

2023/2024 ANNUAL REPORT



31 March 2025

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

1.1. MAYOR’S FOREWORD



It is my distinct honour to present the 2023/2024 Annual Report of Swartland Municipality, a testament to our unwavering commitment to excellence even in the face of challenging economic conditions and the intricacies of the contemporary social landscape within which local governance operates.

Swartland Municipality continues to make remarkable strides toward realizing its vision of a brighter, more dignified life for all its residents. We firmly believe in the power of community involvement, and we have actively engaged with our local citizens through various platforms, including ward committee meetings, the Swartland Municipal Advisory Forum, and direct one-on-one engagements with stakeholders. We are dedicated to enhancing our policy performance and delivery by forging stronger partnerships with our valued citizens, communities, civil society organizations, interest groups, businesses, and other stakeholders.

Our journey has not been without challenges, particularly as municipalities often bear the brunt of public frustration, even in cases where we lack direct control over certain issues, such as insufficient National Government funding for vital human settlement projects. Swartland Municipality witnessed a substantial in-migration between 2011 and 2016, with a yearly increase of 3.3%. By 2022, we had become the second-largest municipality in the West Coast District with a population of 148 331.

During the 2023/2024 financial year, we diligently executed the previous Integrated Development Plan (IDP) and concentrated our efforts on five strategic goals:

- Goal 1 - Community Safety and Wellbeing
- Goal 2 - Economic Transformation
- Goal 3 - Quality and Reliable Services
- Goal 4 - A Healthy and Sustainable Environment
- Goal 5 - A Connected and Innovative Local Government

Each of these strategic goals were carefully mapped with key performance indicators and targets, leading to significant improvements in service delivery across the Swartland area. These indicators were closely monitored on a monthly basis throughout the year and were meticulously recorded in an electronic performance management system.

We take pride in our financial stability, as underscored by Ratings Afrika's assessment, which shows Swartland's unwavering financial strength. We've continued to align our strategic documents with Provincial and National Government policies and directives, including the National Development Plan, the Medium-Term Strategic Framework, the Integrated Urban Development Framework, the Western Cape Provincial Strategic Plan, and the Western Cape Provincial Spatial Development Framework.

Our commitment to sound financial management remains unwavering, and in the 2023/2024 fiscal year, we maintained healthy liquidity levels, ending with a positive cash balance of R470.5 million (Excluding the long-term investment of R300 million that will mature on 29 June 2026), excluding non-cash transactions. Basic service delivery remains a top priority, with 100% of registered urban residential properties enjoying access to minimum service delivery levels or better. While challenges persist for some informal settlements and backyard dwellers, we continue to support registered indigent and impoverished households through monthly subsidies covering sewerage (R278.33 pm), refuse removal (R164.55 pm), water (R135.01 pm), and electricity (R73.45) fees. Indigent households receive 50 kWh of free electricity, 6 kl of water monthly, free refuse removal, free access to sanitation, and exemption from rates if the property value is less than R105,000 (R15 000 impermissible tax excluded).

In our commitment to job creation, we've excelled in generating opportunities. The Municipality's registered Expanded Public Works Programme (EPWP) projects created 307 jobs in the 2023/2024 financial year, and an additional 186 jobs were realized through our own capital projects (contracts exceeding R200,000).

I extend my heartfelt gratitude to my fellow councillors, as well as our dedicated management team, for their tireless efforts in upholding Swartland Municipality's reputation for excellence in service delivery and management. I also express my sincere appreciation for the unwavering support and optimism of our community members. Thank you for putting your trust in us.

Alderman Harold Cleophas

EXECUTIVE MAYOR

1.2 EXECUTIVE SUMMARY

1.2.1 MUNICIPAL MANAGER'S OVERVIEW



Navigating the intricate landscape of municipal governance has presented its share of challenges in recent years, and the 2023/2024 financial year proved to be no exception. Yet, as we reflect on the year gone by, we find ourselves celebrating another year of achievements and milestones. The Swartland Municipality has once again showcased its resilience and commitment to excellence. While a comprehensive account of our performance is detailed elsewhere in this annual report, I wish to emphasize a few key highlights.

GOOD GOVERNANCE AWARDS:

Not only is Swartland Municipality the best small-town municipality in the Western Cape, but it is also the best municipality overall in South Africa. This is according to the Governance Performance Index for 2024 issued by independent research company, Good Governance Africa.

This index considered data across four (only for small town municipalities), categories, giving the most weight and consideration to the core mandate of municipalities which is service delivery.

According to the overview provided by 2024 GPI they measured all municipalities in South Africa according to:

- Service delivery – Ensuring basic service delivery which includes the delivery of piped water, sanitation and electrical services and refuse removal. The measurement for this category not only considered the availability of this service, but also the quality as well as the support municipalities provide to the most vulnerable (indigent) households in the area.
- Planning, Monitoring and Evaluation – The extent to which a municipality meet their responsibilities in annual planning, monitoring, and evaluation requirements.
- Leadership and Management – Political and administrative leadership to ensure a functional government.
- Administration and Governance – Accountability, compliance, financial management, financial soundness, and human resource management.

Swartland Municipality excelled in all these aspects, showing that we are considered, by independent opinion as the best municipality in South Africa.

SEVICE EXCELENCE AWARDS:

The Service Excellence Awards (SEA) is an annual intervention within the Western Cape Government (WCG) which promotes a citizen centric culture, entrenches professionalism, as well as recognises and rewards excellence. The purpose is to entrench the Western Cape Government value of caring by appreciating and recognising employees in exemplary cases. The awards this year further explores a WCG recognition system, that extends to WCG citizens and provincial municipalities for encouragement of service excellence.

Swartland Municipality competed in various categories including Best Municipal Project, Best Red Tape Reduction/Ease of Doing Business team as well as Best Municipality category.

Our town planning/land use unit received the silver award in their category of Best Ease of Doing Business /Red Tape Reduction Unit. This award focuses on units who make every effort to make doing business with the municipality as easy as possible, especially for investors and developers. This includes the effective and efficient processing of building plans, zoning applications and other administrative requirements.

Our proudest achievement at this years' Service Excellence Awards was being crowned the Best Municipality in the Western Cape. This follows the Good Governance Africa rating that Swartland is considered as the best municipality in South Africa.

These recognitions do not mean we are in any way perfect. It does however demonstrate our commitment to service delivery all our residents. Our core mandate is to ensure services and access to services to our residents, and that is what we continue to make a priority. By delivering the best services possible, we make Swartland a desirable destination for investment and residents, which in turn creates economic growth and opportunities.

AUDIT:

The Municipality has achieved twelve clean audits up to the 2023/2024 financial year which confirms its reputation as one of the best managed municipalities in South Africa. This in itself speaks to and is proof of the dedication of management and personnel to meet and maintain high standards of performance at all times.

FINANCIAL STRENGTH:

The Swartland Municipality has successfully concluded another year of enhanced service delivery without jeopardizing our financial stability. We have not only managed to fund our ongoing operations but have also fortified our reserves to support future capital expansion and refurbishment. Our financial sustainability led to a positive cash balance of R470.5 million (Excluding the long-term investment of R300 million that will mature on 29 June 2026) for the 2023/2024 fiscal year, demonstrating our commitment to effective and sustainable service delivery.

Our sustainable financial management is further underscored by an outstanding current ratio of 4.63:1 for the year under review, surpassing the already impressive 5.75:1 ratio achieved in 2022/2023. This reflects our ability to implement sound financial and governance principles effectively.

The 2023/2024 debtors' collection rate was 95.83% compared to an average of 96.55 for the previous four years. This achievement, taking into account written-off bad debts, serves as testament to a strong culture of payment among Swartland's ratepayers. It highlights the effectiveness of our diligent revenue management system and consistent adherence to the Debt Collection Policy.

The Municipality's Capital Replacement Reserve, a critical cash-backed reserve for future capital expenditures, stood at R299.4 million as of June 2024. This substantial figure

demonstrates our unwavering commitment to securing the future of our community. Our approach in terms of sustainable financial management is further evident in the reduction of outstanding external loans, which declined to R38.8 million by the close of the 2023/2024 financial year compared to R90.9 million at 30 June 2023 and R99.5 million at 30 June 2022.

Personnel costs remained well within the national norm, amounting to 32.99% of total expenditure for 2023/2024, a slight increase from 31.98% in 2022/2023. This demonstrates our ability to manage personnel costs effectively. However, the challenge remains to sustain this balance as we meet rising expectations for improved service delivery.

Total operating income witnessed a notable increase of 21.40%, reaching R1.291 billion by June 2024, compared to R1.063 billion in 2022/2023. Importantly, operating expenditure remained under control, rising by just 6.86% to R989.7 million during the same period, excluding Gains and Losses. These figures illustrate our commitment to responsible financial management.

LOCAL ECONOMIC DEVELOPMENT:

According to 2023 SEP Report the Swartland economy expanded by an estimated 1.9% in 2022, creating an additional 2 708 formal and informal jobs and the GDPR of the area has fully recovered from the COVID-19-induced recession of 2020.

The 2023 SEP Report projected a deceleration in economic activity in 2023 due to the impact of loadshedding on farmers, manufacturing enterprises and households. Additionally, elevated interest and inflation rates were anticipated to diminish business confidence and the purchasing power of households. The agricultural sector was expected to contract further, influenced by increased input costs and adverse weather conditions. However, a degree of stabilisation was anticipated in 2024, with GDPR forecasted to expand by 1.9%, indicating a potential recovery in economic performance.

According to 2023 SEP Report the three main contributors to Swartland's GDPR of R10 billion in 2021 were Manufacturing (22.9% or R2.3 billion), Wholesale and Retail Trade (16.8% or R1.7 billion), and Agriculture, Forestry, and Fishing (15.1% or R1.5 billion). These sectors continue to play a pivotal role in our economic landscape. Swartland was the second largest contributor to the GDPR of the West Coast District (26.7%). These sectors were also the leading sources of formal employment in the Swartland municipal area.

SERVICES:

Our commitment to essential services led to several significant capital projects in 2023/2024, including road resealing, water system improvements, housing development, new road construction, and recreational node development.

In terms of efficiency, electricity losses remained in line at 5.62%, and water losses increased to 18.79% during the rolling 12 months of 2023/2024. Moreover, 19.05 km of roads were resealed during the fiscal year, accompanied by the successful repair of 1800 potholes. Our projected spending on road resealing reflects our commitment to maintaining infrastructure to a high standard.

PLANNING AND DEVELOPMENT:

In 2023/2024, the Municipality approved 917 building plan applications, totalling R986 million. This represents a 62.17% increase in total value compared to the previous year and reflects changing dynamics in our communities.

IMPROVING ORGANIZATIONAL MANAGEMENT AND PERFORMANCE:

Swartland Municipality demonstrated its commitment to results-oriented governance by excelling in its Performance Management System and Service Delivery and Budget Implementation Plan (SDBIP). We meticulously measured 239 indicators for the Municipal Manager and Directors throughout the year, reflecting our dedication to achieving our strategic objectives.

TOP FIVE RISKS:

Our proactive approach to risk management is evident in our identification of the top risks for which we have developed management action plans.

The top five risks according to the Integrated Development Plan are:

- In-migration, population growth and land invasion
- Ageing infrastructure
- Lack of capacity in respect of infrastructure
- Expansion in waste, pollution, road congestion and increasing pressure on existing infrastructure
- Failed state (external risk)

CHALLENGES OF THE 2023/2024 FINANCIAL YEAR

The most significant challenge of the year was maintaining the high standards of service delivery for which the Municipality is renowned while ensuring affordability for our ratepayers and service users within a challenging economic environment. Our success in achieving planned targets for providing basic services to low-income households reflects our diligent budget management.

There has been growing discontent concerning housing matters, particularly considering new directives from the Department of Human Settlements. We are committed to enhancing our community's understanding of the responsibilities of various government spheres related to housing and basic services. Ward councillors and ward committee members play a vital role in this effort.

CONCLUSION

I take great pleasure in reporting that the management team of Swartland Municipality is firmly established. The unwavering commitment and hard work of our personnel throughout the year have significantly contributed to the success of 2023/2024.

I extend my heartfelt appreciation to Council, and particularly to the Executive Mayor, the Executive Deputy Mayor, the Speaker, the Mayoral Committee, the chairpersons of the Portfolio Committees, and all Councillors, for their enduring support and positive leadership. Their contributions have created an environment in which my team and I have been able to maintain our focus on service delivery and overcome the challenges that came our way. We look forward to another year of progress and achievement.

Joggie Scholtz
MUNICIPAL MANAGER

1.2.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

(a) Population composition and growth (2022 Census StatsSA)

Group	2011	%	2016	%	Annual Growth 2011-2016	2022	%	Annual Growth 2011-2022
Black African	20 805	18.3%	20 965	15.7%	0.15%	27 073	18.3%	2.42%
Coloured	73 753	64.8%	87 070	65.1%	3.38%	95 106	64.1%	2.34%
Indian or Asian	585	0.5%	795	0.6%	6.33%	530	0.4%	-0.89%
White	17 780	15.6%	24 932	18.6%	7.00%	23 343	15.7%	2.51%
Other / Unspecified	838	0.7%	-	-	-	2 279	1.5%	9.42%
TOTAL SWARTLAND	113 762	100.0%	133 762	100.0%	3.29%	148 331	100.0%	2.44%

(b) Households and dwelling type (2022 Census StatsSA)

Households	2011		2022	
Total households	29 324		44 856	
Average household size	3.9		3.3	
Type of main dwelling	2011	Dwelling %	2022	Dwelling %
• Formal dwelling	26 650	90.9%	40 133	89.5%
• Traditional dwelling	97	0.3%	638	1.4%
• Informal dwelling	2 205	7.5%	3 864	8.6%
• Other	372	1.3%	221	0.5%

(c) Economic Performance

According to 2023 SEP Report Swartland was the second largest contributor to the GDPR of the West Coast District in 2021 (26.7%). The three main contributors to Swartland's GDPR of R10 billion in 2021 were Manufacturing (22.9% or R2.3 billion), Wholesale and Retail Trade (16.8% or R1.7 billion), and Agriculture, Forestry, and Fishing (15.1% or R1.5 billion). These sectors continue to play a pivotal role in our economic landscape. These sectors were also the leading sources of formal employment in the Swartland municipal area.

GDPR contribution per sector - 2021

Sector	%
Finance, insurance; real estate and business services	12.1
Manufacturing	22.9
Agriculture, forestry and fishing	15.1
Wholesale and retail trade, catering and accommodation	16.8
General government	11.6

Construction	3.8
Transport, storage and communication	4.8
Community, social and personal services	10.8
Electricity, gas and water	2.0
Mining and quarrying	0.2
Total	100.1

Source: Swartland Socio-economic Profile, 2023

(d) Comment on background data

None

1.2.3 SERVICE DELIVERY OVERVIEW

(a) Introduction

Basic Services were delivered as follows by 30 June 2024:

- Water - 22 060
- Electricity - 17 913
- Sanitation - 21 850
- Refuse removal - 21 631

Out of these free basic services were delivered to indigent household in the following manner:

- Electricity - 50 kWh free
- Water - 6 kl free
- Sanitation - R278.33 per month levy (VAT excl)
- Refuse removal - R164.55 per month levy for one removal per week (VAT excl)

(b) Proportion of poor households with access to basic services (current year)

Service	Access to free services	Free access percentage
Electricity Distribution	8 244	91.50%
Rates Services	8 021	89.02%
Refuse Removal	9 010	100.00%
Sewerage Services	8 650	96.00%
Water Services	8 966	99.51%

1.2.4 FINANCIAL HEALTH OVERVIEW

(a) Introduction

The municipality is currently still in a healthy financial position but good financial management practices and the effect of cost pressures on financial resources requires a continuous evaluation of the financial position of the municipality. These cost pressures include the maintenance of the ageing infrastructure, as well as items beyond the control of the municipality, such as the effect of Eskom increases of 18.49% as well as the collective agreements on employee related costs of 5.4%. Total revenue for the year amounts to R1 292.8m while operating expenditure amounts to R 1 025.5m, with the budgeted surplus being R 267.3m.

The Municipal Finance Management Act 2003, together with the implementation of Generally Recognised Accounting Practices (GRAP) in local government, shifted the focus from the traditional "short-term balanced Income and Expenditure budgets" to sustainability over at least the medium term with emphasis on cash-funding. The municipality closed the financial year with more cash than the previous financial year and must still put controls in place to ensure that cash recourses do not deplete. The demand for infrastructure investment, and especially the replacement of ageing infrastructure, requires a significant amount of cash, and the municipality identified the preservation of its cash resources while also attending to the investment requirements, as a critical strategic area to be addressed in each future budget.

The population growth in the municipal area is amongst the highest in the Western Cape, standing on 148 331 according to the 2022 census. Naturally that requires additional capital infrastructure, as well as an increased demand for services. In terms of the Constitution, local government is entitled to its fair share of revenue raised nationally. This is being distributed in the form of an Equitable Share to all municipalities. With the population growth and increased unemployment, Swartland's Equitable Share households also increases. A benchmarking tool was developed for Municipalities, which they can use to measure itself against set benchmarks and against its peers, in order to continuously improve and to ensure financial viability. Below is a summary of the key benchmarks and the municipality's results for the financial year.

(b) Ratios

Viability Information	Indicative Benchmark	2024	2023
Current Ratio	2 : 1	4.63:1	5.75:1
Collection Rate	>95%	95.83%	97.09%
Cash Generated from operations	20%	24.42%	22.59%
Cost Coverage	>4 months	5 Months	9 Months
Debtors Turnover Days	<75 Days	53 days	54 days
Long Term Debt as % Revenue	<40%	3.07%	8.78%
Capital Cost	5%	5.92%	2.02%
Creditors Payment Period	<30 Days	15 days	24 days
Cash Funded Budget	100%	100%	100%

From the above it is clear that the municipality equals or exceeds the benchmarks in nearly all areas and is on the right track in managing its financial resources. Some areas, however, indicate a decline against the previous year and will be continuously monitored and strategies developed to ensure acceptable levels.

(c) Financial Overview - 2023/2024

Description	Original Budget	Adjustment Budget	Actual
Grants	R273 832 000	R292 006 265	R283 874 832
Taxes, Levies and tariffs	R764 743 787	R744 764 138	R793 829 134
Other	R153 909 394	R215 652 310	R215 116 630
Income	R1 192 485 181	R1 252 422 713	R1 292 820 596
Less Expenditure	R1 071 330 062	R1 071 352 206	R1 025 495 260
Net Total	R121 155 119	R181 070 507	R267 325 336

(d) Operating Ratios

Expenditure Type	Ratio
1 Employees	31.85%
2 Contracted Services	6.99%
3 Other	61.16%

(d) Comment on operating ratios

Total revenue is 3.2% over budget, mainly due to the following:

- **Service charges:** Electricity revenue: The suspension of loadshedding resulted in higher revenue than expected.
- **Service charges:** Sanitation revenue: The increased sewerage due to the expansion of commercial client is more than expected.
- **Agency services:** Collections were lower than expected.
- **Interest earned from receivables:** Recovery of debt was lower than expected.
- **Rental from fixed Assets:** A number of lease contracts were suspended that were expected to be renewed.
- **Operational revenue (non-exchange):** Availability charges were lower than expected for the year.
- **Gains:** Land sales were lower than expected.

Total expenditure is 4.3% under budget, mainly due to the following:

- **Debt impairment:** The debt impairment was higher than expected as a reduction for traffic fine impairment was expected

- **Inventory consumed:** The municipality received a credit note of R5.7m for the water resulting in a budget surplus.
- **Contracted services:** Various savings on the use of consultants.
- **Operational costs:** Savings are due to projects that were moved to the next year
- **Irrecoverable debts written off:** The traffic fines write off was lower than expected.
- **Losses on Disposal of Assets:** The carrying value of assets disposed due to replacement was lower than expected.
- **Losses:** The water loss was lower than expected due to the credit note for the water

Employee costs (including Councillors Remuneration) represent 32.01% of total operating expenditure, which is in line with expected norms set by the National Treasury. Should depreciation and bulk purchases be excluded from expenses, the employee cost as a percentage of operating expenditure is 54.50%, which is well above the benchmark.

Repairs and Maintenance costs represents 6.97% of total operating expenditure. This is in line with National Treasury's expected norm of 8%. Should depreciation and bulk purchases be excluded from expenses, the repairs and maintenance as a percentage of operating expenditure is 12.3% which is above the National Treasury's expected norm.

Depreciation charges are well above the average as a result of the deemed cost approach as described in the financial overview above. Various discussions were held in this regard and it was decided to stay on the current method of calculating for only that portion that is affordable by the community to contribute to the CRR in cash.

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. It also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from "Ratepayers and other" to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Swartland's cash coverage remained at 9 months as the previous financial year , which is well above the benchmark of between 1 to 3 months, keeping in mind that Unspent conditional grants, Depreciation and Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets are excluded.

(e) Total Capital Expenditure

Original Budget	Adjustment Budget	Actual Expenditure
R209 052 395	R248 689 919	R238 109 605

(f) Comment on capital expenditure

Expenditure on the capital budget was underspent by **4.25%**. The main reason were the following:

- The loadshedding relief grant was only made available after a March special adjustments budget. The shortfall is the unspent grants for the period
- **Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions):** The Donated property, plant and equipment could not be anticipated during the budget phase.

(g) Cost containment measures

Cost Containment In-Year Report Measures	2023/2024 YTD Budget	Actual Expenditure Q1	Actual Expenditure Q2	Actual Expenditure Q3	Actual Expenditure Q4	Savings
Use of professional services	R 16 398 466	R 2 236 970	R 2 419 454	R 1 458 686	R 5 569 734	R 4 713 623
Travel and Subsistence	R 701 936	R 16 289	R 40 768	R 53 274	R 99 784	R 491 821
Domestic accommodation	R 130 188	R -	R 3 987	R -	R 4 870	R 121 331
Sponsorships, events and catering	R 469 737	R 49 828	R 36 935	R 55 057	R 186 558	R 141 359
Overtime Pay	R 12 004 651	R 2 821 639	R 3 072 126	R 3 133 723	R 4 079 701	-R 1 102 538
Communication	R 3 066 925	R 443 791	805 066	580 084	634 943	R 603 041
Telephone cost	R 716 710	R 114 056	R 154 054	R 159 846	R 188 713	R 100 040
Vehicles used for political office -bearers	None	None	None	None	None	
Number of Credit Cards	None	None	None	None	None	
Grand Total	R 33 488 613	R 5 682 573	R 6 532 390	R 5 440 669	R 10 764 303	

1.2.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

Swartland Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: **To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce.** Swartland Municipality considers its human resources as one of its most critical assets.

1.2.6 AUDITOR GENERAL REPORT

Follow on the next page.

The report was issued on 29 November 2024 in accordance with the requirements set in the MFMA section 126(3)(b).

Report of the auditor-general to the Western Cape Provincial Parliament and the council on Swartland Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Swartland Municipality set out on pages 6 to 119, 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 statement of 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 Swartland Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the 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 62 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.

Significant subsequent events

8. We draw attention to note 68 in the financial statements, which deals with the possible effects of the future implications of a catastrophe - flood on the municipality's prospect, performance, and cash flows. Our opinion is not modified in this regard.

Material impairments

9. As disclosed in note 3 to the financial statements, the municipality has provided for impairment of receivables from exchange transactions amounting to R15 969 130 (2022-23: R11 896 680).
10. As disclosed in note 4 to the financial statements, the municipality has provided for impairment of receivables from non-exchange transactions amounting to R42 214 240 (2022-23: R35 290 310).

Other matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

12. The supplementary schedules set out on page 120 to 124 does 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 on them.

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of financial statements and accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

14. 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.
15. 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

16. 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.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

18. 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 strategic goal presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I selected the following strategic goal presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a strategic goal that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Strategic goal	Page numbers	Purpose
Strategic goal 3: Quality and reliable services	41 - 43	The strategic goal contains service delivery indicators (percentage of households with access to basic level of water, sanitation, electricity and solid waste removal) and this is the core functions that the municipality is primarily responsible for in terms of its mandate.

