	6.29 %	5.66 %
Pension increase rate (Pensioners)	7.29 %	6.66 %
Net effective discount rate	2.49 %	2.91 %
	Pensioner Valuation	Pensioner Valuation
Discount rate	9.52 %	9.23 %
Consumer Price Inflation (CPI)	4.82 %	5.23 %
Pension increase rate (Pensioners)	5.82 %	6.23 %
Net effective discount rate	3.50 %	2.82 %

In accordance with GRAP 25 the discount rate was determined using the implied duration of the liability to obtain an appropriate interest rate on the yield curve. The nominal and real zero curves as at 28 June 2024 supplied by the JSE was used to determine the discounted rates and CPI assumptions.

ii) Mortality rates

Mortality before retirement has been based on the PA (90) mortality tables. These are the most commonly used tables in the industry. It was assumed that female spouses would be five years younger than their male spouses and vice versa.

iii) Normal and average retirement age

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements. The normal retirement age (NRA) for all active employees was assumed to be 65 years.



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Notes to the Audited Annual Financial Statements

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16. Employee benefits (continued)

Withdrawal rates

Assumptions have also been made on the withdrawal rates from service per 5 years of age gap and per gender.

Age band	Withdrawal rate males	Withdrawal rate females
20 - 24	16.00 %	24.00 %
25 - 29	12.00 %	18.00 %
30 - 34	10.00 %	15.00 %
35 - 39	8.00 %	10.00 %
40 - 44	6.00 %	6.00 %
45 - 49	4.00 %	4.00 %
50 - 54	2.00 %	2.00 %
55 +	1.00 %	1.00 %

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial performance are as follow:

Present value of unfunded obligations	428,000	796,000
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Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance are as follow:

Interest cost	67,000	74,000
Actuarial (gains) / losses recognised	(396,328)	(136,343)
Total post-retirement benefit included in employee related costs	37	(62,343)

The main reasons for the actuarial gain can be attributed to the following factor:

- Change in economic assumptions: Over the past year the discount and inflation rates changed significantly. As a result, the liability increased by approximately R 6 000.
- Membership changes: There were changes in membership during the past financial year. The members who received Lump Sum benefits has decreased from 105 to 91 over the past financial year. Amongst the in-service members, there were certain members whose salary decreased more than expected, and the members that left were those who had a larger liability than those who remained. The average subsidy amongst the continuation members also decreased with over 50%. This, along with some other smaller factors, led to a decrease in liability of around R 402 328.

Movements in the present value of the defined benefit obligation

Opening Balance	796,000	915,000
Interest cost	67,000	74,000
Actual employer benefit payments	(38,672)	(56,657)
Actuarial loss/(gain) (Financial Assumptions)	6,000	(49,000)
Actuarial loss/(gain) (Demographic Assumptions)	(402,328)	(87,343)
Present value of fund obligation at the end of the year	428,000	796,000

Movements in the present value of the defined benefit assets

Contribution from the employer	38,672	56,657
Benefits paid	(38,672)	(56,657)
Closing balance	-	-



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Figures in Rand	2024	2023
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16. Employee benefits (continued)

History of experienced adjustments

	2020	2021	2022	2023	2024
Present value of defined benefit obligation	1,141,000	1,123,000	915,000	796,000	428,000
Experienced adjustments on defined benefit obligation	-	-	-	-	-

Sensitivity analysis

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

- 1% increase/decrease in the pension inflation;
- 1% increase/decrease in the discount rate.

Pension inflation

The cost of the Ex-gratia Benefits is dependent on the increase in the annual pensions paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future retirees.

The effect of a 1% movement in the assumed rate of pension increase inflation is as follows:

	-1% Pension inflation	+1% Pension inflation
Effect on the defined benefit obligation	411,000	447,000
Effect on the interest cost	36,000	41,000

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cashflows. If the discount rate is higher the present value of the liability will be lower and vice versa.

The effect of a 1% movement in the assumed discount rates are as follow on the ensuing years assumptions:

	-1% Discount rate	+1% Discount rate
Effect on the defined benefit obligation	447,000	411,000
Effect on the interest cost	36,000	41,000

Maturity analysis of the defined benefit obligations

The following table presents information about the distribution of the timing of benefit payments:

	Within one year from valuation date	Between 1 and 5 years from valuation date	Longer than 5 years from valuation date	Total
Ex-Gratia Pension Benefits	58,000	145,000	225,000	428,000

The municipality expects to make a contribution of R 58,000 to the Defined Benefit Plan during the next financial year.



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Figures in Rand	2024	2023
16. Employee benefits (continued)		
Refer to note 57 Retirement Benefit Information to the audited annual financial statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.		
16.3 Provision for long-service awards		
Current	8,696,000	5,109,000
Non-current	42,625,000	43,705,000
Total liability	51,321,000	48,814,000

Long-service awards

The municipality operates a funded defined benefit plan for all its employees. Under the plan, a Long Service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by Julian van der Spuy and Ms Elmarie Swanepoel of ZAQEN Actuaries (Pty) Ltd. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end 1640 (2023: 1646) employees were eligible for Long Services Awards.

Valuation assumption:

The principal assumptions used for the purposes of the actuarial valuations were as follow:

Discount rate	Yield curve	Yield curve
Consumer Price Inflation (CPI)	Difference between nominal and yield curve	Difference between nominal and yield curve
Normal salary increase rate CPI+1	CPI+1%	CPI+1%
Net effective discount rate	Yield curve base	Yield curve base

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follows:

The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

The Actuaries used the nominal and real zero curves as at 28 June 2024 supplied by the JSE to determine the discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, they used the prevailing yield at the time of performing their calculations. The methodology was changed from a point estimate to that of a curve in order to present a more accurate depiction of the liability. Previously only one discount rate was used to value all the liabilities. This changed methodology would be seen as a change in estimate basis.

Although the actuaries have used the yield curve for the discount rates and the corresponding inflation rates, for indicative purposes the actuaries show that the discount rate and CPI corresponds to the implied duration of the liability. The implied duration of the liability for this valuation is 6.35 years. It is however important to note that this is solely for indicative purposes as the actuaries used the entire yield curve to obtain the financial variables.



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16. Employee benefits (continued)

Rates of Interest

Discount rate	10.98 %
CPI (Consumer Price Inflation)	5.67 %
Normal salary increase rate	6.67 %
Net effective discount rate	4.04 %

Average retirement age

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements.

Normal retirement age

The normal retirement age (NRA) for all active employees was assumed to be 65 years.

Mortality rates

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

Normal salary increase rates

The actuaries have derived the underlying future rate of consumer price index inflation (CPI inflation) from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. The actuaries assumed rate of salary inflation was set as the assumed value of CPI plus 1%. The salaries used in the valuation include an increase on 01 July 2024 of 6.5% (as provided by the Municipality).

Promotional salary increase rates

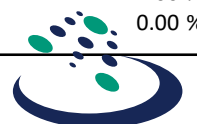
Assumptions have also been made on the Promotional Salary Increase rates per 5 years of age gap.

Age band	Promotional increase
20 - 24	5.00 %
25 - 29	4.00 %
30 - 34	3.00 %
35 - 39	2.00 %
40 - 44	1.00 %
45 and over	0.00 %

Withdrawal rates

Assumptions have also been made on the withdrawal rates from service per 5 years of age gap and per gender.

Age band	Withdrawal rate males	Withdrawal rate females
20 - 24	16.00 %	24.00 %
25 - 29	12.00 %	18.00 %
30 - 34	10.00 %	15.00 %
35 - 39	8.00 %	10.00 %
40 - 44	6.00 %	6.00 %
45 - 49	4.00 %	4.00 %
50 - 54	2.00 %	2.00 %
55 - 59	1.00 %	1.00 %
60 +	0.00 %	0.00 %



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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16. Employee benefits (continued)

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position are as follow:

Fair value of plan assets	-	-
Present value of unfunded obligations	51,321,000	48,814,000
Total benefit provision	51,321,000	48,814,000

Amounts recognised in the statement of financial performance

Current service cost	3,244,000	3,313,000
Interest cost	6,287,000	5,625,000
Actuarial losses / (gains) recognised	(2,357,697)	(3,872,840)
Total expense included in employee related costs	7,173,303	5,065,160

The main reasons for the actuarial gain can be attributed to the following factors:

- Changes in economic variables – We used the nominal and real zero curves as at 28 June 2024 supplied by the JSE to determine our discount rates and CPI assumptions at each relevant time period. As a result, the interest rates, bond yields and inflation figures have increased. This resulted in an overall decrease in liability of around R 1 733 000.
- Membership and other experience items – Membership and other demographic changes over the past financial year was different to what was expected at the previous valuation date, which includes a decrease in the total members and a smaller increase than expected in the average years of past service. The net effect of this and some other smaller factors, resulted in an overall decrease in the liability of around R 624 697.

Movements in the present value of the defined benefit obligation

Opening Balance	48,814,000	47,926,000
Current service costs	3,244,000	3,313,000
Interest cost	6,287,000	5,625,000
Benefits paid	(4,666,303)	(4,177,158)
Actuarial loss/(gain) (Financial Assumptions)	(1,733,000)	(3,729,000)
Actuarial loss/(gain) (Demographic Assumptions)	(624,697)	(143,842)
Closing balance	51,321,000	48,814,000

Movements in the present value of the defined benefit assets

Contribution from the employer	4,666,303	4,177,158
Benefits paid	(4,666,303)	(4,177,158)
Closing balance	-	-

The history of experienced adjustments are as follows:

	2020	2021	2022	2023	2024
Present value of defined benefit obligation	39,894,000	43,253,000	47,926,000	48,814,000	51,321,000
Experienced adjustments on defined benefit obligation	-	-	-	-	-

Sensitivity analysis



Drakenstein Municipality

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Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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16. Employee benefits (continued)

In order to illustrate the sensitivity of the results to changes in certain key variables, the liabilities were recalculated using the following assumptions:

- 20% increase/decrease in the assumed level of withdrawal rates;
- 1% increase/decrease in the normal salary cost inflation;
- 1% increase/decrease in the discount rate;
- 1 year increase/decrease in the average retirement age

Withdrawal rates

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the Municipality. If the actual rates of withdrawal turn out to be higher than the rates assumed in the valuation basis, then the cost to the Municipality in the form of benefits will reduce and vice versa.

The effect of a 20% movement in the withdrawal rates are as follow on the ensuing years assumptions:

	-20% Withdrawal rate	+20% Withdrawal rate
Effect on the defined benefit obligation	53,180,000	49,617,000
Effect on the aggregate of the current service cost	3,542,000	3,182,000
Effect on the aggregate of the interest cost	6,487,000	6,028,000

Normal salary inflation

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future employees.

The effect of a 1% movement in the normal salary inflation rates are as follow on the ensuing years assumptions:

	-1% Normal salary inflation	+1% Normal salary inflation
Effect on the defined benefit obligation	48,462,000	54,456,000
Effect on the aggregate of the current service cost	3,131,000	3,597,000
Effect on the aggregate of the interest cost	5,883,000	6,647,000

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cashflows. If the discount rate is higher the present value of the liability will be lower and vice versa.

The effect of a 1% movement in the assumed discount rates are as follow on the ensuing years assumptions:

	-1% Discount rate	+1% Discount rate
Effect on the defined benefit obligation	54,356,000	48,591,000
Effect on the aggregate of the current service cost	3,589,000	3,141,000
Effect on the aggregate of the interest cost	6,095,000	6,379,000

Average retirement age

The liability value is directly influenced by the assumption about the average retirement age of members as this determines the length these benefits are paid out to members.



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Figures in Rand	2024	2023
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16. Employee benefits (continued)

The effect of a one-year movement in the assumed retirement age are as follows on the ensuing years assumptions:

	-1 year average retirement age	+1 year average retirement age
Effect on the defined benefit obligation	47,088,000	54,984,000
Effect on the aggregate of the current service cost	3,133,000	3,547,000
Effect on the aggregate of the interest cost	5,714,000	6,709,000

Maturity analysis of the defined benefit obligations

The following table presents information about the distribution of the timing of benefit payments:

	Within one year from valuation date	Between 1 and 5 years from valuation date	Longer than 5 years from valuation date	Total
Long service awards	8,696,000	20,473,000	22,152,000	51,321,000

The municipality expects to make a contribution of R 8,696,000 to the Defined Benefit Plan during the next financial year.

The Future-service Cost for the ensuing year is estimated to be R 3,351,000 whereas the Interest Cost is estimated to be R 6,247,000.

16.4 Provision for bonuses

The movement in provision for bonuses are reconciled as follow:

Balance at the beginning of the year	20,568,587	19,901,977
Net movement	1,485,394	666,610
Balance at the end of the year	22,053,981	20,568,587
Current	22,053,981	20,568,587

16.5 Performance bonuses

Performance bonuses payable	16.5.2	2,284,468	2,762,856
Current		2,284,468	2,762,856

16.5.1 Performance bonuses

Provision has been made for performance bonuses in accordance with the performance agreements with each Executive Directors and the City Manager using the best estimate of the potential performance bonus payable. The actual bonuses will only be paid once the evaluation committee appointed in terms of the Performance Management regulations has reviewed the performance agreements of the Executive Management team and made a recommendation to the Council for final approval. The performance bonuses have been provided as follow:

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Figures in Rand	2024	2023	
16. Employee benefits (continued)			
Strategic Management Team			
Leibbrandt, JH (City Manager)	300,481	290,882	
Brown, B (Chief Financial Officer)	241,417	233,705	
Johaar, S (Executive Director: Corporate and Planning Services)	241,417	233,705	
Wüst, M (Executive Director: Engineering Services)	-	233,705	
L Pienaar (Executive Director: Engineering Services)	241,417	-	
Esau, G (Executive Director: Community Services)	241,417	233,705	
Samson-Swartz, JJ (Executive Director: Planning and Economic Development)	-	233,705	
Barnard, E (Executive Director: Public Safety)	241,417	-	
	1,507,566	1,459,407	
16.5.2 Performance bonuses payable			
Provision for performance bonuses			
Balance at beginning of the year	2,762,856	2,400,800	
Bonus paid	(1,303,451)	(1,004,841)	
Reversal of prior provision	(682,503)	(92,510)	
Increase in provision	1,507,566	1,459,407	
Closing balance	2,284,468	2,762,856	
16.6 Leave			
Leave accrual	48,557,913	44,968,080	
Current	48,557,913	44,968,080	
Non-current	-	-	
17. Provision			
Provision for rehabilitation of landfill sites	17.1	259,201,738	259,023,420
Balance of current provision for rehabilitation at end of year		69,674,427	462,350
Balance of non-current provision for rehabilitation at end of year		189,527,311	258,561,070
17.1 Provision for rehabilitation of landfill sites			
Opening Balance		259,023,421	218,484,399
Change in estimate: asset increase ito iGRAP2		50,834	23,154,176
Change in estimate: Provision liability increase/(decrease) ito iGRAP2		-	-
Change in estimate: asset decrease ito iGRAP2		(15,555,111)	(1,367,754)
Unwinding of discount & other changes		15,682,594	18,752,599
Closing balance		259,201,738	259,023,420
Current		69,674,427	462,350
Non-current		189,527,311	258,561,070
		259,201,738	259,023,420

The council will incur further rehabilitation cost on its unrehabilitated dumping/landfill sites over the period 2028/29 up to 2031/32 and post monitoring costs thereafter. Provision has been made for the net present value of this cost based on the status quo as at 30 June 2024.



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Figures in Rand			2024	2023
17. Provision (continued)				
Location	Proposed rehabilitation date	Post closure monitoring date		
Wellington existing	2031/2032	2061/2062	80,876,383	79,981,486
Wellington old	2031/2032	2059/2060	44,936,902	43,378,853
Gouda	Rehabilitation complete	2053/2054	1,040,843	1,051,091
Saron	Rehabilitation complete	2053/2054	634,123	1,445,007
Hermon	Rehabilitation complete	2053/2054	978,669	1,003,751
Dal Josafat	2024/2025	2054/2055	23,222,198	21,656,168
Orleans	2024/2025	2054/2055	43,027,340	40,103,667
Boy Louw	2028/2029	2058/2059	62,466,924	68,359,988
Klapmuts Landfill	Rehabilitation complete	2029/2030	1,364,633	1,388,159
Wateruintjiesvlei Landfill	Rehabilitation complete	2029/2030	653,723	655,250
			259,201,738	259,023,420

JPCE is a consulting engineering and environmental consulting firm appointed to determine a high-level concept-design stage costing-value (amount) to cap and rehabilitate the landfill sites at the end of the current Financial Year. Their independence from management is monitored. The firm is a member and fully subscribes to the Constitution and Code of Conduct of the Council of Engineers of South Africa.

Based on the work provided by JPCE, an applicable inflation rate of 4.90% - 5.15% has been determined and a discounted rate of 8.72% - 11.97% has been utilised.

The funding required by the municipality to fund the rehabilitation has been assessed and based on the government bond rates with similar maturity periods. The municipality assessed the effect of discounting coupled with the future inflation rate to approximate the current cost of the expected rehabilitation cost as disclosed above.

18. Consumer deposits

Deposits	80,367,377	72,713,346
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Guarantees held in lieu of deposits were R 20,450,361 (2023: R 21,276,222).

Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on consumer deposits held.

The management of the municipality is of the opinion that the carrying value of consumer deposits approximate their fair values.

The fair value of consumer deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

19. Trade and other payables from exchange transactions

Trade Creditors	19.1	191,090,642	165,704,755
Payments received in advance	19.2	41,462,751	55,100,339
Retention	19.3	31,017,530	6,114,393
Other payables	19.4	15,689,472	19,620,273
Net VAT accrual on outstanding receivables	19.5	56,036,493	36,451,442
Total		335,296,888	282,991,202

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Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
19. Trade and other payables from exchange transactions (continued)		
19.1 Trade Creditors		
Eskom Limited (Electricity bulk purchases)	146,758,946	132,801,735
Other trade creditors	44,331,696	32,903,020
Total	191,090,642	165,704,755
19.2 Payments received in advance		
Payments received in advance	41,462,751	55,100,339
19.3 Retention		
Retentions	31,017,530	6,114,393
19.4 Other payables		
Other payables and accruals	15,689,472	19,620,273
19.5 Net VAT accrual on outstanding receivables		
VAT accrual on receivables	77,538,342	55,620,781
VAT on provision for doubtful debt	(21,501,849)	(19,169,339)
Total	56,036,493	36,451,442

The average credit period on purchases is 30 days from the receipt of the statement, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit time frame.

The management of the municipality is of the opinion that the carrying value of creditors approximate their fair values.

The fair value of creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

The prior year comparatives have been restated, please refer to note 48 for more detailed information.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

20. Unspent conditional grants and receipts

		2024					2023			
		Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Closing balance
Capital										
Monetary Allocations	20.1	2	462,865,699	(455,198,967)	(6)	7,666,728	1,526,743	153,819,562	(153,868,358)	1,477,947
Operational										
Monetary Allocations	20.2	11,211,653	17,771,078	(18,718,911)	(390,506)	9,873,314	8,179,228	13,393,927	(11,839,448)	9,733,707
Total		11,211,655	480,636,777	(473,917,878)	(390,512)	17,540,042	9,705,971	167,213,489	(165,707,806)	11,211,654

The above mentioned disclosure do not include information on Equitable Share as it is directly recognised as revenue on receipt as it is a unconditional grant.

Additional to this, mSCOA does not make provision for any liability vote for the Equitable Share funds.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

20. Unspent conditional grants and receipts (continued)

20.1 Unspent capital monetary allocations

	2024					2023				
	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Closing balance	
Other grants										
Other	-	479,792	(479,792)	-	-	1,526,741	1,185,440	(1,234,236)	1,477,945	
National Government										
Integrated National Electrification Programme Grant	-	10,000,000	(10,000,000)	-	-	-	16,000,000	(16,000,000)	-	
Integrated Urban Development Grant	1	58,616,000	(58,615,997)	(4)	-	1	61,354,143	(61,354,143)	1	
Neighbourhood Development Partnership Grant	-	10,000,000	(2,668,576)	-	7,331,424	-	-	-	-	
Regional Bulk Infrastructure Grant	-	290,310,000	(290,310,000)	-	-	-	-	-	-	
Water Services Infrastructure Grant	1	13,400,000	(13,399,999)	(2)	-	1	-	-	1	
Total	2	382,326,000	(374,994,572)	(6)	7,331,424	2	77,354,143	(77,354,143)	2	
Provincial Government										
Western Cape	-	32,434,863	(32,099,559)	-	335,304	-	19,145,030	(19,145,030)	-	
Donations and other contributions										
Other	-	47,625,044	(47,625,044)	-	-	-	56,134,949	(56,134,949)	-	
Total unspent capital monetary allocations	2	462,865,699	(455,198,967)	(6)	7,666,728	1,526,743	153,819,562	(153,868,358)	1,477,947	



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

20. Unspent conditional grants and receipts (continued)

20.2 Unspent operational monetary allocations

	2024					2023			
	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue	Closing balance
Other grants									
Other	3,140,673	2,944,995	(3,851,588)	-	2,234,080	2,630,666	1,717,523	(2,685,459)	1,662,730
National Government									
Expanded Public Works Programme Integrated Grant	-	4,363,000	(4,363,000)	-	-	-	4,139,000	(4,139,000)	-
Local Government Financial Management Grant	-	1,550,000	(1,550,000)	-	-	-	1,550,000	(1,550,000)	-
Municipal Disaster Recovery Grant	-	435,000	(197,873)	-	237,127	-	634,857	(634,857)	-
Total	-	6,348,000	(6,110,873)	-	237,127	-	6,323,857	(6,323,857)	-
Provincial Government									
Western Cape	7,707,408	8,478,083	(8,756,450)	(390,506)	7,038,535	5,184,990	5,352,547	(2,830,132)	7,707,405
Donations and other contributions									
Other	363,572	-	-	-	363,572	363,572	-	-	363,572
Total unspent operational monetary allocations	11,211,653	17,771,078	(18,718,911)	(390,506)	9,873,314	8,179,228	13,393,927	(11,839,448)	9,733,707



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
21. Housing Development Fund		
Realising housing proceeds		
Opening balance	30,509,090	27,846,641
Plus: Interest and redemption, and other on housing schemes	4,488	15,640
Plus: (Net loss) / surplus on letting schemes	1,081,868	2,777,371
Less: Housing subsidies expenditure	-	(130,562)
Balance at the end of the year	31,595,446	30,509,090
Unrealised housing proceeds		
Opening balance	116,219	297,912
Long term housing loans	(104,565)	(181,693)
Balance at the end of the year	11,654	116,219
Total	31,607,100	30,625,309

The housing development fund is not cash backed, as the value of outstanding housing receivables exceeds the value of the fund.

22. Reserves and Funds

Re-valuation reserve	1,657,921,383	1,713,429,005
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The Re-valuation reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Re-valuation reserve that relates to that asset, and is effectively realised, is transferred directly to Accumulated Surplus.

Distributions from the Re-valuation reserve can be made when it is in accordance with the requirements of the municipality's accounting policy. The payment of cash distributions out of the reserve is restricted by the terms of the municipality's. These restrictions do not apply to any amounts transferred to the Accumulated Surplus. Council do not currently intend to make any distribution from the Re-valuation reserve.

Refer to Statement of changes in net assets for more detail and the movement on Reserves.

23. Accumulated surplus / (deficit)

Accumulated Surplus/(Deficit)	3,977,856,582	3,339,909,797
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Refer to the Statement of changes in net assets for more detail and the movement on Accumulated surplus.

24. Services charges

Electricity		
Exchange – Consumption	1,576,865,615	1,396,743,777
Less: Income forgone	(52,360,073)	(47,316,267)
Sub-total	1,524,505,542	1,349,427,510
Water		
Exchange – Consumption	253,677,596	207,689,921
Less: Income forgone	(17,166,936)	(14,478,370)
Sub-total	236,510,660	193,211,551



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
24. Services charges (continued)		
Waste management		
Exchange – Consumption	224,242,084	204,123,496
Less: Income forgone	(54,284,347)	(48,681,037)
Sub-total	169,957,737	155,442,459
Waste water management		
Exchange – Consumption	182,702,723	169,228,224
Less: Income forgone	(29,141,306)	(25,124,324)
Sub-total	153,561,417	144,103,900
Total	2,084,535,356	1,842,185,420

The prior year comparatives have been restated, please refer to note 48 for more detail information.

25. Sales of goods and rendering of services

Advertisements	34,924	3,739
Building Plan Approval	8,231,330	9,860,093
Camping Fees	1,022,572	877,320
Cemetery and Burial	3,015,825	3,143,541
Cleaning and Removal	193,277	336,996
Demolition Application Fees	5,387	11,406
Entrance Fees	623,569	781,260
Legal Fees	1,137,622	1,451,554
Library Fees	24,990	37,476
Management Fees (Library)	18,606,957	17,351,304
Occupation Certificates	707,287	599,141
Photocopies and Faxes	262,755	244,833
Sale of Goods	41,466	62,951
Total	33,907,961	34,761,614

26. Rental from fixed assets

Land and buildings	2,447,485	1,987,767
Housing rentals	14,403,286	13,783,830
Other rental revenue	1,723,741	1,161,669
Less: Income forgone	(10,262,351)	(9,851,646)
Total	8,312,161	7,081,620

Operating leases (municipality as lessor)

At Statement of Financial Performance date the municipality has contracted with tenants for the following future minimum lease payments:

Within one year	581,275	745,731
In second to fifth year inclusive	931,907	1,513,582
Total	1,513,182	2,259,313

The Municipality has significant current lease arrangements for land and buildings over a period varying from 2 up to 32 years (2023: 2 up to 32 years) being subject to increased lease payments.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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26. Rental from fixed assets (continued)

All contingent lease payments are based on the actual contract value of the property leased and the escalations vary from 7.5% up to 12.32%.

No other restrictions were imposed.

27. Interests on investments

Short-term investments and call accounts	73,656,906	36,829,830
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28. Interest earned from receivables

Exchange receivables	19,480,489	12,884,062
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29. Operational revenue

Revenue from exchange transactions

Operation revenue from exchange transactions	18,774,540	5,821,341
Development Charges	10,575,395	8,077,587
Total	29,349,935	13,898,928

Revenue from non-exchange transactions

Goods and services received in kind	1,741,571	1,770,924
Exchange Revenue	29,349,935	13,898,928
Non-exchange revenue	1,741,571	1,770,924
Total operational revenue	31,091,506	15,669,852

Services received in kind

During the financial year, the municipality received goods and services in kind, that was recognised in terms of GRAP 23.

30. Licences or permits

Exchange revenue	21,786,042	21,094,733
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Included in licenses and permits is an amount of R17,652,143 (2023: R17,301,982) received from the Department of Transport and Public Works as agency fees for motor vehicle license services, which the Municipality performs on behalf of the Department of Transport and Public Works.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
31. Property rates		
Residential properties	359,848,432	330,814,272
Business and commercial properties	118,301,109	107,664,133
Farm properties	70,659,784	66,772,294
Mining properties	284,918	274,231
Municipal properties	17,204,334	16,513,433
National monument properties	172,523	166,054
Other categories	25,439,011	26,064,037
Protected areas	282,220	278,706
Public benefit organisations	2,232,622	1,863,549
Public service infrastructure properties	1,209,655	1,167,223
State-owned properties	29,674,480	28,482,741
Less: Income forgone / rebates	(158,904,222)	(142,877,871)
Total	466,404,866	437,182,802

Valuation as at 30 June 2024

Residential	49,969,714,800	47,122,505,800
Agricultural	9,697,117,850	9,431,304,850
Commercial	9,680,771,000	9,267,406,000
Other categories	6,235,068,700	6,454,101,900
State-owned properties	2,965,493,500	2,953,750,500
Total property valuations	78,548,165,850	75,229,069,050

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 01-Jul-2021.

Supplementary valuations are processed on an annual basis to consider changes in individual property values due to alterations and subdivisions.

A uniform rate for the same class and type of property was applied with the implementation of the Property Rates Act. A rate on different categories was applied to property valuations to determine assessment rates. Rebates are granted to certain property categories as per the approved Property Rates Policy that is reviewed by Council annually. Exemptions are also granted to certain property categories as per the stipulations of the Property Rates Act.

Rates are levied for property owners on a monthly basis for monthly rate payers and are payable on the 15th of each month and for annual rate payers on 15th October.

32. Availability charges

Electricity		
Availability charges	2,527,545	2,250,026
Water management		
Availability charges	2,226,690	2,171,116
Waste management		
Availability charges	4,002,553	3,893,471
Waste water management		
Availability charges	3,385,134	3,304,521
Total	12,141,922	11,619,134

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023
33. Fines, penalties and forfeits			
Fines, penalties and forfeits	33.1	97,292,325	104,450,941
33.1 Fines, penalties and forfeits			
Traffic fines			
Service provider fines		92,595,113	101,720,697
Other fines			
Building fines		381,471	209,499
Illegal connections - Electricity		379,313	356,148
Overdue books		24,388	22,148
Pound fees		3,912,040	2,142,449
		4,697,212	2,730,244
Total		97,292,325	104,450,941
34. Transfers and subsidies - Revenue			
Operational			
Allocations		228,731,686	205,179,410
Capital			
Allocations		458,952,437	153,802,530
Total		687,684,123	358,981,940
Unconditional grants			
Equitable share		215,718,000	194,354,999
Conditional grants			
National Government		381,105,447	83,678,000
Provincial Government		40,856,010	21,975,162
Other grants		4,331,380	3,919,697
Donations and other contributions		47,625,044	56,134,950
Total conditional grants		473,917,881	165,707,809
Subtotal		689,635,881	360,062,808
Offsetting of housing expenditure where municipality is seen as an agent		(634,738)	(1,080,868)
Recognition of revenue in terms of GRAP 11		(1,317,020)	-
Total Government Grant and Subsidies		687,684,123	358,981,940

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023
34. Transfers and subsidies - Revenue (continued)			
National Government (Unconditional Grants)			
Balance unspent at beginning of year		-	-
Current year		(215,718,000)	(194,354,999)
Conditions met - transferred to revenue		215,718,000	194,354,999
Conditions still to be met - transferred to liabilities	20	-	-

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a 100% monthly subsidy for the basic charges of Electricity, Refuse Removal, Sewerage and Water Services, the subsidy is adjusted as tariffs increase. All qualifying registered indigent households receive 6 kl water and between 50-100 kWh electricity free every month.

National Government (Conditional Grants)

Balance unspent at beginning of year		-	-
Current year receipts		(388,674,000)	(83,678,000)
Conditions met - transferred to revenue		381,105,450	83,678,000
Conditions still to be met - transferred to liabilities	20	(7,568,550)	-

These grants were used to construct infrastructure assets for the Municipality. Other than the unspent amount, the conditions of the grant have been met.

This grant received from National Government are for operational and capital expenditure projects related to budget reform and implementation of the MFMA. Other than the unspent amount, the conditions of the grant have been met.

Provincial Government (Conditional Grants)

Balance unspent at beginning of year		(7,707,406)	(5,184,980)
Current year receipts		(40,912,947)	(24,497,588)
Conditions met - transferred to revenue		40,856,010	21,975,162
Repayments		390,504	-
Conditions still to be met - transferred to liabilities	20	(7,373,839)	(7,707,406)

These grants received from Provincial Government are for operational and capital expenditure such as Revenue from Housing Grants and the related housing operating expenditure where Drakenstein Municipality is regarded as an agent in terms of GRAP amounted to R634,735 (2023: R1,080,868). In terms of a GRAP interpretation, where a municipality is regarded as an agent, the revenue should be set off against the operating expenditure. Revenue from housing grants and the related housing expenditure where Drakenstein Municipality is regarded as an agent in terms.

The municipality acted as agent for the Provincial Department of Human Settlements for the Fairy Land PHP project. An amount of R2,932,948 (2023: R2,513,787) is included in unspent conditional grants and receipts for this project.

Other Grants

Balance unspent at beginning of year		(3,140,674)	(4,157,407)
Current year receipts		(3,424,786)	(2,902,964)
Conditions met - transferred to revenue		4,331,380	3,919,697
Conditions still to be met - transferred to liabilities	20	(2,234,080)	(3,140,674)

These grants received from other institutions are for operational and capital expenditure projects. Other than the unspent amount, the conditions of the grant have been met. No funds have been withheld. These include monetary capital in-kind.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023
34. Transfers and subsidies - Revenue (continued)			
Donations and other contributions			
Balance unspent at beginning of year		(363,572)	(363,572)
Current year receipts		(47,625,044)	(56,134,950)
Conditions met - transferred to revenue		47,625,044	56,134,950
Conditions still to be met - transferred to liabilities	20	(363,572)	(363,572)

These grants received from other institutions are for operational and capital expenditure projects. Other than the unspent amount, the conditions of the grant have been met. No funds have been withheld

The prior year comparatives have been restated, please refer to note 48 for more detail information.

35. Construction contract revenue

Housing projects			
Erf 557 Mbekweni		1,317,020	-

36. Fair value and loss on disposal adjustments on assets

Gains/(losses) on disposals	36.1	(19,395,046)	(18,517,658)
Fair value adjustment	36.2	6,755,000	4,877,766
Gain on Raw water at fair value		2,669,622	1,640,466
Total		(9,970,424)	(11,999,426)

36.1 Gains/(losses) on disposals

Gains / (losses) on disposal on PPE, IA, IP & HA		(7,694,967)	(12,365,610)
Gains / (losses) on fair value adjustment		(91,764)	(85,089)
Water losses		(11,608,315)	(6,066,959)
Total		(19,395,046)	(18,517,658)

36.2 Fair value adjustment

Investment property		6,755,000	4,877,766
Financial assets		-	-
Total		6,755,000	4,877,766

The comparative figures have been restated, refer to note 48 for more detail information.

37. Employee related cost

Employee related cost		785,352,002	735,660,751
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Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

37. Employee related cost (continued)

37.1 Senior management costs

2024

	JH Leibbrandt City Manager	B Brown Chief Financial Officer	JJ Samson Executive Director: Planning and Development	S Johaar Executive Director: Corporate Services	M Wüst Executive Director: Engineering Services	G Esau Executive Director: Community Services	L Pienaar Executive Director: Engineering Services	E Barnard Executive Director: Public Safety	Total
Cost to company package	2,146,294	1,724,406	-	1,724,406	-	1,724,406	1,650,267	1,149,604	10,119,383
Performance bonuses	282,410	226,898	145,863	210,691	226,898	210,691	-	-	1,303,451
Other allowances and reimbursement	32,714	29,356	-	49,539	177	26,058	23,341	16,981	178,166
Arbitration settlement	-	-	1,113,056	-	-	-	-	-	1,113,056
Gratuity	21,816	20,340	-	20,340	-	20,340	19,410	13,560	115,806
	2,483,234	2,001,000	1,258,919	2,004,976	227,075	1,981,495	1,693,018	1,180,145	12,829,862



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

37. Employee related cost (continued)

2023

	JH Leibbrandt City Manager	B Brown Chief Financial Officer	JJ Samson Executive Director: Planning and Development	S Johaar Executive Director: Corporate Services	M Wüst Executive Director: Engineering Services	G Esau Executive Director: Community Services	L Pienaar Acting Executive Director: Engineering Services	LA Waring Executive Director: Planning and Development	Total
Cost to company packages	2,077,729	1,669,319	1,251,989	1,669,319	973,769	1,669,319	-	-	9,311,444
Performance bonuses	258,362	175,642	-	159,675	159,675	143,707	-	107,780	1,004,841
Other allowances and reimbursement	45,507	70,366	166,360	37,924	89,973	37,924	-	177	448,231
Acting Allowance	-	-	-	-	-	-	34,070	-	34,070
Gratuity	9,938	7,983	7,983	7,983	7,983	7,983	-	-	49,853
	2,391,536	1,923,310	1,426,332	1,874,901	1,231,400	1,858,933	34,070	107,957	10,848,439

The City Manager and Executive Directors are remunerated in terms of the Upper Limits of Total Remuneration Packages Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers, issued in terms of the Local Government: Municipal Systems Act 32 of 2000.

Included in the post-employment health care liability (see Note 16.1) are benefits that the City Manager, Dr JH Leibbrandt, Mr L Pienaar and Ms E Barnard will receive after termination. At 30 June 2024 the present value of the associated liability for the City Manager amounted to R587,149 (2023: R590,632), Mr L Pienaar amounts to R7,418 and Ms E Barnard amounts to R10,276.

Where other officials acted in the Executive Director positions and was remunerated accordingly, only the additional remuneration for acting in that position is disclosed.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
37. Employee related cost (continued)		
37.2 Municipal staff costs		
Basic Salary	514,968,139	490,597,504
Social Contributions	121,680,976	116,650,456
Travel or Motor Vehicle	31,635,238	30,394,882
Housing Benefits	3,732,572	3,619,893
Overtime payments	55,245,847	41,913,970
Acting and Post Related Allowances	1,135,454	920,341
Shift Additional Remuneration	2,369,012	2,371,877
Standby Allowance	12,097,696	9,718,918
Night Shift	3,419,433	3,203,880
Workman Compensation	3,698,468	3,422,103
Cellular and Telephone	4,616,563	4,468,034
Contribution to leave reserve	7,294,466	4,002,737
Provision for Performance Bonuses	825,065	1,366,897
Defined Benefit Plan Expenses: Post Employment Health Care		
Current Service Cost	5,961,000	7,525,000
Actuarial Gains and Losses	(17,341,902)	(13,696,556)
Interest Cost	27,170,000	24,178,000
Defined Benefit Plan Expenses: Ex Gratia Pension Benefits		
Actuarial Gains and Losses	(396,328)	(136,343)
Interest Cost	67,000	74,000
Defined Benefit Plan Expenses: Long Services		
Current Service Cost	3,244,000	3,313,000
Actuarial (Gains) / Losses	(2,357,697)	(3,872,842)
Interest Cost	6,287,000	5,625,000
Total	785,352,002	735,660,751

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
38. Remuneration of councillors		
Executive Mayor (Poole, CJ) (until 28 February 2024)	762,019	1,119,387
Executive Mayor (Korabie, SE) (from 5 April 2024)	275,431	-
Speaker (JK Le Roux)	922,371	895,506
Deputy Executive Mayor (Combrink, GC)	922,371	895,506
Chief Whip (C Kearns)	864,725	839,539
Mayoral Committee Members - up until 31 May 2024		
Mayoral Committee Member of Sport, Recreation Arts and Culture (LC Arendse)	792,665	839,539
Mayoral Committee Member of Social Development (E Gouws)	792,665	839,539
Mayoral Committee Member of Human Settlements (MA Andreas)	792,665	839,539
Mayoral Committee Member of Parks, Waste & Cemeteries (L Cyster)	792,665	839,539
Mayoral Committee Member of Corporate Services (E Baron)	792,665	839,539
Mayoral Committee Member of Public Safety (AMB Appollis)	792,665	839,539
Mayoral Committee Member of Communication And Intergovernmental Relations (RH Van Nieuwenhuizen)	792,665	839,539
Mayoral Committee Member of Engineering Services (TG Bester)	792,665	839,539
Mayoral Committee Member of Planning & Development (LT van Niekerk)	792,665	839,539
Mayoral Committee Member of Governance Compliance (J Miller)	792,665	839,539
Mayoral Committee Member of Corporate Services (LP Mokoena)	-	7,095
Mayoral Committee Members - after 1 June 2024		
Mayoral Committee Member of Planning, Economic Development and Tourism (LT Van Niekerk)	72,060	-
Mayoral Committee Member of Social Development, Sport and Recreation (LC Arendse)	72,060	-
Mayoral Committee Member of Urbanisation and Human Settlements (E Baron)	72,060	-
Mayoral Committee Member of Parks, Resorts and Cemeteries (L Cyster)	72,060	-
Mayoral Committee Member of Corporate and Governance (D America)	72,060	-
Mayoral Committee Member of Public Safety (AMB Appollis)	72,060	-
Mayoral Committee Member of Communication and Intergovernmental Relations (IGR) (R Andreas)	72,060	-
Mayoral Committee Member of Water and Sanitation (J Miller)	72,060	-
Mayoral Committee Member of Electricity and Roads (A Koegelenberg)	72,060	-
Mayoral Committee Member of Waste Management (TG Bester)	72,060	-
All other councillors	18,725,342	17,963,329
Cell phone allowance	3,220,718	3,097,539
Total	34,340,227	33,213,291



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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38. Remuneration of councillors (continued)

In kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker, and Mayoral Committee members are employed full-time. Each is provided with an office, administrative and secretarial support at the cost of the Council.

The Executive Mayor and Deputy Mayor and other full-time Mayoral Committee members have access to Council owned vehicles for ceremonial and official functions.

Councillors receive a total cost to company package as determined by the Notice for 'Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils', issued in terms of Remuneration of Public Office Bearers Act, 1998, and may structure it as it wishes, furthermore they receive a maximum of R 49,608 (2023: R 44,400) per year, as a cellphone and data allowance in accordance with the notice. Other councillors receive an average of R 366,642 (2023: R 354,243) per year, except the chairperson of MPAC, who receives an average of R 470,524 (2023: R 454,613) per year. Take note that the MPAC chairperson changed during the cause of the year. The average was obtained by multiplying the previous year with the budgeted increase of 3.0%.

Furthermore councillors receive the benefit of special risk insurance cover (SASRIA) as provided for in terms of the notice. This insurance cover, should cover the loss of or damage to a councillor's personal immovable or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder.

**Amount outstanding
for more than 90
days**

List the name of the councillor which at any time during the relevant financial year was in arrears for more than 90 days

FEBRUARY 2024

DE WAAL/RE C	5,431
	5,431

39. Impairment losses on financial assets

Trade and other receivables from exchange transactions and availability charges	9	23,683,876	67,382,236
Receivables from non-exchange transactions	10	510,784	12,779,057
Traffic fines	10	5,717,995	(14,450,054)
Long term receivables	7	(9,307)	(78,280)
Total		29,903,348	65,632,959

Drakenstein Municipality uses the allowance account (provision for impairment) against which actual debts written off are recorded. During the year, the following debt was written off.

Irrecoverable debts written-off

Consumer receivables and availability charges receivables	24,211,116	15,404,434
Statutory receivables: Property rates	776,192	601,061
Statutory receivables: Traffic fines	73,265,566	87,642,249
Total	98,252,874	103,647,744

The prior year comparatives have been restated, please refer to note 48 for more detailed information.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023
40. Depreciation and amortisation			
Amortisation			
Intangible assets	5.1	624,665	711,414
Depreciation			
Property, plant and equipment		248,390,704	245,552,119
Total		249,015,369	246,263,533
The amount of depreciation disclosed in note 3 will differ due to the recognition of water inventory as disclosed in note 8.			
The prior year comparatives have been restated, please refer to note 48 for more detail information.			
41. Impairment losses on PPE, IA and HA			
Property, plant and equipment		600,287	214,518
42. Finance cost			
Interest	42.1	167,821,823	176,390,519
42.1 Interest cost			
Financial liabilities			
• Long-term liabilities - interest paid		167,602,762	176,086,401
• Finance leases		219,061	304,118
		167,821,823	176,390,519
Total		167,821,823	176,390,519
43. Bulk purchases			
Electricity: Eskom		1,107,097,905	927,237,466
Electricity: Independent power producers		4,331,983	2,709,221
Water inventory consumed		37,992,109	29,121,283
Total		1,149,421,997	959,067,970
43.1 Electricity losses			
Reconciliation of kWh losses			
kWh units purchased		630,434,093	603,483,467
kWh units sold		(585,777,037)	(579,640,015)
Total loss		44,657,056	23,843,452
Average value of losses (cost)		78,507,355	36,770,399
Percentage loss:			
Technical losses		7.08 %	3.95 %
Norm of losses		10.00 %	10.00 %

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
43. Bulk purchases (continued)		
Reasons for the losses		
Losses occurred because of the following reasons:		
<ul style="list-style-type: none"> Technical losses Unmetered services Theft 		
43.2 Water losses		
Unavoidable annual real losses	11,608,315	6,066,959
System input volume (Kilolitres)	17,286,138	14,454,747
Billed metered consumption (Kilolitres)	(13,236,789)	(12,003,898)
Total loss	4,049,349	2,450,849
Comprising of:		
Technical losses (Kilolitres)	3,794,139	2,305,452
Non-technical losses (Kilolitres)	255,210	145,397
Total	4,049,349	2,450,849
Percentage loss: *		
Technical losses	21.90 %	15.90 %
Non-technical losses	1.50 %	1.10 %
Total	23.40 %	17.00 %
Norm of losses:		
Minimum Level	15.00 %	15.00 %
Maximum Level	30.00 %	30.00 %

Reasons for the losses

Losses occurred because of the following reasons:

- Burst pipes.
- Use of unmetered fire water connections at flat buildings and factories.
- Open spaces and sports fields that are still unmetered.
- Undetected leaks underground.
- Scouring of mainlines and reservoirs as part of the operational procedure to ensure good water quality.

* The water losses per the audited annual financial statements take into account water that was metered but not billed. Whereas the Annual performance report shows an actual technical water loss of 21.90% (2023: 15.90%), as unbilled metered water and unbilled unmetered water is not taken into account.