20. I evaluated the reported performance information for the selected strategic goal 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.
21. 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.
22. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
23. I did not identify any material findings on the reported performance information for the strategic goal.

Other matters

24. I draw attention to the matter below.

Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.
26. The table that follow provide information on the achievement of planned targets and list 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 41 to 43.

Strategic goal 3: Quality and reliable services

<i>Targets achieved: 77 %</i> <i>Budget spent: 69%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Supplying of sanitation services to municipal residential account holders as at 30 June	22 124	21 850

<i>Targets achieved: 77 %</i> <i>Budget spent: 69%</i>		
Number of residential account holders receiving refuse removal services as at 30 June	22 265	21 631

Report on compliance with legislation

27. 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.
28. 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.
29. 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.
30. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

31. 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 those selected strategic goal presented in the annual performance report that have been specifically reported on in this auditor's report.
32. 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.
33. 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 strategic goal presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

34. The final annual report was not received in time for us to perform this procedure. We will report this in the auditor's report and indicate that any material misstatements identified when we receive it that are not corrected might result in us retracing the auditor's report and reissuing an amended report.

Internal control deficiencies

35. 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.
36. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

29 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

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

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 selected strategic goal and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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

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.

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	Section 1 — paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 — definition: service delivery and budget implementation plan, Sections: 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) 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) 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), 122(2), 126(1)(a) Sections: 126(1)(b), 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)
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, 2017	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 13(b), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) 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) Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Section: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2)

Legislation	Sections or regulations
	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)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
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)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 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
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(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(8), 7(1), 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(4), 5(1), 5(4)

1.2.7 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
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 feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Municipality submits draft Annual Performance Report including consolidated annual financial statements to Auditor General	October
5	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
6	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	February
7	Municipalities receive and start to address the Auditor General’s comments	March-April
8	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General’s Report	
9	Audited Annual Report is made public and representation is invited	
10	Oversight Committee assesses Annual Report	April-May
11	Council adopts Oversight report	
12	Oversight report is made public	
13	Oversight report is submitted to relevant provincial councils	
14	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

CHAPTER 2 – GOVERNANCE

2.1 INTRODUCTION

Governance is seen by Swartland Municipality as the exercise of economic, political and administrative authority to manage the municipality's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences. To ensure good governance, which is – among other things – participatory, transparent and accountable – the Municipality views the four components dealt with in this Chapter as interrelated and mutually reinforcing.

2.2 POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION

Section 151(3) of the Constitution states that the council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community. Political governance is the process of decision-making to formulate policy, whereas administrative governance is the system of policy implementation.

Swartland Municipality strives towards achieving the following characteristics of efficient government in both the above legs of governance:

- Participation
- Rule of law
- Transparency
- Responsiveness
- Consensus orientation
- Equity
- Effectiveness and efficiency
- Accountability
- Strategic vision.

2.2.2 POLITICAL GOVERNANCE

(a) Introduction

Swartland Municipality has a mayoral executive system combined with a ward participatory system, whereby executive leadership vests in the executive mayor who is assisted by a mayoral committee. In terms of delegation, all legislative powers vest in the executive mayor, except for those listed by law for exclusive decision-making by the full council.

Recommendations on their respective portfolios are made for consideration to the executive mayor by four committees, appointed in terms of section 79 of the Structures Act, 1998, i.e. committees dealing with matters relating to -

- (1) Municipal Manager, Administration and Finance

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- (2) Civil and Electrical Services
- (3) Development Services
- (4) Protection Services

Ward committees for each of the twelve wards within the municipal area contribute by advising the municipality on matters affecting the respective wards.

The Performance, Risk and Audit Committee provides opinions and recommendations on the overall control environment, financial processes, risk management and performance to Council, and also provides comments to the Municipal Public Accounts Committee (MPAC) on the Annual Report.

Swartland Municipality has established a Municipal Public Accounts Committee (MPAC) as an oversight committee, comprised of non-executive councillors, with the specific purpose of providing the Council with comments and recommendations on the Annual Report. The Municipal Public Accounts Committee's (MPAC) report will be published separately in accordance with MFMA guidance.

(b) Political structure

MAYOR



Ald H Cleophas

DEPUTY MAYOR



Clr A de Beer

SPEAKER



Clr M Rangasamy

MAYORAL COMMITTEE MEMBERS



Clr A Warnick



Clr D Bess



Clr N Smit



Ald T van Essen

(c) Councillors

The Municipal Council of the Municipality has twenty three councillors, as determined by the Provincial Minister, of which twelve are ward councillors and eleven are proportionally elected councillors. Refer to Appendix A where a full list of councillors can be found. Also refer to Appendix B which sets out committees and committee purposes.

(d) Political decision-taking

Section 53 of the Municipal Systems Act (Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the municipal manager must be defined. The section below is based on the Section 53 role clarification that was approved at the council meeting of May 2016.

- **Municipal Council**

- governs by making and administering laws, raising taxes and taking decisions that affect people's rights;
- is a tax authority that may raise property taxes and service levies;
- is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers or officials;
- can delegate responsibilities and duties for the purposes of fast and effective decision making;
- must strive towards the constitutional objects of local government;
- must consult the community with respect to local government matters; and
- is the only decision maker on non-delegated matters such as the approval of the IDP and budget.

- **Executive Mayor**

- is the executive and political leader of the Municipality and is in this capacity supported by the mayoral committee;
- is the ceremonial head of the Municipality;
- must identify the needs of the Municipality and must evaluate progress against key performance indicators;
- is the defender of the public's right to be heard;
- has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters; and
- performs the duties and exercise the responsibilities that were delegated to him by the council.

- **Mayoral Committee**

- its members are elected by the Executive Mayor from the ranks of councillors, with the exception of the Deputy Executive Mayor who is elected by the council and is an ex officio member of the mayoral committee;
- its functional responsibility area is linked to that of the Executive Mayor to the extent that he must operate together with the members of the mayoral committee;
- its primary task is to assist the Executive Mayor in the execution of his powers - it is in fact an "extension of the office of Executive Mayor"; and
- the committee has no powers of its own – decision making remains that of the Executive Mayor.

2.2.3 ADMINISTRATIVE GOVERNANCE

(a) Introduction

By law, the Municipal Manager automatically is the head of administration as well as the accounting officer. The Municipal Manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

The Municipal Manager is, amongst others, responsible –

- for the formation and development of an economical, effective, efficient and accountable administration;
- to ensure that the municipal “machine” operates efficiently, that the organizational structure is able to perform the various tasks and exercise the necessary controls;
- to fulfil a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realize the municipality’s goals;
- for the implementation of the municipality’s integrated development plan, and the monitoring of progress with implementation of the plan;
- for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the municipality and must advise the political structures and political office-bearers of the municipality. The Municipal Manager must see to the carrying out of the decisions of the political structures and political office-bearers of the municipality. The Municipal Manager must facilitate participation by the local community in the affairs of the municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

The Swartland Municipality adopted an Integrated Development Plan for 2022-2027 with the following five strategic goals:

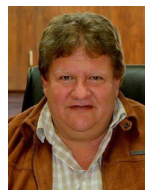
- Community safety and wellbeing
- Economic transformation
- Quality and reliable services
- A healthy and sustainable environment
- A connected and innovative local government

The IDP strategic goals, objectives, initiatives, key performance indicators and annual targets are clearly linked with the annual budget and the Municipality’s performance system. These linkages make it possible for the management team to work towards achieving the objectives and outcomes of the Municipality.

The Municipal Manager of a municipality is the accounting officer of the municipality and must provide guidance to political structures; political office bearers, and officials of the municipality.

(b) Top administrative structure

MUNICIPAL MANAGER



Joggie Scholtz

DIRECTORS

**FINANCIAL
SERVICES**



Mark Bolton

**CORPORATE
SERVICES**



Madelaine Terblanche

**CIVIL ENGINEERING
SERVICES**



Louis Zikmann

**ELECTRICAL ENGINEERING
SERVICES**



Thys Möller

**DEVELOPMENT
SERVICES**



Jo-Ann Krieger

**PROTECTION
SERVICES**



Philip Humphreys

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on National level:

- SALGA meetings

2.3.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on Provincial level:

- SALGA meetings
- MinMayTech
- MinMay
- Premiers Coordinating Forum
- Municipal Managers Forum

2.3.3 DISTRICT INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on District level:

- DCFTech
- DCF

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1 PUBLIC MEETINGS

(a) Communication, participation and forums

Public participation in Swartland is done in a **structured** way. The directive from national government on how community participation should be structured is the ward committee system. Most of the liaison with communities is done through ward committee meetings.

Although ward committees provide for representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business and agriculture. Liaison with and involvement of such sector groups is therefore also crucial in order to get a full picture of the current reality in our area. Liaison with sector groups is done mainly through the Mayoral Consultative Forum.

The Municipality also communicates through a well-structured website www.swartland.gov.za as well as its Facebook Page www.facebook.com/SwartlandMunicipality.

Nature and purpose of meeting	Date of meeting	Number of Participants			Dates and manner of feedback given to the community
		Municipal Councillors	Municipal Administrators	Community members attending	
IDP Engagement Ward 1	30 October 2023	2	5	12	Meeting, 4 May 2023
IDP Engagement Ward 2	30 October 2023	3	4	17	Meeting, 4 May 2023
IDP Engagement Ward 5	31 October 2023	5	4	28	Meeting, 4 May 2023
IDP Engagement Ward 6	31 October 2023	3	4	27	Meeting, 4 May 2023
IDP Engagement Ward 9	1 November 2023	2	4	17	Meeting, 4 May 2023
IDP Engagement Ward 3	2 November 2023	2	4	5	Meeting, 4 May 2023
IDP Engagement Ward 4	2 November 2023	1	4	3	Meeting, 4 May 2023
IDP Engagement Ward 8	6 November 2023	1	4	9	Meeting, 4 May 2023
IDP Engagement Ward 10	6 November 2023	2	4	14	Meeting, 4 May 2023
IDP Engagement Ward 11	7 November 2023	1	4	4	Meeting, 4 May 2023
IDP Engagement Ward 12	7 November 2023	1	4	6	Meeting, 4 May 2023
IDP Engagement Ward 7	9 November 2023	1	11	14	Meeting, 4 May 2023
Strategy Workshop	12 December 2023				
Darling GBVF Meeting	19 July 2023	0	1	15	Services rendered towards children and families (Health, GBVF, Substance Abuse and Child Protection)
ECD Management meeting held	28 July 2023	0	1	10	Partnerships relationships with potential ECD facilities Implementation services from West Coast College Roll out of the Level training programmes
Darling GBVF Planning Meeting	16 August 2023	0	1	15	Services rendered towards children and families (Health, GBVF, Substance Abuse and Child Protection)
Swartland Local Drug Action Committee Executive Meeting	10 August 2023	0	2	4	Facilitate, monitor and review programmes according to the following focus areas namely: LDAC/GBVF
Swartland SMME Interim Forum Meeting	11 August 2023	0	4	4	Facilitate, monitor and review programmes according to the following focus areas namely: LDAC/GBVF
Swartland Local Drug Action Committee Monthly Meeting	30 August 2023	2	4	21	Facilitate, monitor and review programmes according to the following focus areas namely: LDAC/GBVF
SSDF Meeting	12 September 2023	0	5	26	Facilitate, monitor and review programmes according to the following focus areas namely: Child protection/ECD; Substance Abuse/ LDAC; Victim Empowerment/ GBVF and Trauma Rooms and School Drop Outs Review and monitoring of programmes (Successes
Darling GBVF Stakeholders	11 October 2023	0	1	15	Services rendered towards children and families (Health, GBVF,

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Meeting					Substance Abuse and Child Protection)
Malmesbury Emerging Small Farmers	12 October 2023	2	3	10	Meeting in person which highlights dates and times for relocation
Darling GBVF Stakeholders	08 November 2023	0	1	12	Services rendered towards children and families (Health, GBVF, Substance Abuse and Child Protection)
SSDF Meeting	07 December 2023	1	1	8	Facilitate, monitor and review programmes according to the following focus areas namely: Child protection/ECD; Substance Abuse/ LDAC; Victim Empowerment/ GBVF and Trauma Rooms and School Drop Outs
Swartland LDAC Executive meeting	19 January 2024	0	4	3	Facilitate, monitor and review programmes according to the following focus areas namely: LDAC/GBVF
Swartland SMME Interim Forum meeting	26 January 2024	0	2	2	Facilitate, monitor and review programmes according to the following focus areas namely: SMME Developmetn
Swartland LDAC monthly meeting	31 January 2024	2	6	14	Facilitate, monitor and review programmes according to the following focus areas namely: LDAC/GBVF
Swartland ECD Management Meeting	30 January 2024	0	1	7	Partnerships relationships with potential ECD facilities Implementation services from West Coast College Roll out of the Level training programmes
Swartland LDAC monthly meeting	28 February 2024	2	6	12	Facilitate, monitor and review programmes according to the following focus areas namely: LDAC/GBVF
Swartland Educational and Development Forum (ECD) engagement	16 March 2024	0	1	73	Partnerships relationships with potential ECD facilities Implementation services from West Coast College Roll out of the Level training programmes
Darling GBVF Stakeholders Meeting	20 March 2024	0	1	10	Services rendered towards children and families (Health, GBVF, Substance Abuse and Child Protection)
Small farmers meeting	25 March 2024	0	3	5	Meeting in person which highlights dates and times for relocation
Swartland Social Development Forum Meeting	26 March 2024	3	4	11	Facilitate, monitor and review programmes according to the following focus areas namely: Child protection/ECD; Substance Abuse/ LDAC; Victim Empowerment/ GBVF and Trauma Rooms and School Drop Outs
Swartland LDAC Moorreesburg Substance Abuse Initiatives	09 April 2024	0	4	10	Facilitate, monitor and review programmes according to the following focus areas namely: LDAC/GBVF
Discipline starts at home session with learners Moorreesburg High School	09 April 2024	0	3	55	Capacitate learners & parents with the 7 building blocks of the Discipline starts at home programme
Youth Dialogue Discussion with Youth Volunteers	02 May 2024	0	5	5	Capacitate youth with the Forward thinking 2040 IDP goals

Moorreesburg Substance Abuse initiative @ New Moorreesburg High	07 May 2024	0	3	45	Capacitate learners and parents with awareness on substance abuse, GBVF and Discipline starts at home
Darling Stakeholders Meeting	12 June 2024	0	1	12	Services rendered towards children and families (Health, GBVF, Substance Abuse and Child Protection)
SSDF Executive Meeting	11 June 2024	0	2	6	Implementation of new programmes Review and monitoring of programmes (Successes)
SSDF Meeting	19 June 2024	1	9	19	Facilitate, monitor and review programmes according to the following focus areas namely: Child protection/ECD; Substance Abuse/ LDAC; Victim Empowerment/ GBVF and Trauma Rooms and School Drop Outs
GBVF 100 Day Challenge Engagement	17 July 2024	0	2	23	Services rendered towards children and families (Health, GBVF, Substance Abuse and Child Protection)
Swartland Educational and Development Forum	20 July 2024	0	1	74	Partnerships relationships with potential ECD facilities Implementation services from West Coast College Roll out of the Level training programmes
LDAC monthly meeting was held at Wesbank Community Hall.	31 July 2024	1	5	15	Facilitate, monitor and review programmes according to the following focus areas namely: LDAC/GBVF

(b) Ward committees

Section 152(1)(e) of the Constitution of the Republic of South Africa, read with sections 72 to 78 of the Structures Act, gives a direct mandate to municipalities to encourage the involvement of communities and community organisations in matters of local government and to establish community participatory systems.

Sections 8(g and h), 9(f) and 72 of the Structures Act, authorise municipalities to establish ward participatory systems as mechanisms to enhance participatory democracy in local government.

A ward committee is an advisory body of the community. A ward committee serves as the official public participatory structure of the Municipality and must as such –

- (a) assist the ward councillor in identifying challenges and needs of residents;
- (b) disseminate information in the ward concerning municipal affairs such as the budget, the integrated development plan (IDP) and service delivery options;
- (c) obtain inputs from residents regarding municipal affairs such as the budget, the integrated development planning and service delivery options;
- (d) receive queries and complaints from residents concerning municipal service delivery; and
- (e) interact with other forums and organisations on matters affecting the ward.

It was important to establish a ward committee for each of the twelve wards as soon as possible after the November 2021 elections. Thereafter much time was spent on induction, specifically on the Rules and Procedures for ward committees, the IDP and budget process. Ward committee members had the opportunity to participate in the development of Area Plans for each ward, containing, amongst others, the five most important service delivery priorities for each ward.

2.4.2 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

2.5 CORPORATE GOVERNANCE

2.5.1 OVERVIEW

The King-report listed discipline, transparency, independence, accountability, responsibility, fairness and social responsibility as primary characteristics of good governance. These traits have to be evident in municipal operations from the municipal council at the top to departmental staff at the bottom.

Corporate governance is the system by which municipalities/companies are directed and controlled and is essentially for effective leadership. Leaders need to define strategy, provide direction and establish the ethics and values that will influence and guide practices and behaviour with regard to sustainability performance. The framework of rules and practices ensures accountability, fairness, and transparency in a municipality's relationship with its stakeholders (financiers, customers, suppliers, management, employees, government, and the community).

2.5.2 INTERNAL AUDIT

An Internal Audit Activity (IAA) exists within Swartland Municipality which reports administratively to the Municipal Manager and functionally to the Performance, Risk and Audit Committee (PRAC). The purpose of Internal Audit is to provide an independent, objective assurance and consulting services designed to add value and improve the municipality's operations. The IAA helps Swartland Municipality accomplish its objectives by bringing a systematic, risk-based, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. Furthermore, the IAA reports on matters relating to:

- Safeguarding of assets
- Internal Control
- Compliance with laws, regulations, policies, accounting practices and contractual obligations
- Reliability and integrity of information
- Risk and risk management
- Performance Management.

The Chief Audit Executive follows a risk based audit approach whereby an annual audit plan is compiled and approved by the PRAC. Included in the plan are special tasks or projects requested by Management and the PRAC. Reporting is done on a monthly basis to the Municipal Manager regarding the activities of the unit such as audits and investigations performed, audit findings not yet implemented and any other concerns. Quarterly PRAC meetings are held where risk management, performance management, audit reports issued and performance against the audit plan are discussed.

2.5.3 RISK MANAGEMENT

Risk Management is one of management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic and formalised process to identify, assess, manage, monitor, report and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Swartland Municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

Risk Assessments are conducted bi-annually by Internal Audit, as part of their consulting service to Management, through facilitating the process of identifying and assessing risk per Directorate to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. The identified risks are prioritised which enables Management to focus more time, effort and resources on higher risk areas. Management informs Internal Audit immediately when business processes change and/or when the severity of a risk area change due the increase or decrease in the likelihood rating for them to update the risk registers accordingly.

To mitigate the risks it is confronted with, Management implements control activities by establishing policies and appropriate procedures such as approvals, authorisations, segregation of duties, reconciliations and physical safeguards.

In addition, Internal Audit reports quarterly to the PRAC on work performed and other operating measures that are of interest to the Committee.

The following strategic risks of the municipality have been identified by Management:

- In-migration, population growth and land invasion
- Community safety and compliance with laws and regulations
- Potential developers not investing in Swartland
- Inadequate IT management and IT systems, business continuity and disaster recovery processes
- Insufficient revenue from tax base and trading services to meet all other service demands
- Insufficient access to water resources
- Unsafe and unhealthy working conditions and environment
- Imbalance between the three pillars of sustainable development i.e. environment, economy and people
- Ineffective governance
- Ageing and non-expansion key of infrastructure.
- Failed state (External Risk)
- Global warming (External Risk)

2.5.4 ANTI-CORRUPTION AND FRAUD

Swartland Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. Consequently Swartland Municipality is committed to fight fraudulent behaviour at all levels within the organisation.

The Strategy is premised on the organisations core ethical values driving the business of Swartland, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that in practice all departments and business units of Swartland and even external stakeholders must be guided by the Strategy as the point of reference for their conduct in relation to Swartland.

The policy of Swartland is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Swartland.

It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager. All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Municipal Manager. The Municipal Manager will initiate an investigation into the matter. Should employees or any member of the public wish to report allegations of fraud and corruption anonymously, they can contact the Municipal Manager and/or the Internal Audit Unit directly or the Public Service Corruption Hotline on 0800 701 701.

Any fraud or corruption committed by an employee or any other person will be pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

- In case of employees, taking disciplinary action within a reasonable period of time after the incident;
- Instituting civil action to recover losses;
- Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
- Any other appropriate and legal remedy available.

Managers are required to ensure that losses or damages suffered by Swartland as a result of all reported acts committed or omitted by an employee, ratepayer or any other person are recovered from such an employee, ratepayer or other person if he or she is found to be liable for such losses.

Policies, processes and systems are implemented by which the Municipality is directed, controlled and held to account with the trend towards greater corporate responsibility and the conduct of business within acceptable ethical standards. Transparency, accountability and openness are embedded in reporting and disclosure of information, both operational and financial to all stakeholders. Councillors' and Employees' work are governed by the municipality's rules, regulations and procedures and the Codes of Conduct for employees and Councillors to which they are expected to abide by, which includes guidelines on gifts, professional and personal behaviour and conflicts of interest. Segregation of duties exists within the procurement function and politicians are excluded from procurement and tender processes.

2.5.5 PERFORMANCE, RISK AND AUDIT COMMITTEE

A combined Performance, Risk and Audit Committee (PRAC) has been established and is functional. The overall responsibility of the committee is to assist Council members of Swartland Municipality in discharging their responsibilities relating to the safeguarding of assets, the operation of adequate and effective systems and control processes, the preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, and the oversight of the external and internal audit functions, as well as Performance- and Risk Management. The PRAC is an advisory committee and not an executive committee and as such it must not perform any managerial functions or assume any management responsibilities. The PRAC operates in accordance with their Charter which is approved by Council and is an independent function that excludes politicians and excludes officials as voting members.

2.5.6 SUPPLY CHAIN MANAGEMENT

The Supply Chain Policy of Swartland Municipality complies with the prescribed framework as set out in section 110-119 of the Municipal Finance Management Act, 2003. No shortfalls were identified regarding long term contracts.

2.5.7 BY-LAWS

(a) *By-laws Introduced during financial year*

Name	Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-law?	Public Participation Date	By-law Gazetted?	Date Of Publication
Swartland Municipality: Municipal Land Use Planning By-law		Revised	Yes	2024-02-06	Yes	2024-04-12
Swartland Municipality: Credit Control and Debt Collection By-law		Revised	Yes	2024-03-28	Yes	2024-06-14

(b) *Comment on by-laws*

By-laws are passed by the Council to regulate the affairs and the services it provides within its area of jurisdiction. A municipality derives the powers to pass a by-law from the Constitution of the Republic of South Africa, which gives certain specified powers and competencies to local government as set out in Part B of Schedule 4 and Part B of Schedule 5 to the Constitution.

2.5.8 MUNICIPAL WEBSITE - CURRENT YEAR

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	31 May 2024
All current budget-related policies	Yes	31 May 2024
The previous year's annual report	Yes	28 March 2024
The annual report published/to be published	Yes	28 March 2024
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	19 June 2024
All service delivery agreements	Yes	Various dates during year
All long-term borrowing contracts	Yes	N/a
All supply chain management contracts above a prescribed value (R100 000)	Yes	Various dates during year
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during fin year	N/a	N/a: Not prescribed by legislation
Contracts agreed in to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/a	N/a
Public-private partnership agreements referred to in section 120	N/a	N/a
All quarterly reports tabled in the council in terms of section 52 (d)	Yes	27/07/03;26/10/03;30/01/04;30/04/04

2.5.9 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No Client Satisfaction Survey was done since 2017.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

3.1 TOP LEVEL REPORTING

3.1.1 KPI'S AND TARGETS FROM THE IDP FOR 2023/2024

Because Chapter 3 of the Annual Report is divided according to service and not according to IDP goals, the following table is added. It is taken from the Municipality's Integrated Development Plan (IDP) that was approved by Council on 25 May 2023 and displays the top-level indicators and targets according to the five strategic goals in Chapter 4 of the IDP. It also displays the general key performance indicators as prescribed in the Municipal Planning and Performance Management Regulations, 2001. The last column of the table refers to the sections in this chapter where the indicators are found under the relevant service.

(a) Strategic Goal 1: Community Safety and Wellbeing

<i>Strategic Initiative</i>	<i>Key Performance Indicator</i>	<i>Target</i>	<i>Actual</i>	<i>Notes</i>	<i>Reference</i>
1.1 SMME development	SMME Policy developed and approved by Council by June 2024	1 by June 2024	1 by 21 May 2024	SMME Policy was adopted by Council on 21 May 2024	3.5.1(b)
1.2 Social regeneration	Social Regeneration Strategy developed and approved by Council by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.5.1(b)
1.3 Take action against Gender-Based Violence and Femicide (GBVF)	GBVF Strategy developed and approved by Council by June 2026	1 by June 2026	N/a (2025/2026 financial year)		3.5.1(b)
1.4 Youth Development	Youth Policy developed and approved by Council by June 2027	1 by June 2027	N/a (2026/2027 financial year)		3.5.1(b)
1.5 Improve the prosecution of law enforcement offenders	Establishment and financial viability of a municipal court investigated and reported to Council by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.7.1(c)
1.6 Animal pound for the Swartland area	(1) Animal bylaw developed and approved by Council by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.7.1(c)
	(2) Available land identified and the possibility of a pound investigated by June 2026	100% by June 2026	N/a (2025/2026 financial year)		3.7.1(c)
1.7 Integrated operational emergency room	(1) Viability and feasibility study in collaboration with all role-players conducted by June 2026	100% by June 2026	N/a (2025/2026 financial year)		3.7.1(c)
	(2) CCTV camera bylaw developed by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.7.1(c)
1.8 Increase law enforcement presents in all towns	Establishment of law enforcement offices in all Swartland towns investigated and reported to Council	100% by June 2028 year	N/a (2027/2028 financial year)		3.7.1(c)

Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
	by June 2028				
1.9 Document management	Document storage facility / space secured by June 2024	100% by June 2024	100%	Quotations were received on 6 November 2023 for document space, but due to lack of funding could not proceed	3.7.1(c)
1.10 Strategic establishment and placement	Study on the issue of structural fires and veld fires finalised and reported to Council by June 2024	1 by June 2024	1 on 12 June 2024		3.7.2(c)
1.11 Extension of Traffic and Law Enforcement Services	Establishment of a learner's licence centre for Riebeek Valley by June 2026	100% by June 2026	N/a (2025/2026 financial year)		3.7.1(c)
1.12 Sufficient office space for Protection Services	Do a feasibility study in respect of new offices for Protection Services in Malmesbury and report to Council by June 2027	1 by June 2027	N/a (2026/2027 financial year)		3.9.7(a)

(b) Strategic Goal 2: Economic Transformation

Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
2.1 Skills development	Investigate the establishment of a skills development centre by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.4.2(d)
2.2 Global networks and an active participant in global knowledge exchange	Investigate global partnerships and submit a proposal to the Mayoral Committee by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.4.2(d)
2.3 Investment Promotion / Marketing	(1) Collaborate with other levels of government and other organisations to promote Swartland as a preferred destination for business and investment and report bi-annually to the management team	2 for the year	2	Report provided to the management team 26 April and 26 June 2024	3.4.2(d)
	(2) Improve investment by creating an online platform by June 2026 to share information with investors	100% by June 2026	N/a (2025/2026 financial year)		3.4.2(d)

Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
2.4 Assist and support SMME	(1) Ensure the development of an SMME Policy and submit to Council by June 2024	1 by June 2024	1 by 21 May 2024		3.4.2(d)
	(2) Ensure the organisation of an annual SMME summit or indaba	1 annually	1 on 17 May 2024		3.4.2(d)
	(3) Ensure the investigation of SMME hubs in the Swartland area and submit report to Mayoral committee by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.4.2(d)
2.5 Improving the ease of doing business	Create a one stop shop for all business enquiries by June 2025	100% by June 2025	N/a (2024/2025 financial year)		3.4.2(d)

(c) Strategic Goal 3: Quality and Reliable Services

Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
3.1 Water resource augmentation	(1) Berg River Voëlvele Augmentation Scheme (BRVAS) - conclusion of section 33 process by July 2023	1 by July 2023	1 by 27 July 2023		3.2.1(f)
	(2) Submit report to Council by November 2023 to consider a water supply agreement with the DWS to partake in the BRVAS	1 by November 2023	1 by 27 July 2023		3.2.1(f)
3.2 Bulk water supply system that is fit for future	(1) Develop a 15 year priority project list by December 2025	1 by December 2025	N/a (2025/2026 financial year)		3.2.1(f)
	(2) Submit report to Council by March 2025 to consider direct purchase of water for Chatsworth from City of Cape Town.	1 by March 2025	N/a (2024/2025 financial year)		3.2.1(f)
3.3 Extension of the Highlands landfill site	(1) Development of cell 2 by March 2027	1 by March 2027	N/a (2026/2027 financial year)		3.2.4(d)
	(2) Identify measures and report to Council on organic waste diversion by June 2027	1 by June 2027	N/a (2026/2027 financial year)		3.2.4(d)
3.4 Ensure sufficient infrastructure that is fit for future	Master plans reviewed and updated if required annually by June	1 annually by June	1 by 28 March 2024		3.2.1(f)

Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
3.5 Maintenance and upgrading that sustain and improve the current condition of surfaced roads	Investigate and report to the Portfolio Committee annually by June on the status quo condition of surfaced roads	1 annually by June	0	Report could not be compiled due to late completion of roads capital projects. Roads projects only completed in June and information required for report is only available upon final completion. Corrective Measure: Report to be submitted to the following Portfolio Committee.	3.3.1(g)
3.6 Wheeling framework development	(1) Develop a draft Wheeling Framework by June 2024	1 by June 2024	1 by August 2023		3.2.3(d)
	(2) Submit Wheeling Framework to Council for approval by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.2.3(d)
3.7 Ensure bulk infrastructure capacity that is adequate for future developments	Master plans reviewed and updated if required annually by June	1 annually by June	1 by March 2024		3.2.3(d)
3.8 Optimally maintain electrical network infrastructure	Submit motivated budget to the Budget Office annually by November (minimum 6% of annual electricity revenue allocation is a Nersa license condition)	1 annually by November	1 by 31 October 2023		3.2.3(d)
3.9 Submit application to Nersa for approval annually by June	Submit application to Nersa for approval annually by June	1 annually by June	1 by 2 March 2024		3.2.3(d)
3.10 Facilitate grid access for renewable energy generation	Develop a bylaw for small-scale embedded generation (SSEG) by June 2024	1 by June 2024	1	Instead of developing a new By-Law the Electricity By-Law was amended to include wheeling and SSEG. Provincial Gazette published on 11 August 2023	3.2.3(d)

General KPI's linked to Strategic Goal 3

Regulation	Key Performance Indicator	Target	Actual	Notes	Reference
Reg 10(a): The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	Supplying of piped water service points to residential account holders which are connected to the municipal water infrastructure network as at 30 June	21 942	22 060		3.2.1(f)
Reg 10(a): The percentage of households with access to basic level of water, sanitation, electricity and	Supplying of sanitation services to municipal residential account holders as at 30 June	22 124	21 850	The data sets were re-evaluated in accordance with the revised KPI criteria for the purpose of future reporting.	3.2.2(d)

Regulation	Key Performance Indicator	Target	Actual	Notes	Reference
solid waste removal				<u>Corrective measure:</u> Baseline will be amended with the next mid-year review.	
Reg 10(a): The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	Number of residential account holders receiving refuse removal services as at 30 June	22 265	21 631	The data sets were re-evaluated in accordance with the revised KPI criteria for the purpose of future reporting. <u>Corrective measure:</u> Baseline will be amended with the next mid-year review.	3.2.4(d)
Reg 10(a): The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	Supplying of electricity services to residential account holders for electrical metering	16 326	17 325	The data sets were re-evaluated in accordance with the revised KPI criteria for the purpose of future reporting. <u>Corrective measure:</u> Baseline will be amended with the next mid-year review.	3.2.3(d)

(d) Strategic Goal 4: A Healthy and Sustainable Environment

Strategic Initiative	Key Performance Indicator	Target	Actual	Notes	Reference
4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland Area	(1) Investigate and report to council the advantages of Municipal housing accreditation by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.2.5(c)
	(2) Develop a housing pipeline annually by May	1 annually by May	1 by 9 November 2023		3.2.5(c)
	(3) Obtain land use rights and secure funding for mixed housing developments annually	100% annually	100% by 6 June 2024		3.2.5(c)
	(4) Appoint credible social housing institution to build and manage social housing by June 2025	100% by June 2025	N/a (2024/2025 financial year)		3.2.5(c)
4.2 Alignment of capital expenditure framework between spatial planning, engineering and financial services	Develop a capital expenditure framework in collaboration with DEADP and the Development Bank of SA and submit a report to Council by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.4.1(c)
4.3 Climate change study	Do a study of climate change mitigation and adaptation and report to council by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.4.1(c)

(e) Strategic Goal 5: A Connected and Innovative Local Government

Strategic Initiative	Key Performance Indicator	Targets	Actual	Notes	Reference
5.1 Innovative local government	Ensure the development of an innovation policy and submit to the Mayoral Committee by June 2026	1 by June 2026	N/a (2025/2026 financial year)		3.9.6(a)
5.2 Inter-connected towns and Municipal buildings	Ensure the development of an ICT masterplan for connectivity and submit to the Mayoral Committee by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.10.6(b)
5.3 "Smart City" concept	Ensure the development of a proposal for implementing the "Smart City" concept in the Swartland and submit to the Mayoral Committee by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.10.6(b)
5.4 Increased use of digital technology	Ensure the development of a proposal for the increased use of digital technology to support business and the economy and submit to the Mayoral Committee by June 2026	1 by June 2026	N/a (2025/2026 financial year)		3.9.6(a)
5.5 Improved corporate image and communication	(1) Develop a proposal for innovative ways to use existing and new platforms to engage with residents and businesses and submit to the Mayoral Committee by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.9.2(a)
	(2) Investigate and submit a report to the Mayoral Committee by June 2026 on a digital people-centred application	1 by June 2026	N/a (2025/2026 financial year)		3.9.2(a)
	(3) Investigate the feasibility of a 24/7 customer care centre and submit a report to the Mayoral Committee by June 2025	1 by June 2025	N/a (2024/2025 financial year)		3.9.2(a)
	(4) Finalise and establish a corporate identity manual and submit to Mayoral Committee by June 2024	1 by June 2024	1 by May 2024		3.9.2(a)

General KPI's linked to Strategic Goal 5

Regulation	Key Performance Indicator	Target	Actual	Notes	Reference
Reg 10(b): The percentage of households earning less than R1100 per month with access to free basic services	Manage the provision of free basic service subsidies in line with council's policy annually	100% at 30 June	100%	9010 Indigent households by end of June 2024	3.9.5(a)
Reg 10(c): Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	Spend 95% of capital budget by the end of June	95% by end of June	95.75%		3.9.6(a)
Reg 10(d): The number of jobs created through municipality's LED initiatives including capital projects	Create 150 jobs through Municipality's capital projects (contracts > R200 000) by 30 June	150 jobs by 30 June	186		3.4.2(d)
Reg 10(e): 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	% of appointments made in the 3 highest levels of management which comply with the Employment Equity Plan, measured by the number of appointments in the 3 highest levels of management, which comply with Employment Equity targets/Total appointments made in 3 highest levels of management x 100	100% annually by end of June	100%		3.9.2(a)
Reg 10(f): The percentage of a municipality's budget actually spent on implementing its workplace skills plan	Spent 90% of the Municipality's training budget on implementing its Workplace Skills Plan by end of June	90% by end of June	100%		3.9.2(a)
Reg 10(g): Financial viability as expressed by the following ratios:	Measure the % of debt coverage ratio for the current financial year	45%	8.93%	Result is well below the norm	3.9.5(a)
	Measure the % of the outstanding service debtors	20%	7.85%	The result is well below the norm of 20%	3.9.5(a)
	Measure financial viability in terms of cost coverage ratio for the current financial year	3 months	9 months	The 2022-23 ratio is well above the norm of 3 months	3.9.5(a)

3.1.2 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

In terms of Section 13G of the Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013 ("the B-BBEE Act"), read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports.

A compliance report required to be included annually in terms of section 13G(1) of the Act from a sphere of government, public entity or an organ of state must reflect the state of compliance in respect of (i) ownership where applicable; (ii) management control; (iii) skills development; (iv) enterprise and supplier development; (v) socio-economic development; and (vi) any other sector specific element. The following tables contain the required information applicable to Swartland Municipality:

(a) Management Control

<i>Categories</i>	<i>Number for each category</i>	<i>Race classification (indicate number i.t.o. Africans, Coloureds & Indians)</i>	<i>Gender (indicate number in terms of Female & Male)</i>	<i>Age (provide number in chronological order)</i>	<i>Location (indicate number in each Province)</i>	<i>Disability (indicate number in terms of Female & Male)</i>
Municipal Manager & Directors	3	A=0, C=3, I=0	CF=1, CM=2	58, 59, 64	Western Cape	0
Senior Management	5	A=0, C=5, I=0	CF=3, CM=2	36, 40, 40, 51, 55	Western Cape	1

(b) Skills Development

<i>Total Leviabe Amount:</i>							
<i>Categories</i>	<i>Number for each category</i>	<i>Race classification (indicate number in terms of Africans, Coloureds & Indians)</i>	<i>Gender (indicate number in terms of Female & Male)</i>	<i>Age (provide number in chronological order)</i>	<i>Location (indicate number in each Province)</i>	<i>Disability (indicate number in terms of Female & Male)</i>	<i>Total Amount Spent</i>
Black employees	103	A=16 C=87	AF=0, AM=16 CF=19, CM=68	<35=27 35-55=72 >55=4	Western Cape	F=4, M=13	R1 950 043
Black non-employees	0						
Black People on -							
Internships	11	A=3 C=8	AF=1, M=2 CF=5, M=3	<35=11 35-55=0	Western Cape	0	Own funding, not included in the figure above
Apprenticeship	2	C=2	AF=0, AM=0 CF=0, CM=2	35-55=2	Western Cape	0	Included in the figure above
Bursaries	17	A=2 C=15	AF=0, AM=2 CF=9, CM=6	<35=5 35-55=11	Western Cape	F=1, M=1	DG grant of R225 000,00 received for

				>55=1			5 officials not included in the figure above
Learnership	64	A=9 C=55	AF=0, AM=9 CF=8, CM=47	<35=16 35-55=46 >55=2	Western Cape	F=2, M=9	
Adult Education and Training (AET)	20	A=5 C=15	AF=0, M=5 CF=2, M=13	<35=6 35-55=13 >55=1	Western Cape	F=1, M=3	Included in the figure above
Unemployed black people on any programme under the learning programme matrix	45	A=4 C=41	AF=2, M=2 CF=26, CM=15	<35=45	Western Cape	0	DG grant of R 1 477 770,00 received, not included in the figure above
Black people absorbed at end of learnership, internship and apprenticeship	1	C=1	AF=0, AM=0 CF=1, CM=0	<35=1	Western Cape	0	

(c) Enterprise and Supplier Development

Total Procurement Spent:				
Supplier	Total Number	Total Value Spend		
TOTAL			% Black Ownership	% Black women ownership
EME				
QSE				
Large Suppliers				

Total Value of 2% NPAT or 0.2% of allocated Budget:						
Supplier	Total Number	Total Value Spend	% Black Ownership	% Black women ownership	Location	Sector
EMEs						
QSEs						

Total Value of 1% NPAT or 0.1% of allocated Budget:						
Supplier	Total Number	Total Value Spend	% Black Ownership	% Black women ownership	Location	Sector
EMEs						
QSEs						

(d) Socio-Economic Development

Total Value of 1% NPAT or 0.1% of allocated Budget:			
Number of participants	Race classification (indicate number in terms of Africans, Coloureds & Indians)	Gender (indicate number in terms of Female & Male)	Geographical indication (indicate nr in each Province)
0			
Total Value Spend: R0			

3.2 BASIC SERVICES

3.2.1 WATER SERVICES

(a) Introduction

Swartland Municipality is the Water Services Authority for its service area. Water is abstracted from two bulk sources, i.e. Voëlvlei Dam and the Misverstand Dam. The West Coast District Municipality provides bulk water as well as water purification and treatment services to Swartland Municipality through the Withoogte and Swartland bulk supply schemes. The West Coast DM was also appointed by Swartland Municipality as a Water Services Provider in terms of the Water Services Act following a section 78 investigation which was concluded in 2018/2019.

All residents in urban areas in the service area of Swartland Municipality have access to water services and free basic water is provided to indigent households.

Ageing infrastructure remains one of the key focus areas for the Municipality and therefore a pipe replacement programme was developed and is in the process of implementation.

It is estimated that Swartland Municipality would require access to an increased allocation from the Western Cape Water Supply System by around 2032. The Municipality has therefore expressed interest to partake in the so-called BRVAS scheme. The scheme will augment yield of Voelvlei dam by about 23 million cubic meters per annum and will be implemented by the Department of Water Affairs. The initial allocation for Swartland Municipality was 0.66 million cubic meters per annum. The Municipality has consequently applied for a revision of the allocation given its limited access to alternative resources. The Department of Water Affairs favourably considered the application and the final allocation from the BRVAS for Swartland Municipality is 1.66 million cubic meters per annum. Council has resolved upon following a Section 33 process to enter into a Water Supply Agreement with the Department of Water Affairs for an allocation from the BRVAS.

(b) Total Use of Water by Sector (cubic meters)

Agriculture	Forestry	Industrial	Domestic	Unaccountable Water Losses	Total
99 144	0	1 114 070	3 139 157	961 874	5 314 245

(c) Comment on water use by sector

Swartland Municipality continues to implement its Water Conservation and Water Demand Management strategy through the continued implementation of, amongst others, pressure control in distribution networks, leak detection and repairs.

(d) Households - Water Service Delivery Levels - 2022 Census

Above minimum level

Description	Non-Urban	Urban	Total
Piped (tap) water inside dwelling/institution	0	40 624	40 624
Piped (tap) water inside yard	0	3 500	3 500
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	0	246	246
TOTAL	0	44 370	44 370

Below minimum level

Description	Non-Urban	Urban	Total
No access to piped (tap) water	0	324	324
Piped (tap) water more than 200m from dwelling	0	162	162
Unspecified - Not applicable	0	0	0
TOTAL	0	486	486

(e) Households - Water Service Delivery Levels below the minimum service level - 2022 Census

Service	Criteria	Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level	
		Number	Percentage	Number	Percentage
Water Services	Available within 200 m from dwelling	486	1.10%	0	0.00%

(f) Water Service performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Access to water, sanitation and refuse removal	D36	Supplying of piped water service points to residential account holders which are connected to the municipal water infrastructure network as at 30 June			0	21 942	22 060	5	21 942	
2 Indicators from IDP										
3.1 Water resource augmentation	D39	Berg River Voëlvelei Augmentation Scheme (BRVAS) - conclusion of section 33 process by July 2023			0	1 by July 2023	1 by July 2023	5		Concluded on 27 July 2023
3.1 Water resource augmentation	D40	Submit report to Council by November 2023 to consider a water supply agreement with the DWS to partake in the BRVAS			0	1 by November 2023	1 by 27 July 2023	5		
3.2 Bulk water supply system that is fit for future	D41	Develop a 15 year priority project list by December 2025			0	1 by December 2025	N/a (2025/2026 financial year)	0		
3.2 Bulk water supply system that is fit for future	D42	Submit report to Council by March 2025 to consider direct purchase of water for Chatsworth from City of Cape Town			0	1 by March 2025	N/a (2024/2025 financial year)	0	1 by March 2025	
3.4 Ensure sufficient infrastructure that is fit for future	D45	Master plans reviewed and updated if required annually by June			0	1 annually by June	1 by 28 March 2024	5	1 annually by June	
3 Indicators Directors										
Improved water sustainability	D35	Manage the % water losses within the National Treasury norm annually by end of June			0	21% by end of June	18.78%	5	21% by end of June	

(g) Employees: Water Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	12	15	15	0	0.00%
04 - 06	12	11	12	1	8.33%
07 - 09	5	6	6	0	0.00%
10 - 12	6	6	6	0	0.00%
13 - 15	1	2	2	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	36	40	41	1	

(h) Financial Performance: Water Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R22 657 749	R22 923 323	R22 950 823	R24 571 749	107.19%
2 Contracted Services	R4 428 491	R4 772 852	R5 085 223	R4 512 614	94.55%
3 Other	R58 761 050	R79 652 911	R73 454 403	R62 760 380	78.79%
TOTAL	R85 847 290	R107 349 086	R101 490 449	R91 844 743	

(i) Capital Expenditure: Water Services

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Generator for Wesbank Water Tower and Boosters	R0	R1 286 760	R1 286 760	0.00%
23/24 Donated PPE: Water Infrastructure (De Werf)	R0	R6 588 070	R9 117 018	0.00%
23/24 Connections: Water Meters (New/Replacements) (Materials and Supplies)	R10 000	R787 216	R455 138	4551.38%
23/24 Generator Installation: Kalbaskraal Water Pumpstation	R0	R1 468 956	R1 468 956	0.00%
23/24 Generator Installation: Wesbank Water Tower & Boosters	R0	R1 085 749	R1 085 749	0.00%
23/24 Swartland System System S3.3 & S3.4 Panorama to Wesbank I1/4 - CRR	R1 000 000	R0	R0	0.00%

23/24 Water: Upgrading water reticulation network: PRV's, flow control, zone metering and water augm	R100 000	R100 000	R50 923	50.92%
23/24 Generator Installation: Riverlands Water Pumpstation	R0	R1 338 488	R1 338 488	0.00%
23/24 Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 water network upgrades (for housing project)	R700 000	R700 000	R699 988	100.00%
23/24 Water networks: Upgrades and Replacement (CRR)	R2 000 000	R0	R0	0.00%
23/24 Chatsworth/Riverlands upgrade bulk water supply	R500 000	R500 000	R499 156	99.83%
23/24 Equipment : Water	R51 000	R52 723	R52 448	102.84%
23/24 Bulk water infrastructure (emergency spending)	R2 000 000	R2 500 000	R2 452 081	122.60%
23/24 Generator Installation: Rustfontein Water Pumpstation	R0	R1 139 969	R1 139 969	0.00%
23/24 Connections: Water Meters (New/Replacements) (Acquisitions:Outsourced)	R787 216	R10 000	R0	0.00%
23/24 Replace Existing Water pipe: Illinge Lethu	R0	R300 000	R300 000	0.00%
23/24 Water: CK15380 Isuzu 250 Crew Cab	R915 600	R730 957	R730 957	79.83%
TOTAL	R8 063 816	R18 588 888	R20 677 630	

(j) Comment on water services performance overall

The IDP has five strategic goals and water provision are aligned to strategic goal three: Quality and Reliable Services.

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the minimisation of distribution losses, the increase on maintenance spending and the implementation of water conservation and demand management measures.

A project to install back up power generation at critical water supply pump stations, waste water treatment works and critical sewer pump stations was implemented. The project is funded from a Provincial Government allocation to the amount of R10 945 000 and own funding to the amount of R3 700 000.

The Master Plan for bulk water services has identified a link between the Pella Reservoirs of the City of Cape Town and the Chatsworth Reservoirs as a solution to augment water supply to the area of Chatsworth. In this regard formal discussion on a technical level was initiated with the City and consultants were appointed for preliminary investigations.

3.2.2 SEWERAGE SERVICES

(a) Introduction

Swartland Municipality operates four activated sludge waste water treatment works and three oxidation pond systems. Sewer is conveyed to the treatment works and oxidation pond systems by either a water borne collector system or a vacuum tanker service.