44. Contracted services

Consultants and professional services	44.1	27,331,170	22,435,754
Contractors	44.2	152,139,708	126,804,557
Outsourced services	44.3	30,491,608	24,360,307
Total		209,962,486	173,600,618



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
44. Contracted services (continued)		
44.1 Consultants and professional services		
Business advisory services	16,445,344	13,647,261
Legal advice and litigation	8,466,870	5,757,529
Other consultants and professional services	2,418,956	3,030,964
Total consultants and professional services	27,331,170	22,435,754
44.2 Contractors		
General services		
Housing project expenditure	2,304,299	-
Catering services	242,558	103,578
Management of informal settlements	6,170,314	9,140,772
Other contractor services	4,659,266	3,845,650
Safeguard and security	41,927,721	36,577,461
Total general services	55,304,158	49,667,461
Maintenance services		
Maintenance of buildings and facilities	15,328,955	11,596,065
Maintenance of equipment	43,797,111	29,462,457
Maintenance of unspecified assets	37,709,484	36,078,574
Total maintenance service	96,835,550	77,137,096
Total contractor	152,139,708	126,804,557
44.3 Outsourced services		
General services		
Traffic Fines Management	5,810,985	5,253,124
Waste management	21,411,041	17,326,578
Other outsourced services	3,269,582	1,780,605
Total outsourced services	30,491,608	24,360,307
45. Operational cost		
Advertising, Publicity and Marketing	3,537,481	2,832,553
Bank Charges, Facility and Card Fees	8,105,326	7,246,751
Commission	11,456,104	9,316,658
Communication	4,247,502	4,288,668
Contribution to provision for rehab and landfill site	15,682,594	18,752,599
External Audit Fees	6,330,842	6,850,233
External Computer Service	16,616,066	14,924,967
Insurance Underwriting	13,111,269	12,981,171
Other operational cost	6,909,873	5,444,420
Printing, Publications and Books	950,514	774,915
Professional Bodies, Membership and Subscription	8,188,126	8,045,053
Skills Development Fund Levy	6,325,059	5,932,632
Uniform and Protective Clothing	5,128,900	4,873,542
Vehicle licences	2,568,159	2,493,362
Total	109,157,815	104,757,524



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
46. Operating leases		
Investment Properties	177,195	441,023
Machinery and Equipment	5,228,024	3,593,107
Land and buildings	2,649,416	5,266,298
Transport Assets	12,052,146	8,538,257
Total	20,106,781	17,838,685
Operating leases (municipality as a lessee)		
Land and buildings		
Within one year	-	2,090,144
After five years	-	-
Total	-	2,090,144
Machinery and equipment		
Within one year	4,280,988	4,180,728
In second to fifth year inclusive	-	4,280,988
After five years	-	-
Total	4,280,988	8,461,716

The Municipality has no current lease arrangements for land and buildings.

All contingent lease payments are based on the actual contract value of the property leased and the escalations vary from 5.6% up to 8.5% (2023: 5.6% up to 8.5%).

No other restrictions were imposed.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
47. Net cash from/(used) operating activities		
Surplus for the year	583,380,442	157,446,761
Adjustments for:		
Depreciation and amortisation	249,015,369	246,263,533
Bad debts written off	98,252,872	103,647,744
(Gains) / Losses on disposal of assets	5,532,777	12,712,294
Fair value adjustment	(6,755,000)	(4,877,766)
Increase / (Decrease) in provisions	178,318	40,539,022
Impairment loss (Financial assets and property, plant & equipment)	30,503,635	65,847,479
(Gain) / Losses on disposal of inventory	2,253,953	(261,594)
Gain on raw at fair value	(2,669,622)	(1,640,467)
Raw water purchases at fair value	2,669,622	1,640,467
Housing Development Fund	(4,489)	(114,921)
Provision for landfill rehab - iGRAP 2 adjustment	15,504,277	(21,786,423)
Lease smoothing	8,345	5,590
Assets from capital grant in-kind	(8,195,872)	(27,367,161)
Leave provision	7,294,466	4,002,737
13th Cheque provision	1,437,233	666,610
Long service award provision	7,173,303	5,065,158
Post retirement provision	15,789,098	18,006,444
Performance bonus provision	873,224	1,366,893
Ex-gratia provision	(329,328)	(62,343)
Water losses	8,620,211	8,620,210
Movement in working capital		
(Increase) / Decrease in receivables from non-exchange transactions	(83,808,541)	(91,558,564)
(Decrease) / Increase in consumer deposits	7,654,031	7,382,384
(Increase) / Decrease in inventory	(12,759,749)	(1,058,374)
(Increase) / Decrease in receivables from exchange transactions	(109,433,608)	(49,647,625)
Increase / (Decrease) in Employee benefits	(21,397,158)	(19,778,861)
(Increase) / Decrease in long term receivable	17,423	103,412
Increase / (Decrease) in trade and other payables	(4,687,352)	26,348,987
Increase / (Decrease) in unspent conditional grants and receipts	6,328,388	1,505,694
Increase / (Decrease) in VAT	64,838,295	22,191,614
Net cash flows from operating activities	857,284,563	505,208,934



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023		
48. GRAP 3 adjustments					
The following restatements and adjustments occurred which are set out below:					
48.1 Adjustments of Statement of Financial Performance items					
2023					
	Note	Previously reported	Correction of error	Change in accounting policy	Restated
Revenue					
Exchange revenue					
Services charges - Electricity	24	1,368,866,561	(19,439,051)	-	1,349,427,510
Services charges - Water	24	193,211,551	-	-	193,211,551
Services charges - Waste management	24	155,442,458	-	-	155,442,458
Services charges - Waste water management	24	144,103,900	-	-	144,103,900
Sales of goods and rendering of services	25	34,761,614	-	-	34,761,614
Rental from fixed assets	26	7,081,620	-	-	7,081,620
Interests on investments	27	36,829,830	-	-	36,829,830
Interest earned from receivables	28	12,884,062	-	-	12,884,062
Operational revenue	29	14,217,491	(318,563)	-	13,898,928
Licences or permits	30	21,094,733	-	-	21,094,733
		1,988,493,820	(19,757,614)	-	1,968,736,206
Non-exchange revenue					
Property rates	31	437,182,802	-	-	437,182,802
Availability charges - Electricity	32	2,250,026	-	-	2,250,026
Availability charges - Water	32	2,171,116	-	-	2,171,116
Availability charges - Waste management	32	3,893,471	-	-	3,893,471
Availability charges - Waste water management	32	3,304,521	-	-	3,304,521
Surcharges and taxes		2,230,462	-	-	2,230,462
Fines, penalties and forfeits	33	104,450,941	-	-	104,450,941
Transfers and subsidies	34	324,693,658	34,288,282	-	358,981,940
Operational revenue	29	1,770,924	-	-	1,770,924
		881,947,921	34,288,282	-	916,236,203
Total revenue		2,870,441,741	14,530,668	-	2,884,972,409
Expenditure					
Employee related cost	37	735,660,751	-	-	735,660,751
Remuneration of councillors	38	33,213,291	-	-	33,213,291
Bad debts written off		-	-	103,647,744	103,647,744
Depreciation and amortisation	40	246,464,166	(200,633)	-	246,263,533
Impairment losses on financial assets	39	169,280,705	-	(103,647,744)	65,632,961
Impairment losses on PPE	41	214,518	-	-	214,518
Finance costs	42	176,390,519	-	-	176,390,519
Bulk purchases	43	959,067,970	-	-	959,067,970
Inventory consumed		74,330,682	-	-	74,330,682
Contracted services	44	173,600,618	-	-	173,600,618
Transfers and subsidies		24,907,429	-	-	24,907,429
Operational cost	45	104,757,524	-	-	104,757,524
Operating leases	46	17,838,685	-	-	17,838,685
Fair value and loss on disposal adjustments on assets	36	11,999,426	-	-	11,999,426
Total expenditure		2,727,726,284	(200,633)	-	2,727,525,651
Surplus for the year		142,715,457	14,731,301	-	157,446,758

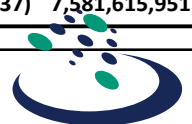


Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023		
48. GRAP 3 adjustments (continued)					
48.2 Adjustments of Statement of Financial Position items					
2023					
	Note	Previously reported	Correction of error	Re-classification	Restated
Assets					
Non-current assets					
Property, plant and equipment	3	6,514,191,479	9,198,700	(1,509,480)	6,521,880,699
Heritage assets	4	47,633,645	-	-	47,633,645
Intangible assets	5	3,689,458	-	-	3,689,458
Investment property	6	81,900,000	-	-	81,900,000
Non-current receivables	7	104	-	-	104
		6,647,414,686	9,198,700	(1,509,480)	6,655,103,906
Current assets					
Inventories	8	41,178,585	-	-	41,178,585
Trade and other receivables from exchange transactions	9	320,263,751	-	281	320,264,032
Receivables from non-exchange transactions	10	107,144,596	-	(183,816)	106,960,780
Cash and cash equivalents	11	445,270,431	-	-	445,270,431
Current portion of non-current receivable	12	18,121	-	-	18,121
VAT control receivable	13	14,398,047	(1,351,526)	(226,423)	12,820,098
		928,273,531	(1,351,526)	(409,958)	926,512,047
Total assets		7,575,688,217	7,847,174	(1,919,438)	7,581,615,953
Net assets and liabilities					
Non-current liabilities					
Borrowings	14	1,455,252,441	-	-	1,455,252,441
Finance lease liabilities	15	472,639	-	-	472,639
Employee benefits	16	245,809,000	-	-	245,809,000
Provisions	17	258,561,070	-	-	258,561,070
		1,960,095,150	-	-	1,960,095,150
Current liabilities					
Consumer deposits	18	72,713,346	-	-	72,713,346
Payables from exchange transactions	19	299,223,623	(14,312,984)	(1,919,437)	282,991,202
Unspent conditional grants and receipts	20	11,211,654	-	-	11,211,654
Borrowings	14	84,460,268	-	-	84,460,268
Finance lease liabilities	15	345,347	-	-	345,347
Employee benefits	16	85,372,523	-	-	85,372,523
Provisions	17	462,350	-	-	462,350
		553,789,111	(14,312,984)	(1,919,437)	537,556,690
Total net assets					
Housing Development Fund	21	30,625,309	-	-	30,625,309
Reserves and Funds	22	1,713,539,005	(110,000)	-	1,713,429,005
Accumulated Surplus	23	3,317,639,642	22,270,155	-	3,339,909,797
		5,061,803,956	22,160,155	-	5,083,964,111
Total net assets and liabilities		7,575,688,217	7,847,171	(1,919,437)	7,581,615,951



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

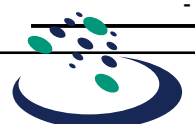
Figures in Rand	2024	2023		
48. GRAP 3 adjustments (continued)				
48.3 Adjustment of Cash flow statement items				
	Note	As previously reported	Correction of error	Restated
Cash flows from operating activities				
Receipts				
Property rates		431,732,759	-	431,732,759
Service charges		2,073,057,837	(19,439,051)	2,053,618,786
Transfers, subsidies and construction contracts revenue received		304,647,013	25,621,579	330,268,592
Interest		37,941,765	-	37,941,765
Other receipts and fines received		212,948,516	13,189,348	226,137,864
Payments				
Employees cost		(761,227,712)	-	(761,227,712)
Suppliers		(1,550,780,588)	(19,371,868)	(1,570,152,456)
Interest charges		(176,390,519)	-	(176,390,519)
Net VAT paid		(66,720,145)	-	(66,720,145)
Net cash from operating activities		505,208,926	8	505,208,934
Cash flows from investing activities				
Receipts				
Proceeds on disposal of fixed and intangible assets		5,961,123	-	5,961,123
Decrease in short term investments		40,000,000	-	40,000,000
Payments				
Capital assets		(216,807,606)	(8)	(216,807,614)
Net cash from investing activities		(170,846,483)	(8)	(170,846,491)
Cash flows from financing activities				
Payments				
Decrease in finance leases		(287,326)	-	(287,326)
Decrease in borrowing long-term		(78,688,303)	-	(78,688,303)
Net cash from financing activities		(78,975,629)	-	(78,975,629)
Net increase/(decrease) in cash		255,386,814	-	255,386,814
Cash and cash equivalents at year begin		189,883,617	-	189,883,617
Cash and cash equivalents at year end		445,270,431	-	445,270,431
Net increase/(decrease) in cash		255,386,814	-	255,386,814

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023	
48. GRAP 3 adjustments (continued)				
48.4 Adjustment of opening balances				
	Note	As previously reported	Correction of error	Restated
Net assets				
Accumulated surplus				
		3,103,384,610	-	3,103,384,610
Property, Plant and Equipment		-	3,587,570	3,587,570
Library VAT correction		-	2,835,130	2,835,130
Development charges		-	1,116,152	1,116,152
Total		3,103,384,610	7,538,852	3,110,923,462
Revaluation reserve				
		1,787,635,465	-	1,787,635,465
Property, Plant and Equipment		-	(110,000)	(110,000)
Total		1,787,635,465	(110,000)	1,787,525,465
Assets and liabilities				
Property, plant and equipment (Opening balance as at 1 July 2022)	6,572,470,755	3,477,570	(1,509,483)	6,574,438,842
Receivables from non-exchange transactions (Opening balance as at 1 July 20xx)	102,085,654	-	(183,816)	101,901,838
Trade and other receivables from exchange transactions (Opening balance as at 1 July 2022)	353,402,801	-	283	353,403,084
VAT control receivable (Opening balance as at 1 July 2022)	14,998,240	-	(226,423)	14,771,817
Payables from exchange transactions (Opening balance as at 1 July 2022)	(267,421,494)	3,951,282	1,919,439	(261,550,773)
48.5 Correction of errors				
The following prior period errors adjustments occurred:				
Property, Plant and Equipment				
During the financial year errors on PPE were corrected. These corrections include assets incorrectly included in the asset register based on classification, existence and legal ownership. The corrections also include historical assets donated to the municipality not previously recognised.				
Opening balance at 1 July 2022 effects				
Accumulated Surplus				(3,587,570)
Property, Plant and Equipment				3,477,570
Revaluation reserve				110,000
				-
Prior year at 30 June 2023 effects				
Depreciation and amortisation				(200,635)
Transfers and subsidies (In-kind donations)				(5,520,494)
Property, Plant and Equipment				5,721,129
				-



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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48. GRAP 3 adjustments (continued)

Library Grant output VAT correction

During the year the output VAT payable to SARS was reviewed and adjustments were made accordingly.

Opening balance as at 1 July 2022 effects

Accumulated surplus	(2,835,130)
Trade and other payables from exchange transactions (VAT accrual on receivables)	2,835,130
	-

Developers Contributions

During the prior year income relating to developers contributions were not recognised as income. The accounting treatment of capital expenditure funded by developers contributions was also corrected. All corrections were done retrospectively.

Opening balance at 1 July 2022 effects

Accumulated surplus	(1,116,152)
Trade and other payables from exchange transactions (Payments received in advance)	1,116,152

Prior year at 30 June 2023 effects

Transfers and subsidies	(9,010,174)
Trade and other payables from exchange transactions (Payments received in advance)	10,361,700
VAT control receivable	(1,351,526)
Service charges: Electricity	19,757,614
Transfers and subsidies	(19,757,614)
	-

Other corrections made

Cash flow statement - reclassifications and corrections

Prior year comparatives were restated on the reconciliation note, due to the effect of the corrections and detailed above.

Segmental reporting

During the year under review structural organisational changes were approved by Council and all these changes were adjusted retrospectively. In addition to the above, it was also discovered that availability charges was incorrectly included in the service charges, which were corrected accordingly.

Inventory

The amount for inventory write-off was incorrectly disclosed as R83,684, and should have been R420,823. The amount was corrected accordingly.

Heritage Assets - Maintenance

The amount for maintenance was incorrectly disclosed as R5,541,678, and should have been R5,881,154. The amount was corrected accordingly.

IUDG projects

During the year it was discovered that the projects were listed in the disclosure note excluding VAT. The adjustments have been made accordingly to ensure all amounts include VAT.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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48. GRAP 3 adjustments (continued)

Financial Instruments

Prior year comparatives were restated on the note, due to the effect of the corrections and detailed above as well as other errors identified between items within the note 54.

Principal / Agent Relationships

Certain of the comparative information was restated due to errors detected.

Irregular Expenditure

The error relates to "strip and quote" procurement transactions with regards to the repair of vehicles and equipment that are required for service delivery. The expenditure was classified under Regulation 16 and Regulation 17 in terms of the Municipal Supply Chain Management Regulations. The application and use of these regulations for this category of expenditure were deemed as incorrect, resulting in expenditure being categorised as irregular expenditure. Refer to note 50.2 for more detail regarding this error.

Effect of the strip and quote

Opening balance as at 1 July 2022	93,511,027
Prior year irregular expenditure	32,236,766
	125,747,793

48.6 Change in accounting policy

The following change in accounting policies occurred:

GRAP 104 - Impairment of financial assets & Irrecoverable debts written off

Impairment of financial assets was restated to align it with mSCOA, which does not use the alternative method of write-off directly to the allowance account as allowed in GRAP 104.

Impairment losses on financial assets	Previously stated	Restated
Consumer receivables & availability charges receivables	82,786,672	67,382,237
Statutory receivables: Property Rates	13,380,118	12,779,057
Statutory receivables: Traffic fines	73,192,195	(14,450,054)
Long term receivables	(78,280)	(78,280)
Total	169,280,705	65,632,960

Irrecoverable debts written-off	Previously stated	Restated
Trade and other receivables from exchange transactions	(15,404,434)	15,404,434
Property rates	(601,061)	601,061
Servic charges	(87,642,249)	87,642,249
Total	(103,647,744)	103,647,744

48.7 Reclassification

The following reclassifications adjustment occurred:

Property, Plant and Equipment to retention

During the financial year reclassification of PPE were corrected. These corrections include assets incorrectly included in the asset register based on classification, existence and legal ownership.

Drakenstein Municipality

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48. GRAP 3 adjustments (continued)

Nature of reclassification - opening balance as at 1 July 2022

Property, Plant and Equipment	(1,509,483)
VAT control receivable	(226,423)
Payables from exchange transactions (Retention)	1,735,906
	-

Receivables and Payables reclassification

During the year under review some votes were reallocated due to their nature. Therefore some prior year balances have changed, and these were adjusted.

Nature of reclassification - opening balance as at 1 July 2022

Trade and other receivables from exchange transactions (other receivables)	283
Receivables from non-exchange transactions (other receivables)	(183,816)
Payables from exchange transactions (other payables)	183,533
	-

49. Events after the reporting date

Unauthorised, irregular, fruitless and wasteful expenditure

a) The following expenditure was written off by Council on 23 August 2024:

Irregular expenditure (2023) - R3,306,136; and
Irregular expenditure (2024) - R5,961,128.

The write-off was taken into account in note 50.

Adjusting events:

The municipality had accounted for the councillors remuneration for the 2023/20224 financial year based on the draft gazette issued on 21 August 2024 which indicated an increase percentage of 3.0%. This percentage increase was confirmed by gazette 51407 on 17 October 2024. These accounting adjustments were journalised after year end but before submission to the auditors.

50. Unauthorised, irregular, fruitless and wasteful expenditure

50.1 Unauthorised expenditure

Application of Sec (a) of the definition of Unauthorised expenditure in terms of the MFMA - Total operating budget

Opening balance as previously reported	-	-
Unauthorised expenditure for the year	-	-
Opening balance as restated	-	-

Application of Sec (b) of the definition of Unauthorised expenditure in terms of the MFMA - Total Operating Budget

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50. Unauthorised, irregular, fruitless and wasteful expenditure (continued)

Reconciliation of unauthorised expenditure - Per Sec (b) of the definition of

Unauthorised expenditure (Vote - Department)

Opening balance as previously reported	-	-
Unauthorised expenditure for the year	-	-
Opening balance as restated	-	-

2024

	Budget	Actual expenditure	Unauthorised expenditure	Amount written off by council
Unauthorised expenditure per Vote (Department)				
Office of the City Manager	4,707,019	4,411,219	-	-
Financial Services	142,072,827	127,650,496	-	-
Corporate and Planning Services	269,259,166	258,502,401	-	-
Public Safety	257,080,117	233,571,662	-	-
Community Services	279,272,606	243,912,996	-	-
Engineering Services	2,151,978,878	2,086,960,745	-	-
Department of Chief Audit Executive	10,597,400	10,538,006	-	-
Department of Risk And Compliance	2,746,745	2,495,150	-	-
Department of IDP And PMS	5,371,464	5,194,514	-	-
Department of Communication	6,944,837	6,678,496	-	-
	3,130,031,059	2,979,915,685	-	-

2023

	Budget	Actual expenditure	Unauthorised expenditure	Amount written off by council
Unauthorised expenditure per Vote (Department)				
Office of the City Manager	4,370,362	4,363,676	-	-
Financial Services	134,834,482	134,698,587	-	-
Corporate and Planning Services	194,116,555	180,562,796	-	-
Public Safety	139,128,288	128,611,334	-	-
Community Services	525,671,095	521,121,699	-	-
Engineering Services	1,794,848,519	1,765,586,681	-	-
Department of Chief Audit Executive	9,855,530	9,537,011	-	-
Department of Risk And Compliance	3,379,917	2,973,105	-	-
Department of IDP And PMS	5,670,139	4,887,355	-	-
Department of Communication	6,057,823	5,422,700	-	-
	2,817,932,710	2,757,764,944	-	-

Application of Sec (a) of the definition of Unauthorised expenditure in terms of the MFMA - Total Capital Budget

Reconciliation of unauthorised expenditure - Per Sec (a) of the definition of

Unauthorised expenditure (Total Capital Budget)

Opening balance as previously reported	-	-
Unauthorised expenditure for the year	-	-
Opening balance as restated	-	-



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50. Unauthorised, irregular, fruitless and wasteful expenditure (continued)		
Application of Sec (b) of the definition of Unauthorised expenditure in terms of the MFMA - Capital Budget		
Reconciliation of unauthorised expenditure - Per Sec (b) of the definition of Unauthorised expenditure (Vote - Department)		
Opening balance as previously reported	-	-
Unauthorised expenditure for the year	-	-
Opening balance as restated	-	-

No unauthorised capital expenditure as per Sec (a) and (b) as per definition in terms of the MFMA.

50.2 Irregular expenditure

Opening balance as previously reported	125,774,652	6,438,234
Correction of prior period error - Strip and quote expenditure	-	93,511,027
Opening balance as restated	125,774,652	99,949,261
Add: Irregular expenditure - current	5,961,128	449,274
Add: Irregular expenditure – prior period	3,306,136	-
Add: Irregular expenditure – Strip and quote expenditure (Prior Period Error)	37,257,657	32,236,766
Less: Amounts written-off – current	(5,961,128)	(422,415)
Less: Amounts written-off – prior period	(3,306,136)	(6,438,234)
Less: Amount recovered	(26,859)	-
Closing balance	163,005,450	125,774,652

All above mentioned amounts include VAT.

Strip and quote expenditure (Prior Period Error)

Included in the opening balance are transactions from 1 July 2018 to 30 June 2022. It is impractical to disclose expenditure prior to 1 July 2018 as the information is not available.

Reports extracted from the financial system prior to 2022/2023 does not include the order classes or classifications used to categorise the transactions, due to a system release that had overridden these functions that were site specific to Drakenstein Municipality.

The Regulation 16 and 17 reports were consulted to assist with the exercise in quantifying the irregular expenditure. These reports are only available in hard copy as far back as 2018/2019 as the older files were stored in the basement and badly damaged in the flood. Soft copies of the reports prior to 2022/2023 were lost during the cyber-attack, which also impacts on confirming the expenditure per year.

The manual exercise was completed and the results are included above.

The prior year comparatives have been restated, please refer to note 48 for more detailed information.