All residents in urban areas in the service area of Swartland Municipality have access to sewerage services above minimum level. It must be noted that recipients of below minimum level sewerage services, do exist. However, these consumers reside outside urban areas on farms.

Wet industries are monitored continuously to ensure that industrial effluent charges can be raised according to the loading of the effluent.

The Municipality participated in the Green Drop audit of the Department of Water Affairs and achieved a score of 89% which is third in the Western Cape.

The Riebeeck Valley and Malmesbury works received awards for the best run works in the Western Cape from the Department of Water Affairs while an operator at the Malmesbury works received an award for the best process controller.

(b) Households - Sewerage services delivery levels - 2022 Census

Above minimum level

Description	Non-Urban	Urban	Total
Other - Not applicable	0	81	81
Chemical toilet	0	108	108
Flush toilet (with septic tank)	0	2 279	2 279
Ecological toilet (e.g. urine diversion, enviroloo, etc)	0	13	13
Pit toilet with ventilation (VIP)	0	73	73
Flush toilet (connected to sewerage system)	0	41 152	41 152
TOTAL	0	43 706	43 706

Below minimum level

Description	Non-Urban	Urban	Total
None	0	148	148
Pit toilet without ventilation	0	57	57
Bucket toilet	0	944	944
TOTAL	0	1 149	1 149

(c) Households - Sewerage services delivery levels below the minimum - 2022 Census

Service	Criteria	Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level	
		Number	Percentage	Number	Percentage
Sewerage Services	Households with at least VIP service	1 149	2.56%	0	0.00%

(d) Sewerage Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Access to water, sanitation and refuse removal	D37	Supplying of sanitation services to municipal residential account holders as at 30 June			0	22 124	21 850	5	22124	The data sets were re-evaluated in accordance with the revised KPI criteria for the purpose of future reporting. Corrective measure: Baseline will be amended with the next mid year review

(e) Employees: Sewerage Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies as Percentage
00 - 03	5	2	2	0	0.00%
04 - 06	12	14	15	1	6.67%
07 - 09	11	10	10	0	0.00%
10 - 12	3	4	4	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	32	31	32	1	

(f) Financial Performance: Sewerage Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R12 736 349	R13 155 089	R13 171 589	R13 734 674	104.41%
2 Contracted Services	R5 729 402	R7 365 683	R8 453 254	R7 328 628	99.50%
3 Other	R37 226 449	R42 070 298	R41 991 277	R44 044 681	104.69%
TOTAL	R55 692 200	R62 591 070	R63 616 120	R65 107 983	

(g) Capital Expenditure: Sewerage Services

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Donated PPE: Sewerage Infrastructure (De Werf)	R0	R605 040	R578 318	0.00%
23/24 Equipment : Sewerage	R32 000	R32 000	R31 916	99.74%
23/24 Equipment : Sewerage Telemetry	R38 000	R38 000	R38 000	100.00%
23/24 Generator Installation: Abbotsdale Sewer Pumpstation	R0	R1 207 596	R1 207 556	0.00%
23/24 Generator Installation: Darling WWTW & Pumpstation	R0	R2 204 138	R2 204 138	0.00%
23/24 Generator Installation: Moorreesburg WWTW	R0	R61 621	R61 621	0.00%
23/24 Replace: Darling Drum Screens	R1 520 000	R1 250 000	R1 106 840	72.82%

23/24 Schoonspruit: Pipe Replacement	R1 500 000	R3 900 000	R3 895 678	259.71%
23/24 Sewerage Works Chatsworth: Fencing	R1 100 000	R1 316 000	R1 212 326	110.21%
23/24 Sewerage Works: Darling (CRR)	R102 000	R161 684	R140 926	138.16%
23/24 Sewerage Works: Moorreesburg (CRR)	R1 008 681	R1 402 118	R1 402 118	139.01%
23/24 Upgrading of bulk collectors: Darling	R300 000	R300 000	R300 000	100.00%
23/24 Upgrading of bulk collectors: Moorreesburg	R200 000	R200 000	R200 000	100.00%
TOTAL	R5 800 681	R12 678 197	R12 379 438	

(h) Comment on sewerage services performance overall

The IDP has five strategic goals and the provision of sewerage services are aligned to strategic goal three: Quality and reliable services.

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the increase on maintenance spending and the implementation of an asset management plan.

3.2.3 ELECTRICITY DISTRIBUTION

(a) Introduction

All formal and informal households within the licensed area of electricity supply of Swartland Municipality occupying a proclaimed plot has access to electricity and no service backlogs exist in this respect.

Top three service delivery priorities

(1) Upgrading of obsolete electrical networks

The annual projects for the renewal, upgrading and refurbishment of obsolete electrical networks and associated infrastructure remained in place and for the 2023/24 financial year and R6.6m was spent during the year towards the upkeep of the network. Major improvement of the electricity networks enhancing safety and reliability was effected including the upgrading of obsolete and operationally hazardous minisubstations and switchgear. Upgrading of obsolete low voltage networks in Malmesbury, Moorreesburg and Darling was undertaken. At this stage significant progress has been made with the departmental replacement of overhead low voltage networks in Moorreesburg and Darling with more than 90% of the networks having being converted to underground.

(2) Completion of capital projects

For the 2023/24 financial year the department spent more than 98% of the available capital budget. The phased construction of the De Hoop 132/11kV 20MVA substation has proceeded and phase 3, which entailed the foundations, steelwork, transformer plinths were constructed and major electrical equipment were procured for installation in 2024/25. The 132/11 kV transformers forms part of the longlead time material that was ordered for delivery in 2024/25. This substation will ultimately provide electricity capacity for the south western areas of Malmesbury to allow for the planned development of low cost residential settlements and major commercial developments to proceed.

(3) Compliance with service delivery performance indicators and targets

All performance targets regarding service delivery with respect to availability and reliability of electricity supply were complied with and in certain instances the required targets were exceeded. In terms of the NERSA license conditions Quality of Service specification, 30% of all power failure must be attended to within 1.5 hours. The municipality achieved a performance of more than 70% in this regard.

Improvement of performance and efficiencies

As a result of the allocation of experienced, technically skilled personnel and resources towards revenue protection which includes data analysis skills, engineering and technical expertise, law enforcement certification as well as negotiation and mediation capabilities, the total of technical and non-technical electrical energy losses was maintained at nominal levels below 6% for 2023/24. Considering all the challenges faced in this regard this is an exceptional performance when compared to the NERSA benchmark of 10%.

The municipality took over the maintenance and installation of additional streetlights in the Eskom areas of supply (Chatsworth, Riverlands, Kalbaskraal, Abbotsdale, Koringberg, Riebeek Wes and Riebeek Kasteel) from Eskom in November 2022. This has proved to be a challenging job due to the condition of the network and existing infrastructure that Eskom "handed over" to the municipality. Based on available resources and budget it will take quite a long time to normalise the network to acceptable levels. The team are however very committed to attend to requests within the means available. It can be reported that some areas that never had any streetlights are now also lit up at night but there are still vast areas that needs to be addressed over the next few years.

A Power Purchase Agreement (PPA) with Darling Green Utility was signed during November 2023 based on the tender that was awarded in the previous financial year. Once the construction of the 1 MVA Solar plant is completed the municipality will buy excess energy generated from the developer at a rate that is lower than the Eskom purchase price. This will over time assist in reducing the purchase cost of bulk electricity and have a positive impact on future tariff increases.

The total number of consumers with SSEG (Small Scale Embedded Generation) installations in the Swartland Municipal area has increase to 582 with an installed capacity of 7080 KVA. The high levels of Load shedding during the year and the added incentive of income tax reductions for the installation of solar panels have definately sparked interest in alternative solutions to curb the impact of load shedding.

The municipal Council took a decision to make two parcels of land available for long term lease to prospective Solar Plant developers and has started the process to obtain environmental approval and the necessary land use approval use for the specific pieces of land. Once these approvals have been obtained the process will be initiated to invite potential developers to lease the land and potentially provide renewable energy to the municipality.

The municipality continues to enjoy the approval that was previously given by Eskom to exclude the Voëlvlei dam water treatment plant from load shedding. A further submission has been made to Eskom for the 2024/25 financial year which should be evaluated during August 2024.

Major successes achieved and challenges

The decrease in annual total technical and non-technical energy losses since inception of the departmental revenue protection initiatives in 2010 from 9.7% to 5.28% in 2022/23 represents a major improvement in efficiency. For the 2023/24 financial year the energy losses has been maintained below the NERSA benchmark of 10% which is exceptional.

At least 98% expenditure of the capital budget was achieved despite the severe rain that we experienced during the latter part of the year.

The NERSA electricity distribution license requirement is that 30% of reported electricity disruptions shall be attended to within 1.5 hours. Swartland is maintining a level of above 70% for this particuar KPI.

The following capital projects were successfully implemented and commissioned:

- The next phase of the multiyear De Hoop substation project has kicked off and all major civil foundations, catchment pits and transformer plinths were completed while some of the steelworks were erected. The major equipment such as the transformers, VT's, CT's and breakers will be installed in the 2024/25 financial year.
- The finalisation of the electrification of houses in the informal area of Illinge Lethu Block A & B was accomplished and a further 30 stands were electrified in a earmarked area.
- The municipality managed to install a new generator at the municipal head office that is capable of supplying the full load requirement which enables municipal staff to be efficient during load shedding and providing a service to the community. In addition to this the installation of batteries and inverters at some of the service centres were also completed.

The municipality managed to start and complete an electricity cost of supply study, as one of the requirements of NERSA, to support our tariff increase application. The study also included a tariff restructuring proposal which will be shared during a public participation process during the 2024/25 financial year with the view of implementing the new tariffs in the 2025/26 financial year.

The Department of Mineral Resources and Energy issued regulations during the previous finacial year that required all municipal buildings larger than 1000m₂ to be registered on a national database by August 2024 and that the energy performance for the particular builing to be displayed at the entrance to the building by December 2025. The electricity department managed to register our buildings and do the necessary assessment and verification before the end of June and we are proud to say that we have acheived the December 2025 target in June 2024 in that the energy performance certificate (EPC) is already displayed at the entrance to the buildings that were assessed.

Service provision by municipal entities

None additional

(b) Households - Electricity Distribution Delivery Levels - 2022 Census

Description	Non-Urban	Urban	Total
Electricity from mains	0	43 806	43 806
Other	0	677	677
Other source of electricity (e.g. generator etc.)	0	68	68
Solar	0	305	305

(c) Households - Electricity Distribution Delivery Levels below the minimum - 2022 Census

Service	Criteria	Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level	
		Number	Percentage	Number	Percentage
Electricity Distribution	Service connections	677	1.51%	0	0.00%

(d) Electricity Distribution performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Reg 10 (a) : Improved access to electricity	D109	Supplying of electricity services to residential account holders for electrical metering			0	16 326 residential account holders	17 325	5	16 326 residential account holders	
2 Indicators from IDP										
3.6 Wheeling framework development	D110	(1) Develop a draft Wheeling Framework by June 2024			0	1 by June 2024	1 by August 2023	5		
3.6 Wheeling framework development	D111	(2) Submit Wheeling Framework to Council for approval by June 2025			0	1 by June 2025	N/a (2024/2025 financial	0	1 by June 2025	

							year)			
3.7 Ensure bulk infrastructure capacity that is adequate for future developments	D112	Master plans reviewed and updated if required annually by June			0	1 annually by June	1 by March 2024	5	1 annually by June	
3.8 Optimally maintain electrical network infrastructure	D113	Submit motivated budget to the Budget Office annually by November (minimum 6% of annual electricity revenue allocation is a Nersa license condition)			0	1 annually by November	1 by 31 October 2023	4.9	1 annually by November	
3.9 Ensure sustainable electricity tariffs	D114	Submit application to Nersa for approval annually by June			0	1 annually by June	1 by 2 March 2024	5	1 annually by June	
3.10 Facilitate grid access for renewable energy generation	D115	Develop a bylaw for small-scale embedded generation (SSEG) by June 2024			0	1 by June 2024	1	5		Instead of developing a new By-Law the Electricity By-Law was amended to include wheeling and SSEG. Provincial Gazette published on 11 August 2023
3 Indicators Directors										
Improved energy sustainability	D107	Manage the % of electricity losses within the NERSA benchmark norm annually by end of June			0	10%	5.62%	5	10%	

(e) Employees: Electricity Distribution

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	19	19	19	0	0.00%
07 - 09	6	6	6	0	0.00%
10 - 12	10	10	10	0	0.00%
13 - 15	4	4	4	0	0.00%
16 - 18	2	2	2	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	41	41	41	0	

(f) Financial Performance: Electricity Distribution

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R21 937 390	R24 252 128	R24 135 528	R23 447 639	96.68%
2 Contracted Services	R3 235 809	R2 461 340	R3 900 893	R3 422 356	139.04%
3 Other	R301 792 367	R372 803 038	R350 238 647	R347 951 314	93.33%
TOTAL	326 965 566	R399 516 506	R378 275 068	R374 821 309	

(g) Capital Expenditure: Electricity Distribution

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Connections: Electricity Meters (New/Replacements) (Acquisitions:Outsourced)	R20 000	R	R	0.00%
23/24 Connections: Electricity Meters (New/Replacements) (Materials and Supplies)	R830 000	R950 000	R926 001	111.57%
23/24 Darling 184 IRDP erven. Electrical bulk supply, infrastructure and connections	R200 000	R200 000	R200 000	100.00%
23/24 Donated PPE: Electrical Infrastructure (De Werf)	R	R11 800 000	R8 406 199	0.00%
23/24 Elec: CK29443 Isuzu N Series & Crane	R1 581 300	R1 996 092	R1 994 950	126.16%
23/24 Electrical Infrastructure (Donated) (non-cash)	R	R	R9 207 295	0.00%
23/24 Emergency Power Supply	R150 000	R619 000	R445 888	297.26%
23/24 Equipment: Electricity	R360 000	R306 000	R302 864	84.13%
23/24 LV Upgrading: Swartland (Acquisitions:Outsourced)	R100 000	R58 400	R58 315	58.32%
23/24 LV Upgrading: Swartland (Materials and Supplies)	R1 100 000	R1 041 600	R936 272	85.12%
23/24 Malmesbury De Hoop 132/11kV Substation, transmission line & serv (Acquisitions:Outsourced)	R16 042 000	R10 639 640	R10 639 606	66.32%
23/24 Malmesbury De Hoop 132/11kV Substation, transmission line & serv (Compensation of Employees)	R300 000	R291 800	R278 546	92.85%
23/24 Malmesbury Illinge Lethu 220 erven. Electrical bulk supply, infrastructure and connections	R500 000	R1 919 824	R1 114 716	222.94%
23/24 Malmesbury Security Operational Centre: Communication, Monitoring & Other infrastructure equip	R200 000	R713 372	R706 802	353.40%
23/24 Malmesbury: Saamstaan/De Hoop area: Upgrading of bulk electricity supply: Phase 1	R23 658 000	R23 658 000	R23 657 999	100.00%
23/24 MV Upgrading: Swartland (Materials and Supplies)	R1 000 000	R940 100	R864 212	86.42%
23/24 MV Upgrading: Swartland (Acquisitions:Outsourced)	R100 000	R100 000	R80 305	80.31%
23/24 Outdoor Skid mounted Generator for Malmesbury Head Office building (Acquisitions:Outsourced)	R1 100 000	R811 000	R810 677	73.70%
23/24 Outdoor Skid mounted Generator for Malmesbury Head Office building (Materials and Supplies)	R100 000	R70 000	R69 473	69.47%
23/24 Protection and Scada Upgrading: Swartland	R350 000	R420 000	R393 685	112.48%
23/24 Replace oil insulated switchgear and equipment (Acquisitions:Outsourced)	R4 500 000	R4 949 442	R4 389 928	97.55%

23/24 Replace oil insulated switchgear and equipment (Materials and Supplies)	R500 000	R50 558	R46 452	9.29%
23/24 Replacement of obsolete air conditioners	R200 000	R470 000	R465 389	232.69%
23/24 Streetlight, kiosk and polebox replacement: Swartland	R650 000	R599 900	R300 242	46.19%
23/24 Substation Fencing: Swartland (Acquisitions:Outsourced)	R180 000	R180 000	R144 868	80.48%
23/24 Substation Fencing: Swartland (Materials and Supplies)	R20 000	R20 000	R18 290	91.45%
TOTAL	R53 741 300	R62 804 728	R66 458 975	

(h) Comment on electricity distribution performance overall

PRIORITY OF 4 LARGEST CAPITAL PROJECTS

New 132/11kV De Hoop substation

The largest capital project with the highest priority is the establishment of the 132/11kV De Hoop substation to allow planned developments south west of Malmesbury to proceed. The project is undertaken by means of multiple phases and is incorporated into the municipal multiyear budget. Electricity capacity cannot be made available for any additional new developments in Malmesbury west of the N7 after completion of the 395 erf De Hoop Saamstaan housing project that was completed in 2022/23. Phase 1 of the De Hoop substation project was undertaken in 2021/22 and Phase 2 was done in 2022/23. Phase 3 of the project commenced in 2023/24 and will roll over into 2024/25.

Upgrading of electrical infrastructure

One of the largest in-house capital projects is the on-going annual replacement, upgrading and refurbishment of obsolete electrical network components and infrastructure. Sections of the electrical networks have exceeded their design lifespan of 40-50 years and in terms of NERSA license conditions all municipalities are required to allocate at least 6% of electricity revenue towards this end. The priority is to first replace network components such as obsolete switchgear where operator safety is at risk and subsequently medium voltage and low voltage networks.

The following large projects in this regard were completed in 2023/24:

- (1) Construction of the De Hoop 132/11 kV substation.
- (3) Replacement of obsolete miniature substations and switchgear in all the supply areas (Malmesbury, Moorresburg, Darling and Yzerfontein.)
- (4) The installation/replacement of oil filled Ring Main Units
- (5) Upgrading of the ICT Infrastructure to provide a back-up solution and a new Servers to the municipality which is essential for service delivery across all departments in the municipality.

(6) To ensure continued service delivery by other departments provision was made for back-up generator at the Malmesbury Head office and battery with an Inverter was installed at the Law Enforcement office.

VARIANCES BETWEEN BUDGET AND ACTUAL

The capital underspending is 4.25%.

PERFORMANCE RELATED TO ESKOM AGREEMENTS

Swartland Municipality is in the process of constructing the new De Hoop 132/11 kV substation which will be our first supply point at 132 kV from Eskom. As part of the project the municipality will also be constructing the 132 kV line and the Eskom 132 kV switching station. It is anticipated that the assets will be in full operation by June 2026.

The municipality also applied to Eskom for an increase in Notified Maximum Demand at Yzerfontein and at Darling as well as at Klipfontein in Malmesbury. Once the additional Capacity is made available it will allow growth and expansion in the towns of Yzerfontein where there is a lot of potential for additional housing and commercial developments. The increase in capacity at Darling will allow for additional municipal housing projects and commercial developments while the increased capacity at Klipfontein in Malmesbury will cater for the growth in the northern parts of Malmesbury where the new De Zwartland Markt shopping centre and the Crest Care hospital were constructed. The municipality has also had a number of engagements with developers regarding new housing developments in the Klipfontein area that will take up the available capacity.

Some of the "growth" that the municipality has seen on the maximum demand as recorded by Eskom can be ascribed to the impact that Load shedding has on the network. When the power is switched back after load shedding there is a high demand for electricity, especially around the peak times (18h00 and 20h30) in the evening. This causes the load to spike with a resultant impact on the purchase price for bulk electricity.

3.2.4 REFUSE REMOVAL

(a) Introduction

A weekly household refuse removal service is available for all urban households in the Swartland and a limited service is provided outside urban areas. Households outside urban areas have access to various landfill sites in the Swartland as well as several waste transfer stations and skip bins.

Illegal dumping remains a concern for Swartland Municipality. The clearing of illegal dumping consumes valuable resources. It's been noted that the volume of illegal dumping waste removed is substantial and originates from both business and household sources.

The recycling at the Highlands Landfill remains successful and a saving of 25% air space was achieved. The site is well managed and continues with its compliance track record of more than 99%.

(b) Households - Refuse Removal Delivery Levels - 2022 Census

Above minimum level

Description	Non-Urban	Urban	Total
Removed by local authority/private company at least once a week	0	39 195	39 195

Below minimum level

Description	Non-Urban	Urban	Total
No rubbish disposal	0	246	246
Other	0	333	333
Communal container/central collection point	0	1 382	1 382
Own refuse dump	0	2 403	2 403
Communal refuse dump	0	689	689
Removed by local authority/private company less often	0	607	607
TOTAL	0	5 660	5 660

(c) Households - Refuse Removal Delivery Levels below the minimum - 2022 Census

Service	Criteria	Formal Settlements: Households < minimum level		Informal Settlements: Households < minimum level	
		Number	Percentage	Number	Percentage
Refuse Removal	Kerbside collection once a week	5 660	12.62%	0	0.00%

(d) Refuse Removal performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Access to water, sanitation and refuse removal	D38	Number of residential account holders receiving refuse removal services as at 30 June			0	22 265	21 631	5	22265	The data sets were re-evaluated in accordance with the revised KPI criteria for the purpose of future reporting. Corrective measure: Baseline will be amended with the next mid year review
2 Indicators from IDP										
3.3 Extension of the Highlands landfill site	D43	Development of cell 2 by March 2027			0	1 by March 2027	N/a (2026/2027 financial year)	0		
3.3 Extension of the Highlands landfill site	D44	Identify measures and report to Council on organic waste diversion by June 2027			0	1 by June 2027	N/a (2026/2027 financial year)	0		

(e) Employees: Refuse Removal

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	50	48	50	2	4.00%
04 - 06	10	10	10	0	0.00%
07 - 09	14	14	14	0	0.00%
10 - 12	2	2	2	0	0.00%
13 - 15	1	0	0	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	78	75	77	2	

(f) Financial Performance: Refuse Removal

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R21 899 629	R21 683 254	R21 709 254	R21 233 689	97.93%
2 Contracted Services	R19 329 785	R16 471 184	R18 746 623	R19 838 047	120.44%
3 Other	R18 920 883	R19 899 744	R23 205 434	R18 648 969	93.71%
TOTAL	R60 150 297	R58 054 182	R63 661 311	R59 720 705	

(g) Capital Expenditure: Refuse Removal

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Boreholes for Landfill sites	R500 000	R0	R0	0.00%
23/24 Equipping Donated Vehicle with Equipment	R150 000	R275 765	R275 765	183.84%
23/24 Equipment : Refuse bins, traps, skips (Swartland)	R150 000	R24 235	R0	0.00%
23/24 Equipment : Refuse Removal	R26 000	R23 509	R23 509	90.42%
23/24 Highlands: Development of new cell	R2 000 000	R2 500 000	R2 097 879	104.89%
23/24 Koringberg: New Transfer Station	R500 000	R0	R0	0.00%
23/24 Refuse: CK43134 Nissan UD35A	R681 450	R875 000	R875 000	128.40%

TOTAL	R4 007 450	R3 698 509	R3 272 153	

(h) Comment on refuse removal performance overall

Illegal dumping remains a problem throughout the Municipal area. The present mode of dealing with the problem focus only on reactive clearing. This is not sustainable as it requires an increase in resources with urban expansion.

An Organic Waste Diversion Plan was compiled in order to maximise air space savings at the landfill sites, and will subsequently be implemented as feasible. To this end, a chipper was purchased and put to service. Garden refuse is now chipped and diverted from the landfill

All refuse landfill sites of Swartland Municipality are licensed and externally audited annually, except for the Highlands Landfill site that is audited quarterly.

Detail planning and design for the construction of a new cell at the Highlands landfill has commenced and it is envisaged to commence with construction in the 2024/2025 financial year. It is estimated that the new cell will be required in the 2026/2027 financial year.

3.2.5 HOUSING

(a) Introduction

Swartland Municipality's strategy is to promote, facilitate and develop integrated and sustainable human settlements. The Human Settlement Housing Pipeline of the Municipality is of great importance as it allows the Municipality to clearly and concretely present their municipal housing strategy in terms of specific housing projects with accompanying budgets for the short, medium and long term.

The successful completion of some projects is however subject to funding, suitable land and some bulk infrastructure upgrades.

(b) Percentage of households with access to basic housing - 2022 Census

Census Year	Households In Formal Settlements	Households In Informal Settlements	Total Number Of Households
2022	44 856	0	44 856

(c) Housing performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland Area	D195	(1) Investigate and report to council the advantages of Municipal housing accreditation by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	
4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland Area	D196	(2) Develop a housing pipeline annually by May			0	1 annually by May	1 by 9 November 2023	5	1 annually by May	
4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland Area	D197	(3) Obtain land use rights and secure funding for mixed housing developments annually			0	100% annually	100% by 6 June 2024	5	100% annually	Email was sent to MM on 6 June 2024
4.1 Maintain a balance between non-paying and paying households through the increased provision of affordable	D198	(4) Appoint credible social housing institution to build and manage social housing by June 2025			0	100% by June 2025	N/a (2024/2025 financial	0	100% by June 2025	

housing, Finance Linked Individual Subsidy Programme (FLISP) housing, Gap housing and social housing in the Swartland Area							year)			

(d) Employees: Housing Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	1	1	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	3	3	3	0	

(e) Financial Performance: Housing Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 407 962	R3 114 384	R3 038 384	R2 575 495	82.70%
2 Contracted Services	R22 485 475	R95 000	R279 520	R358 868	377.76%
3 Other	R1 280 326	R1 491 439	R1 446 549	R1 815 588	121.73%
TOTAL	R26 173 763	R4 700 823	R4 764 453	R4 749 951	

(f) Capital Expenditure: Housing Services

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Stormwater)	R27 500 000	R22 685 342	R23 973 312	87.18%
23/24 Malmesbury De Hoop Serviced Sites (Bulk)	R500 000	R60 000	R0	0.00%

23/24 Malmesbury De Hoop Serviced Sites Phase 1 (Water)	R6 500 000	R5 361 990	R4 600 628	70.78%
23/24 Darling Serviced Sites (186) Phase 1 (Sewerage)	R0	R160 000	R160 000	0.00%
23/24 Darling Serviced Sites (186) Phase 1 (Water)	R0	R190 000	R156 909	0.00%
23/24 Malmesbury De Hoop Serviced Sites (Phola Park)	R1 736 000	R393 635	R390 807	22.51%
23/24 Darling Serviced Sites (186) Phase 1	R2 000 000	R0	R0	0.00%
23/24 Malmesbury De Hoop Serviced Sites (Bulk) Water	R0	R440 000	R0	0.00%
23/24 Malmesbury De Hoop Serviced Sites (Sewerage)	R7 800 000	R6 434 388	R5 964 094	76.46%
23/24 Malmesbury De Hoop Serviced Sites (Prof Fees)	R3 200 000	R10 518 280	R10 518 280	328.70%
23/24 Malmesbury De Hoop Serviced Sites (Phola Park) (Prof Fees)	R124 000	R885 234	R480 426	387.44%
23/24 Darling Serviced Sites (327) Prof Fees Phase 2	R454 000	R454 000	R454 000	100.00%
23/24 Purchasing of Land: Silvertown	R0	R5 466 909	R0	0.00%
23/24 Darling Serviced Sites (186) Phase 1 (Streets & Stormwater)	R0	R683 091	R683 090	0.00%
23/24 Moorreesburg (Professional Fees)	R2 200 000	R3 200 000	R3 200 000	145.45%
23/24 Malmesbury De Hoop Serviced Sites (Phola Park) (Sewerage)	R0	R331 483	R329 102	0.00%
23/24 Malmesbury De Hoop Serviced Sites (Phola Park) (Streets & Stormwater)	R0	R1 346 648	R1 336 973	0.00%
23/24 Malmesbury De Hoop (Professional Fees)	R2 300 000	R500 000	R454 017	19.74%
23/24 Darling 186 (Professional Fees)	R1 000 000	R1 396 000	R1 396 000	139.60%
TOTAL	R55 314 000	R60 507 000	R54 097 637	

(g) Comment on Housing performance overall

The De Hoop Housing Project (395 Top Structures) was completed end of April 2023. All the houses have been handed over to the approved beneficiaries in the project. Also note that 385 title deeds have been registered and is in the process of being handed over to respective owners of the houses. The project also make provision for 29 disable persons (10 wheelchair and 19 partially/total movement loss).

3.2.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

(a) Introduction

The criteria for assistance to indigent households, in terms of the 2023 Indigent Policy of Swartland Municipality (For the 2023-2024 Financial year), entail the following:

- where the property occupied by such owner is valued at R105 000 or less, or as determined by council annually, provided that the R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be excluded from the R105 000 and the combined income of all the persons residing on the property does not exceed R4 515;
- where the property that is occupied by the owner is valued at more than R105 000, but the combined income of the occupants does not exceed R4 515; or
- where the occupier is not the owner of the property and the combined income of the occupants does not exceed R4 515; and where it is found that a state official whether from a national, provincial or local department is resident on a property, the indigent subsidy will not be granted or cancelled as the case may be.

None of the persons residing on a property, mentioned above, may own any other immovable property.

Subject to sustainability and affordability, financial assistance to an indigent household shall be appropriated as follows -

- 50 kWh electricity per month, which shall include the basic charge of electricity for the month where a conventional meter is still applicable;
- sanitation fees or the fees payable in respect of the pumping of a suction tank to an amount equal to the tariff determined;
- fees for waste removal;
- 6 kl water per month; which shall include the water network charge for the month; and
- rates payable to a maximum amount calculated at the tariff multiplied by R105 000 or less, provided that the R15 000 exemption as contemplated in section 17(1)(h) of the Act shall be excluded.

Sewerage blockages for indigent households will be subject to a reduced sewerage service fee as determined by the director of finance and subject to the municipality's rates and tariff policies.

(b) Free Basic Services To Low Income Households (current year)

Total Number Of Households	Number Of PoorHouseholds
44 856	9 010

Service Name	Households	Percentage
Electricity Distribution	8 244	91.50%
Rates Services	8 021	89.02%
Refuse Removal	9 010	100.00%
Sewerage Services	8 650	96.00%
Water Services	8 966	99.51%

(c) Financial Performance: Cost to Municipality of Free Basic Services Delivered (current year)

Service	Original Budget	Adjustment Budget	Actual
Electricity Distribution	R9 495 128	R9 495 128	R8 449 445
Rates Services	R3 330 768	R3 330 768	R3 148 292
Refuse Removal	R18 206 198	R18 206 198	R17 735 693
Sewerage Services	R30 626 075	R30 626 075	R28 820 237
Water Services	R14 953 047	R14 953 047	R13 585 359

(d) Comment on free basic services and indigent support

The following services are subsidised to indigent households:

- 50 kWh electricity per month, which shall include the basic charge for electricity for the month where a conventional meter is still applicable;
- sanitation fees or the fees payable in respect of the pumping of a suction tank to an amount equal to the tariff determined;
- fees for waste removal;
- 6 kl water per month; which shall include the water network charge for the month;
- rates payable to a maximum amount calculated at the tariff multiplied by R105 000, or less, provided that the R15 000.00 exemption as contemplated in section 17(1)(h) of the Act shall be excluded;
- Sewerage blockages for indigent households will be subject to a reduced sewerage service fee as determined by the director of finance and subject to the municipality's rates and tariff policies.

All the new low-cost housing schemes have immediate access to free basic services. Swartland Municipality also assist indigent households situated in areas where Eskom is the service provider for electricity with free basic electricity in terms of a service agreement entered into between Swartland Municipality and Eskom.

Free Basic Services to indigent households have decreased from 9205 on 30 June 2023 to 9010 on 30 June 2024.

3.3 ROAD TRANSPORT

3.3.1 PROCLAIMED ROADS, STREETS AND STORM WATER

(a) Introduction

ROADS

The urban road network in Swartland Municipality comprises 64km of gravel roads and 337km of permanently surfaced roads.

Securing sufficient funding for the maintenance of roads remain a challenge and therefore the municipality has taken a strategic decision to increase the spending on infrastructure maintenance. To this end, R 9 251 164 was spent on the resurfacing of roads.

The roads Master Plan for Malmesbury has been updated and new bulk services charges has been calculated.

STORM WATER

The storm water drainage network in urban areas in the Swartland municipal area comprises a piped system and open drainage channels with a length of approximately 224 km. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during winter. The upgrading of roads however contributes to the addressing of this backlog as storm water drainage is installed together with the construction of roads.

The misuse of the storm water system remains a matter of concern. Blockages that cause flooding frequently occur due to foreign matter entering drainage pipes. Maintaining and cleaning the system is an ever increasing expense and effort.

(b) Kilometres Gravel Road Infrastructure

Total Gravel Roads	New Gravel Roads Constructed	Gravel Roads Upgraded To Tar	Gravel Roads Graded / Maintained
64	0	4	64

(c) Kilometres Tarred Road Infrastructure

Total Tarred Roads	New Tar Roads	Existing Tar Roads Retarred	Existing Tar Roads Resheeted	Tar Roads Maintained
337	4	0	6	337

(d) Kilometres Storm water Infrastructure

Total Stormwater Measures	New Stormwater Measures	Stormwater Measures Upgraded	Stormwater Measures Maintained
224	3	0	224

(e) Cost of Construction/Maintenance - Roads

Gravel New	Gravel - Tar	Gravel Maintained	Tar New	Tar Re-Worked	Tar Maintained
0	0	R6 541 529	R21 553 580	R20 758 050	R22 437 241

(f) Cost of Construction/Maintenance – Storm water

New Stormwater Measures	Upgraded Stormwater Measures	Maintained Stormwater Measures
3	0	R20 313 510

(g) Streets and Storm Water performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
3.5 Maintenance and upgrading that sustain and improve the current condition of surfaced roads	D46	Investigate and report to the Portfolio Committee annually by June on the status quo condition of surfaced roads			0	1 annually by June	0	4	1 annually by June	Report could not be compiled due to late completion of roads capital projects. Roads projects only completed in June and information required for report is

										only available upon final completion. Corrective Measure: Report to be submitted to the following Portfolio Committee.

(h) Employees: Streets and Storm Water

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	27	21	21	0	0.00%
04 - 06	21	26	26	0	0.00%
07 - 09	20	18	19	1	5.26%
10 - 12	4	4	4	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	73	70	71	1	

(i) Financial Performance: Streets and Storm Water

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R19 510 827	R21 516 966	R21 540 466	R20 616 325	95.81%
2 Contracted Services	R6 399 892	R6 490 543	R7 511 490	R7 475 244	115.17%
3 Other	R41 198 542	R54 012 288	R48 353 762	R41 958 761	77.68%
TOTAL	R67 109 261	R82 019 797	R77 405 718	R70 050 330	

(j) Capital Expenditure: Streets and Storm Water

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Ward Committee Projects: Roads (Acquisitions:Outsourced)	R1 000 000	R1 000 000	R840 630	84.06%

23/24 Construction of side walks and recreational nodes in Illinge Lethu and Wesbank	R1 224 943	R1 200 108	R1 200 108	97.97%
23/24 Donated PPE: Stormwater Infrastructure (De Werf)	R0	R2 168 711	R1 529 395	0.00%
23/24 Donated PPE: Roads Infrastructure (De Werf)	R0	R12 880 433	R4 069 339	0.00%
23/24 Roads: CK18925 UD85	R1 316 175	R1 182 000	R1 182 000	89.81%
23/24 Stormwater Network (Materials and Supplies)	R20 000	R3 603	R0	0.00%
23/24 Upgrading of N7/Voortrekker Northern Interchange	R2 381 500	R2 381 500	R2 381 050	99.98%
23/24 Roads Swartland: Construction of New Roads (MIG)	R14 708 000	R14 178 506	R14 178 506	96.40%
23/24 Roads Swartland: Resealing of Roads (CRR)	R10 000 000	R9 251 164	R9 251 164	92.51%
23/24 Stormwater Network (Acquisitions:Outsourced)	R200 000	R200 000	R199 836	99.92%
23/24 Ward Committee Projects: Roads (Materials and Supplies)	R100 000	R100 000	R0	0.00%
23/24 Equipment: Streets and Stormwater	R64 000	R64 000	R62 612	97.83%
23/24 Roads Swartland: Construction of New Roads (CRR)	R9 000 000	R10 950 000	R10 950 000	121.67%
23/24 Asphalt Sidewalks: Landbou Street, Moorreesburg	R0	R500 000	R500 000	0.00%
23/24 Access road and Intersection Upgrading: Illinge Lethu	R0	R666 891	R666 891	0.00%
23/24 Stormwater Network (Compensation of Employees)	R30 000	R46 397	R46 397	154.66%
TOTAL	R40 044 618	R56 773 313	R47 057 927	

(k) Comment on the performance of proclaimed roads and streets overall

The amount of R 9 251 164 was spent on the resealing and the rehabilitation of roads.

The amount of R 25 128 506 was spent on the construction of new roads with a length of 4km.

A new traffic circle with access roads at the northern N7 interchange in Malmesbury was completed in the 2023/24 financial year. This is provide access to a mall develeppment to the North of Malmesbury.

The IDP has five strategic goals and proclaimed roads, streets and stormwater are aligned to the following strategic goals:

Strategic Goal 3 - Quality and Reliable Services

(l) Comment on the performance of storm water overall

The IDP has five strategic goals and proclaimed roads, streets and stormwater are aligned to the following strategic goals:

One: Community Safety and Wellbeing

Two: Economic Transformation

Three: Quality and Reliable Services

Various actions have been developed to ensure that the strategic goals are achieved. These include the increase on maintenance spending and the implementation of an asset management plan.

3.4 PLANNING AND ECONOMIC DEVELOPMENT

3.4.1 BUILT ENVIRONMENT

(a) Introduction

This municipality has amended their Land Use Planning By-Law and implemented the new by-law from 25 March 2020.

Swartland Municipality has adopted the 2023-2027 Amendment of the Spatial Development Framework in terms of above By-Law in May 2023.

All land use applications whereby no objections have been received within the public participation are finalised by the authorised employee within 90 days. All other land use applications with comments/objections be dealt with by the Municipal Planning Tribunal.

Since January 2020 all new building plan applications are uploaded to our electronic building control Portal on our web site. Many challenges have been dealt with and progress has been made. The Town Planning Division assists the Building Control Division to such an extent that all town planning matters be clarified before building plans officially be submitted to the Portal.

Our new date of valuation is 1 July 2023 and the new General Valuation Role be implemented on 1 July 2024. Thereafter two Supplementary Valuations Roles to follow annually.

Since May 2024 all new land use applications are uploaded electronically to the Land Use Portal on our website. The submission process has been streamlined and technical problems has been resolved.

(b) Applications for Built Environment

	Subdivision		Rezoning		Building Plans	
Application Category	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Planning application received	60	37	1050	27	38	917
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	5	3	6	0	0	3
Determination made in year of receipt	49	34	568	23	28	386
Determination made in following year	6	0	482	1	4	531

(c) Built Environment performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
4.2 Alignment of capital expenditure framework between spatial planning, engineering and financial services	D199	Develop a capital expenditure framework in collaboration with DEADP and the Development Bank of SA and submit a report to Council by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	
4.3 Climate change study	D200	Do a study of climate change mitigation and adaptation and report to council by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	

(d) Employees: Planning, Valuation

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	0	0	0	0.00%

10 - 12	0	1	1	0	0.00%
13 - 15	3	3	3	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	6	6	6	0	

(e) Employees: Building Control

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	1	0	0	0	0.00%
07 - 09	1	2	2	0	0.00%
10 - 12	3	3	3	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	6	6	6	0	

(f) Financial Performance: Planning, Valuation

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R5 883 455	R6 099 836	R6 138 336	R6 484 442	106.31%
2 Contracted Services	R2 436 087	R2 371 922	R3 067 805	R2 202 187	92.84%
3 Other	R706 057	R1 094 250	R808 229	R612 377	55.96%
TOTAL	R9 025 599	R9 566 008	R10 014 370	R9 299 006	

(g) Financial Performance: Building Control

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R3 164 480	R3 677 004	R3 698 004	R3 578 119	97.31%
2 Contracted Services	R0	R0	R0	R0	0.00%
3 Other	R39 829	R102 587	R102 837	R69 304	67.56%
TOTAL	R3 204 309	R3 779 591	R3 800 841	R3 647 423	

(h) Capital Expenditure: Built Environment

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 LED Units/Trading Stalls:Darling	R500 000	R500 000	R450 045	90.01%
23/24 LED Units/Trading Stalls:Darling (RSEP)	R500 000	R500 000	R500 000	100.00%

(i) Comment on Built Environment overall

The three Divisions within the Department: Development Management understand their role towards economic development in the Swartland to enhance job creation as part of the value chain.

The administration processes are streamlined in order to enhance decision-making to promote economic development and job creation in our area.

The Municipality won a Silver Award (second place) in the Category Red Tape Reduction/Ease of Doing Business of the 2024 Service Excellence Awards of the Western Cape Government

3.4.2 ECONOMIC DEVELOPMENT

(a) Introduction

The Swartland Economic Development Plan was approved by the Mayoral Committee in May 2023. The plan outlines Swartland Municipality's strategic initiatives and key performance indicators for economic development, aligning with national and provincial policies, including the South African Economic Reconstruction and Recovery Plan and the Western Cape Economic Recovery Plan. It emphasizes collaboration with entities like Wesgro and the Western Cape Department of Agriculture to contribute to local, regional, and national development goals. The strategy is based on three pillars namely (1) Boost industries, (2) Stimulate the Market and (3) Overcome binding constraints and reform.

It provides a basis for the development of implementation commitments by first identifying national and provincial initiatives to which local government can contribute and secondly by listing other initiatives discussed in the document to which local government can contribute.

The Municipality cannot grow the economy or create jobs. Therefore, to implement this plan, a partnership between the public and private sector is inevitable.

The national, provincial and other initiatives identified above provides a framework within Swartland Municipality can develop its own implementation commitments, i.e. how and where the Municipality can become involved or provide support to economic development and recovery initiatives.

(b) Jobs Created by LED Initiatives (Excluding EPWP projects)

Description	Jobs Created
Capital projects (contracts > R200 000)	5
Capital projects (contracts > R200 000)	17
Capital projects (contracts > R200 000)	12
Capital projects (contracts > R200 000)	15
Capital projects (contracts > R200 000)	20
Capital projects (contracts > R200 000)	36
Capital projects (contracts > R200 000)	5
Capital projects (contracts > R200 000)	4
Capital projects (contracts > R200 000)	12
Capital projects (contracts > R200 000)	28

(c) Job creation through EPWP projects

Number Of Jobs	Notes
307	

(d) Economic Development performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Reg 10(d): The number of jobs created through municipality's LED initiatives including capital	D60	Create 150 jobs through Municipality's capital projects (contracts > R200 000) by 30 June			0	150 jobs by 30 June	186	5	150 jobs by 30 June	

projects										
2 Indicators from IDP										
2.1 Skills development	D61	Investigate the establishment of a skills development centre by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	
2.2 Global networks and an active participant in global knowledge exchange	D62	Investigate global partnerships and submit a proposal to the Mayoral Committee by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	
2.3 Investment Promotion / Marketing	D63	(1) Collaborate with other levels of government and other organisations to promote Swartland as a preferred destination for business and investment and report bi-annually to the management team			0	2 for the year	2	5	2 for the year	Reports provided to the management team 26 April and 26 June 2024
2.3 Investment Promotion / Marketing	D64	(2) Improve investment by creating an online platform by June 2026 to share information with investors			0	100% by June 2026	N/a (2025/2026 financial year)	0		
2.4 Assist and support SMME	D65	(1) Ensure the development of an SMME Policy and submit to Council by June 2024			0	1 by June 2024	1 by 21 May 2024	5		SMME Policy was adopted by Council on 21 May 2024
2.4 Assist and support SMME	D66	(2) Ensure the organisation of an annual SMME summit or indaba			0	1 annually	1	5	1 annually	SMME Indaba was held on 17 May 2024
2.4 Assist and support SMME	D67	(3) Ensure the investigation of SMME hubs in the Swartland area and submit report to Mayoral committee by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	

2.5 Improving the ease of doing business	D68	Create a one stop shop for all business enquiries by June 2025			0	100% by June 2025	N/a (2024/2025 financial year)	0	100% by June 2025	
3 Indicators Directors										
Liaison with business role-players	D47	Hold a annual event with local businesses before end of June			0	1 annually before end of June	1	5	1 annually before end of June	SMME Indaba was held on 17 May 2024
LED fund management	D48	Spend 90% of the LED funds by end of June			0	90% by end of June	93.3%	5	90% by end of June	R26 126.85 of R28 000.00 spent

(e) Comment on Economic Development overall

Monitoring and evaluation of LED progress will be enhanced to speed up learning and skills in LED. The purpose of evaluation is to measure progress, reflect on what worked as planned and what did not. And then to learn from the new insights gained. Working smarter increases the scale of future results. Without evaluation, mistakes are repeated. Evaluation will be integrated with the monitoring system and will focus on the measurement of actual output, outcomes and impact resulting from economic development initiatives. To make the evaluation process easier, the LED performance framework provides a default set of performance indicators.

3.5 COMMUNITY AND SOCIAL SERVICES

3.5.1 COMMUNITY DEVELOPMENT AND THUSONG SERVICE CENTRES

(a) Introduction

The Community Development division consists of a manager, a principal clerk, a community development officer (Youth Focus) who are supported by an administrative assistant, community development officer (ECD) and one Thusong Service Centre Officer who are supported by one administrative assistant, a caretaker. The team worked hard to achieve goals and to work more integrated with the new focus on social regeneration that strengthened the Division to have more effective events/workshops/training. This was demonstrated with collaborative projects like the Thusong outreaches and GBVF Wards Based Awareness programme that have awareness on 36 days of activism campaigns. The Division reached out to the communities together with NGO's and government partners to provide integrated service delivery in the social sector. The division also made a shift towards outcome based programmes and not once off projects. Furthermore, programmes were implemented together with the beneficiaries and were focussed on establishing structures that will make it easier for communities to work in collaboration with service providers. This approach stems from the vision of the Swartland Municipal Social Development Policy and Strategy 2017 and the Social Regeneration strategy to strengthen the social fabric of the community.

(b) Community Development performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
1.1 SMME development	D191	SMME Policy developed and approved by Council by June 2024			0	1 by June 2024	1 on 21 May 2024	4.7		SMME Policy was adopted by Council on 21 May 2024
1.2 Social regeneration	D192	Social Regeneration Strategy developed and approved by Council by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	
1.3 Take action against Gender-Based Violence and Femicide (GBVF)	D193	GBVF Strategy developed and approved by Council by June 2026			0	1 by June 2026	N/a (2025/2026 financial year)	0		
1.4 Youth Development	D194	Youth Policy developed and approved by Council by June 2027			0	1 by June 2027	N/a (2026/2027 financial year)	0		

(c) Employees: Community Development

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	2	1	1	0	0.00%
10 - 12	2	2	2	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%

TOTAL	5	4	4	0	

(d) Employees: Thusong Service Centres

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	1	1	1	0	0.00%
07 - 09	1	2	2	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	3	4	4	0	

(e) Financial Performance: Community Development

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 811 925	R3 714 471	R3 601 471	R3 113 166	83.81%
2 Contracted Services	R265 983	R370 000	R370 800	R300 116	81.11%
3 Other	R405 674	R409 120	R666 968	R144 087	35.22%
TOTAL	R3 483 582	R4 493 591	R4 639 239	R3 557 369	

(f) Financial Performance: Thusong Service Centres

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 287 243	R1 392 691	R1 395 191	R1 381 457	99.19%
2 Contracted Services	R20 129	R51 295	R48 342	R18 633	36.33%
3 Other	R155 647	R235 491	R256 589	R193 883	82.33%
TOTAL	R1 463 019	R1 679 477	R1 700 122	R1 593 973	

(g) Capital Expenditure: Community Development

No capital projects

(h) Comment on the performance of Community Development and Thusong service centres overall

An extensive range of programmes and twas carried out in the field of social development in 2023/2024. Programmes that was implemented was part of the SOCIAL REGENERATION intitatives to ensure that the places where people live, now and in the future, create new opportunities, promote wellbeing and reduce inequalities so that people have better lives, in stronger communities, and achieve their potential. Social and economic development are very important for sustainable development therefore entrepreneurs were given access to the economy and projects focussed on Early Childhood Development and the legalisation of child facilities, child development, youth development, co-ordination and collaboration, access to economy, vulnerable groups. Social Regeneration is incorporated within the six focus areas of the Swartland Municipal Social Development Policy and Strategy.