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50. Unauthorised, irregular, fruitless and wasteful expenditure (continued)		
Incident	Disciplinary steps/criminal proceedings	
The expenditure relates to “strip and quote” procurement transactions with regards to the repair of vehicles and equipment that are required for service delivery. The expenditure was classified under Regulation 16 and Regulation 17 in terms of the Municipal Supply Chain Management Regulations. The application and use of these regulations for this category of expenditure were deemed as incorrect, resulting in expenditure being categorised as irregular expenditure.	Matter will be investigated and reported to Council.	37,257,657 32,236,766
Prior year: The Auditor-General of South Africa identified irregular expenditure due to non-compliance with the Preferential Procurement Regulations 2022 relating to the preferential points system not applied for written quotations below R30 000 (VAT included). The period is 16 January 2023 to 30 June 2023. The reason for the irregular expenditure was identified as arising from a failure to apply the required preference point system. The Auditor-General of South Africa identified irregular expenditure due to non-compliance with the Preferential Procurement Regulations 2022 regarding to preferential points system not applied to written quotations below R30 000 (VAT included). The period is 16 January 2023 to 30 June 2023.	Investigated and report submitted to Council and written off.	3,306,136 -
Current year: The Auditor-General of South Africa identified irregular expenditure due to non-compliance with the Preferential Procurement Regulations 2022 relating to the preferential points system not applied for written quotations below R30 000 (VAT included). The period is 1 July 2023 to 31 January 2024. The reason for the irregular expenditure was identified as arising from a failure to apply the required preference point system. The Auditor-General of South Africa identified irregular expenditure due to non-compliance with the Preferential Procurement Regulations 2022 regarding to preferential points system not applied to written quotations below R30 000 (VAT included). The period is 1 July 2023 to 31 January 2024.	Investigated and report submitted to Council and written off.	5,961,128 -
Executive Director: Planning and Development was employed for an addition 3 months after contractual termination would have become effective.	Matter was investigated and was reported to Council and written off.	- 422,415
Irregular expenditure was identified that relates to an overpayment to a supplier.	Matter was investigated, reported to Council and funds were recouped.	- 26,859
Total		46,524,921 32,686,040



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50. Unauthorised, irregular, fruitless and wasteful expenditure (continued)		
50.3 Fruitless and wasteful expenditure		
Opening balance as previously reported	1,454,220	-
Add: Fruitless and wasteful expenditure – current	790,951	-
Add: Fruitless and wasteful expenditure expenditure – prior period	-	1,454,220
Closing balance	2,245,171	1,454,220
Incident	Disciplinary steps/criminal proceedings	
The municipality became aware that a former employee paid money (intended for creditors) into her personal bank account. This amounts to fraud.	In progress	790,951 -
This pertains to overpayment to a contractor that performed work under contract COM P5/2020.	In progress	- 1,454,220
Total	790,951	1,454,220

All above mentioned amounts include VAT.

51. Additional disclosures in terms of Municipal Finance Management Act

	SALGA contributions	Audit fees	PAYE	UIF	Pension	Medical aid
As at 30 June 2024						
Opening balance	(6,295,434)	-	-	-	-	-
Subscription/fees	8,051,444	7,286,673	113,209,575	7,517,392	117,545,819	49,325,090
Amount paid – current year	(8,186,887)	(7,286,673)	(113,209,575)	(7,517,392)	(117,545,819)	(49,325,090)
Balance (prepaid) / unpaid **	(6,430,877)	-	-	-	-	-
	SALGA contributions	Audit fees	PAYE	UIF	Pension	Medical aid
As at 30 June 2023						
Opening balance	(6,167,437)	21,376	-	-	-	-
Subscription/fees	7,878,299	7,933,405	101,486,652	7,518,346	112,807,836	48,071,265
Amount paid – current year	(8,006,296)	(7,933,405)	(101,486,652)	(7,518,346)	(112,807,836)	(48,071,265)
Amount paid – with regards to previous years	-	(21,376)	-	-	-	-
Balance (prepaid) / unpaid **	(6,295,434)	-	-	-	-	-



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51. Additional disclosures in terms of Municipal Finance Management Act (continued)

** These balances are either included in (debtors) or creditors respectively.

VAT output payables and VAT input receivables are shown in Note 13. All VAT returns have been submitted by the due date throughout the year.

Non-Compliance with Chapter 11 of the Municipal Finance Management Act

Non-Compliance to the following sections of chapters of the MFMA:

CHAPTER	SECTION	SUB-SECTION
8	74	1

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Figures in Rand		2024	2023
52. Additional disclosures in terms of the supply chain management regulations			
52.1. Deviation from, and ratification of minor breaches of, the procurement processes			
In terms of section 35(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the financial statements. All amounts listed below are VAT inclusive.			
SCM paragraph reference	Description of deviation		
35 (1)(a) i	Dispense with the official procurement processes in an emergency	8,820,758	15,671,644
35 (1)(a) ii	Dispense with official procurement processes if such goods or services are produced or available from a single source or sole provider.	38,295,732	20,127,400
35 (1)(a) v	Dispense with official procurement processes in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	28,900,540	325,084
Total deviations		76,017,030	36,124,128

52.2. Awards to close family members of persons in service of the state - SCM Regulation 44

Awards to close family members of persons in the service of Drakenstein Municipality

Supplier name	Employee name	Relationship	Department		
Business Connexion ***	C van Der Bank	Spouse	Drakenstein Municipality: Planning & Development	-	4,191,069
D Uren Construction *	Z Naidoo	Child	Drakenstein Municipality: Finance	45,350	1,147,928
	U Naidoo	Son-in-law	Drakenstein Municipality: Engineering		
Zutari (Pty) Ltd (previous Aurecon South Africa (Pty) Ltd) ***	P W Pansegrouw	Spouse	Drakenstein Municipality: Engineering Services	-	8,804,201
Harold's Auto Repairs *	B van Rooy	Child	Drakenstein Municipality: Engineering Services	83,877	208,798
Mynhardt Joubert (Pty) Ltd **	I Engelmohr	Spouse	Drakenstein Municipality: Finance	23,288	-
EHH Building Construction *	H Fredericks	Brother	Drakenstein Municipality: Community Services	280,051	571,529
BD Uren *	Z Naidoo	Sister	Drakenstein Municipality: Finance	91,497	429,140
	U Naidoo	Brother-in-law	Drakenstein Municipality: Engineering		
E-zee Handyworks (Pty) Ltd **	E Arendse	Parent	Drakenstein Municipality: Councillor	-	466,236
VE Sovile *	A Stulweni	Partner	Drakenstein Municipality: Councillor	68,374	-



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Elana Uren *	Z Naidoo	Child	Drakenstein Municipality: Finance	812,438	-
				1,404,875	15,818,901

Awards to close family members of persons in the service of other state departments and entities (not listed above)

Supplier name	Employee name	Relationship	Department			
Servelec (Pty) Ltd *	L de Lange	Spouse	South African Revenue Services	1,569,562	566,531	
Van Der Spuy (Wes-Kaap) Inc	Van Der Spuy en Vennote *	M Van Zyl	Spouse	Western Cape Department of Education	1,795,446	1,897,585
Webber Wentzel *	Dr E Watson	Brother	Road Accident Fund	2,106,715	1,421,313	
	E Watson	Parent	Department of Public Services and Administration			
	JCL Smit	Parent	Beaufort West Municipality			
	N Ndebele	Sister	Gauteng Department of Education			
	Dr D Singh	Parent	Department of Basic Education (KZN)			
	P Singh	Parent	Department of Basic Education (KZN)			
Masiqhame Trading ZZ CC *	S Gxilishe	Parent	Western Cape Department of Education	-	84,870	
	B Gxilishe	Parent	Department of Agriculture and Fisheries			
WRP Consulting Engineers (Pty) Ltd *	EK Mamphita	Spouse	South African Broadcasting Corporation	154,328	187,341	
	HE Furumele	Brother	Department of Education			
	KS Furumele	Brother	Department of Education			
	ME Phathutshedzo	Sister	Department of Defence			
	DG Mamphitha	Sister-in-law	Fezile Dabi District Municipality			
	A Mare	Daughter-in-law	Department of Education			
J Walters T/A JC Travel *	J Walters	Spouse	Western Cape Department of Education	-	30,500	
Piston Power Chemicals *	N Anidhee	Spouse	KNZ Department of Education	-	431,213	
JPCE (Pty) Ltd *	J Minnie	Spouse	City of Cape Town	1,062,909	845,308	
Neil Lyners and Associates CC t/a Lyners *	A du Toit	Child	City of Cape Town	4,664,009	3,663,503	
Ikapa Reticulation & Flow CC *	C Davids	Child	Western Cape Department of Education	673,554	1,239,476	
Kozain Panel Beaters **	J Kozain	Child	Western Cape Department of Education	35,424	19,155	
	T Kozain	Child	Western Cape Department of Health			



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Figures in Rand				2024	2023
Awards to close family members of persons in the service of other state departments and entities (not listed above)(continue)					
Supplier name	Employee name	Relationship	Department		
Zutari (Pty) Ltd (previous Aurecon South Africa (Pty) Ltd) ***	HC Ahlschlager	Spouse	Special Investigation Unit	30,858,146	8,804,201
	S Seegers	Sibling	City of Cape Town		
	N Allie	Sibling	SARS		
	M Gasant	Sibling	SARS		
	K Nadasen	Spouse	National Department of Public Works		
	MR Marques	Spouse	Department of Home Affairs		
	TJ Ndala	Spouse	Gauteng Department of Education		
TC Events Co (Pty) Ltd **	L Johnson	Brother	South African Police Services	1,646,826	1,455,182
JF van Wyk **	M Renier	Sister	Western Cape Department of Education	-	30,250
	D Renier	Brother-in-law	South African Police Service		
LJ Projects and Events *	C Jafta	Spouse	Department of Water Affairs	28,640	-
Nedbank Limited*	MM Matoqane	Brother	Ekurhuleni Metro Municipality	2,982,983	2,406,700
	B Radebe	Spouse	Department of Education		
JC Verkoeling (Pty) Ltd*	H Esterhuizen	Sister-in-law	South African Police Service	214,303	136,457
Wamtech Systems (Pty) Ltd**	M Le Roux	Sister	City of Cape Town	59,695	66,039
C and M Raadgewende Ingenieurs (Pty) Ltd**	CB Nyele	Spouse	SA Weather Services	-	161,115
Van Zyl Kruger Inc*	G Marais	Brother	City of Cape Town	325,717	243,725
	P Marais	Father	Provincial Parliament		
Adapt IT (Pty) Ltd***	D Mbmabo	Spouse	SANRAL	601,299	561,808
Lynamic*	J Smith	Brother	Department of Social Development	1,457,941	-
	C Smith	Sister-in-law	Department of Health		
Organ of State Advisory and Research (Pty) Ltd**	M Renier	Sister	Western Cape Education Department	51,750	-
	D Renier	Brother-in-law	South African Police Services		
Casella Holdings (Pty) Ltd**	B Kies	Sister	Metro - Emergency Medical Services	24,550	-
Hiload Inyanga Construction (Pty) Ltd*	A van Wyk	Spouse	Western Cape Education Department	2,383,717	-
Munsoft (Pty) Ltd**	M Nondzaba	Parent	Bojanala Platinum District Municipality	691,844	461,092
JVZ Construction (Pty) Ltd***	RE Matthee	Spouse	Department of Correctional Services	13,619,193	133,379,469
Macsteel Service Centres SA (Pty) Ltd*	CB Vilakzi	Spouse	Board of Eskom SOC Ltd	273,687	-
All amounts include VAT				67,282,238	158,092,833

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References:

- *** Rates and fixed - Awards were made based on tendered rates and fixed amounts.
 - ** Fixed - Awards were made based on fixed amounts only.
 - * Rates - Awards were made based on tendered rates only.
- The prior year comparatives have been restated, please refer to note 48 for more detail.

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53. Capital commitments		
Commitments in respect of capital expenditure:		
Approved and contracted for:		
Infrastructure	345,592,340	418,129,787
Other	5,244,694	10,552,357
Intangibles	25,001	-
	350,862,035	428,682,144

All capital commitments include VAT.

54. Financial instruments

54.1 Fair value of financial instruments

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the audited annual financial statements approximate their fair values, except for the listed Government stock. In accordance with GRAP 104 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Cash flow, are as follow:

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54. Financial instruments (continued)					
		2024		2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Amortised cost					
Non-current receivables from exchange transactions	7	-	-	104	104
Trade and other receivables from exchange transactions	9	380,172,614	380,172,614	318,633,530	318,633,530
Receivables from non-exchange transactions	10	4,613,873	4,613,873	3,239,350	3,239,350
Current portion of non-current receivables	7	802	802	18,121	18,121
Cash and cash equivalents	11	697,505,822	697,505,822	445,270,431	445,270,431
		1,082,293,111	1,082,293,111	767,161,536	767,161,536
Financial liabilities					
Amortised cost					
Unsecured bank facilities:					
Annuity Loans	14	1,364,427,698	1,364,427,698	1,455,252,441	1,455,252,441
Finance Leases	15	-	-	472,639	472,639
		1,364,427,698	1,364,427,698	1,455,725,080	1,455,725,080
Trade and other payables:					
Consumer deposits	18	80,367,377	80,367,377	72,713,346	72,713,346
Trade and other payables from exchange transactions	19	230,842,219	230,842,219	177,443,206	177,443,206
Current portion of financial liabilities	14	90,824,743	90,824,743	84,460,268	84,460,268
Current portion of Finance Leases	15	472,639	472,639	345,347	345,347
		402,506,978	402,506,978	334,962,167	334,962,167
Total financial liabilities		1,766,934,676	1,766,934,676	1,790,687,247	1,790,687,247
Total financial instruments		(684,641,565)	(684,641,565)	(1,023,525,711)	(1,023,525,711)

The Fair Values of Financial Assets and Financial Liabilities are determined as follow:

The Fair Value of Long-term liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The fair value of Other Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

54.2 Capital risk management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance.

The capital structure of the municipality consists of debt, which includes the Long-term Borrowings disclosed in Note 14, Cash and Cash Equivalents disclosed in Note 11; and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note(s) 21&22&23 and the Statement of changes in net assets.

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54. Financial instruments (continued)

54.3 Financial risk management objectives

Due to largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IFRS mainly apply. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department: Financial services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity. Compliance with policies and procedures is reviewed by internal auditors on a continuous basis, and by external auditors annually. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit and risk management, responsible for monitoring and responding to potential risk, reports quarterly to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

54.4 Significant accounting policies

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the audited annual financial statements.

54.5 Market risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 54.6 below). No formal policy exists to hedge volatilities in the interest rate market.

54.6 Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk on financial assets consist mainly of fixed deposit investments and bank and cash balances.

The municipality is not exposed to a high level of interest rate risk on its financial liabilities. All of the municipality's interest bearing external loan liabilities, as detailed in Appendix 'A', are fixed interest rate loans. Similarly with financial assets, the municipality invests its surplus funds on call deposit interest rate deposits with banks for fixed terms not exceeding one year.

The municipality's maximum exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

54.7 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by effectively managing its working capital, capital expenditure, external borrowings and cash flows. Standby credit facilities are available with the municipality's main banker to cater for any unexpected temporary shortfall in operating funds.

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Figures in Rand	2024	2023
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54. Financial instruments (continued)

30 June 2024

	Within 1 year	2 to 5 years	5 years +	Total
Maturity analysis				
Annuity loans	249,381,307	990,918,378	1,280,926,254	2,521,225,939
Finance leases	564,408	-	-	564,408
Payables from exchange transaction	230,842,219	-	-	230,842,219
Consumer deposits	80,367,377	-	-	80,367,377
	561,155,311	990,918,378	1,280,926,254	2,832,999,943

30 June 2023

	Within 1 year	2 to 5 years	5 years +	Total
Maturity analysis				
Annuity loans	251,185,949	997,525,228	1,523,700,711	2,772,411,888
Finance leases	564,408	564,408	-	1,128,816
Payables from exchange transaction	177,443,206	-	-	177,443,206
Consumer deposits	72,713,346	-	-	72,713,346
	501,906,909	998,089,636	1,523,700,711	3,023,697,256

The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain its current debt to equity ratio. This will be achieved through the annual increase in tariffs to maintain the accumulated surplus, as well as the increased use of unsecured bank loan facilities.

54.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality manages credit risk in its borrowing and investing activities by only dealing with well-established financial institutions of high credit standing, and by spreading its exposure over a range of such institutions in accordance with its approved investment policies. Credit risk relating to consumer debtors is managed in accordance with the municipality's credit control and debt collection policy. The municipality's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of consumer debtors is given in the accounting policies and Note 10 to the audited annual financial statements.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The carrying amount of financial assets recorded in the audited annual financial statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follow:

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
54. Financial instruments (continued)		
Non-current receivables from exchange transactions	-	104
Trade and other receivables from exchange transactions	380,172,614	318,633,530
Short term investments	-	-
Receivables from non-exchange transactions	4,613,873	3,239,350
Current portion of non-current receivable	802	18,225
Cash and cash equivalents	697,505,822	445,270,431
Maximum credit and interest risk exposure	1,082,293,111	767,161,640

54.9 Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

55. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE) is included in the Annual Report under the section titled Employment Equity.

56. Related party disclosures

56.1 Nature of related party relationships

Related party	Nature of relationship
Compensation made to Senior Management	Refer to note 37.1
Remuneration of Councillors	Refer to note 38

56.2 Related party transactions

Revenue

Consumer servicees rendered to Key Management	62,621	56,024
Consumer services rendered to Councillors	1,482,280	1,278,855
	1,544,901	1,334,879

56.3 Related party balances

Outstanding balances

Consumer accounts

Key Management Personnel	-	-
Councillors	77,121	50,856
	77,121	50,856

The consumer services are in accordance with approved tariffs that was advertised to the public.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Key Management Personnel and Councillors. No expense has been recognized in the period for bad or doubtful debts in respect of the amounts owed by related parties.

Not all persons in the service of the state is seen as related parties as defined in GRAP 20, as they do not necessarily control or have an interest that gives them significant influence over the municipality. For disclosure purposes in terms of Supply Chain Management Regulations 44, awards to close family members of persons in the service of the state are disclosed in note 52.2



Drakenstein Municipality

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Figures in Rand	2024	2023
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57. Retirement benefit information

The municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councilors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of financial performance and financial position of R 117,545,819 (2023: R 112,807,835) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans.

These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

a) LA Retirement Fund (Previously Cape Joint Pension Fund)

The LA Retirement Fund operates both as a defined benefit and defined contribution scheme.

Defined benefit scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2023 disclosed an actuarial valuation amounting to R1,338,791,000 (30 June 2022: R1,391,841,000), with a net accumulated surplus of R226,285,000 (2022: R144,158,000), with a funding level of 120.3% (30 June 2022: 111.60%).

Defined contribution scheme

The actuarial valuation report at 30 June 2023 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R2,163,627,000 (30 June 2022: R1,976,184,000), net investment reserve of R0 (30 June 2022: R0) and with a funding level of 100% (2022: 100%).

The actuary concluded that:

- The Pensioner Account has a funding level of 120.3% and is in a sound financial condition;
- The DC Section has a funding level of 100% and is in a sound financial condition;
- The Fund is in a sound financial condition with a funding level of 106.9%;
- The Trustees awarded a 4.50% pension increase effective 1 January 2024; and
- The Trustees awarded 100% of monthly pension bonus to pensioners payable in December 2023.

b) Consolidated Retirement Fund for local government (Previously Cape Joint Retirement Fund)

The last statutory valuation performed as at 30 June 2022 revealed that the net assets of the Fund amounted to R42,710,035,000 (30 June 2022: R36,502,914,000). The members share account and processing reserve account had assets amounting to R41,498,826,000 (2022: R35,552,304,000), and the pensions account had assets amounting to R633,281,000 (2022: R609,285,000) with funding levels of 100.2% and 120.1% (30 June 2022 100.4% and 131.6%) for the Share Account and the Pensions Account respectively. The Preservation Pension Account amounted to R97,435,000 (30 June 2022: R83,977,000), with a funding level of 100% (30 June 2022: 100%). The contribution rate paid by the members (7.5%) and the municipalities (7.5% or 19.5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

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Figures in Rand	2024	2023
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57. Retirement benefit information (continued)

c) SALA Pension Fund

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 01 July 2021 revealed that the assets of the fund amounted to R12,238,000 (01 July 2018: R14,298,600), with funding levels of 85.5% (01 July 2018: 96.0%). Recommended that employers continue to contribute at the current rate of 18.97% and the participating employees' contribute rate increased from 19.18% to 21.03% of pensionable salaries.

It is the actuary's opinion that:

- The Fund is 85.5% funded at the current valuation date. The financial position of the Fund has deteriorated since the previous statutory valuation date;
- The deficit at the valuation date has increased since the previous statutory valuation. The drop in the funding level is mainly due to the poor investment returns experienced over the valuation period; and
- I further certify that I am satisfied with the investment policy of the Fund and that the nature of the assets is, in my opinion, suitable for the nature of the liabilities of the Fund at the valuation date.

d) Municipal Councillors' Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1,798,030,000 (30 June 2017: R1,480,549,000), with funding levels of 103.26% (30 June 2017: 101.31%). The contribution rate paid by the members (13.75%) and council (15.00%) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

e) National Fund for Municipal Workers

The fund operates on defined contribution principles, in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the local authority and the member, subject to an absolute minimum contribution of 2% or 5% of their remuneration respectively.

The local authority must, in respect of category A and category C members contribute such an amount as agreed between the local authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively.

Category B members are members who belong to both category A and category C and the local authority must, on behalf of such members, not contribute less than 7% of their remuneration.

The contribution rates specified above include the amounts payable towards the insured risk benefits policy as well as an allowance for administration fees.

The exact member contribution rate and employer contribution rate payable by each of the local authorities are specified in the schedule to the consolidated rules.

The last statutory valuation performed as at 30 June 2022 revealed that the assets of the fund amounted to R27,542,846,000 (30 June 2022: R23,160,928,000), with funding levels of 100.00% (30 June 2022: 100%). The actuary certifies that as at 30 June 2023 the assets of the fund were sufficient to cover 100.0% members' liabilities and reserve account balances. They thus confirm that, the fund continues to be able to meet its liabilities.



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57. Retirement benefit information (continued)

f) The Municipal Workers Retirement Fund (Previously South African Municipal Workers Union Provident Fund)

The fund does statutory valuations every three years. Information below is extracted from the latest report on March 2022. Comparatives therefore differ from disclosures in previous years AFS.

The statutory valuation performed as at 30 June 2020 revealed that the assets of the fund amounted to R9,021,008,000 (30 June 2019: R9,272,763,000), with funding levels of 102.2% (30 June 2019: 110.6%). The funding level before allowing for the reserves has reduced to 102.2%, largely as a result of the poor investment returns over the year to 30 June 2020.

The Rules require that member and employer contribution rates shall be as agreed between the employer and the Fund but shall be not less than 7.5% and 18% respectively, unless the employer is part of a bargaining forum that permits lower contribution rates and/or does not apply higher member and employer contribution rates for any of its employees. The employer contribution rates applicable shall not be less than those contributed by the employer to any other fund.

Based on June 2020 contributions, it appears that members contribute at an average rate of around 8.2%, and employers at an average rate of around 19.5%.

The Fund’s assets were sufficient to cover the members’ Fund Credits and to provide a margin for contingency reserves as at 30 June 2020. The valuator therefore consider that the Fund was in a sound financial position at the valuation date.

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58. Contingent liabilities

TE Joka

During Feb 2019, the Plaintiffs' vehicle was impounded for not having a valid permit to transport passengers. The Plaintiff received a fine and appeared in Court to dispute the fine and was successful. The charges against the plaintiff were withdrawn, but the fine of R7,000 (2023: R7,000) was not refunded.

DC de Villiers

In February 2018 a fire broke out on Wolfkloof, the plaintiff is not aware of the cause of fire. The fire continued to burn for 3 days where after it spread onto the Trusts Farms on February 2018 and amount to R26,767,475 (2023: R26,767,475). We are one of eight (8) defendants and in the event that the claim is successful, the Municipality will be liable for the excess amount of R25,000.

ND Muller

The applicant filled a Salary Dispute against the Municipality. As a result of this incident, the applicant lodged a claim of R22,700,000 against the municipality. The claim is currently with attorneys appointed by the municipality.

N Largardien

In January 2022, the applicant drove through a pothole in Annie Benjamin Street. As a result of this incident the applicant lodge a claim against the municipality to the amount of R11,814 (2023: R11,814). The matter was referred to the internal insurance section and was rejected. The claim is in settlement negotiations with a legal advisor.

Baruch Security

The applicant filled a security services claim against the Municipality. As a result of this incident, the applicant lodged a claim of R897,717 (2023: R897,717). The claim is current with attorneys appointed by the Municipality.

ML Botha

Third Party participated in the Winelands cycle race and a car bumped him, accidentally the third party died due to this incident. The applicant lodged a claim of R7,496,457. The matter was referred to the municipal insurers and if the claim is successful, the Municipality will be liable for the excess amount of R25,000.

HA Shakur

Third Party alleges that the municipality intentionally and unlawfully destroyed and/or removed his shop from the leased property. The applicant lodged a claim of R1,501,839. The matter was referred to the municipal insurers and if the claim is successful, the Municipality will be liable for the excess amount of R25,000.

Fox Properties (Pty) Ltd

It is alleged that the conveyancing transaction was incorrectly processed, the building works was incomplete and there was a loss of rental income. The applicant lodged a claim of R3,229,035.

KSR Civil and Construction (Pty) Ltd

It is alleged that the decision by the Municipality to approve 6 residential units instead of 8 to be reviewed and set aside as well as the loss suffered by the party due to the decision. The applicant lodged a claim of R1,687,258.

GC du Plessis

The applicant drove through a pothole and as a result of this incident the applicant lodge a claim against the municipality to the amount of R33,783.

Various other insurance claims

To date a total of 16 (2023: 12) cases are being dealt with at the Municipality's insurer and amounts to R5,229,902 (2023: R4,253,474) in total claims. In the event that the claims are successful, the Municipality will be liable for the amount of R365,000 (2023: R260,000), which is the excess payable.

D Hattingh

The municipality has a current arbitration process with the former Director of Engineering Services, who claims an alleged constructive dismissal. Arbitration award was delivered on 1 October 2021 in favor of the municipality. The applicant (D Hattingh) referred the matter to the Labour Court for review. The Labour Court matter is still pending. The maximum exposure for the municipality is the payment of the former director's contract package for 12 months, amounting to R1,596,747 (2023: R1,596,747)

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Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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58. Contingent liabilities (continued)

Arbitration cases

The municipality has 4 (2023: 4) ongoing arbitration cases, which varies in circumstances. The maximum exposure for the municipality amounts to R1,466,378 (2023: R1,058,962).

VAT - Library Grant

The municipality has submitted a request for a non-binding private opinion to the South African Revenue Service (SARS) concerning the output tax treatment of the library funding received from the Western Cape Department of Cultural Affairs (DCAS). The objective of the opinion request is for the SARS to confirm if the municipality must declare output tax at 15% (14% before 1 April 2018) or zero % on the funding received from the DCAS. The municipality has received a non-binding VAT ruling regarding the matter and provision was made for the output VAT payable.

According to Section 217 (3) of the Tax Administration Act (TAA), the municipality may be levied with penalties and interest by SARS for the late declaration and payment of output VAT. The penalty rate and interest charged will be determined by SARS as various considerations need to be taken into account to calculate this amount. The municipality's best estimate for these penalties and interest payable amounts to R2,431,888 (2023: R3,129,520).

59. Contingent assets

Insurance Claim - Parys Substation fire & Grysbok Flats fire

A dispute with the insured underwriter and broker with regards to the amount of the insurance claims to be paid out by the insurance company, and the uncertainty on the claim amount to be paid out. The claim is estimated at R25,007,410 (2023: R25,007,410).

60. Reporting against the framework for schedule 4 of DORA allocations

Submit project registrations and detail project implementation plans before the prescribed due dates. Department of Provincial and Local Government is monitoring the overall programme implementation.

61. Registered IUDG programme

	Received	Expenditure	Unspent
2023/2024			
Solid waste skips	998,200	(998,200)	-
Replacement of Ysterbrug -Victoria pump	11,810,379	(11,810,379)	-
Extensio of basic services: informal settlements (water)	2,300,000	(2,300,000)	-
Replace / upgrade sewerage system	3,444,250	(3,444,250)	-
Disinfectant system for Wellington WWTW	546,502	(546,502)	-
Extension of basic services: informal settlements (sanitation)	2,300,000	(2,300,000)	-
Traffic lights	2,057,771	(2,057,771)	-
Reseal of streets in terms of the rams	7,443,774	(7,443,774)	-
Upgrading of sidewalks	3,980,852	(3,980,852)	-
Refurbish storm water systems	5,633,331	(5,633,331)	-
Increase existing HT network capacity	6,083,667	(6,083,667)	-
Increase existing MT network capacity	4,600,000	(4,600,000)	-
Replacement program for old and redundant	3,449,787	(3,449,787)	-
Increase existing LT network capacity	1,379,999	(1,379,999)	-
Electrification of informal areas	2,587,488	(2,587,488)	-
	58,616,000	(58,616,000)	-



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Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023	
61. Registered IUDG programme (continued)			
	Received	Expenditure	Unspent
2022/2023			
Upgrade swimming pools	1,066,913	(1,066,913)	-
Installation of electric equipment at Boy Louw sport fields	320,598	(320,598)	-
Install electric cables at Dal Josaphat Stadium	138,160	(138,160)	-
Upgrading of Faure street sports stadium	1,815,676	(1,815,676)	-
Upgrading of Gouda sports fields	445,988	(445,988)	-
Solid waste mini drop offs	460,000	(460,000)	-
Replace / upgrade water reticulation system	7,440,187	(7,440,187)	-
Water distribution system upgrade	1,150,000	(1,150,000)	-
Paarl wastewater treatment works mechanical	2,298,319	(2,298,319)	-
Replace / upgrade sewerage system	5,869,157	(5,869,157)	-
Extension of basic services: informal settlements	1,150,000	(1,150,000)	-
Replace pump at Newton pumpstation	5,033,990	(5,033,990)	-
Reseal of streets in terms of the rams	5,772,305	(5,772,305)	-
Drommedaris road rebuild	5,749,959	(5,749,959)	-
Upgrading of sidewalks	1,721,564	(1,721,564)	-
Refurbish storm water systems	5,743,685	(5,743,685)	-
Increase existing network capacity	2,069,999	(2,069,999)	-
Drakenstein streetlight projects	172,500	(172,500)	-
Replacement program for old and redundant	3,450,000	(3,450,000)	-
Increase existing LT network capacity	2,070,000	(2,070,000)	-
Electrification of informal areas	1,150,000	(1,150,000)	-
Palmiet substation transformer 3 refurbish	6,900,000	(6,900,000)	-
	61,989,000	(61,989,000)	-

The prior year comparatives have been restated, please refer to note 48 for more detailed information.

62. Going concern

In terms of the accounting standard GRAP 1, paragraphs 27 to 30, the annual financial statements are prepared on a going concern basis. The assumption is based on the fact that the municipality has a constitutional mandate to levy property rates and service charges to enable the municipality to be considered as a going concern even though the municipality will be operational over the short to medium term in a state where liquidity will be under pressure.

The municipality has not defaulted on payment of creditors. By sustaining a revenue collection rate above 95%, the municipality do have the ability to operate as a going concern and to continue rendering services to its community.

63. Principal and agent arrangements

Agent arrangements: Traffic services

Agent for the Western Cape Department of Transport and Public Works

The municipality acts as agent for the Western Cape Department of Transport and Public Works, where it provides motor vehicle registration and licenses services on behalf of the Western Cape Department of Transport and Public Works.



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Reconciliation of amounts payable to the WC Department of Transport and Public Works		
Balance at beginning of year	(85,809)	322,777
Revenue received on behalf of principal (incl. commission)	96,706,880	96,556,257
Revenue recognised by municipality as agency fee *	(20,299,965)	(19,897,279)
Revenue paid over to the municipality	(76,595,375)	(77,067,564)
* VAT included		
Balance at the end of the year	(274,269)	(85,809)

Agent for the Road Traffic Infringement Agency (RTIA)

The municipality acts as agent for Road Traffic Infringement Agency (RTIA), where it collects AARTO fines on behalf of the RTIA and receives a 3% agency fee.

Reconciliation of amounts payable to the RTIA

Balance at beginning of year	-	-
Revenue received on behalf of principal (incl. commission)	107,235	348,240
Revenue recognised by municipality as agency fee *	(3,217)	(10,447)
Revenue paid over to the principal	(104,018)	(337,793)
* VAT included		
	-	-

Agent for the National Department of Justice

The municipality acts as agent for the National Department of Justice, where it collects Contempt of court fines imposed for non-appearance in court of traffic fine offenders. The municipality does not derive any revenue from this functions.

Reconciliation of amounts payable to the Department of Justice

Balance at beginning of year	445,600	401,500
Revenue received on behalf of principal	305,400	194,400
Revenue recognised by municipality as agency fee	-	-
Revenue paid over to the principal	-	(150,300)
Balance at the end of the year	751,000	445,600

Agent arrangements: Housing services

Agent for the Western Cape Department of Human Settlements

The municipality acts as agent for the Western Cape Department of Human Settlements, where it acts as account administrator for certain housing projects. Refer to note 34, for amounts recognised as revenue and amounts receivable.

The prior year comparatives have been restated, please refer to note 48 for more detailed information.



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Principal arrangements: Traffic services

Issuing of Traffic fines

The municipality has a service provider TMT (2023: TMT) who acts as agent for the municipality with the issuing of traffic fines. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable.

Amounts remitted, but not received at year-end	-	-
Commission received by the agent (Incl VAT)	6,682,633	6,073,894

Principal arrangements: Financial Services

Agent for the Drakenstein Municipality

The municipality has a service provider EasyPay & Pay At (2023: EasyPay & Pay At) who acts as agent for the municipality with the 3rd party collection of debtor payments. All payments are paid directly to the municipality and the service provider invoices the municipality for commission payable.

Amounts remitted, but not received at year-end	1,725,801	1,570,423
Commission received by the agent (Incl VAT)	5,770,785	5,236,453

Principal arrangements: Financial Services

Agent for the Drakenstein Municipality

The municipality has a service provider ONTEC (2023: ONTEC) who acts as agent for the municipality with the sale of prepaid electricity and water. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. No penalties are payable if the contract with the agent is terminated.

Amounts remitted, but not received at year-end	10,280,359	4,389,640
Commission received by the agent (Incl VAT)	10,695,698	11,334,556

Drakenstein Municipality

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64. Reconciliation of budget surplus/(deficit) with surplus/(deficit) with Statement of Financial Performance		
Net surplus/(deficit) per the statement of financial performance		
Basis differences		583,380,442
Revenue by Source		
Property rates		-
Property rates - penalties & collection charges (Surcharges and Taxes*)		(3,084,653)
Service charges - electricity revenue		(1,524,505,542)
Service charges - water revenue		(236,510,660)
Service charges - sanitation revenue		(153,561,418)
Service charges - refuse revenue		(169,957,737)
Service charges		2,096,677,278
Availability charges - Waste management		(4,002,553)
Availability charges - Water		(2,226,690)
Availability charges - Waste water management		(3,385,134)
Availability charges - Electricity		(2,527,545)
Rent on land		-
Rental of facilities and equipment (Rental of Fixed Assets*)		(8,312,162)
Investment revenue (Interest earned - external investments)		-
Interest earned - outstanding debtors		(19,480,489)
Finance income and Dividends*		-
Licences and permits		(21,786,042)
Fines (Fines, Penalties & Forfeits*)		(97,292,325)
Transfers recognised - operational / (Transfers and Subsidies*)		(455,893,846)
Other revenue (Operational Revenue (Exchange)*)		218,403,332
Operational Revenue (Non - Exchange)*		(1,741,571)
Sale of Goods and Rendering of Services*		(33,907,962)
Inventory Surpluses (Gains/losses on Inventory)		-
Construction Contract Revenue		(1,317,020)
Total		(424,412,739)
Expenditure By Type		
Employee related costs		(16,397,459)
Remuneration of councillors (Councillor Related Cost *)		-
Collection cost		-
Debt impairment		-
Irrecoverable debts written off		98,252,871
Impairment losses on financial assets		29,903,348
Depreciation & asset impairment (Depreciation and Amortisation *)		(600,287)
Impairment Losses		600,287
Interest, Dividends and Rent on Land (Interest paid *)		-
Materials and Bulk purchases		(1,227,980,899)
Bulk Purchases		1,149,421,998
Contracted services		209,962,491
Transfers and grants (Transfers and Subsidies : Operational Exp*)		-
Other expenditure (Operational cost*)		(386,338,150)
Inventory*		78,558,902
Operating Leases*		20,106,774
Loss on disposal of Assets (Gains /(losses) on disposal of PPE, IA, IP & HA*)		9,970,425
Total		(34,539,699)



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Surplus/(Deficit)		
Transfers recognised - capital		458,952,438
Contributions recognised - capital		-
		<u>458,952,438</u>
Net surplus/(deficit) per statement of budget comparison		<u>583,380,442</u>
* - Statement of Financial Performance classifications		
Budget basis differences mainly relate to grouping differences of revenue and expenditure items between budget items per the Budget Schedules as issued by National Treasury, as opposed to the actual nature per GRAP. The mSCOA tables and the format of the Budget Schedules as issued by National Treasury are not yet fully aligned to the Standards of GRAP and this is therefore the reason for the disparity in classifications between the 2023/24 Budget and GRAP Annual Financial Statements.		
65. Reconciliation of cash flow per the budget regulations with the cash flows per cash flow statement		
Net cash from operating activities		(7,654,031)
Net cash from investing activities		-
Net cash from financing activities		7,654,031
Net increase / (decrease) in cash and cash equivalents		<u>-</u>



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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66. Budget information

The budget has been prepared on the accrual basis of accounting in accordance with the prescripts of the Municipal budget regulations as well as MFMA budget circulars. In accordance with the Municipal budget regulations, the classification basis the municipality presents its budget is per economic as well as per functional classification (per Vote (Department) and GFS classification). It should be noted that minor budget differences between the basis the budget is prepared (accrual basis and prescripts of NT guidance) and actual financial results (accrual basis in accordance with GRAP) exists, mainly related to technical GRAP adjustments required. These differences are not material and as the basis of preparation is the same (accrual basis) no restatements have been made to the financial information compared to the budgeted amounts, but where found to be material is explained below:

Explanation of variances between approved and final budget amounts

The reason for the variances between the approved and final budgets are mainly due to reallocations made within the approved budget parameters allowed for by the Virement Policy of Drakenstein Municipality as approved by Council.

Explanation of variances greater than 10%: Final Budget and Actual Amounts.

66.1. Cash flow

Cash flows from operating activities

- The actual cash collected for Service Charges was much higher than anticipated.

66.2. Statement of financial performance and financial position

Expenditure

- *Other Expenses*
Underspending on the allocation from Department of Human Settlements due to various reasons.

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

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67. Segment information

Segment surplus or deficit, assets and liabilities

By Department

2024

	Office of the City Manager	Financial Services	Corporate and Planning Services	Public Safety	Community Services	Engineering Services	Department of Chief Audit Executive	Department of Risk And Compliance	Department of IDP And PMS	Department of Communication	Total
Revenue											
Services charges - Electricity	-	-	-	-	-	1,524,505,542	-	-	-	-	1,524,505,542
Services charges - Water	-	-	-	-	-	236,510,660	-	-	-	-	236,510,660
Services charges - Waste management	-	-	-	-	-	169,957,737	-	-	-	-	169,957,737
Services charges - Waste water management	-	-	-	-	-	153,561,417	-	-	-	-	153,561,417
Sales of goods and rendering of services	-	37,043	10,116,550	-	23,531,194	223,174	-	-	-	-	33,907,961
Rental from fixed assets	-	(10,262,351)	165,994	957	15,833,772	2,573,789	-	-	-	-	8,312,161
Interests on investments	-	73,656,906	-	-	-	-	-	-	-	-	73,656,906
Interest earned from receivables	-	-	6,632	-	-	19,473,857	-	-	-	-	19,480,489
Operational revenue (Exchange)	-	12,781,356	1,259,948	179,202	244,493	14,884,936	-	-	-	-	29,349,935
Licences or permits	-	-	8,336	21,659,633	113,803	4,270	-	-	-	-	21,786,042
Property rates	-	466,404,866	-	-	-	-	-	-	-	-	466,404,866
Availability charges - Electricity	-	-	-	-	-	2,527,545	-	-	-	-	2,527,545
Availability charges - Water	-	-	-	-	-	2,226,690	-	-	-	-	2,226,690
Availability charges - Waste management	-	-	-	-	-	4,002,553	-	-	-	-	4,002,553
Availability charges - Waste water management	-	-	-	-	-	3,385,134	-	-	-	-	3,385,134
Surcharges and taxes	-	3,084,653	-	-	-	-	-	-	-	-	3,084,653
Fines, penalties and forfeits	-	-	381,471	96,507,153	24,388	379,313	-	-	-	-	97,292,325
Transfers and subsidies	-	42,664,305	4,136,886	1,623,087	31,673,573	607,586,272	-	-	-	-	687,684,123
Operational revenue (Non-exchange)	-	1,741,571	-	-	-	-	-	-	-	-	1,741,571
Construction contract revenue	-	-	-	-	1,317,020	-	-	-	-	-	1,317,020
Total segment revenue	-	590,108,349	16,075,817	119,970,032	72,738,243	2,741,802,889	-	-	-	-	3,540,695,330



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

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67. Segment information (continued)

	Office of the City Manager	Financial Services	Corporate and Planning Services	Public Safety	Community Services	Engineering Services	Department of Chief Audit Executive	Department of Risk And Compliance	Department of IDP And PMS	Department of Communication	Total
Expenditure											
Employee related cost	4,136,438	81,329,624	136,471,209	98,533,701	125,262,693	318,577,055	9,767,426	2,366,236	4,332,409	4,575,211	785,352,002
Remuneration of councillors	-	-	34,340,227	-	-	-	-	-	-	-	34,340,227
Debt impairment / write-off	-	776,192	-	73,265,566	1,259,923	22,951,191	-	-	-	-	98,252,872
Depreciation and amortisation	125,337	3,424,406	5,433,092	461,235	18,343,191	221,137,236	24,797	11,284	36,102	18,689	249,015,369
Impairment losses on financial assets	-	510,784	-	5,717,995	697,423	22,977,146	-	-	-	-	29,903,348
Impairment losses on PPE, IA and HA	-	600,287	-	-	-	-	-	-	-	-	600,287
Finance costs	-	219,061	-	-	-	167,602,762	-	-	-	-	167,821,823
Bulk purchases	-	-	-	-	-	1,149,421,997	-	-	-	-	1,149,421,997
Inventory consumed	72,862	2,270,391	2,150,391	1,687,682	22,221,895	49,890,198	52,895	18,637	18,939	175,013	78,558,903
Contracted services	23,324	4,611,466	18,282,484	50,849,802	12,101,422	122,510,107	377,910	42,000	739,730	424,241	209,962,486
Transfers and subsidies	-	-	3,642,578	703,101	504,875	10,000,000	-	-	-	-	14,850,554
Operational cost	27,243	32,576,966	31,845,183	1,879,831	4,501,668	36,517,531	272,966	30,979	46,122	1,459,326	109,157,815
Operating leases	26,015	748,381	828,525	351,163	1,074,543	16,962,903	42,011	26,015	21,210	26,015	20,106,781
Loss on disposal of assets	-	(193,212)	2,447,165	-	-	7,716,471	-	-	-	-	9,970,424
Total segment expenditure	4,411,219	126,874,346	235,440,854	233,450,076	185,967,633	2,146,264,597	10,538,005	2,495,151	5,194,512	6,678,495	2,957,314,888
Sub-total	(4,411,219)	463,234,003	(219,365,037)	(113,480,044)	(113,229,390)	595,538,292	(10,538,005)	(2,495,151)	(5,194,512)	(6,678,495)	583,380,442
Internal charges											
OC : Municipal services (Income)	-	-	-	-	-	97,936,042	-	-	-	-	97,936,042
OC : Municipal services	-	(400,355)	(8,486,808)	(365,135)	(28,419,145)	(60,264,599)	-	-	-	-	(97,936,042)
Total segment internal charges	-	(400,355)	(8,486,808)	(365,135)	(28,419,145)	37,671,443	-	-	-	-	-
Total segment surplus/(deficit)	(4,411,219)	462,833,648	(227,851,845)	(113,845,179)	(141,648,535)	633,209,735	(10,538,005)	(2,495,151)	(5,194,512)	(6,678,495)	583,380,442
Capital expenditure											
Actual outcome	14,756	1,002,944	6,514,477	7,448,364	44,595,500	428,010,222	29,534	34,880	8,980	56,195	487,715,852



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

67. Segment information (continued)

2023

	Office of the City Manager	Financial Services	Corporate and Planning Services	Public Safety	Community Services	Engineering Services	Department of Chief Audit Executive	Department of Risk And Compliance	Department of IDP And PMS	Department of Communication	Total
Revenue											
Services charges - Electricity	-	-	-	-	-	1,349,427,510	-	-	-	-	1,349,427,510
Services charges - Water	-	-	-	-	-	193,211,551	-	-	-	-	193,211,551
Services charges - Waste management	-	-	-	-	-	155,442,459	-	-	-	-	155,442,459
Services charges - Waste water management	-	-	-	-	-	144,103,900	-	-	-	-	144,103,900
Sales of goods and rendering of services	-	59,081	11,925,933	-	22,398,818	377,782	-	-	-	-	34,761,614
Rental from fixed assets	-	(9,851,646)	163,867	565	14,785,814	1,983,020	-	-	-	-	7,081,620
Interests on investments	-	36,829,614	216	-	-	-	-	-	-	-	36,829,830
Interest earned from receivables	-	-	6,843	-	-	12,877,219	-	-	-	-	12,884,062
Operational revenue (Exchange)	-	2,668,524	1,155,147	243,046	153,372	9,678,839	-	-	-	-	13,898,928
Licences or permits	-	-	2,908	20,868,316	218,709	4,800	-	-	-	-	21,094,733
Property rates	-	437,182,802	-	-	-	-	-	-	-	-	437,182,802
Services charges - Electricity	-	-	-	-	-	2,250,026	-	-	-	-	2,250,026
Availability charges - Water	-	-	-	-	-	2,171,116	-	-	-	-	2,171,116
Availability charges - Waste management	-	-	-	-	-	3,893,471	-	-	-	-	3,893,471
Availability charges - Waste water management	-	-	-	-	-	3,304,521	-	-	-	-	3,304,521
Surcharges and taxes	-	2,230,462	-	-	-	-	-	-	-	-	2,230,462
Fines, penalties and forfeits	-	-	209,499	103,863,146	22,148	356,148	-	-	-	-	104,450,941
Transfers and subsidies	-	43,077,304	3,391,219	1,141,712	9,883,308	301,488,397	-	-	-	-	358,981,940
Operational revenue (Non-exchange)	-	1,770,924	-	-	-	-	-	-	-	-	1,770,924
Total segment revenue	-	513,967,065	16,855,632	126,116,785	47,462,169	2,180,570,759	-	-	-	-	2,884,972,410