SOCIAL REGENERATION PROJECTS:

Promote the legalisation of Early Childhood facilites and Early Childhood Development;

A total of nineteen (19) capacity building sessions were organised for the Early Childhood Development Sector. The ECD forum and creches were capacitated with the seven building blocks of the Discipline starts at home programme to train local coaches in order to stregthen overall discipline of learners. Assistance to 19 ECD facilities was rendered in order to legalise and register facilities. In total 2 facilities obtained registration at the Department of Social Development and 5 creches are waiting for their certificates.

Promote Child Development:

School holiday programmes was implemented from 2-6 October 2023, 8-12 January 2024 and 25-28 March 2024..A total of 2390 children benefitted from the school holiday program and 145 youth volunteers assisted with the programme. Towns that participated was: Koringberg, Riebeek-West, Riebeek-Kasteel, Riverlands, Chatsworth, Kalbaskraal, Malmesbury Elkana, Malmesbury Sinethemba, Moorreesburg, Abbotsdale and Darling Urban (Darling Outreach).

Youth development

The number of youth and people from the whole of the Swartland community assisted with career guidance and information about economic opportunities was 6858 for the year. In terms of youth development a total of 1558 youth received assistance with job applications and 84 were placed in job opportunities. 147 youth were placed in learnership, internship and apprenticeships programmes with a stipend for a period of time. They are learning a new skill which makes them equipped for possible job opportunities and earn an income on a monthly basis. The target for the youth assistance in career guidance was 3000 for the year. The Annual Career Exhibition was held on 14-17 May 2024 were 3161 learners was reached (Ilinglethu Secondary School, Swartland High School, Schoonspruit Secondary School, Wesbank Secondary School and Riebeek Valley Special School, New Moorreesburg High School and Malmesbury High School (Chatsworth).

Collaboration and coordination

In terms of collaboration and co-ordination the Swartland Social Development Forum's extension via the Local drug Action Committee had capacity building sessions that was focussed on Koringberg and Moorreesburg to do awareness on the negative impact of drug abuse. GBVF were also addressed as part of the awareness. This was done in partnership with DSD, WCDM, WCDOE, SAPS, NGO's and government departments.

Access to economy

To provide access to the economy 267 people attended the entrepreneurial workshops which included SEDA, WCDM and service providers that capacitated entrepreuneurs on how to

register their business and become sustainable. The people are now aware of the local content production procedures, how to get documentation in order and regulations that are relevant to enhance and sustain their businesses. Through the Social Regeneration program an Interim SMME forum was established and a youth control group as part of the interventions of SMME development.

Vulnerable groups

The Thusong programme, by means of the Thusong Mobile Outreaches were held and reached 3279 people by assisting them to access essential government services. A total of ten mobile outreaches were held for people within the Swartland Municipal area. This made essential government services accessible to the rural communities. Thusong Mobiles held in: Moorreesburg, Riebeek-West, SARS outreach in Moorreesburg, SARS outreach in Riebeek-Kasteel, SARS outreach in Riebeek-West, Darling x2; Chatsworth, Home Affairs outreach in Moorreesburg and Kalbaskraal.

3.5.2 LIBRARIES

(a) Introduction

Swartland has 9 libraries in its area. All libraries' opening hours are from Monday to Friday 09:00 until 17:00. The libraries have 33 permanent library personnel. There are also 3 EPWP workers who act as cleaners at three of the libraries. Libraries are financed through the conditional grant and municipal replacement fund from the Department of Cultural Affairs and Sport.

(b) Employees: Libraries

Level	PreviousYearPosts	Employees	Posts	Vacancies	VacanciesAsPercentage
00 - 03	1	1	1	0	0.00%
04 - 06	21	21	21	0	0.00%
07 - 09	8	7	8	1	12.50%
10 - 12	3	2	2	0	0.00%
13 - 15	0	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	33	32	33	1	

(c) Financial Performance: Libraries

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R10 801 602	R11 033 958	R11 029 958	R11 521 656	104.42%
2 Contracted Services	R89 834	R129 906	R129 906	R97 282	74.89%
3 Other	R1 066 382	R1 422 287	R1 438 277	R1 724 059	121.22%
TOTAL	R11 957 818	R12 586 151	R12 598 141	R13 342 997	

(d) Capital Expenditure: Libraries

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Equipment Insurance (Libraries) Office Equipment (non-cash)	R0	R0	R73 570	0.00%
23/24 Equipment: Libraries	R50 000	R50 000	R48 004	96.01%

(e) Comment on the performance of libraries overall

All nine libraries have free internet access available to the public through the ICT project funded by the Department of Cultural Affairs and Sport. Most libraries have young people called "Yeboneers" which are on a programme from Provincial Government where they assist library users with computer usage, CV's etc.

The average monthly circulation of books between the libraries are +- 18 000. Between the 9 libraries, they do an average of 63 outreach programmes per month. Riebeek Kasteel library offers a programme "Library for the Blind" whereby audio books are available to the visually impaired. Moorreesburg library offers educational games sponsored by the Bill and Melinda Gates Foundation.

There is a partnership between the Swartland Municipality and UNISA where students may use the libraries for certain student activities. The libraries also act as a courier service for study material for the students.

3.5.3 CEMETERIES**(a) Introduction**

Swartland Municipality operates and maintains ten cemeteries. The services provided include the timely and correct preparation of graves for use, maintaining a register of graves and the maintenance of cemeteries to an acceptable level of tidiness. EPWP projects were also implemented for the maintenance of cemeteries. Vandalism of cemeteries and the theft of fences remain a problem throughout the Swartland and the Municipality do not have the resources to effectively deal with this problem. The extension of existing cemeteries and the development of new cemeteries are also problematic due to the tedious public consultation processes and environmental authorisation processes that must be followed.

(b) Financial Performance: Cemeteries

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R264 737	R309 700	R310 700	R353 643	114.19%
2 Contracted Services	R176 825	R221 072	R190 286	R157 895	71.42%
3 Other	R302 828	R462 401	R479 336	R477 794	103.33%

TOTAL	R744 390	R993 173	R980 322	R989 332	

(c) Capital Expenditure: Cemeteries

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Wesbank Cemetery: Extension	R200 000	R200 000	R23 704	11.85%
23/24 New Cemetery Fencing: Moorreesburg	R900 000	R540 000	R452 513	50.28%

(d) Comment on the performance of cemeteries overall

The IDP has five strategic goals and the provision of cemeteries is aligned to strategic goal three: Quality and Reliable Services.

3.6 OCCUPATIONAL HEALTH AND SAFETY (INCLUDING POLLUTION CONTROL)

(a) Introduction

Air Quality

Swartland Municipality's Air Quality Management Plans (AQMP) forms part of the greater West Coast District Municipality's AQMP. The AQMP forms Swartland Municipality's IDP and was approved by Council.

A public participation process took place to inform all people in the Swartland municipal area about the AQMP.

Dust and odour control forms part of the AQMP.

The Municipality also compiled a database of all Fuel burning processes that are within its area of jurisdiction.

An Air Quality Officer for Swartland Municipality have been appointed.

The Municipality also appointed a Noise Control Officer for Swartland Municipal area.

The designation of an Environmental Management Inspector (EMI), (Grade 2) has also been concluded.

Promote a clean and healthy environment

To address all health complaints and applying the By-Law relating to the prevention and suppression of Nuisances – and ensure that all identified erven in urban areas are compliant.

Pest control – only on municipal premises as well as a Annual Pest Control programme where we deal with crawling insects as well as rodents in the municipal sewerage / storm water drain system.

Application for Authorisation for the Installation of Fuel Burning Equipment relating to Swartland Municipal Air Quality By-Law.

(b) Employees: Occupational Health and safety

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	2	2	2	0	

(c) Financial Performance: Occupational Health and safety

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 802 322	R1 972 020	R1 993 020	R1 962 149	99.50%
2 Contracted Services	R35 736	R78 947	R78 347	R45 770	57.98%
3 Other	R33 324	R68 165	R68 209	R51 997	76.28%
TOTAL	R1 871 382	R2 119 132	R2 139 576	R2 059 916	

(d) Comment on the performance of occupational health and safety overall

Measures taken to improve performance and achievements: Performance objectives – key performance indicators and targets are set. Monthly monitoring is done by the Strategic Manager.

Support is given to those communities that are living in poverty through:

- Properly address all environmental complaints
- Ensuring that all identified erven in urban areas are complaint with standards
- Monitoring air pollution in the area
- Annual pest control programme
- Handling of noise control complaints to adhere to the Noise Control Regulations of June 2013
- Handling of dust control regulations, referring to Air Quality By-law (Swartland Municipality)
- Appointed as Environmental Management Inspector (Grade 2)

3.7 SECURITY AND SAFETY

3.7.1 TRAFFIC AND LAW ENFORCEMENT SERVICES (INCLUDING LICENCING AND REGISTRATION SERVICES)

(a) Introduction

The Swartland Municipal Council decided to restructure the Municipal Police to become a Traffic and Law Enforcement service from 1 July 2013. Ever since 1 July 2013 Swartland Municipality have a functional Traffic & Law Enforcement service. The core functions of the Swartland Traffic and Law Enforcement Service (STLES) are to proactively police the Municipal by-laws and to enforce the National Road Traffic Act and to reduce road accident fatalities within the Swartland. During the financial year 2023/2024 STLES rendered successful services in traffic and by-law enforcement. Performance within the STLES is subject to resources which includes human resources and vehicles. Two specialized units (Dog-unit & LEAP) were established with grant funding from The Western Cape Provincial Government. The Swartland Municipality is divided into 12 wards and the STLES service all these wards. Traffic and by-law campaigns were given at schools and to NGO's.

Road safety programs assist motorists and pedestrians to act proactively and to change negative behaviour towards road safety. The risk of accidents was reduced through visibility and road safety educational programs.

(b) Traffic Policing and By-law Enforcement

Category	Previous Year Actual Number	Actual Number
Number of law enforcement officers on duty on an average day	50	50
Number of law enforcement officers in the field on an average day	58	58
Number of road traffic accidents during the year	0	0
Number of by-law infringements attended	1064	1826

(c) Traffic Policing and By-law Enforcement performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
1.5 Improve the prosecution of law enforcement offenders	D236	Establishment and financial viability of a municipal court investigated and reported to Council by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	

1.6 Animal pound for the Swartland area	D237	(1) Animal bylaw developed and approved by Council by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	
1.6 Animal pound for the Swartland area	D238	(2) Available land identified and the possibility of a pound investigated by June 2026			0	100% by June 2026	N/a (2025/2026 financial year)	0		
1.7 Integrated operational emergency room	D239	(1) Viability and feasibility study in collaboration with all role-players conducted by June 2026			0	100% by June 2026	N/a (2025/2026 financial year)	0		
1.7 Integrated operational emergency room	D240	(2) CCTV camera bylaw developed by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	
1.8 Increase law enforcement presents in all towns	D241	Establishment of law enforcement offices in all Swartland towns investigated and reported to Council by June 2028			0	100% by June 2028	N/a (2027/2028 financial year)	0		
1.9 Document management	D242	Document storage facility / space secured by June 2024			0	100% by June 2024	100%	5		Quatations were received on 6 November 2023 for document space, but due to lack of funding could not proceed
1.11 Extension of Traffic and Law Enforcement Services	D244	Establishment of a learners licence centre for Riebeeck Valley by June 2026			0	100% by June 2026	N/a (2025/2026 financial year)	0		

3 Indicators Directors										
Effective monitoring of informal settlements	D235	Report monthly to the Portfolio Committee on any new informal dwellings / structures erected			0	12 for the year	12	5	12 for the year	All reports was submitted when the Portfolio committee agenda closes which is within the first 10 days of a month

(d) Employees: Traffic Policing and By-law Enforcement

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	33	31	32	1	3.13%
10 - 12	46	44	46	2	4.35%
13 - 15	2	2	2	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	82	78	81	3	

(e) Financial Performance: Traffic Policing and By-law Enforcement

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R43 517 348	R44 551 017	R44 605 017	R45 744 463	102.68%
2 Contracted Services	R4 192 512	R4 466 400	R5 461 871	R5 906 659	132.25%
3 Other	R29 499 403	R29 348 139	R36 263 124	R32 635 831	111.20%
TOTAL	R77 209 263	R78 365 556	R86 330 012	R84 286 953	

(f) Capital Expenditure: Traffic Policing and By-law Enforcement

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Traffic: CK43672 Chevrolet Aveo	R329 123	R329 123	R288 298	87.60%
23/24 Traffic: CK39217 Chevrolet Aveo 1.6	R329 123	R329 123	R288 298	87.60%
TOTAL	R658 246	R658 246	R576 596	

(g) Comment on the performance of Traffic Policing and By-law Enforcement overall

The Swartland Traffic & Law Enforcement Service (STLES) **key performance areas** are traffic policing and by-law enforcement and has the following key performance indicators which is measured monthly and quarterly:

- Foot patrols
- Roadblocks
- By-law enforcement
- Vehicle check points (VCP) & visible blue light patrols
- Issuing of driving and learners licenses and roadworthiness of vehicles

A grant funded K9- Unit and LEAP Officers is also operational in the municipal area supporting the SAPS with crime prevention and addressing the usage and selling of drugs.

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3.7.2 FIRE FIGHTING SERVICES

(a) Introduction

Swartland Municipality has a Fire Fighting Service consisting of 6 full-time fire officers and 27 voluntary trained municipal workers. The top service delivery priorities for the year under review were:

- Preventing the outbreak or spread of fires
- The saving of lives and property
- To react rapidly with the available resources to extinguish reported fires.

During the year under review (2023/2024) the Swartland Fire Service reacted to 856 fires and 334 other incidents within the average turnout time especially within urban areas. The service delivery within the rural areas is still challenging due to the lack of resources. People living in informal settlements were given fire prevention tips to help them as a first line of response to the fires. Fire prevention campaigns were also aimed at the poor and a close relationship exists with schools and crèches in the municipal area.

The Fire Fighting Service is also responsible for the disaster management function.

(b) Municipal Fire Service Data

Category	Previous Year Actual Number	Actual Number
Total of other incidents attended in the year	293	334
Total fire appliances at year end	8	9
Average number of appliance off the road during the year	5	2
Total fires attended in the year	629	856
Fire fighters in post at year end	33	6
Average turnout time - urban areas	12 minutes	12 minutes
Average turnout time - rural areas	18 minutes	18 minutes

(c) Fire Service Policy performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
1.10 Strategic establishment and placement	D243	Study on the issue of structural fires and veld fires finalised and reported to Council by June 2024			0	1 by June 2024	1 on 12 June 2024	5		Report to Portfolio Committee on 12 June 2024

(d) Employees: Fire Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	4	4	4	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	6	6	6	0	

(e) Financial Performance: Fire Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R6 789 335	R6 816 318	R6 822 318	R7 816 724	114.68%
2 Contracted Services	R801 025	R590 670	R1 184 507	R1 107 992	187.58%
3 Other	R1 664 637	R2 594 662	R2 648 596	R2 561 323	98.72%
TOTAL	R9 254 997	R10 001 650	R10 655 421	R11 486 039	

(f) Capital Expenditure: Fire Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Equipment : Fire Fighting	R160 000	R160 000	R140 598	87.87%
23/24 Fire Fighting Equipment	R926 000	R926 000	R926 000	100.00%
23/24 Fire: CK38172 Nissan Cabstar (Replace with Light Pumper)	R1 950 000	R1 100 933	R1 100 933	56.46%
TOTAL	R3 036 000	R2 186 933	R2 167 531	

(g) Comment on the performance of fire services overall

The available resources are used to do the best we can to safeguard the community and to respond rapidly to any fire. We are privileged to have the support of **West Coast District Municipal Fire Fighting Service** who are keen to help where they can.

3.7.3 CIVIL PROTECTION (INCLUDING DISASTER MANAGEMENT)**(a) Introduction**

Disaster management within the municipality is still a big challenge. There is no dedicated staff responsible for disaster management. The Chief Fire and Disaster Officer is taking the responsibility of disaster management. The top service delivery priorities for the Municipality are: to proactively prevent, mitigate, respond and recover from the effects of all disasters. The municipality depends heavily on the support of the West Coast Disaster Management Centre for any back-up to a disaster.

(b) Financial Performance: Civil protection (including disaster management)

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R0	R0	R0	R0	0.00%
2 Contracted Services	R438 949	R360 000	R118 000	R85 147	23.65%
3 Other	R14 037	R20 000	R1 046 100	R810 973	4054.87%
TOTAL	R452 986	R380 000	R1 164 100	R896 120	

(c) Capital Expenditure: Civil protection (including disaster management)

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Equipment : K9 Unit	R40 000	R40 000	R28 339	70.85%

(d) Comment on the performance of Civil protection (including disaster management) overall:

No capital allocations are made in the budget for disaster management per se. In the operational budget an amount of R320 000 are set aside to help community members who have losses through fires destroying their living places.

Disaster Management is also taken seriously by the Civil and Development Departments as they recognise the linkage between disasters and development. The allocation of funds to address any disaster is still a great challenge.

3.8. SPORT AND RECREATION

3.8.1 SPORT, PARKS AND RECREATIONAL AREAS AND SWIMMING POOLS

(a) Employees: Sport, Parks and Recreational Areas and Swimming Pools

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	1	1	1	0	0.00%
07 - 09	2	3	4	1	25.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	3	4	5	1	

(b) Financial Performance: Sport, Parks and Recreational Areas and Swimming Pools**Sport**

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R3 424 368	R2 785 403	R2 869 403	R3 257 057	116.93%
2 Contracted Services	R1 182 502	R1 023 322	R1 417 232	R1 190 055	116.29%
3 Other	R3 163 494	R3 435 355	R3 439 126	R6 480 043	188.63%
TOTAL	R7 770 364	R7 244 080	R7 725 761	R10 927 155	

Parks and Recreational Areas

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R15 476 817	R17 445 728	R17 366 728	R16 454 588	94.32%
2 Contracted Services	R1 140 398	R1 049 185	R1 212 508	R1 266 368	120.70%
3 Other	R2 456 167	R3 689 199	R4 180 106	R2 700 499	73.20%
TOTAL	R19 073 382	R22 184 112	R22 759 342	R20 421 455	

Swimming Pools

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 320 012	R2 706 882	R2 712 882	R2 790 903	103.10%
3 Other	R938 764	R1 173 654	R1 183 674	R994 035	84.70%
2 Contracted Services	R389 921	R610 663	R490 663	R307 498	50.35%
TOTAL	R3 648 697	R4 491 199	R4 387 219	R4 092 436	

(c) Capital Expenditure: Sport, Parks and Recreational Areas and Swimming Pools

Sport

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Viewing Centres: Broadcasting equipment & related infrastructure	R75 000	R75 495	R75 495	100.66%
23/24 Upgrading of Ilinge Lethu Sports Fields	R1 300 000	R900 000	R889 154	68.40%
23/24 Upgrading of Ilinge Lethu Sports Fields (MIG)	R10 000 000	R8 876 494	R8 876 132	88.76%
23/24 Upgrading of Netball Courts: Moorreesburg	R966 000	R966 374	R966 374	100.04%
TOTAL	R12 341 000	R10 818 363	R10 807 155	

Parks and Recreational Areas

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Equipment: Parks	R64 000	R134 000	R129 284	202.01%
23/24 Equipment Insurance (Parks) Office Equipment (non-cash)	R0	R0	R10 170	0.00%
23/24 Parks: CK43400 Trailer with Roller	R136 500	R116 500	R116 500	85.35%
23/24 Parks: CK16683 Nissan NP300	R438 375	R435 304	R435 304	99.30%
23/24 Equipment Insurance (Parks) Machinery and Equipment (non-cash)	R0	R0	R53 610	0.00%
23/24 Parks: CK28881 John Deere Tractor	R577 889	R620 000	R620 000	107.29%
23/24 Ward Committee Projects: Parks (Materials and Supplies)	R100 000	R62 300	R174 630	174.63%
23/24 Ward Committee Projects: Parks (Acquisitions:Outsourced)	R1 000 000	R1 037 700	R1 037 700	103.77%
TOTAL	R2 316 764	R2 405 804	R2 577 198	

Swimming Pools

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Swimming Pool: Wesbank	R12 000 000	R7 300 000	R7 300 000	60.83%
TOTAL				

(d) Comment on the performance of sport, parks and recreational areas and swimming pools overall

The IDP has five strategic goals and the provision of sport facilities, parks and swimming pools are aligned to the following strategic goals:

One: Community Safety and Wellbeing

Three: Quality and Reliable Services

Various actions have been developed to ensure that the strategic goals are achieved.

3.8.2 CARAVAN PARK YZERFONTEIN**(a) Introduction**

The caravan park is situated near the beach and has 127 camping sites which all have braai places and are provided with water and 10 amp electricity supply points. There are 5 ablution blocks, each with bath and shower with hot and cold running water. One of these blocks has a dedicated physically disabled ablution facility. Shops and restaurants are all within walking distance from the park. There are 4 holiday house units situated in a quiet part of the park and are all six-sleepers. They are fully equipped but bedding, towels and braai grid are not supplied.

The following amenities are available in or near the park:

1. Children's play park for up to 14 year olds.
2. Laundry with washing machines and a dryer.
3. A large community hall, tennis courts and a bowling green.

(b) Employees: Caravan Parks

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	4	4	4	0	0.00%
07 - 09	1	1	1	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	6	6	6	0	

(c) Financial Performance: Caravan Parks

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 053 555	R2 187 176	R2 303 176	R2 288 665	104.64%
2 Contracted Services	R191 288	R217 618	R207 571	R159 982	73.52%
3 Other	R664 598	R688 959	R704 038	R830 172	120.50%
TOTAL	R2 909 441	R3 093 753	R3 214 785	R3 278 819	

(d) Capital Expenditure: Caravan Parks

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Equipment: YZF Caravan Park	R32 000	R30 873	R30 873	96.48%
23/24 YZF Caravan Park: Expansion	R700 000	R619 618	R531 320	75.90%
TOTAL	R732 000	R650 491	R562 193	

(e) Comment on the performance of Caravan Parks overall

The Yzerfontein Caravan Park is a very popular caravan park in the West Coast and is fully booked during December holidays as well as Easter Weekend.

It has a 90% and higher booking rate for weekends of February and March as well as long weekends during the summer.

The caravan park also has a good annual customer rating.

Newly built ablution facility at the Yzerfontein Caravan Park which is a wheelchair friendly facility.

3.9. CORPORATE MANAGEMENT

3.9.1 MANAGEMENT INFRASTRUCTURE AND CIVIL ENGINEERING SERVICES

(a) Infrastructure and Civil Engineering Services performance results

PerformanceObjective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
3 Indicators Directors										
Capital expenditure in line with budget and time frames	D01	Spend 95% of capital budget by the end of June			0	95% by end of June	92.85%	5	95% by end of June	Budget: R116 764 942, YTD Actual: R108 415 097 (includes R212 779.74 non-cash transactions) Reason for underspending: Funds have been in operational budget. This is the end result of a multi budget of three years. Corrective measure: None required
Operating expenditure in line with budget and time frames	D03	Spend 90% of the operating budget by the end of June			0	90% by end of June	98.47%	5	90% by end of June	Budget: R326 001 705, Actual: R321 005 505
Workforce training roll-out	D04	Ensure that 95% of planned training sessions according to the Workplace Skills Plan realised by the end of June			0	95% by end of June	100%	5	95% by end of June	
Council decision implementation	D05	Initiate/implement 100% of council decisions monthly			0	100%	100% for past 12 months	5	100%	
Performance and financial monitoring	D06	Ensure that monthly performance assessments are held			0	11 for the year	12	5	11 for the year	12 meetings held in 2023/2024 (10 Jul, 28 Aug, 26 Sep, 9 Oct, 20 Nov, 11 Dec, 15 Jan, 26 Feb,

										25 Mar, 15 Apr, 27 May, 27 Jun)
Annual Report inputs provided by departments	D07	Complete departmental input to the annual report on the AR Framework annually by end of October			0	100% annually by end of October	100%	5	100% annually by end of October	All inputs were received by 24 August 2023
Budget inputs provided by departments	D08	Submit budget requests to the financial department by end of October			0	1 by end of October	1 by 31 October 2023 at 15:14	5	1 by end of October	
Assignments from the municipal manager completed	D09	Number of written warnings received from the municipal manager by the end of June			0	0 by end of June	0	5	0 by end of June	No warnings received for period worked
Equal employment opportunity management	D10	Ensure that 90% of new appointments comply with the employment equity targets			0	90%	100% (9/9 employees)	5	90%	
Audit issues resolved	D13	% of internal audit actions implemented by 30 June			0	100% by 30 June	100%	5	100% by 30 June	Dates of internal audit findings addressed in 2023/2024: 15 Dec, 20 Feb, 22 Apr, 30 Apr, 24 Jun, 26 Jun
Audit issues resolved	D14	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days			0	100%	N/a (No COMAFs)	0	100%	
Audit issues resolved	D15	% of Auditor General's findings implemented by 30 June			0	100% by 30 June	N/a (No COMAFs)	0	100% by 30 June	
Risk identification and control implementation	D16	Complete bi-annual departmental risk assessments			0	2 for the year	2	5	2 for the year	Risk assessments for the first half of the year was held between 17-20 Oct and for the second half of the year between 22 - 30 April
Risk identification and	D17	% of Risk Action Plans			0	100% by 30	100% by	5	100% by 30	Risk action plan was

control implementation		implemented by 30 June				June	28 June 2024		June	implemented on 28 June that are within control of department and excluding extended implementation actions to be considered by MM
Invocoms held	D21	Ensure that monthly invocoms are held			0	10 for the year	15	5	10 for the year	Invocoms were held on the following dates in 2023/2024: 19 Jul, 28 Aug, 19 Sep, 12 Oct, 14 Oct, 24 Nov, 19 Dec, 5 Jan, 22 Feb, 27 Feb, 6 Mar, 3 Apr, 3 May, 8 May, 5 Jun
Average duration of vacancies reduced	D22	Fill vacancies within 6 months after decision was taken by management to fill the post			0	Within 6 months	Within 1.6 months	5	Within 6 months	
Productive workforce	D23	Monitor the percentage of person days lost per month due to sick leave			0	4%	2.48%	5	4%	
EPWP monitoring	D25	Monitor the number of EPWP work opportunities created by 30 June			0	296	307	5	296	277 for the directorate 307 for the whole organisation
Asset safeguarding	D26	Complete a condition assessment and a review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end			0	1	1 by 1 July 2024	5	1	
Asset safeguarding	D27	Report all moveable assets quarterly that became unusable or that were lost or stolen in the prescribed			0	4 for the year	4	5	4 for the year	Reported on the following dates in 2023/2024: 4 Aug, 3 Nov, 1 Dec, 10 Jan, 2 Feb, 1 Mar, 5 Apr, 10 Apr, 3 May, 7

		manner to the Head: Asset Management								June, 5 Jul
Communication Strategy implementation	D28	Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June			0	1 by end of June	1 by 30 May 2024	5	1 by end of June	
Communication Strategy implementation	D29	Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer			0	4 for the year	4	5	4 for the year	Quarterly reports was submitted on the following dates: Q1 15 Oct 2023, Q2 17 Jan 2024, Q3 9 Apr 2024, Q4 28 June 2024
Issuing of safety clothing	D30	Ensure that all safety clothing are issued by the end of March			0	100% by end of March	100% by 15 March 2024	5	100% by end of March	
Spending of grants	D31	Spend 100% of operational and capital grants by the end of June			0	100% by end of June	100%	5	100% by end of June	
Ensure that accurate revenue estimates are prepared in relation to operating requirements	D32	Submit projected tariff increases determined for the new budget annually by end of October			0	1 annually by end of October	1 by 31 Oct 2023 at 15:14	5	1 annually by end of October	
Ensure timeous submission of capital payment invoices and payment certificates to the finance department	D33	Submit all capital unbundling packs with all outstanding invoices annually to the Finance Department by 10 July			0	100% annually by 10 July	100%	5	100% annually by 10 July	All unbundling packs was submitted between 27 January 2023 and 5 July 2023
Training needs of staff	D34	Submit training needs of staff to HR at meetings held with all departments			0	1 during November annually	1	5	1 during November annually	Training needs was completed on 24 November 2023

		during November annually								

(b) Employees: Infrastructure and Civil Engineering Services

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	2	2	2	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	3	3	3	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	6	6	6	0	

(c) Financial Performance: Infrastructure and Civil Engineering Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 981 846	R3 075 340	R3 096 940	R3 320 615	107.98%
2 Contracted Services	R261	R1 842	R1 842	R1 723	93.54%
3 Other	R648 597	R750 152	R786 096	R721 262	96.15%
TOTAL	R3 630 704	R3 827 334	R3 884 878	R4 043 600	

(d) Capital Expenditure: Infrastructure and Civil Engineering Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Equipment : Civil	R54 000	R53 751	R53 318	98.74%

3.9.2 MANAGEMENT CORPORATE SERVICES

(a) Corporate Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Reg (10) : People from employment equity target groups employed	D151	The % of appointments made in the 3 highest levels of management which comply with the Employment Equity Plan, measured by the number of appointments in the 3 highest levels of management, which comply with Employment Equity targets/Total appointments made in 3 highest levels of management x 100			0	90% annually by end of June	100%	5	100% annually by end of June	
Reg 10 (f): Budget spent on implementing the workplace skills plan	D152	Spent 90% of the Municipality's training budget on implementing its Workplace Skills Plan by end of June			0	90% by end of June	100%	5	90% by end of June	R2 042 364/R2 042 364 of training budget spent
2 Indicators from IDP										
5.5 Improved corporate image and communication	D153	(1) Develop a proposal for innovative ways to use existing and new platforms to engage with residents and businesses and submit to the Mayoral Committee by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	

5.5 Improved corporate image and communication	D154	(2) Investigate and submit a report to the Mayoral Committee by June 2026 on a digital people-centred application			0	1 by June 2026	N/a (2025/2026 financial year)	0		
5.5 Improved corporate image and communication	D155	(3) Investigate the feasibility of a 24/7 customer care centre and submit a report to the Mayoral Committee by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	
5.5 Improved corporate image and communication	D156	(4) Finalise and establish a corporate identity manual and submit to Mayoral Committee by June 2024			0	1 by June 2024	1 by May 2024	5		
3 Indicators Directors										
Capital expenditure in line with budget and time frames	D116	Spend 95% of the capital budget by the end of June			0	95% by end of June	143.17%	5	95% by end of June	Budget: R165 813, Actual: R237 386 (includes R73 570 non-cash transactions)
Operating expenditure in line with budget and time frames	D118	Spend 90% of the operating budget by the end of June			0	90% by end of June	95.98%	5	90% by end of June	Budget = R43 765 927, YTD Actual = R42 007 672
Workforce training roll-out	D119	Ensure that 95% of planned training sessions according to the Workplace Skills Plan realised by the end of June			0	95% by end of June	100%	5	95% by end of June	
Council decision implementation	D120	Initiate/implement 100% of council decisions monthly			0	100%	100%	5	100%	326/326 resolutions initiated/implemented for the year
Performance and financial monitoring	D121	Ensure that monthly performance assessments are held			0	11 for the year	12	5	11 for the year	Meetings were held on the following dates in 2023/2024: 11 Jul, 30 Aug, 27 Sep, 11 Oct, 21 Nov, 11 Dec, 17 Jan, 27 Feb, 27 Mar, 17 Apr, 30 May, 25 Jun

Annual Report inputs provided by departments	D122	Complete departmental input to the annual report on the AR Framework annually by end of October			0	100% annually by end of October	100% by 20 October 2023	5	100% annually by end of October	
Budget inputs provided by departments	D123	Submit budget requests to the financial department by end of October			0	1 by end of October	1 by 25 October 2023	5	1 by end of October	
Assignments from the municipal manager completed	D124	Number of written warnings received from the municipal manager by the end of June			0	0 by end of June	0	5	0 by end of June	No warnings received for period worked
Equal employment opportunity management	D125	Ensure that 90% of new appointments comply with the employment equity targets			0	90%	50%	5	90%	2/4 appointments made in terms of EE Plan for the year. Corrective measure: None required
Audit issues resolved	D128	% of internal audit actions implemented by 30 June			0	100% by 30 June	100%	5	100% by 30 June	Dates of internal audit findings addressed: 1 Apr 2023, 25 Aug 2023, 11 Sept 2023, 30 Apr 2024, 19 Jun 2024
Audit issues resolved	D129	% of Auditor General's findings implemented by 30 June			0	100% by 30 June	N/a (no COMAFs)	0	100% by 30 June	
Risk identification and control implementation	D131	Complete bi-annual departmental risk assessments			0	2 for the year	2	5	2 for the year	Risk assessment was held: 18-27 Sept 2023, 25 March - 5 Apr 2024
Risk identification and control implementation	D132	% of Risk Action Plans implemented by 30 June			0	100% by 30 June	N/a (No action plans for 2023/2024)	0	100% by 30 June	
Invocoms held	D136	Ensure that monthly invocoms are held			0	10 for the year	11	4	10 for the year	Invocoms were held on the following dates in 2023/2024: 31 Jul; 30 Aug; 28 Sep; 27 Oct; 30 Nov; 29 Jan; 28 Feb; 27 Mar; 29 Apr; 30 May; 25 Jun

Average duration of vacancies reduced	D137	Fill vacancies within 6 months after decision was taken by management to fill the post			0	Within 6 months	Within 1 month	5	Within 6 months	9 vacancies filled within a average of 1 months after decision was taken to fill the post during the current financial year
Productive workforce	D138	Monitor the percentage of person days lost per month due to sick leave			0	4%	2.39%	5	4%	
EPWP monitoring	D140	Monitor the number of EPWP work opportunities created by 30 June			0	296	307	5	296	4 for the directorate 307 for the whole organisation
Assets safeguarding	D141	Complete a condition assessment and review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after financial year end			0	1	1 by 6 July 2024	4	1	
Assets safeguarding	D142	Report all moveable assets quarterly that became unusable or that were lost or stolen in the prescribed manner to the Head: Asset Management			0	4 for the year	4	5	4 for the year	Reporting was done on: 30 Sep 2023, 31 Dec 2023, 9 Apr 2024, 2 July 2024
Communication Strategy implementation	D143	Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June			0	1 by end of June	1 by 13 May 2024	5	1 by end of June	
Communication Strategy	D144	Submit quarterly reports			0	4 for the	4	5	4 for the	Qrt 1 - 19 Oct 2023, Qrt 2 - 11

implementation		on all communication activities undertaken by the directorate submitted to the Communication Officer				year			year	Jan 2024, Qrt 3 - 26 Mar 2024, Qrt 4 - 24 June 2024
Issuing of safety clothing	D145	Ensure that all safety clothing are issued by the end of March			0	100% by end of March	100% by 25 March 2024	4	100% by end of March	
Spending of grants	D146	Spend 100% of operational and capital grants by the end of June			0	100% by end of June	100%	5	100% by end of June	
Ensure that accurate revenue estimates are prepared in relation to operating requirements	D147	Submit projected tariff increases determined for the new budget annually by end of October			0	1 annually by end of October	1 on 31 October 2024	3	1 annually by end of October	
Ensure timeous submission of capital payment invoices and payment certificates to the finance department	D148	Submit all capital unbundling packs with all outstanding invoices annually to the Finance Department by 10 July			0	100% annually by 10 July	100%	5	100% annually by 10 July	Department does not have capital unbundling but submission of property sales was done on 30 May 2023
Training needs of staff	D149	Submit training needs of staff to HR at meetings held with all departments during November annually			0	1 during November annually	1 by 20 November 2023	5	1 during November annually	
Promote employment equity through continuous planning	D150	Review and update the employment equity plan by end of June as a result of any major event or restructuring that occurred during the financial year			0	1 by end of June	1 by 26 June 2024	5	1 by end of June	

(b) Employees: Corporate Services

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	2	2	2	0	0.00%
07 - 09	3	3	3	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	2	2	2	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	8	8	8	0	

(c) Financial Performance: Corporate Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R8 194 781	R9 434 541	R9 501 541	R8 733 469	92.57%
2 Contracted Services	R1 772 129	R2 126 211	R3 164 974	R2 155 143	101.36%
3 Other	R1 852 514	R2 224 359	R2 158 077	R1 793 722	80.64%
TOTAL	R11 819 424	R13 785 111	R14 824 592	R12 682 334	

(d) Capital Expenditure: Corporate Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Equipment : Corporate	R26 000	R20 796	R20 796	79.98%
TOTAL	R26 000	R20 796	R20 796	

3.9.3 MANAGEMENT DEVELOPMENT SERVICES

(a) Development Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
3 Indicators Directors										
Capital expenditure in line with budget and time frames	D157	Spend 95% of the capital budget by the end of June			0	95% by end of June	89.49%	3	95% by end of June	Budget: R62 290 745, Actual: R55 743 129 Silvertown purchase of land: The municipality was unable to successfully conclude a binding sales agreement due to various legal considerations which were only concluded in July of 2024. The unspent amount for the De Hoop/Phola Park project (UISP) was allocated by the Department of Infrastructure for re-location, survey and registration costs; which is not applicable to the Phola Park project and will not be utilized by the municipality.
Operating expenditure in line with budget and time frames	D159	Spend 90% of the operating budget by the end of June			0	90% by end of June	94.99%	5	90% by end of June	Budget: R31 731 116, Actual: R30 139 811
Workforce training roll-out	D160	Ensure that 95% of planned training sessions according to the Workplace Skills Plan realised by the end of June			0	95% by end of June	100%	5	95% by end of June	All planned training opportunities for the year were attended before end June
Council decision	D161	Initiate/implement 100%			0	100%	99.71%	5	100%	205/206 resolutions

implementation		of council decisions monthly								initiated/implemented for the year. Director to ensure that officials address resolutions within prescribed timeframe of two months. Corrective measure: Ensure updating of council decisions on the Collab system
Performance and financial monitoring	D162	Ensure that monthly performance assessments are held			0	11 for the year	12	5	11 for the year	Meetings were held on the following dates in 2023/2024: 11 Jul; 30 Aug; 27 Sep; 12 Oct; 21 Nov; 12 Dec; 17 Jan; 27 Feb; 27 Mar; 16 Apr; 28 May; 25 Jun
Annual Report inputs provided by departments	D163	Complete departmental input to the annual report on the AR Framework annually by end of October			0	100% annually by end of October	100%	5	100% annually by end of October	Inputs was completed by 13 Oct 2023
Budget inputs provided by departments	D164	Submit budget requests to financial department Submit budget requests to financial department by end of October			0	1 by end of October	1 by 13 October 2023	5	1 by end of October	
Assignments from the municipal manager completed	D165	Number of written warnings received from the municipal manager by the end of June			0	0 by end of June	0	5	0 by end of June	No warnings received for period worked
Equal employment opportunity management	D166	Ensure that 90% of new appointments comply with the employment equity targets			0	90%	0%	5	90%	0/1 appointment made in terms of the EE Plan. Vacancy advertised externally. No candidates from the designated group applied. Corrective measure: None required
Audit issues resolved	D169	% of internal audit actions			0	100% by 30	100% by	5	100% by 30	

		implemented by 30 June				June	30 Apr 2024		June	
Audit issues resolved	D170	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days			0	100%	N/a (No COMAFs)	0	100%	
Audit issues resolved	D171	% of Auditor General's findings implemented by 30 June			0	100% by 30 June	N/a (No COMAFs)	0	100% by 30 June	
Risk identification and control implementation	D172	Complete bi-annual departmental risk assessment			0	2 for the year	2	5	2 for the year	3 - 5 October 2023 8 - 11 April 2024
Risk identification and control implementation	D173	% of Risk Action Plans implemented by 30 June			0	100% by 30 June	100%	5	100% by 30 June	All risk action plans implemented before 30 June that is within the departments control and excluding actions to be considered by the MM
Invocoms held	D177	Ensure that monthly invocoms are held			0	11 for the year	12	5	11 for the year	Invocoms were held on the following dates in 2023/2024: 21 Jul, 23 Aug, 27 Sep, 24 Oct, 22 Nov, 5 Dec, 24 Jan, 21 Feb, 26 Mar, 24 Apr, 23 May, 25 Jun
Average duration of vacancies reduced	D178	Fill vacancies within 6 months after decision was taken by management to fill the post			0	Within 6 months	Within 2 months	5	Within 6 months	
Productive workforce	D179	Monitor the percentage of person days lost per month due to sick leave			0	4%	1.27%	5	4%	
EPWP monitoring	D181	Monitor the number of EPWP work opportunities created by 30 June			0	296	307	5	296v	10 for the directorate 307 for the whole organisation

Assets safeguarding	D182	Complete a condition assessment and a review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end			0	1	1	5	1	Email was sent to Head of Assets Management on 27 June 2024
Assets safeguarding	D183	Report all moveable assets quarterly that became unusable or that were lost or stolen in the prescribed manner to the Head: Asset Management			0	4 for the year	4	5	4 for the year	Reported on the following dates: 30 sept 2023, 31 Dec 2023, 28 Mar 2024, 27 June 2024
Communication Strategy implementation	D184	Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June			0	1 by end of June	1 on 28 June 2024	5	1 by end of June	
Communication Strategy implementation	D185	Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer			0	4 for the year	4	5	4 for the year	1st quarter - 06 October 2023 (15:23pm), 2nd quarter - 17 January 2024, 3rd quarter - 03 April 2024 (09:10 am), 4th quarter - 28 June 2024 (13:01)
Issuing of safety clothing	D186	Ensure that all safety clothing are issued by the end of March			0	100% by end of March	100% by 13 March 2024	5	100% by end of March	All safety clothing were issued by 13 March 2024 as per memorandums on the system
Spending of grants	D187	Spend 100% of operational and capital grants by the			0	100% by end of	89.4%	4	100% by end of June	Silvertown purchase of land: The municipality was unable

		end of June				June				to successfully conclude a binding sales agreement due to various legal considerations which were only concluded in July of 2024. The unspent amount for the De Hoop/Phola Park project (UISP) was allocated by the Department of Infrastructure for re-location, survey and registration costs; which is not applicable to the Phola Park project and will not be utilized by the municipality. Mun Accreditation and Capacity Building: Underspending because the official resigned.
Ensure that accurate revenue estimates are prepared in relation to operating requirements	D188	Submit projected tariff increases determined for the new budget annually by end of October			0	1 annually by end of October	1 by 11 October 2023	5	1 annually by end of October	
Ensure timeous submission of capital payment invoices and payment certificates to the finance department	D189	Submit all capital unbundling packs with all outstanding invoices annually to the Finance Department by 10 July			0	100% annually by 10 July	1 by 4 July 2023	5	100% annually by 10 July	
Training needs of staff	D190	Submit training needs of staff to HR at meetings held with all departments during November annually			0	1 during November annually	1 by 9 November 2023	5	1 during November annually	

(b) Employees: Development Services

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	1	1	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	2	2	2	0	

(c) Financial Performance: Development Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 310 191	R2 385 001	R2 397 001	R2 604 013	109.18%
2 Contracted Services	R0	R1 842	R1 842	R0	0.00%
3 Other	R188 157	R392 402	R392 486	R206 539	52.63%
TOTAL	R2 498 348	R2 779 245	R2 791 329	R2 810 552	

(d) Capital Expenditure: Development Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Equipment : Development Services	R44 000	R133 254	R133 254	302.85%
TOTAL	R44 000	R133 254	R133 254	

3.9.4 MANAGEMENT ELECTRICAL ENGINEERING SERVICES

(a) Electrical Engineering Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
3 Indicators Directors										
Communication Strategy implementation	D100	Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June			0	1 by end of June	1 on 28 May 2024	5	1 by end of June	
Communication Strategy implementation	D101	Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer			0	4 for the year	4	5	4 for the year	Communication reports were submitted to the CO on the following dates in 2023/2024: Q1 - 1 Sep, Q2 - 18 Dec, Q3 - 3 Apr, Q4 - 26 Jun
Issuing of safety clothing	D102	Ensure that all safety clothing are issued by the end of March			0	100% by end of March	100% by 25 March 2024	4	100% by end of March	
Spending of grants	D103	Spend 100% of operational and capital grants by the end of June			0	100% by end of June	100%	5	100% by end of June	
Ensure that accurate revenue estimates are prepared in relation to operating requirements	D104	Submit projected tariff increases determined for the new budget annually by end of October			0	1 annually by end of October	1 on 31 October 2023	3	1 annually by end of October	
Ensure timeous submission of capital payment invoices and payment certificates to	D105	Submit all capital unbundling packs with all outstanding invoices			0	100% annually by 10 July	100% on 8 July	5	100% annually by 10 July	

the finance department		annually to the Finance Department by 10 July					2023			
Training needs of staff	D106	Submit training needs of staff to HR at meetings held with all departments during November annually			0	1 during November annually	1 by 20 November 2023	5	1 during November annually	
Minimum competencies attained	D108	Complete the required number of unit standards of the MMCP by June 2024			0	15 by June 2024	15 by April 2024	5		Attended last 5 Unit standards, exams passed and final assignments handed in during April 2024
Capital expenditure in line with budget and time frames	D73	Spend 95% of capital budget by the end of June			0	95% by end of June	105.66 %	5	95% by end of June	Budget = R63 808 632, Actual = R67 419 582 (includes R9 207 294.85 non-cash transactions)
Operating expenditure in line with budget and time frames	D75	Spend 90% of operating budget by the end of June			0	90% by end of June	100.38 %	5	90% by end of June	Budget = R388 207 098, Actual = R389 700 543
Workforce training roll-out	D76	Ensure that 95% of planned training sessions according to the Workplace Skills Plan realised by the end of June			0	95% by end of June	100%	5	95% by end of June	
Council decision implementation	D77	Initiate/Implement 100% of council decisions monthly			0	100%	100% for past 12 months	5	100%	
Performance and financial monitoring	D78	Ensure that monthly performance assessments are held			0	11 for the year	12	5	11 for the year	PMS meetings for 2023/2024 held on 10 Jul, 28 Aug, 26 Sep, 9 Oct, 20 Nov, 11 Dec, 15 Jan, 26 Feb, 25 Mar, 15 Apr, 27 May, 24 Jun
Annual Report inputs provided by departments	D79	Complete departmental input to the annual report on the AR Framework annually by end of October			0	100% annually by end of October	100% by 27 Aug 2023	5	100% annually by end of October	

Budget inputs provided by departments	D80	Submit budget requests to the financial department by end of October			0	1 by end of October	1 by 31 October 2023 at 15:27	5	1 by end of October	
Assignments from the municipal manager completed	D81	Number of written warnings received from the municipal manager by the end of June			0	0 by end of June	0	5	0 by end of June	No warnings received for period worked
Equal employment opportunity management	D82	Ensure that 90% of new appointments comply with the employment equity targets			0	90%	100% (2/2 employees)	5	90%	
Audit issues resolved	D85	% of internal audit actions implemented by 30 June			0	100% by 30 June	100%	5	100% by 30 June	All findings were addressed on the following dates in 2023/2024: 15 Nov, 17 Nov, 29 Feb, 22 Apr, 30 Apr, 19 Jun, 24 June
Audit issues resolved	D86	% of Auditor General's queries (COMAFs) for which an action plan was submitted within 5 working days			0	100% by 30 June	N/a (no COMAFs)	0	100% by 30 June	
Audit issues resolved	D87	% of Auditor General's findings implemented by 30 June			0	100% by 30 June	N/a (no COMAFs)	0	100% by 30 June	
Risk identification and control implementation	D88	Complete bi-annual departmental risk assessments			0	2 for the year	2	5	2 for the year	Risk assessments for the first half of the year was held on 23 Oct and for the second half of the year between 29 Apr and 6 May
Risk identification and control implementation	D89	% of Risk Action Plans implemented by 30 June			0	100% by 30 June	100% by 24 June 2024	5	100% by 30 June	
Invocoms held	D93	Ensure that monthly			0	10 for the	12 by	5	10 for the	Invocoms were held on the

		invocoms are held				year	24 June 2024		year	following dates in 2023/2024: 24 Jul, 28 Aug, 26 Sep, 9 Oct, 20 Nov, 11 Dec, 15 Jan, 26 Feb, 25 Mar, 15 Apr, 27 May, 24 Jun
Average duration of vacancies reduced	D94	Fill vacancies within 6 months after decision was taken by management to fill the post			0	Within 6 months	Within 1 month	5	Within 6 months	3 vacancies filled within a average of 1 months after decision was taken to fill the post during the current financial year
Productive workforce	D95	Monitor the percentage of person days lost per month due to sick leave			0	4%	1.87%	5	4%	
EPWP monitoring	D97	Monitor the number of EPWP work opportunities created by 30 June			0	296	307	5	296	7 for the directorate 307 for the whole organisation
Assets safeguarding	D98	Complete a condition assessment and a review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end			0	1	1 on 5 July 2023	5	1	
Assets safeguarding	D99	Report all moveable assets quarterly that became unusable or that were lost or stolen in the prescribed manner to the Head: Asset Management			0	4 for the year	4	5	4 for the year	Reports were submitted to the Head: Asset Management on the following dates in 2023/2024: Q1 - 1 Sep, Q2 - 18 Dec, Q3 - 3 Apr, Q4 - 26 Jun

(b) Employees: Electrical Engineering Services

The employees of the Electrical Engineering Services Department are incorporated under paragraph 3.2.3(e) Employees: Electricity Distribution.