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

Figures in Rand

67. Segment information (continued)

	Office of the City Manager	Financial Services	Corporate and Planning Services	Public Safety	Community Services	Engineering Services	Department of Chief Audit Executive	Department of Risk And Compliance	Department of IDP And PMS	Department of Communication	Total
Expenditure											
Employee related cost	4,152,593	77,057,954	125,036,732	91,521,966	119,614,533	298,579,432	9,210,067	2,535,765	4,163,152	3,788,557	735,660,751
Remuneration of councillors	-	-	33,213,291	-	-	-	-	-	-	-	33,213,291
Debt impairment / write-off	-	601,061	-	87,642,249	1,136,792	14,267,642	-	-	-	-	103,647,744
Depreciation and amortisation	125,310	3,309,400	5,435,805	415,509	18,305,099	218,584,570	24,788	8,281	36,088	18,683	246,263,533
Impairment losses on financial assets	-	12,779,057	-	(14,450,054)	1,386,339	65,917,617	-	-	-	-	65,632,959
Impairment losses on PPE, IA and HA	-	214,518	-	-	-	-	-	-	-	-	214,518
Finance costs	-	304,118	255,430	510,858	-	175,320,113	-	-	-	-	176,390,519
Bulk purchases	-	-	-	-	-	959,067,970	-	-	-	-	959,067,970
Inventory consumed	36,344	3,168,389	2,554,631	841,953	26,927,163	40,664,813	39,504	7,328	16,866	73,691	74,330,682
Contracted services	6,685	4,114,814	14,389,196	43,480,210	15,260,525	95,155,988	5,948	379,134	620,100	188,018	173,600,618
Transfers and subsidies	-	-	3,697,898	894,531	315,000	20,000,000	-	-	-	-	24,907,429
Operational cost	33,946	31,920,604	27,847,664	1,247,736	5,923,042	36,177,599	175,810	33,800	43,571	1,353,752	104,757,524
Operating leases	8,797	832,249	645,204	346,083	1,965,358	13,943,726	80,893	8,797	7,578	-	17,838,685
Loss on disposal of assets	-	(261,594)	-	-	-	12,261,020	-	-	-	-	11,999,426
Total segment expenditure	4,363,675	134,040,570	213,075,851	212,451,041	190,833,851	1,949,940,490	9,537,010	2,973,105	4,887,355	5,422,701	2,727,525,649
Internal charges											
OC : Municipal services (Income)	-	-	-	-	6,325,426	70,979,936	-	-	-	-	77,305,362
OC : Municipal services	-	(195,991)	-	(8,230,817)	(23,409,867)	(45,468,687)	-	-	-	-	(77,305,362)
Total segment internal charges	-	(195,991)	-	(8,230,817)	(17,084,441)	25,511,249	-	-	-	-	-
Sub-total	(4,363,675)	379,926,495	(196,220,219)	(86,334,256)	(143,371,682)	230,630,269	(9,537,010)	(2,973,105)	(4,887,355)	(5,422,701)	157,446,761
Total segment surplus/(deficit)	(4,363,675)	379,730,504	(196,220,219)	(94,565,073)	(160,456,123)	256,141,518	(9,537,010)	(2,973,105)	(4,887,355)	(5,422,701)	157,446,761
Capital expenditure											
Actual outcome	8,802	279,165	10,208,022	14,021,795	14,332,893	151,976,008	-	42,097	11,046	24,660	190,904,488



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

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67. Segment information (continued)

By GFS

2024

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Sport and Recreation	Public Safety	Housing	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Waste Management	Water Management	Waste Water Management	Total
Revenue															
Services charges -	-	-	-	-	-	-	-	-	-	-	1,524,505,542	-	-	-	1,524,505,542
Electricity															
Services charges -	-	-	-	-	-	-	-	-	-	-	-	-	236,510,660	-	236,510,660
Water															
Services charges -	-	-	-	-	-	-	-	-	-	-	-	169,957,737	-	-	169,957,737
Waste management															
Services charges -	-	-	-	-	-	-	-	-	-	-	-	-	-	153,561,417	153,561,417
Waste water															
management															
Sales of goods and	1,137,622	102,739	-	21,883,181	1,620,667	-	-	8,940,578	32,114	-	-	-	-	191,060	33,907,961
rendering of services															
Rental from fixed assets	-	(7,759,350)	-	893,441	284,175	957	14,646,234	127,774	-	-	118,930	-	-	-	8,312,161
Interests on	-	73,656,906	-	-	-	-	-	-	-	-	-	-	-	-	73,656,906
investments															
Interest earned from	6,632	-	-	-	-	-	-	-	-	-	3,720,374	5,611,934	6,628,095	3,513,454	19,480,489
receivables															
Operational revenue	818,253	16,936,685	-	61,687	-	179,202	2,391	88,093	3,564,406	-	4,221	-	3,163,977	4,531,020	29,349,935
(Exchange)															
Licences or permits	-	8,336	-	-	113,803	21,659,633	-	-	-	-	-	-	4,270	-	21,786,042
Property rates	-	466,404,866	-	-	-	-	-	-	-	-	-	-	-	-	466,404,866
Availability charges -	-	-	-	-	-	-	-	-	-	-	2,527,545	-	-	-	2,527,545
Electricity															
Availability charges -	-	-	-	-	-	-	-	-	-	-	-	-	2,226,690	-	2,226,690
Water															
Availability charges -	-	-	-	-	-	-	-	-	-	-	-	4,002,553	-	-	4,002,553
Waste management															
Availability charges -	-	-	-	-	-	-	-	-	-	-	-	-	-	3,385,134	3,385,134
Waste water															
management															
Surcharges and taxes	-	3,084,653	-	-	-	-	-	-	-	-	-	-	-	-	3,084,653
Fines, penalties and	-	-	-	24,388	-	96,507,153	-	381,471	-	-	379,313	-	-	-	97,292,325
forfeits															
Transfers and subsidies	112,991	46,688,200	-	73,630	-	1,623,087	31,599,943	4,363,000	7,502,448	-	118,261,993	58,221,487	35,018,985	384,218,359	687,684,123



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

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67. Segment information (continued)

Operational revenue (Non-exchange)	-	1,741,571	-	-	-	-	-	-	-	-	-	-	-	-	1,741,571
Construction contract revenue	-	-	-	-	-	-	1,317,020	-	-	-	-	-	-	-	1,317,020
Total segment revenue	2,075,498	600,864,606	-	22,936,327	2,018,645	119,970,032	47,565,588	13,900,916	11,098,968	-	1,649,517,918	237,793,711	283,552,677	549,400,444	3,540,695,330



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

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Figures in Rand

67. Segment information (continued)

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Sport and Recreation	Public Safety	Housing	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Waste Management	Water Management	Waste Water Management	Total
Expenditure															
Employee related cost	53,905,661	235,505,955	9,767,426	29,651,948	53,552,814	85,165,209	28,128,189	63,412,623	49,745,015	1,874,882	64,545,357	36,058,904	29,631,363	44,406,656	785,352,002
Remuneration of councillors	34,340,227	-	-	-	-	-	-	-	-	-	-	-	-	-	34,340,227
Debt impairment / write-off	-	776,192	-	-	-	73,265,566	1,259,923	-	-	-	2,876,630	6,711,406	9,496,179	3,866,976	98,252,872
Depreciation and amortisation	691,644	33,338,316	24,797	3,901,321	7,909,159	433,110	33,532,516	212,863	53,885,780	-	50,250,255	11,347,177	29,711,096	23,777,335	249,015,369
Impairment losses on financial assets	-	510,784	-	-	-	5,717,995	688,116	-	-	-	1,522,918	6,415,273	12,713,872	2,334,390	29,903,348
Impairment losses on PPE, IA and HA	-	600,287	-	-	-	-	-	-	-	-	-	-	-	-	600,287
Finance costs	-	219,061	-	-	-	-	-	-	16,569,386	-	62,608,274	26,369,973	22,634,425	39,420,704	167,821,823
Bulk purchases	-	-	-	-	-	-	-	-	-	-	1,111,429,888	-	37,992,109	-	1,149,421,997
Inventory consumed	32,207,553	9,300,589	52,895	4,146,299	2,312,973	770,807	8,452,713	206,202	3,429,354	-	11,647,116	2,347,129	1,784,829	1,900,444	78,558,903
Contracted services	31,333,047	32,574,016	377,910	800,199	713,756	49,748,033	2,476,256	841,477	6,726,349	-	26,824,946	22,327,319	11,897,266	23,321,912	209,962,486
Transfers and subsidies	2,744,220	898,358	-	-	504,875	703,101	-	-	10,000,000	-	-	-	-	-	14,850,554
Operational cost	3,659,556	69,467,706	272,966	2,635,093	811,842	1,854,983	823,776	553,454	711,278	-	11,741,114	16,070,813	216,599	338,636	109,157,815
Operating leases	158,787	12,480,469	42,011	626,971	360,561	351,163	185,555	194,523	996,106	-	2,868,146	54,128	49,317	1,739,044	20,106,781
Loss on disposal of assets	-	(5,681,721)	-	-	-	-	-	-	-	-	4,988,525	13,025	9,313,112	1,337,483	9,970,424
Total segment expenditure	159,040,695	389,990,012	10,538,005	41,761,831	66,165,980	218,009,967	75,547,044	65,421,142	142,063,268	1,874,882	1,351,303,169	127,715,147	165,440,167	142,443,580	2,957,314,888
Sub-total	(156,965,197)	210,874,594	(10,538,005)	(18,825,504)	(64,147,335)	(98,039,935)	(27,981,456)	(51,520,226)	(130,964,300)	(1,874,882)	298,214,749	110,078,564	118,112,510	406,956,864	583,380,441
Internal charges															
OC : Municipal services (Income)	-	-	-	-	-	-	-	-	-	-	71,367,088	6,427,583	18,129,859	2,011,512	97,936,042
OC : Municipal services	-	(6,266,100)	-	(1,832,396)	(23,063,102)	(227,649)	(10,808,681)	-	(4,088,205)	-	(7,974,260)	(357,151)	(17,373,277)	(25,945,221)	(97,936,042)
Total segment internal charges	-	(6,266,100)	-	(1,832,396)	(23,063,102)	(227,649)	(10,808,681)	-	(4,088,205)	-	63,392,828	6,070,432	756,582	(23,933,709)	-
Total segment surplus /(deficit)	(156,965,197)	204,608,494	(10,538,005)	(20,657,900)	(87,210,437)	(98,267,584)	(38,790,137)	(51,520,226)	(135,052,505)	(1,874,882)	361,607,577	116,148,996	118,869,092	383,023,155	583,380,441



Notes to the Audited Annual Financial Statements

Figures in Rand

67. Segment information (continued)

Capital expenditure															
Actual outcome	55,115	31,679,817	29,534	2,682,306	6,530,314	7,437,257	34,788,085	8,980	32,099,190	-	76,886,555	26,039,715	262,548,159	6,930,825	487,715,852

Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

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67. Segment information (continued)

2023

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Sport and Recreation	Public Safety	Housing	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Waste Management	Water Management	Waste Water Management	Total
Revenue															
Services charges - Electricity	-	-	-	-	-	-	-	-	-	-	1,349,427,510	-	-	-	1,349,427,510
Services charges - Water	-	-	-	-	-	-	-	-	-	-	-	-	193,211,551	-	193,211,551
Services charges - Waste management	-	-	-	-	-	-	-	-	-	-	-	155,442,459	-	-	155,442,459
Services charges - Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	144,103,900	144,103,900
Sales of goods and rendering of services	1,451,554	100,557	-	20,739,417	1,621,664	-	-	10,470,640	43,003	-	-	-	-	334,779	34,761,614
Rental from fixed assets	-	(7,833,333)	-	541,996	235,772	565	13,994,903	125,647	-	-	16,070	-	-	-	7,081,620
Interests on investments	216	36,829,614	-	-	-	-	-	-	-	-	-	-	-	-	36,829,830
Interest earned from receivables	6,843	-	-	-	-	-	-	-	-	-	2,576,712	3,693,840	4,288,753	2,317,914	12,884,062
Operational revenue (Exchange)	671,245	4,073,349	-	47,505	-	243,046	1,652	50,628	4,329,522	-	2,033	-	2,557,555	1,922,393	13,898,928
Licences or permits	-	2,908	-	-	218,709	20,868,316	-	-	-	-	-	-	4,800	-	21,094,733
Property rates	-	437,182,802	-	-	-	-	-	-	-	-	-	-	-	-	437,182,802
Availability charges - Electricity	-	-	-	-	-	-	-	-	-	-	2,250,026	-	-	-	2,250,026
Services charges - Water	-	-	-	-	-	-	-	-	-	-	-	-	2,171,116	-	2,171,116
Availability charges - Waste management	-	-	-	-	-	-	-	-	-	-	-	3,893,471	-	-	3,893,471
Availability charges - Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	3,304,521	3,304,521
Surcharges and taxes	-	2,230,462	-	-	-	-	-	-	-	-	-	-	-	-	2,230,462
Fines, penalties and forfeits	-	-	-	22,148	-	103,863,146	-	209,499	-	-	356,148	-	-	-	104,450,941
Transfers and subsidies	203,836	52,264,687	-	-	600,000	1,141,712	9,283,308	4,139,000	3,517,723	-	175,467,218	26,326,420	9,911,636	76,126,400	358,981,940
Operational revenue (Non-exchange)	-	1,770,924	-	-	-	-	-	-	-	-	-	-	-	-	1,770,924
Total segment revenue	2,333,694	526,621,970	-	21,351,066	2,676,145	126,116,785	23,279,863	14,995,414	7,890,248	-	1,530,095,717	189,356,190	212,145,411	228,109,907	2,884,972,410



Drakenstein Municipality

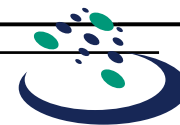
Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

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67. Segment information (continued)

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Sport and Recreation	Public Safety	Housing	Planning and Development	Road Transport	Environmental Protection	Energy Sources	Waste Management	Water Management	Waste Water Management	Total
Expenditure															
Employee related cost	51,005,756	218,519,997	9,210,067	26,992,993	50,551,133	80,373,904	26,447,903	60,214,891	46,153,413	1,770,721	62,106,137	32,905,851	26,172,763	43,235,222	735,660,751
Remuneration of councillors	33,213,291	-	-	-	-	-	-	-	-	-	-	-	-	-	33,213,291
Debt impairment / write-off	-	601,061	-	-	-	87,642,249	1,136,792	-	-	-	2,501,993	3,624,357	6,116,101	2,025,191	103,647,744
Depreciation and amortisation	615,879	33,192,193	24,788	3,899,838	7,906,151	387,394	33,519,777	212,814	53,913,579	-	50,283,366	8,954,354	29,585,100	23,768,300	246,263,533
Impairment losses on financial assets	-	12,779,057	-	-	-	(14,450,054)	1,308,059	-	-	-	(1,136,308)	32,887,924	14,362,356	19,881,925	65,632,959
Impairment losses on PPE, IA and HA	-	214,518	-	-	-	-	-	-	-	-	-	-	-	-	214,518
Finance costs	-	19,151,141	-	-	-	255,428	4,707,204	-	27,969,532	-	65,777,352	6,659,416	10,454,365	41,416,081	176,390,519
Bulk purchases	-	-	-	-	-	-	-	-	-	-	929,946,687	-	29,121,283	-	959,067,970
Inventory consumed	38,984,165	6,093,313	39,504	3,490,134	2,358,841	841,953	5,032,672	201,236	3,215,032	-	8,398,352	1,877,024	2,055,406	1,743,050	74,330,682
Contracted services	22,231,017	23,228,903	5,948	530,383	2,237,088	43,480,210	3,449,779	621,209	7,461,022	-	24,288,943	18,514,520	8,079,181	19,472,415	173,600,618
Transfers and subsidies	3,279,138	45,000	-	70,000	245,000	894,531	373,760	-	20,000,000	-	-	-	-	-	24,907,429
Operational cost	5,091,546	63,322,735	175,810	2,392,732	618,319	1,246,236	632,271	798,969	753,429	-	9,835,557	19,282,911	171,573	435,436	104,757,524
Operating leases	8,797	1,823,342	80,893	1,131,342	412,147	346,083	609,275	210,678	3,922,272	-	5,608,991	2,008,115	-	1,676,750	17,838,685
Loss on disposal of assets	-	4,398,657	-	-	-	-	-	-	-	-	2,177,669	214,036	4,611,438	597,626	11,999,426
Total segment expenditure	154,429,589	383,369,917	9,537,010	38,507,422	64,328,679	201,017,934	77,217,492	62,259,797	163,388,279	1,770,721	1,159,788,739	126,928,508	130,729,566	154,251,996	2,727,525,649
Sub-total	(152,095,895)	143,252,053	(9,537,010)	(17,156,356)	(61,652,534)	(74,901,149)	(53,937,629)	(47,264,383)	(155,498,031)	(1,770,721)	370,306,978	62,427,682	81,415,845	73,857,911	157,446,761
Internal charges															
OC : Municipal services (Income)	-	-	-	-	-	-	-	-	-	-	55,239,034	6,325,426	13,938,640	1,802,262	77,305,362
OC : Municipal services	-	(5,709,339)	-	(1,420,416)	(20,653,172)	(193,018)	(8,230,817)	-	(4,487,232)	-	(8,316,622)	(257,409)	(8,227,536)	(19,809,801)	(77,305,362)
Total segment internal charges	-	(5,709,339)	-	(1,420,416)	(20,653,172)	(193,018)	(8,230,817)	-	(4,487,232)	-	46,922,412	6,068,017	5,711,104	(18,007,539)	-
Total segment surplus /(deficit)	(152,095,895)	137,542,714	(9,537,010)	(18,576,772)	(82,305,706)	(75,094,167)	(62,168,446)	(47,264,383)	(159,985,263)	(1,770,721)	417,229,390	68,495,699	87,126,949	55,850,372	157,446,761



Drakenstein Municipality

Audited Annual Financial Statements for the year ended 30 June 2024

Notes to the Audited Annual Financial Statements

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67. Segment information (continued)

Capital expenditure															
Actual outcome	309,017	35,211,748	-	1,710,604	6,066,618	2,463,440	12,678,579	76,356	27,610,484	-	68,427,977	10,362,198	22,205,581	3,781,886	190,904,488

Drakenstein Municipality

Appendix A

Schedule of external loans as at 30 June 2024

External Loans	Interest Rate %	Loan Number	Redeemable Date	Balance at 30 June 2023 Rand	Redeemed/ written off during the period Rand	Balance at 30 June 2024 Rand
Annuity and other loans						
DBSA	10.734 %	61007616	2037	934,985,391	31,371,477	903,613,914
NEDBANK	11.480 %	7831030646-0011	2029	180,776,462	20,102,273	160,674,189
STANDARD BANK	11.440 %	0053-7722	2028	397,362,092	27,318,963	370,043,129
STANDARD BANK	10.970 %	0053-8368	2028	24,909,176	3,987,967	20,921,209
STANDARD BANK	9.840 %	0053-1097	2024	1,679,589	1,679,589	-
				1,539,712,710	84,460,269	1,455,252,441

Drakenstein Municipality

Appendix B1

Reconciliation of Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)

	2023/2024										
Description	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Revenue - Standard											
Governance and administration	545,231,002	37,878,844	583,109,846	-		583,109,846	634,810,144		51,700,298	109 %	116 %
Executive and council	1,984,198	13,896,475	15,880,673	-		15,880,673	22,171,425		6,290,752	140 %	1,117 %
Finance and administration	543,246,804	23,982,369	567,229,173	-		567,229,173	612,638,719		45,409,546	108 %	113 %
Internal audit	-	-	-	-		-	-		-	- %	- %
Community and public safety	229,037,211	13,052,013	242,089,224	-		242,089,224	192,490,592		(49,598,632)	80 %	84 %
Community and social services	5,065,368	20,209,704	25,275,072	-		25,275,072	22,936,326		(2,338,746)	91 %	453 %
Sport and recreation	1,841,642	(7,047)	1,834,595	-		1,834,595	2,018,644		184,049	110 %	110 %
Public safety	144,252,009	880,493	145,132,502	-		145,132,502	119,970,032		(25,162,470)	83 %	83 %
Housing	77,878,192	(8,031,137)	69,847,055	-		69,847,055	47,565,590		(22,281,465)	68 %	61 %
Health	-	-	-	-		-	-		-	- %	- %
Economic and environmental services	26,690,073	2,648,059	29,338,132	-		29,338,132	24,999,886		(4,338,246)	85 %	94 %
Planning and development	11,799,132	2,618,059	14,417,191	-		14,417,191	13,900,917		(516,274)	96 %	118 %
Road transport	14,890,941	30,000	14,920,941	-		14,920,941	11,098,969		(3,821,972)	74 %	75 %
Environmental protection	-	-	-	-		-	-		-	- %	- %
Trading services	2,636,064,454	58,250,171	2,694,314,625	-		2,694,314,625	2,722,934,373		28,619,748	101 %	103 %
Energy sources	1,599,002,155	60,329,475	1,659,331,630	-		1,659,331,630	1,649,517,918		(9,813,712)	99 %	103 %
Water management	254,664,860	1,911,378	256,576,238	-		256,576,238	286,222,298		29,646,060	112 %	112 %
Waste water management	559,371,179	(11,540,771)	547,830,408	-		547,830,408	549,400,446		1,570,038	100 %	98 %
Waste management	223,026,260	7,550,089	230,576,349	-		230,576,349	237,793,711		7,217,362	103 %	107 %
Other	-	-	-	-		-	-		-	- %	- %
Other	-	-	-	-		-	-		-	- %	- %
Total Revenue - Standard	3,437,022,740	111,829,087	3,548,851,827	-		3,548,851,827	3,575,234,995		26,383,168	101 %	104 %

Drakenstein Municipality

Appendix B1

Reconciliation of Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)

Description	2023/2024										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Expenditure - Standard											
Governance and administration	647,082,735	(194,556,140)	452,526,595	-	4,829,779	457,356,374	423,788,143	-	(33,568,231)	93 %	65 %
Executive and council	185,936,937	(67,910,101)	118,026,836	-	(2,928,885)	115,097,951	103,996,421	-	(11,101,530)	90 %	56 %
Finance and administration	450,709,816	(123,643,865)	327,065,951	-	9,987,409	337,053,360	314,646,052	-	(22,407,308)	93 %	70 %
Internal audit	10,435,982	(3,002,174)	7,433,808	-	(2,228,745)	5,205,063	5,145,670	-	(59,393)	99 %	49 %
Community and public safety	484,294,460	6,464,645	490,759,105	-	(7,105,030)	483,654,075	436,046,573	-	(47,607,502)	90 %	90 %
Community and social services	41,245,306	9,777,505	51,022,811	-	322,688	51,345,499	51,244,641	-	(100,858)	100 %	124 %
Sport and recreation	93,514,765	28,322,908	121,837,673	-	(5,667,674)	116,169,999	109,958,695	-	(6,211,304)	95 %	118 %
Public safety	230,989,182	(23,035,162)	207,954,020	-	(1,270,019)	206,684,001	184,169,257	-	(22,514,744)	89 %	80 %
Housing	118,545,207	(8,600,606)	109,944,601	-	(490,025)	109,454,576	90,673,980	-	(18,780,596)	83 %	76 %
Economic and environmental services	230,078,272	941,846	231,020,118	-	(850,530)	230,169,588	221,109,495	-	(9,060,093)	96 %	96 %
Planning and development	67,436,226	(1,162,424)	66,273,802	-	(783,128)	65,490,674	63,326,783	-	(2,163,891)	97 %	94 %
Road transport	160,755,656	2,108,101	162,863,757	-	(66,688)	162,797,069	155,901,119	-	(6,895,950)	96 %	97 %
Environmental protection	1,886,390	(3,831)	1,882,559	-	(714)	1,881,845	1,881,593	-	(252)	100 %	100 %
Trading services	1,703,504,794	252,217,113	1,955,721,907	-	3,126,374	1,958,848,281	1,910,907,601	-	(47,940,680)	98 %	112 %
Energy sources	1,309,243,243	86,260,363	1,395,503,606	-	20,032,150	1,415,535,756	1,369,244,567	-	(46,291,189)	97 %	105 %
Water management	137,645,357	57,657,148	195,302,505	-	(8,236,857)	187,065,648	187,062,670	-	(2,978)	100 %	136 %
Waste water management	162,643,221	35,470,292	198,113,513	-	(1,867,321)	196,246,192	196,235,188	-	(11,004)	100 %	121 %
Waste management	93,972,973	72,829,310	166,802,283	-	(6,801,598)	160,000,685	158,365,176	-	(1,635,509)	99 %	169 %
Other	-	3,334	3,334	-	(593)	2,741	2,741	-	-	100 %	- %
Other	-	3,334	3,334	-	(593)	2,741	2,741	-	-	100 %	- %
Total Expenditure - Standard	3,064,960,261	65,070,798	3,130,031,059	-	-	3,130,031,059	2,991,854,553	-	(138,176,506)	96 %	98 %
Surplus/(Deficit) for the year	372,062,479	46,758,289	418,820,768	-	-	418,820,768	583,380,442	-	164,559,674	139 %	157 %

Drakenstein Municipality

Appendix B2

Reconciliation of Budgeted Financial Performance (Revenue and expenditure by Municipal Vote)

	2023/2024										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjusted Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand		
Revenue by Vote											
Office of the City Manager	-	-	-	-		-	-		-	- %	- %
Financial Services	517,280,495	42,424,054	559,704,549	-		559,704,549	590,911,555		31,207,006	106 %	114 %
Corporate and Planning Services	10,432,813	32,750,841	43,183,654	-		43,183,654	50,817,981		7,634,327	118 %	487 %
Public Safety	-	145,132,502	145,132,502	-		145,132,502	119,970,032		(25,162,470)	83 %	- %
Community Services	250,361,270	(167,278,481)	83,082,789	-		83,082,789	58,094,399		(24,988,390)	70 %	23 %
Engineering Services	2,658,948,162	58,800,171	2,717,748,333	-		2,717,748,333	2,755,441,065		37,692,732	101 %	104 %
Department of Chief Audit Executive	-	-	-	-		-	-		-	- %	- %
Department of Risk And Compliance	-	-	-	-		-	-		-	- %	- %
Department of IDP And PMS	-	-	-	-		-	-		-	- %	- %
Department of Communication	-	-	-	-		-	-		-	- %	- %
Total Revenue by Vote	3,437,022,740	111,829,087	3,548,851,827	-		3,548,851,827	3,575,235,032		26,383,205	101 %	104 %

Drakenstein Municipality

Appendix B2

Reconciliation of Budgeted Financial Performance (Revenue and expenditure by Municipal Vote)

	2023/2024										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjusted Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand		
Expenditure by Vote to be appropriated											
Office of the City Manager	5,953,446	(1,246,427)	4,707,019	-	-	4,707,019	4,411,219	-	(295,800)	94 %	74 %
Financial Services	156,329,192	(14,206,251)	142,122,941	-	(50,114)	142,072,827	127,677,573	-	(14,395,254)	90 %	82 %
Corporate and Planning Services	260,782,569	7,496,483	268,279,052	-	980,114	269,259,166	258,405,725	-	(10,853,441)	96 %	99 %
Public Safety	-	256,876,617	256,876,617	-	203,500	257,080,117	233,450,072	-	(23,630,045)	91 %	- %
Community Services	549,821,161	(270,082,855)	279,738,306	-	(465,700)	279,272,606	243,277,290	-	(35,995,316)	87 %	44 %
Engineering Services	2,067,636,868	85,012,010	2,152,648,878	-	(670,000)	2,151,978,878	2,099,726,544	-	(52,252,334)	98 %	102 %
Department of Chief Audit Executive	10,435,982	161,418	10,597,400	-	-	10,597,400	10,538,006	-	(59,394)	99 %	101 %
Department of Risk And Compliance	2,857,902	(111,157)	2,746,745	-	-	2,746,745	2,495,150	-	(251,595)	91 %	87 %
Department of IDP And PMS	5,559,177	(187,713)	5,371,464	-	-	5,371,464	5,194,514	-	(176,950)	97 %	93 %
Department of Communication	5,583,964	1,358,673	6,942,637	-	2,200	6,944,837	6,678,497	-	(266,340)	96 %	120 %
Total Expenditure by Vote	3,064,960,261	65,070,798	3,130,031,059	-	-	3,130,031,059	2,991,854,590	-	(138,176,469)	96 %	98 %
Surplus/(Deficit) for the year	372,062,479	46,758,289	418,820,768	-		418,820,768	583,380,442		164,559,674	139 %	157 %

Drakenstein Municipality

Appendix B3

Reconciliation of Budgeted Capital Expenditure by Vote, Standard Classification and Funding

	2023/2024										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustments Budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Capital expenditure - Vote											
Multi-year expenditure											
Office of the City Manager	-	-	-	-	-	-	-	-	-	- %	- %
Financial Services	-	-	-	-	-	-	-	-	-	- %	- %
Corporate and Planning Services	3,105,000	1,056,538	4,161,538	-	312,779	4,474,317	4,471,069	-	(3,248)	100 %	144 %
Public Safety	-	-	-	-	-	-	-	-	-	- %	- %
Community Services	800,000	325,143	1,125,143	-	(105,082)	1,020,061	1,020,060	-	(1)	100 %	128 %
Engineering Services	355,323,229	19,884,577	375,207,806	-	7,182,700	382,390,506	379,663,981	-	(2,726,525)	99 %	107 %
Department of Chief Audit Executive	-	-	-	-	-	-	-	-	-	- %	- %
Department of Risk And Compliance	-	-	-	-	-	-	-	-	-	- %	- %
Department of IDP And PMS	-	-	-	-	-	-	-	-	-	- %	- %
Department of Communication	-	-	-	-	-	-	-	-	-	- %	- %
Capital multi-year expenditure sub-total	359,228,229	21,266,258	380,494,487	-	7,390,397	387,884,884	385,155,110	-	(2,729,774)	99 %	107 %
Single-year expenditure											
Office of the City Manager	-	14,756	14,756	-	-	14,756	14,756	-	-	100 %	- %
Financial Services	2,968,395	(1,844,825)	1,123,570	-	(17,297)	1,106,273	1,002,944	-	(103,329)	91 %	34 %
Corporate and Planning Services	500,250	1,927,741	2,427,991	-	(359,092)	2,068,899	2,043,407	-	(25,492)	99 %	408 %
Public Safety	-	9,671,643	9,671,643	-	(393,323)	9,278,320	7,448,364	-	(1,829,956)	80 %	- %
Community Services	49,569,130	(3,958,334)	45,610,796	-	(348,949)	45,261,847	43,575,440	-	(1,686,407)	96 %	88 %
Engineering Services	45,157,206	10,916,669	56,073,875	-	(6,098,512)	49,975,363	48,346,241	-	(1,629,122)	97 %	107 %
Department of Chief Audit Executive	-	30,000	30,000	-	-	30,000	29,534	-	(466)	98 %	- %
Department of Risk And Compliance	-	34,880	34,880	-	-	34,880	34,880	-	-	100 %	- %
Department of IDP And PMS	-	-	-	-	8,980	8,980	8,980	-	-	100 %	- %
Department of Communication	-	260,140	260,140	-	(182,204)	77,936	56,196	-	(21,740)	72 %	- %
Capital single-year expenditure sub-total	98,194,981	17,052,670	115,247,651	-	(7,390,397)	107,857,254	102,560,742	-	(5,296,512)	95 %	104 %
Total Capital Expenditure - Vote	457,423,210	38,318,928	495,742,138	-	-	495,742,138	487,715,852	-	(8,026,286)	98 %	107 %

Drakenstein Municipality

Appendix B3

Reconciliation of Budgeted Capital Expenditure by Vote, Standard Classification and Funding

	2023/2024										
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustments Budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Capital Expenditure - Standard											
Governance and administration	20,907,775	12,853,947	33,761,722	-	(897,742)	32,863,980	31,764,466	-	(1,099,514)	97 %	152 %
Executive and council	-	46,383	46,383	-	8,734	55,117	55,115	-	(2)	100 %	- %
Finance and administration	20,907,775	12,777,564	33,685,339	-	(906,476)	32,778,863	31,679,817	-	(1,099,046)	97 %	152 %
Internal audit	-	30,000	30,000	-	-	30,000	29,534	-	(466)	98 %	- %
Community and public safety	49,630,000	6,035,648	55,665,648	-	(895,146)	54,770,502	51,437,962	-	(3,332,540)	94 %	104 %
Community and social services	2,850,000	127,221	2,977,221	-	(219,195)	2,758,026	2,682,306	-	(75,720)	97 %	94 %
Sport and recreation	8,100,000	(894,399)	7,205,601	-	(426,984)	6,778,617	6,530,314	-	(248,303)	96 %	81 %
Public safety	5,135,000	4,523,343	9,658,343	-	(393,323)	9,265,020	7,437,257	-	(1,827,763)	80 %	145 %
Housing	33,545,000	2,279,483	35,824,483	-	144,356	35,968,839	34,788,085	-	(1,180,754)	97 %	104 %
Health	-	-	-	-	-	-	-	-	-	- %	- %
Economic and environmental services	34,619,493	3,739,201	38,358,694	-	(3,113,981)	35,244,713	32,108,170	-	(3,136,543)	91 %	93 %
Planning and development	-	-	-	-	8,980	8,980	8,980	-	-	100 %	- %
Road transport	34,619,493	3,739,201	38,358,694	-	(3,122,961)	35,235,733	32,099,190	-	(3,136,543)	91 %	93 %
Environmental protection	-	-	-	-	-	-	-	-	-	- %	- %
Trading services	352,265,942	15,690,132	367,956,074	-	4,906,869	372,862,943	372,405,254	-	(457,689)	100 %	106 %
Energy sources	41,400,797	31,097,329	72,498,126	-	4,390,114	76,888,240	76,886,555	-	(1,685)	100 %	186 %
Water management	27,204,688	(1,760,544)	25,444,144	-	613,509	26,057,653	26,039,715	-	(17,938)	100 %	96 %
Waste water management	275,810,457	(12,757,841)	263,052,616	-	(66,401)	262,986,215	262,548,159	-	(438,056)	100 %	95 %
Waste management	7,850,000	(888,812)	6,961,188	-	(30,353)	6,930,835	6,930,825	-	(10)	100 %	88 %
Other	-	-	-	-	-	-	-	-	-	- %	- %
Other	-	-	-	-	-	-	-	-	-	- %	- %
Total Capital Expenditure - Standard	457,423,210	38,318,928	495,742,138	-	-	495,742,138	487,715,852	-	(8,026,286)	98 %	107 %
Funded by:											
National Government	347,761,739	(15,304,347)	332,457,392	-		332,457,392	326,082,236		(6,375,156)	98 %	94 %
Provincial Government	35,532,826	974,213	36,507,039	-		36,507,039	35,287,724		(1,219,315)	97 %	99 %
District Municipality	-	-	-	-		-	-		-	- %	- %
Other transfers and grants	8,500,000	26,991,776	35,491,776	-		35,491,776	39,908,964		4,417,188	112 %	470 %
Transfers recognised - capital	391,794,565	12,661,642	404,456,207	-		404,456,207	401,278,924		(3,177,283)	99 %	102 %
Public contributions & donations	-	-	-	-		-	-		-	- %	- %
Borrowing	-	-	-	-		-	-		-	- %	- %
Internally generated funds	65,628,645	25,657,286	91,285,931	-		91,285,931	86,436,928		(4,849,003)	95 %	132 %
Total Capital Funding	457,423,210	38,318,928	495,742,138	-		495,742,138	487,715,852		(8,026,286)	98 %	107 %

Drakenstein Municipality
Appendix C
Disclosure of Grants and Subsidies in Terms of Section 123 of the MFMA, 56 of 2003

Description	Quarterly Receipts						Quarterly Expenditure (Capital and Operating)						
	Opening Balance	Sep	Dec	Mar	Jun	Total	Sep	Dec	Mar	Jun	Total	Adjustments & Repayments	Closing Balance
	01 July 2023												30 June 2024
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
National Government (Unconditional Grant) [for disclosure purposes only]													
EQUITABLE SHARE	-	(89,882,000)	(71,906,000)	(53,930,000)	-	(215,718,000)	89,882,000	71,906,000	53,930,000	-	215,718,000	-	-
	-	(89,882,000)	(71,906,000)	(53,930,000)	-	(215,718,000)	89,882,000	71,906,000	53,930,000	-	215,718,000	-	-
National Government (Conditional Grant)													
EXPANDED PUBLIC WORKS PROGRAMME	-	(1,091,000)	(3,272,000)	-	-	(4,363,000)	1,309,370	1,989,760	-	1,063,870	4,363,000	-	-
FINANCIAL MANAGEMENT GRANT	-	(1,550,000)	-	-	-	(1,550,000)	222,254	620,173	-	707,573	1,550,000	-	-
IUDG PROJECTS	(1)	(23,446,000)	(35,170,000)	-	-	(58,616,001)	4,263,553	38,474,827	-	15,877,617	58,615,997	4	-
INEP FUNDING	-	(3,500,000)	(6,500,000)	-	-	(10,000,000)	409,039	5,798,798	-	3,792,163	10,000,000	-	-
DROMMEDARIS NEIGHBOURHOOD GRANT	-	-	-	-	(10,000,000)	(10,000,000)	-	-	-	2,668,576	2,668,576	-	(7,331,424)
DROMMEDARIS NEIGHBOURHOOD GRANT	-	-	(10,000,000)	-	10,000,000	-	-	1,393,874	-	(1,393,874)	-	-	-
REGIONAL BULK INFRASTRUCTURE GRANT	-	(9,100,000)	(281,210,000)	-	-	(290,310,000)	5,539,531	134,287,689	-	150,482,780	290,310,000	-	-
DISASTER RELIEF SUPPORT GRANT	-	-	-	-	(435,000)	(435,000)	-	-	-	197,873	197,873	-	(237,127)
WSIG	(1)	(2,587,000)	(10,813,000)	-	-	(13,400,001)	1,223,591	6,395,005	-	5,781,404	13,400,000	1	-
	(2)	(41,274,000)	(346,965,000)	-	(435,000)	(388,674,002)	12,967,338	188,960,126	-	179,177,982	381,105,446	5	(7,568,551)
Provincial Government (Conditional Grant)													
SIYASHLALA	(1,569,723)	-	-	-	-	(1,569,723)	-	-	-	-	-	1	(1,569,722)
P59 FAIRYLANDS	(2,513,787)	-	(844,725)	-	-	(3,358,512)	-	803,990	-	(169,255)	634,735	-	(2,723,777)
MBEKWENI 557	(693,182)	-	-	-	(897,209)	(1,590,391)	-	-	-	1,590,391	1,590,391	-	-
DIGNIFIED SITES	(542,009)	-	(8,801,520)	-	4,491,633	(4,851,896)	-	-	-	4,678,750	4,678,750	2	(173,144)
DROM 181/1407 (HSDG)	(569,695)	-	-	-	-	(569,695)	-	-	-	-	-	-	(569,695)
DROMMEDARIS ST EHP	(168,249)	-	(855,631)	-	855,631	(168,249)	-	-	-	-	-	-	(168,249)
CARTERVILLE HOUSING PROJECT	(956,503)	-	-	-	-	(956,503)	-	-	-	-	-	-	(956,503)
1068 HOUSE DONATIONS	(152,225)	-	-	-	-	(152,225)	-	-	-	-	-	-	(152,225)
KINGSON TOWN TRANSFER	(53,000)	-	-	-	-	(53,000)	-	-	-	-	-	-	(53,000)
ACCELERATED HOUSING (SIMONDIUM)	-	-	(20,000,000)	-	(4,589,516)	(24,589,516)	-	-	-	24,474,454	24,474,454	-	(115,062)
DEEDS TRANSFERS	-	-	-	-	(84,903)	(84,903)	-	-	-	84,903	84,903	-	-
LANTANA	-	-	(863,690)	-	863,690	-	-	-	-	-	-	-	-
ACCELERATED HOUSING (SCHOONGEZICHT)	-	-	(2,063,707)	-	-	(2,063,707)	-	1,089,031	-	754,434	1,843,465	-	(220,242)
MUNICIPAL ACCREDITATION AND CAPACITY BUILDING	(360,652)	-	(245,000)	-	-	(605,652)	-	137,783	-	107,217	245,000	360,652	-
MUNICIPALITY TOURISM CHALLENGE FUND	(138)	-	(435,000)	-	245,000	(190,138)	-	-	-	189,999	189,999	139	-
MUNICIPAL SERVICE DELIVERY AND CAPACITY BUILDING	(1)	-	(500,000)	-	-	(500,001)	-	-	-	-	-	1	(500,000)
WC FINANCE MANAGEMENT CAPABILITY	-	-	(740,000)	-	-	(740,000)	-	108,557	-	559,558	668,115	-	(71,885)
COMMUNITY DEVELOPMENT WORKERS	(29,672)	-	(113,000)	-	-	(142,672)	-	80,783	-	32,208	112,991	29,681	-
FIRE SERVICE CAPACITY BUILDING	-	-	(985,000)	-	-	(985,000)	-	34,081	(34,081)	985,000	985,000	-	-
MAINTENANCE THUSONG CENTRE	-	-	(116,000)	-	-	(116,000)	-	-	-	73,630	73,630	-	(42,370)
CAPACITY BUILDING (EXTERNAL BURSARIES)	(98,567)	(940,000)	940,000	-	(100,000)	(198,567)	-	139,230	-	1,372	140,602	-	(57,965)
MUNICIPAL ENERGY RESILIENCE GRANT	(4)	-	-	-	(800,000)	(800,004)	-	-	-	799,975	799,975	29	-
PUBLIC WORKS AND TRANSPORT (80%)	-	-	(64,760)	-	(4,269,240)	(4,334,000)	-	-	-	4,334,000	4,334,000	-	-
	(7,707,407)	(940,000)	(35,688,033)	-	(4,284,914)	(48,620,354)	-	2,393,455	(34,081)	38,496,636	40,856,010	390,505	(7,373,839)

Drakenstein Municipality

Appendix C

Disclosure of Grants and Subsidies in Terms of Section 123 of the MFMA, 56 of 2003

Description	Quarterly Receipts						Quarterly Expenditure (Capital and Operating)						
	Opening Balance 01 July 2023	Sep	Dec	Mar	Jun	Total	Sep	Dec	Mar	Jun	Total	Adjustments & Repayments	Closing Balance 30 June 2024
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Other Grants (Conditional Grant)													
TRAINING LEVY (LG SETA & NON EMPLOYEE BURSARIES)	(1,220,279)	(256,511)	(1,399,519)	-	(694,464)	(3,570,773)	-	-	279,802	2,368,006	2,647,808	-	(922,965)
CAPE WINELANDS DISTRICT MUNICIPALITY	(66,916)	-	-	-	-	(66,916)	-	55,995	-	10,921	66,916	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY	(36,958)	-	-	-	-	(36,958)	-	-	-	36,958	36,958	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY (TOURISM)	(232,213)	-	(117,500)	-	117,500	(232,213)	14,100	15,715	-	202,398	232,213	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY (TOURISM)	-	-	-	-	(100,000)	(100,000)	-	-	-	100,000	100,000	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY (BOBBIES ON THE BEAT)	-	-	-	-	(500,000)	(500,000)	-	-	-	302,000	302,000	-	(198,000)
CAPE WINELANDS DISTRICT MUNICIPALITY (TOURISM CHALLENGE)	(106,362)	-	(270,500)	-	72,500	(304,362)	-	79,460	-	(79,460)	-	-	(304,362)
NEUMARK	(1,477,945)	-	(276,293)	-	-	(1,754,238)	363,355	312,414	-	269,716	945,485	-	(808,753)
	(3,140,673)	(256,511)	(2,063,812)	-	(1,104,464)	(6,565,460)	377,455	463,584	279,802	3,210,539	4,331,380	-	(2,234,080)
Donations and other contributions													
TRUST FUND : MUN WIDOW & PENSION FUND	(363,572)	-	-	-	-	(363,572)	-	-	-	-	-	-	(363,572)
NEWTON	-	-	-	-	(579,922)	(579,922)	-	-	-	579,922	579,922	-	-
LE PARC	-	-	-	-	(4,664,809)	(4,664,809)	-	-	-	4,664,809	4,664,809	-	-
HONEYDEW	-	-	-	-	(1,036,096)	(1,036,096)	-	-	-	1,036,096	1,036,096	-	-
SUN THATCH	-	-	-	-	(540,000)	(540,000)	-	-	-	540,000	540,000	-	-
WESTERN CAPE GOVERNMENT	-	-	-	-	(501,079)	(501,079)	-	-	-	501,079	501,079	-	-
WESTERN CAPE GOVERNMENT	-	-	-	-	(307,906)	(307,906)	-	-	-	307,906	307,906	-	-
CAPE WINELANDS DISTRICT MUNICIPALITY	-	-	-	-	(559,060)	(559,060)	-	-	-	559,060	559,060	-	-
VESTING TRANSFERS	-	-	-	-	(7,000)	(7,000)	-	-	-	7,000	7,000	-	-
DEVELOPERS CONTRIBUTION	-	-	-	-	(39,429,172)	(39,429,172)	-	-	-	39,429,172	39,429,172	-	-
	(363,572)	-	-	-	(47,625,044)	(47,988,616)	-	-	-	47,625,044	47,625,044	-	(363,572)
Total	(11,211,654)	(132,352,511)	(456,622,845)	(53,930,000)	(53,449,422)	(707,566,432)	103,226,793	263,723,165	54,175,721	268,510,201	689,635,880	390,510	(17,540,042)

VOLUME V: 2023/2024 ANNUAL PERFORMANCE REPORT

The audited 2023/24 Annual Performance Report will now follow for the next 27 pages. No material findings on the usefulness and reliability of the reported information were raised by the Auditor-General.



DRAKENSTEIN

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Annual Performance Assessment Report

2023/2024

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1. Purpose

The Annual Performance Assessment Report 2023/2024 is hereby submitted to the Drakenstein Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2). The report covers the performance information from 01 July 2023 to 30 June 2024 and focuses on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP) for the year under review.

The report also reflects actual performance of the Municipality as measured against the performance indicators and targets in the IDP and SDBIP for 2023/2024. The format of the report will reflect Drakenstein Municipality's Key Performance Indicators (KPIs) per Key Performance Area (KPA). Each KPA has a number of Pre-determined Objectives (PDOs) developed to ensure that the KPAs are achieved.

This report endeavors to present to Council the Municipality's performance in terms of the five (5) National Government Key Performance Areas (NKPAs) for Local Government, which are:

1. Basic Service Delivery;
2. Local Economic Development;
3. Municipal Institutional Transformation and Development;
4. Municipal Financial Viability and Management; and
5. Good Governance and Public Participation.

The above-mentioned NKPAs are addressed through the Drakenstein Municipality's six (6) KPAs namely:

1. Governance and Compliance;
2. Finance;
3. Organisation and Human Capital;
4. Infrastructure and Services;
5. Planning and Development; and
6. Community Development.

2. Legislative Requirements

This Annual Performance Assessment Report complies with the requirements of section 46(1) of the Local Government: Municipal Systems Act, 32 (Act 32 of 2000); which stipulates the following:

A municipality must prepare for each financial year a performance report reflecting:

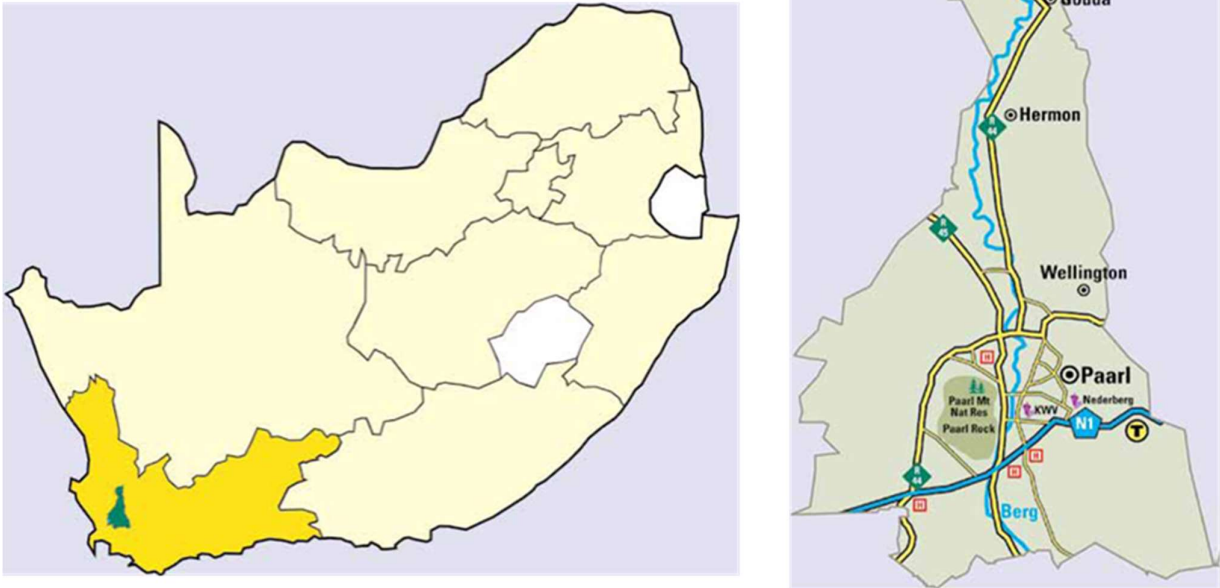
- (a) “The performance of the municipality and each external service provider during that financial year;
- (b) A comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- (c) Measures taken to improve performance”.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the Municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance Management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, external service providers and municipal entities.

3. Municipal Overview

The Drakenstein Municipality forms part of the Cape Winelands District Municipality (additionally including Stellenbosch, Breede Valley, Witzenberg and Langeberg municipalities that are classified as Category B municipalities). The Drakenstein Municipality is approximately 1,538km². It ranges from South of the N1 freeway including Simondium and stretches to the North including Saron. The Klein Drakenstein, Limiet and Saron Mountains range from its Eastern Edge to the agricultural area immediately West of the R45 at its Western Border. The main municipal urban centres are Paarl and Wellington which are located in close proximity to the N1 in the South with smaller rural settlements at Saron and Gouda in the North and Hermon in the Mid-West.

Figure 1: Location of the Drakenstein Municipality



Source: Drakenstein Municipality Spatial Development Framework 2020/2025

3.1 Vision: “A city of excellence”.

3.2 Demographics and Socio- Economic Status

Table 1: Total Population

Total Population		
2021/2022	2022/2023	2023/2024
305,281*	305,281*	279 643**

*Western Cape Department of Health 2020/2021

**Source: Quantec, 2024

Table 2: Socio Economic Status

Socio-Economic Status <i>Quantec data is regularly updated and figures may be different from those previously reported.</i>					
Serial No.	Year	Unemployment rate	% of working age population in low-skilled employment	Gini coefficient	Illiterate people older than 20 years
1.	2021/22	*23%	16.5%	0.601	15.74%
2.	2022/23	*18.7%	15.4%	0.590	13.5%
3.	2023/24	*18.7%	36.7%	0.577	26.7%

Source: Quantec Research 2024.

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

Table 3: Total Number of Households

Households	2021/2022	2022/2023	2023/2024
Number of households in municipal area	78,425**	78,578**	76 776**
Number of registered indigent households in municipal area	18,632***	15,210***	16,155*

*Drakenstein Municipality own source

**2022/2027 Annual WSDP Performance- and Water Services Audit Report

**Census 2022

***Drakenstein Municipality Solar Report per financial year

Note: For a more comprehensive socio-economic profile of the Drakenstein Municipality, consult the draft Annual Report 2023/2024.

4. Performance Management Overview

In order to improve on performance planning, implementation, measurement and reporting, the Municipality implemented the following actions:

- Departmental operational plans were developed for monitoring and reporting operational programmes;
- An electronic performance management system is operational within the Municipality. The same system forms the basis of performance evaluations of the Executive Directors, the Chief Financial Officer, and the Accounting Officer; and
- During the development of the TL SDBIP and the Departmental SDBIP, the “SMART” principle is adhered to in the setting of indicators and objectives.

4.1 TL SDBIP

The Municipality's performance is evaluated by means of a Performance Scorecard (TL SDBIP) at organisational level and through the SDBIP at departmental levels.

Table 4: Performance Management System Checklist

Performance Management Policy	All MSA s57/56 Performance contracts signed	Internal Audit	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Reporting to Council
✓	✓	✓	✓	✓	✓	✓

The MFMA Circular No.13 prescribes that:

- (a) The IDP and Budget must be aligned;
- (b) The Budget must address the strategic priorities;
- (c) The SDBIP should indicate what the Municipality is going to do during the next 12 months; and
- (d) The SDBIP should form the basis of measuring the performance against goals set during the Budget/IDP processes.

The TL SDBIP was approved by the Executive Mayor on 28 June 2023.

The overall assessment of actual performance against targets set for the KPIs as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Table 5: Performance Assessment Criteria

Colour	Rating	Category
	1	Unacceptable Performance
	2	Not Fully Effective
	3	Fully Effective
	4	Above Expectation
	5	Outstanding Performance

The TL SDBIP (the Performance Scorecard) consolidates service delivery targets set by Council/Senior Management and provides an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities. Components of the TL SDBIP includes a one-year detailed plan, and a three-year capital plan.

The necessary components include:

- (a) Monthly projections of revenue to be collected for each source;
- (b) Expected revenue to be collected not billed;
- (c) Monthly projections of expenditure (operating and capital) and revenue for each vote;
- (d) Quarterly projections of service delivery targets and performance indicators for each vote;
- (e) Non-financial measurable performance objectives in the form of targets and indicators; and
- (f) Detailed capital project plan broken down by ward over three years.






4.2 Departmental SDBIP

The Departmental SDBIP 2023/2024 provides a comprehensive picture of the performance per Department/Division/Section. It was compiled by the Executive Directors, Chief Financial Officer and Senior Managers for their Departments and consists of objectives, indicators and targets derived from the approved TL SDBIP 2023/2024.

5. Drakenstein Municipality Performance per KPA

This Section of the Annual Performance Report reflects on the actual performance against the planned targets as derived from the Municipality's IDP. There are 6 KPAs reflected in the report.

Table 6: Drakenstein Performance per Municipal KPA (01 July 2023 - 30 June 2024)

Drakenstein Municipality		KPA 1: Governance and Compliance	KPA 2: Finance	KPA 3: Organisation and Human Capital	KPA 4: Infrastructure and Services	KPA 5: Planning and Development	KPA 6: Community Development
 Unacceptable Performance	1	-	-	-	1	-	-
 Not Fully Effective	2	-	-	1	1	-	-
 Fully Effective	14	3	4	1	5	-	1
 Above Expectation	5	-	1	1	2	1	-
 Outstanding Performance	7	-	4	-	3	-	-
Total:	29	3	9	3	12	1	1

5.1 Governance and Compliance

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL1	To ensure good governance and compliance	Submission of Audit Committee reports to Council	Number of Audit Committee reports submitted to Council	Audit Committee Reports- The Audit Committee's report to Council which is drafted by the chairperson to report on the outcomes of the quarterly Audit Committee meetings.	4	4	4	4	4	G		
TL2	To ensure good governance and compliance	Investigation of all formally reported fraud, theft and corruption incidents initiated	Percentage of formally reported fraud, theft and corruption incidents initiated within 14 days of receipt	<p>Initiate fraud investigations for incidents that were formally reported to Fraud and Risk Management (FRM) section within 14 days from receipt.</p> <p>Initiation date is the date that the Chief Risk Officer gives written instruction to the forensic investigator to start with the investigation.</p> <p>Formally reported incidents are tip offs that were received through the hotline or where the FRM section was requested to conduct an investigation directly by the City Manager.</p>	100%	100%	100%	100%	100%	G		

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL3	To ensure good governance and compliance	IDP/Budget/SDF time schedule (process plan) submitted to MAYCO/Council by 31 August	Number of IDP/Budget/SDF time schedules (process plan) submitted to MAYCO/Council by 31 August	IDP/Budget/SDF time schedules (process plan) submitted to MAYCO/Council by 31 August.	1	1	1	1	1	G		

Table 7: Summary of Results (KPA 1: Governance and Compliance)

	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	3
	Above Expectation	0
	Outstanding Performance	0
Total KPIs		3

5.2 Finance

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL4	To ensure financial sustainability in order to meet the statutory requirements	Submission of the MTREF (aligned to the IDP) to Council by 31 May	Number of MTREFs submitted to Council by 31 May	To compile and submit a 5-year Medium Term Revenue and Expenditure Framework (Capital and Operating Budget) for consideration by Council by 31 May.	1	1	1	1	1	G		
TL5	To ensure financial sustainability in order to meet the statutory requirements	Ratio in respect of Debtor Payment Days (Collect all billed revenue to ensure that sufficient cash is generated to meet Drakenstein's debt and operating commitments)	Net Debtors Days Ratio ((Gross Debtors – Bad Debt Provision)/Billed Revenue) x 365 (Target Number of days)	To calculate and report on the Net Debtors Day Ratio as at year-end. The ratio represents the net outstanding debtors (gross debtors less bad debt provision) compared with the billed revenue at year end to indicate the time it takes to collect billed revenue.	37.6	≤45	≤45	≤45	42.1	B	Over performance due to improved business processes and credit control processes.	
TL6	To ensure financial sustainability in order to meet the statutory requirements	Submission of the Annual Financial Statement (AFS) to the Auditor General of South Africa	Number of Annual Financial Statements (AFS) submitted to the Auditor General of South Africa by 31 August	To compile and submit 2022/2023 Annual Financial Statements to the Auditor General by 31 August.	1	1	1	1	1	G		

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL7 NKPI	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MFMA, Reg. S10(g)(iii))	Cost coverage ratio (Available cash + investments)/ Monthly fixed operating expenditure	To calculate and report on the Cost Coverage Ratio as at year-end. The ratio represents the available cash and cash equivalents as a factor in months, compared with the monthly fixed operating expenditure (redemption on loans included).	2.31	>1.0 more than	>1.0 more than	>1.0 more than	3.24	B	Over performance due to improved business processes, cash and liquidity management and credit control processes.	
TL8 NKPI	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MFMA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received)/ (Debt service payments due within the year)).	To calculate and report on the Debt Coverage Ratio as at year-end. The ratio represents total own revenue as a coverage factor of interest and redemption on external loans repayable at year-end.	11.21	>6.7 more than	>6.7 more than	>6.7 more than	12.19	B	Over performance due to increased revenue raising and no new loans taken up.	
TL9 NKPI	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MFMA, Reg. S10(g)(ii))	Service debtors to revenue ratio – (Total outstanding service debtors/revenue received for services)	To calculate and report on the Service Debtors to Revenue Ratio as at year-end. The Ratio represents total outstanding debtors as a factor of total billed revenue as at year-end.	0.18	<0.25 less than	<0.25 less than	<0.25 less than	0.20	B	Over performance due to improved business processes and credit control processes.	

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL10	To plan and facilitate sustainable and inclusive economic growth and development	Updating of the Indigent Register (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of all qualifying indigent applications processed	To report on the number of qualifying indigent applications that have been processed for the 2023/2024 financial year.	100%	100%	100%	100%	100%	G		
TL11	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Submission of the Adjustment Budget to Council for approval by 28 February	Number of Adjustment Budgets submitted for approval to Council by 28 February	To submit the Adjustment Budget to Council for approval by 28 February.	New KPI	1	1	1	1	G		
TL12	To ensure the financial sustainability of the Municipality in order to fulfill the statutory requirements	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI-MFMA, Reg. S10(c))	Percentage of approved Capital Budget actually spent	To calculate the percentage of actual Capital expenditure spent compared with the budgeted capital expenditure as per the latest approved adjustment budget.	97.37%	90%	90%	90%	98.38%	G2		

Table 8: Summary of Results (KPA 2: Finance)

	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	4
	Above Expectation	1
	Outstanding Performance	4
Total KPIs		9

5.3 Organisation and Human Capital

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL13	To ensure an efficient and effective organisation supported by a competent and skilled workforce	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan reports (NKPI Proxy - MFMA, Reg. S10(e))	Number of reports on the number of people from employment equity groups employed in the three highest levels of management submitted to the City Manager	To appoint Employment Equity targets on the three levels of management in compliance with the approved Employment Equity Plan. The City Manager and the Executive Directors will be regarded as the first line of management, managers and senior managers reporting to Executive Directors will be regarded as the second management level and those reporting to them as the third level.	2	2	2	2	2	G		
TL14	To ensure an efficient and effective organisation supported by a competent and skilled workforce	The percentage budget actually spent on implementing its workplace skills plan (NKPI Proxy – MFMA, Reg. S10(f))	Percentage of approved workplace skills budget actually spent on implementing its Workplace Skills Plan by 30 June	The Workplace Skills Budget is an amount appropriated annually in the municipal budget to implement the annual training plan that is approved and submitted to the Local Government SETA.	99.22%	98%	98%	98%	99.78%	G2		

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL15	To ensure an efficient and effective organisation supported by a competent and skilled workforce	Job creation through the municipality's local economic development initiatives including capital projects (NKPI Proxy – MFMA, Reg. S10 (d))	Number of EPWP (inclusive of ward projects) job opportunities created	The Expanded Public Works Programme (EPWP), ward projects and capital projects create job opportunities in terms of work opportunities (WO) and full-time equivalent opportunities (FTEs).	1,380	1,118	1,118	1,118	1,039	O	The total number of job opportunities created comprises of the EPWP programme, ward project appointments as well as capital project appointments. Due to the fact that EPWP contracts have been lengthened from 3 months to 6 months and ward project appointments are 4 weeks instead of 2 weeks, this resulted in 79 less people employed.	The indicator target has been reviewed to take the new timeframes as indicated in the Performance comment, into consideration.

Table 9: Summary of Results (KPA 3: Organisation and Human Capital)

	Unacceptable Performance	0
	Not Fully Effective	1
	Fully Effective	1
	Above Expectation	1
	Outstanding Performance	0
Total KPIs		3

5.4 Infrastructure and Services

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL16	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Water quality managed and measured quarterly i.e. the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate	Measure potable drinking water sample pass rate according to SANS 241 standards.	98.31%	90%	90%	90%	97.68%	G2		
TL17	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA Reg. S10(a))	Percentage of formal households with access to basic level of water	Formal households are defined as consumer unit located in the urban area and billed by Drakenstein Municipality. The access of the basic services level of water is the provision of the point inside of each of the formal erven.	100%	100%	100%	100%	100%	G		
TL18	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Limit water network losses to less than 19% measured annually (Difference between water units supplied and water units billed as percentage of water supplied)	Percentage average water distribution losses	Limit water network losses to less than 19% measured annually (Difference between water units supplied and water units billed as percentage of water supplied).	15.9%	<19%	<19%	<19%	21.9%	R	The water losses can be attributed to an increase in burst pipes. 21.9% remains within the national norm of 15-30%.	A study is being conducted in collaboration with Stellenbosch University to establish the main contributing factor to the increase in pipe breakages.



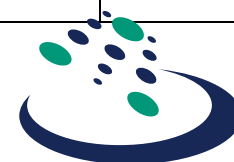
TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL19 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of new water service points (taps) provided to registered informal settlements	A registered informal settlement exists when there is no formal township establishment and occupants have moved in illegally without having the permission/right to occupy the land. This indicator reflects the number of informal households with new water connections (taps).	13	10	10	10	28	B	With the adjustment budget, additional funding was made available for basic services which enabled the department to install more taps	
TL20 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Wastewater quality managed and measured quarterly i.e. the SANS accreditation physical and micro parameters	Percentage wastewater quality compliance as per analysis	Measure of wastewater samples pass rate according to SANS accreditation.	77.83%	75%	75%	75%	72.25%	O	Load shedding compromised wastewater treatment at some facilities, prompting an action plan involving additional generators and alternative treatments. Since load shedding ended in early April 2024, a gradual improvement of the wastewater quality has been observed.	The full implementation of the action plan is expected to be in place by the end of Quarter 2 2024/25.



TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL21 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy MFMA – Reg. S10(a))	Percentage of formal households with access to basic level of sanitation	Formal households are defined as a consumer unit located in the urban area and billed by Drakenstein Municipality. The access of the basic services level of sanitation is a waterborne sewer connection point inside each of the formal erven or a conservancy/septic tank on the erven where the waterborne sewer system is not yet available.	100%	100%	100%	100%	100%	G		
TL22	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Limit the electricity losses to less than 10% annually (Average energy purchased to date - Average energy sold to date) / Average energy purchased to date x 100 = Average energy losses for reporting period	Percentage average electricity distribution losses	Average electricity losses are measured by percentage ratio between electrical energy sold by the municipality and electrical energy purchased.	3.95%	10% (less than)	10% (less than)	10% (less than)	7.08%	B	The low percentage is maintained by various monitoring and control interventions, including continuing implementation of a telemetry program to minimise technical losses, ensuring accurate metering to reduce non-technical losses, using the billing system to detect and address illegal connections, conducting regular meter audits, and penalising and recovering costs from consumers found stealing electricity.	



TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL23 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy – MFMA, Reg. S10 (a))	Percentage of formal households with access to basic level of electricity	Formal households in the urban area of Drakenstein Municipality's Management Area that are provided with an electricity connection point (Prepaid or Conventional) inside the formal erven.	100%	100%	100%	100%	100%	G		
TL24 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of new electricity connections installed in the registered informal settlements	A registered informal settlement exists when there is no formal township establishment. These groups of informal erected structures are registered by the Planning Department as an informal settlement. This indicator reflects the number of informal households with new electricity connections- prepaid meters.	4	50	50	50	51	G2		
TL25 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of new/upgraded sanitation service points (toilets) provided to registered informal settlements	A registered informal settlement exists when there is no formal township establishment and occupants have moved in illegally without having the permission/right to occupy the land. This indicator reflects the number of informal households with	62	42	42	42	134	B	With the adjustment budget, additional funding was made available for basic services which enabled the department to install more toilets.	



TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 Jun 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
				new/upgraded sanitation connections (toilets).								
TL26 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Percentage of formal households with access to basic level solid waste removal	Formal households are defined as a consumer unit located in the urban area and billed by Drakenstein Municipality. The access of basic level of solid waste removal is the provision of solid waste removal services to formal erven. This service is delivered weekly as a curb side collection service, using 240-liter wheelie bins.	100%	100%	100%	100%	100%	G		
TL27 NKPI	To provide and maintain the required physical infrastructure and to ensure sustainable and affordable services	Provision of basic service delivery to Drakenstein Residents (NKPI Proxy - MFMA, Reg. S10(a))	Number of registered informal settlements receiving a weekly refuse collection service	A registered informal settlement exists when there is no formal township establishment and occupants have moved in illegally without having the permission/right to occupy the land. Refuse collection services are delivered by means of refuse bags issued to the residents and collected when full.	41	43	43	43	43	G		

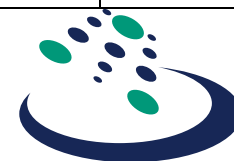


Table 10: Summary of Results (KPA 4: Infrastructure and Services)

	Unacceptable Performance	1
	Not Fully Effective	1
	Fully Effective	5
	Above Expectation	2
	Outstanding Performance	3
Total KPIs		12



5.5 Planning and Development

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 June 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL28	To plan, promote investment and facilitate economic growth	Processing building plans exceeding 500 square meters within 40 days	Percentage of buildings plans exceeding 500 square meters processed within 40 days	Percentage of building plans exceeding 500 square meters processed (approved/refused) within 60 days after receipt of complete application.	New KPI	90%	90%	90%	99.66%	G2		

Table 11: Summary of Results (KPA 5: Planning and Development)

	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	0
	Above Expectation	1
	Outstanding Performance	0
Total KPIs		1

5.6 Community Development

TL No.	Strategic Objective	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Actual Performance	Annual Target	Revised Target	Overall Performance from 01 July 2023 to 30 June 2024			Performance Comments (Under and/or over performance)	Improvement Plan(s) to Correct Under Performance
								Target	Actual	R		
TL29	To facilitate, support and promote social and community development	Submit Disaster Management Plan to the Portfolio Committee (Community Services)/ MAYCO	Number of Disaster Management Plans submitted to the Portfolio Committee (Community Services)	Number of Disaster Management Plans submitted to Portfolio Committee (Community Services)/MAYCO.	1	1	1	1	1	G		

Table 12: Summary of Results (KPA 6: Community Development)


	Unacceptable Performance	0
	Not Fully Effective	0
	Fully Effective	1
	Above Expectation	0
	Outstanding Performance	0
Total KPIs		1

6. Conclusion

The TL SDBIP 2023/2024 comprises of 29 KPIs. The table below depicts the performance for the financial year under review:

Table 13: Performance for the 2023/2024 Financial Year

	Unacceptable Performance	1
	Not Fully Effective	2
	Fully Effective	14
	Above Expectation	5
	Outstanding Performance	7
Total KPIs		29


DR JOHAN LEIBBRANDT
ACCOUNTING OFFICER

DATE: 30/08/2024