(c) Financial Performance: Electrical Engineering Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 408 147	R1 427 355	R1 436 955	R1 688 721	118.31%
2 Contracted Services	R0	R0	R0	R0	0.00%
3 Other	R52 886	R74 136	R78 636	R50 445	68.04%
TOTAL	R1 461 033	R1 501 491	R1 515 591	R1 739 166	

(d) Capital Expenditure: Electrical Engineering Services

None under this section

3.9.5 MANAGEMENT FINANCIAL SERVICES

(a) Financial Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Ensure general financial viability	D279	Measure the % of the outstanding service debtors			0	20%	7.85%	5	20%	The result is well below the norm of 20%
Ensure general financial viability	D280	Measure financial viability in terms of cost coverage ratio for the current financial year			0	3 months	9 months	5	3 months	The 2022-23 ratio is 9 months which is well above the norm of 3 months
Ensure general financial viability	D281	Measure the % of debt coverage ratio for the current financial year			0	45%	8.93%	5	45%	Result is well below the norm
Access to free basic services	D282	Manage the provision of free basic service subsidies in line with council's policy annually			0	100% at 30 June	100%	5	100%	9010 Indigent households by end of June 2024 (9205 by end of June 2023). Indigent households showed an improvement of 2.12%
3 Indicators Directors										
Capital expenditure in line with budget and time frames	D246	Spend 95% of the capital budget by the end of June			0	95% by end of June	126.82 %	5	95% by end of June	Budget: R2 538 856, Actual: R3 219 840 (includes R681 000 non-cash transactions)
Operating expenditure in line with budget and time frames	D248	Spend 90% of the operating budget by the end of June			0	90% by end of June	89.06%	4	90% by end of June	Budget = R66 216 197, YTD Actual = R58 973 813 Corrective measure: No corrective measure as the underspending was outside the control of CFO as the biggest savings related to salaries and appointments

										that could not be made.
Workforce training roll-out	D249	Ensure that 95% of planned training sessions according to the Workplace Skills Plan realised by the end of June			0	95% by end of June	100%	5	95% by end of June	
Council decision implementation	D250	Initiate/implement 100% of council decisions monthly			0	100%	100% for past 12 months	5	100%	
Performance and financial monitoring	D251	Ensure that monthly performance assessments are held			0	11 for the year	12	5	11 for the year	12 meetings held in 2023/2024: 10 Jul, 28 Aug, 28 Sep, 9 Oct, 20 Nov, 11 Dec, 15 Jan, 26 Feb, 20 Mar, 16 Apr, 27 May, 26 Jun
Annual Report inputs provided by departments	D252	Complete departmental input to the annual report on the AR Framework annually by end of October			0	100% annually by end of October	100% by 23 October 2023	5	100% annually by end of October	
Budget inputs provided by departments	D253	Submit budget requests to the financial department by the end of October			0	1 by end of October	1 by 31 October 2023 at 15:56	5	1 by end of October	
Assignments from the municipal manager completed	D254	Number of written warnings received from the municipal manager by the end of June			0	0 by end of June	0 the past 3 years	5	0 by end of June	0 written warnings received the past 3 years
Equal employment opportunity management	D255	Ensure that 90% of new appointments comply with the employment equity targets			0	90%	100%	5	90%	4/4 employees appointed in terms of the EE Plan
Audit issues resolved	D258	% of internal audit actions implemented by 30 June			0	100% by 30 June	100%	5	100% by 30 June	Dates of internal audit findings addressed in 2023/2024: 14

										Aug, 30 Apr, 15 Dec, 29 Feb, 20 Feb (x2), Jan, 24 Jun
Audit issues resolved	D259	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days			0	100% within 5 working days	100% within 3.6 working days	5	100%	Five Comafs were received which were responded to within an average of 3.6 working days
Audit issues resolved	D260	% of Auditor General's findings implemented by 30 June			0	100% by 30 June	100% by 24 April 2024	5	100% by 30 June	
Risk identification and control implementation	D261	Complete bi-annual departmental risk assessments			0	2 for the year	2	5	2 for the year	Risk assessments for the first half of the year was held between 4-21 Sept and for the second half of the year between 11 - 20 March
Risk identification and control implementation	D262	% of Risk Action Plans implemented by 30 June			0	100% by 30 June	100% by 24 June 2024	5	100% by 30 June	
Invocoms held	D266	Ensure that monthly invocoms are held			0	10 for the year	14	5	10 for the year	Invocoms were held on the following dates in 2023/2024: 31 Jul, 31 Aug, 28 Sep, 9 Oct, 20 Nov, 1 Dec, 22 Jan, 1 & 26 Feb, 20 Mar, 18 Apr, 27 May, 7 & 26 Jun
Average duration of vacancies reduced	D267	Fill vacancies within 6 months after decision was taken by management to fill the post			0	Within 6 months	Within 2 months	5	Within 6 months	
Productive workforce	D268	Monitor the percentage of person days lost per month due to sick leave			0	4%	2.68%	5	4%	
Asset safeguarding	D269	Complete a condition			0	1	2	5	1	Assessment was done on 31

		assessment and a review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end								March and 27 June
Asset safeguarding	D270	Report all moveable assets quarterly that became unusable or that were lost or stolen in the prescribed manner to the Head: Asset Management			0	4 for the year	4	5	4 for the year	Reporting in 2023/2024: Q1 - 10 Oct, Q2 - 2 Feb, Q3 - 8 April, Q4 - 1 Jul. Average was 13 days.
Communication Strategy implementation	D271	Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June			0	1 by end of June	1 on 26 June 2024	5	1 by end of June	
Communication Strategy implementation	D272	Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer			0	4 for the year	4	5	4 for the year	Reports were submitted on the following dates in 2023/2024: Q1 - 6 Oct, Q2 - 16 Jan, Q3 - 28 Mar, Q4 - 26 Jun
Issuing of safety clothing	D273	Ensure that all safety clothing are issued by the end of March			0	100% by end of March	100% by November 2023	5	100% by end of March	Completed by November 2023
Spending of grants	D274	Spend 100% of operational and capital			0	100% by end of June	100%	5	100% by end of June	

		grants by the end of June								
Ensure that accurate revenue estimates are prepared in relation to operating requirements	D275	Submit projected tariff increases determined for the new budget annually by end of October			0	1 annually by end of October	1 on 30 October 2023 at 09:34	5	1 annually by end of October	
Ensure timeous submission of capital payment invoices and payment certificates to the finance department	D276	Submit all capital unbundling packs with all outstanding invoices annually to the Finance Department by 10 July			0	100% annually by 10 July	100%	5	100% annually by 10 July	Finalised by 27 June 2023
Training needs of staff	D277	Submit training needs of staff to HR at meetings held with all departments during November annually			0	1 during November annually	1 on 27 June 2023	5	1 during November annually	
Ensure that accurate revenue estimates are prepared in relation to realistically anticipated revenue streams	D278	Projected tariff increases determined for the budget of the new financial year annually by end of February			0	1 annually by end of February	1 on 28 February 2024	5	1 annually by end of February	

(b) Employees: Financial Services

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	1	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	2	1	1	0	

Other employees of Financial Services are incorporated under the separate Financial Services functions.

(c) Financial Performance: Financial Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R27 922 409	R31 649 006	R31 694 006	R31 089 564	98.23%
2 Contracted Services	R1 209 898	R6 075 249	R4 148 299	R1 351 190	22.24%
3 Other	R5 425 458	R13 924 372	R22 166 460	R10 739 200	77.13%
TOTAL	R34 557 765	R51 648 627	R58 008 765	R43 179 954	

(d) Capital Expenditure: Financial Services

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Finance: CK22572 Nissan NP300 Hardbody	R459 480	R721 582	R721 582	157.04%
23/24 Finance: CK40700 Citi Golf 310	R282 765	R508 116	R508 110	179.69%
23/24 Deeds (non-cash)	R0	R0	R681 000	0.00%
23/24 Meterreading Handhelds	R80 000	R50 910	R50 910	63.64%
23/24 Asset Recording Handhelds	R16 500	R16 500	R16 500	100.00%
23/24 Finance: CK14227 Chevrolet Aveo	R282 765	R254 058	R254 055	89.85%
23/24 Finance: CK42165 Chevrolet Aveo (Replace with Bakkie)	R459 480	R360 791	R360 791	78.52%
23/24 Finance: CK41089 Chevrolet Aveo	R282 765	R254 058	R254 055	89.85%
23/24 Finance: CK18439 Chevrolet Aveo	R282 765	R254 058	R254 055	89.85%
23/24 Equipment : Financial	R45 000	R118 783	R118 783	263.96%
TOTAL	R2 191 520	R2 538 856	R3 219 840	

(e) Debt Efficiency

Details	Previous Year Actual Billed	Previous Year Percentage	Billed In Year	Actual Billed	Percentage
Electricity	R364 616 492	94.47%	R399 716 198	R443 249 370	110.89%
Other	R-	0.00%	R-	R-	0.00%
Property Rates	R152 166 871	102.63%	R167 829 933	R163 174 552	97.23%
Refuse	R32 770 450	100.55%	R32 996 867	R33 962 559	102.93%
Sanitation	R52 451 707	101.26%	R52 364 274	R60 460 874	115.46%
Water	R841 141 514	104.15%	R91 856 867	R92 981 779	101.22%

3.9.6 MANAGEMENT OFFICE OF THE MUNICIPAL MANAGER

(a) Office of the Municipal Manager performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
1 General KPI's										
Reg 10(c): Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	D59	Spend 95% of capital budget by the end of June			0	95% by end of June	95.75%	5	95% by end of June	Budget: R248 689 919, Actual: R238 109 605 (includes R10 198 945 non-cash transactions)
2 Indicators from IDP										
5.1 Innovative local government	D69	Ensure the development of an innovation policy and submit to the Mayoral Committee by June 2026			0	1 by June 2026	N/a (2025/2026 financial year)	0		
5.4 Increased use of digital technology	D72	Ensure the development of a proposal for the increased use of digital technology to support business and the economy and submit to the Mayoral Committee by June 2026			0	1 by June 2026	N/a (2025/2026 financial year)	0		
3 Indicators Directors										
Sound management	D49	Hold monthly management meetings			0	10 for the year	12	5	10 for the year	
Legally compliant procurement	D50	Monitor the number of appeals monthly against			0	0	0	5	0	There were no appeals against the municipality regarding the

		the municipality regarding the awarding of tenders that were upheld								awarding of tenders that were upheld and also no litigation costs against the municipality for the 2023/2024 financial year
Performance and financial monitoring	D51	Ensure that monthly performance review sessions are held			0	11 for the year	12	5	11 for the year	Last PMS meeting was held on 25 June
Annual report compilation and approval	D52	Table the Annual Report as required by MFMA (121) to Council annually by end of January			0	1 annually by end of January	1	5	1 annually by end of January	The Annual Report was tabled and adopted by Council on 30 January 2024, it included the AG final review report
Council decision implementation	D53	Submit the Annual Report to Council as required by section 129 of the MFMA (121) approval annually by end of March			0	1 annually by end of March	1	5	1 annually by end of March	Annual Report approved by council 28 March 2024 without reservations
Council decision implementation	D54	Implement 100% of council decisions quarterly			0	100%	100% for past 12 months	5	100%	
Functional macrostructure maintained	D56	Review the macro structure annually			0	1 annually	2	5	1 annually	The Macro structure was reviewed on 13 December 2023 and in March 2024 again
MFMA Section 131(1): Ensure that any issues raised by the Auditor-General in an audit report are addressed	D57	% of issues raised by the Auditor-General in an audit report addressed by 30 June			0	100% by 30 June	100% by 12 April 2024	5	100% by 30 June	
Training needs of staff	D58	Submit training needs of staff to HR at meetings held with all departments during November annually			0	1 during November annually	1 on 22 November 2023	5	1 during November annually	
Performance evaluation of the Section 57 managers	D737	Conduct a formal performance evaluation of			0	1 annually	1 on 15 Septem	5	1 annually	

		the Section 57 managers in terms of their signed performance agreements annually					ber 2023			

(b) Employees: Office of the Municipal Manager

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	1	1	0	0.00%
10 - 12	2	0	1	1	100.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	3	2	3	1	

(c) Financial Performance: Office of the Municipal Manager

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R3 219 226	R2 593 667	R3 143 667	R3 736 739	144.07%
2 Contracted Services	R0	R1 842	R1 842	R0	0.00%
3 Other	R43 132	R170 970	R170 970	R122 786	71.82%
TOTAL	R3 262 358	R2 766 479	R3 316 479	R3 859 525	

(d) Capital Expenditure: Office of the Municipal Manager

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Council: CK15265 Caravelle Kombi 2.5 TDI	R680 000	R0	R0	0.00%
23/24 Equipment : Council	R12 000	R12 000	R11 061	92.17%
23/24 Equipment : MM	R12 000	R20 632	R20 631	171.93%
TOTAL	R704 000	R32 632	R31 692	

3.9.7 MANAGEMENT PROTECTION SERVICES

(a) Protection Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
1.12 Sufficient office space for Protection Services	D245	Do a feasibility study in respect of new offices for Protection Services in Malmesbury and report to Council by June 2027			0	1 by June 2027	N/a (2026/2027 financial year)	0		
3 Indicators Directors										
Capital expenditure in line with budget and time frames	D201	Spend 95% of the capital budget by the end of June			0	95% by end of June	98.53%	5	95% by end of June	Budget = R3 088 299, Actual = R3 042 878 (includes R24 300 non-cash transactions)
Operating expenditure in line with budget and time frames	D203	Spend 90% of the operating budget by the end of June			0	90% by end of June	100.55%	5	90% by end of June	Budget = R79 008 833, YTD Actual = R79 441 230
Workforce training roll-out	D204	Ensure that 95% of planned training sessions according to the Workplace Skills Plan realised by the end of June			0	95% by end of June	100%	5	95% by end of June	
Council decision implementation	D205	Initiate/implement 100% of council decisions monthly			0	100%	100%	5	100%	106/106 council resolutions initiated/implemented for the year
Performance and financial monitoring	D206	Ensure that monthly performance assessments are held			0	11 for the year	12	5	11 for the year	Meetings were held on the following dates in 2023/2024: 10 Jul, 28 Aug, 27 Sep, 9 Oct, 20 Nov, 11 Dec, 15 Jan, 26 Feb, 25 Mar, 15 Apr, 28 May, 24 Jun

Annual Report inputs provided by departments	D207	Complete departmental input to the annual report on the AR Framework annually by end of October			0	100% annually by end of October	100% by 30 October 2023	3.8	100% annually by end of October	
Budget inputs provided by departments	D208	Submit budget requests to the financial department by end of October			0	1 by end of October	1 by 26 October 2023	5	1 by end of October	
Assignments from the municipal manager completed	D209	Number of written warnings received from the municipal manager by the end of June			0	0 by end of June	0	5	0 by end of June	No warnings received for period worked
Equal employment opportunity management	D210	Ensure that 90% of new appointments comply with the employment equity targets			0	90%	67%	5	90%	2/3 employees appointed in terms of the EE Plan for the year. Vacancy of Examiner of Driving Licenses was advertised externally. The successful candidate from the designated group did not accept the offer of employment. Candidate from Shortlist 2 (based on merit) was appointed. Corrective measure: None required
Audit issues resolved	D213	% of internal audit actions implemented by 30 June			0	100% by 30 June	100% by 24 Jun 2024	5	100% by 30 June	
Audit issues resolved	D214	% of Auditor General's queries (COMAFs) for which an action plan was submitted within 5 working days			0	100% by 30 June	N/a (no COMAFs)	0	100% by 30 June	
Audit issues resolved	D215	% of Auditor General's findings implemented by			0	100% by 30 June	N/a (no COMAF	0	100% by 30 June	

		30 June				s)				
Risk identification and control implementation	D216	Complete bi-annual departmental risk assessments			0	2 for the year	2	5	2 for the year	Risk register were reviewed on 10 October 2023 and on 16-17 April 2024
Risk identification and control implementation	D217	% of Risk Action Plans implemented by 30 June			0	100% by 30 June	100%	5	100% by 30 June	All risk action plans implemented before 30 June that is within the departments control and excluding actions to be considered by the MM
Invocoms held	D221	Ensure that monthly invocoms are held			0	10 for the year	11	4	10 for the year	Invocoms were held on the following dates in 2023/2024: 26 Jul, 23 Aug, 18 Sep, 26 Oct, 29 Nov, 25 Jan, 27 Feb, 27 Mar, 25 Apr, 28 May, 27 Jun
Average duration of vacancies reduced	D222	Fill vacancies within 6 months after decision was taken by management to fill the post			0	Within 6 months	Within 2 months	5	Within 6 months	8 vacancies filled within a average of 2 months after decision was taken to fill the post during the current financial year
Productive workforce	D223	Monitor the percentage of person days lost per month due to sick leave			0	4%	3.01%	5	4%	
EPWP monitoring	D225	Monitor the number of EPWP work opportunities created by 30 June			0	296	307	5	296	9 for the directorate 307 for the whole organisation
Assets safeguarding	D226	Complete a condition assessment and review of the remaining useful life of all assets in the department and submit a certification in this regard to the Head Asset Management within the first week after the financial year end			0	1	1 on 6 July 2023	4	1	

Assets safeguarding	D227	Report all moveable assets quarterly that became unusable or that were lost or stolen in the prescribed manner to the Head: Asset Management			0	4 for the year	4	5	4 for the year	Quarterly reports were send on the following dates in 2023/2024: 2 Oct, 4 Jan, 4 Apr, 9 Jul
Communication Strategy implementation	D228	Submit a plan of all planned communication activities for the next financial year in terms of the Communication Strategy to the Communication Officer by end of June			0	1 by end of June	1 on 31 May 2024	5	1 by end of June	
Communication Strategy implementation	D229	Submit quarterly reports on all communication activities undertaken by the directorate submitted to the Communication Officer			0	4 for the year	4	4	4 for the year	Communication reports was submitted on the following dates in 2023/2024: 10 Oct, 17 Jan, 9 Apr, 28 Jun
Issuing of safety clothing	D230	Ensure that all safety clothing are issued by the end of March			0	100% by end of March	95%	3	100% by end of March	Traffic & Law Enforcement had problems to get reputable service providers. Had to request tenders twice. Corrective measure: None required.
Spending of grants	D231	Spend 100% of operational and capital grants by the end of June			0	100% by end of June	100%	5	100% by end of June	
Ensure that accurate revenue estimates are prepared in relation to operating requirements	D232	Submit projected tariff increases determined for the new budget annually by end of October			0	1 annually by end of October	1 on 26 October 2023	5	1 annually by end of October	
Ensure timeous submission of capital payment invoices and payment certificates to	D233	Submit all capital unbundling packs with all outstanding invoices			0	100% annually by 10 July	100%	5	100% annually by 10 July	All documents was submitted by 4 July 2023

the finance department		annually to the Finance Department by 10 July								
Training needs of staff	D234	Submit training needs of staff to HR at meetings held with all departments during November annually			0	1 during November annually	1 by 14 November 2023	5	1 during November annually	

(b) Employees: Protection Services

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	1	1	1	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	1	1	1	0	0.00%
TOTAL	2	2	2	0	

(c) Financial Performance: Protection Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R2 354 579	R2 475 451	R2 589 451	R2 641 106	106.69%
2 Contracted Services	R18 000	R29 419	R29 419	R19 722	67.04%
3 Other	R75 666	R164 789	R173 889	R110 151	66.84%
TOTAL	R2 448 245	R2 669 659	R2 792 759	R2 770 979	

(d) Capital Expenditure: Protection Services

ProjectName	OriginalBudget	AdjustmentBudget	Actual	OriginalBudgetVariance
23/24 Donated PPE: Furniture and Office Equipment	R0	R10 435	R74 935	0.00%
23/24 Donated PPE: Operational Buildings (non-cash)	R0	R0	R22 900	0.00%
23/24 Donated PPE: Computer Equipment	R0	R27 685	R27 685	0.00%
23/24 Equipment Insurance (Fire) Office Equipment (non-cash)	R0	R0	R1 400	0.00%
23/24 Replacement: Drones	R110 000	R110 000	R89 207	81.10%
23/24 Equipment: Protection	R55 000	R55 000	R54 284	98.70%

3.10. OTHER SERVICES

3.10.1 EXPENDITURE

(a) Expenditure performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Designated South African Revenue Service (SARS) Representative for Swartland Municipality	IIA675	Perform a VAT apportion based on the accrual basis by 31 December			0	1 by 31 December	1	3	1 by 31 December	Filed on Performance server
Financial Planning and Reporting	IIA676	Compile and submit the 1st Draft Salary Budget to the Director: Financial Services by 31 October			0	1 by 31 October	1	3	1 by 31 October	Saved on the performance Server
Designated South African Revenue Service (SARS) Representative for Swartland Municipality	IIA677	Submit the VAT 201 to SARS by the last business day of the month			0	12 for the year	12	3	12 for the year	
Designated South African Revenue Service (SARS) Representative for Swartland Municipality	IIA678	Ensure the IRP5 reconciliation as per the date determined by SARS (31 May)			0	1 by 31 May	1	5	1 by 31 May	Filed during April 2024
Designated South African Revenue Service (SARS) Representative for Swartland Municipality	IIA679	Ensure EMP 201 is submitted on a monthly basis by the 7th day of the month to SARS			0	12 for the year	12	3	12 for the year	
Manage the Expenditure and VAT Section	IIA680	Pay creditors within 30 days after receipt of invoice			0	97% within 30 days	99.39%	5	97% within 30 days	
Procedure, Systems and Controls	IIA681	Review the Travel and Subsistence Policy and			0	1 by 31 January	1	3	1 by 31 January	

		submit to the Director: Financial Services by 31 January								
Financial Planning and Reporting	IIA683	Ensure the submission of the bank reconciliation by the 10th working day and submit to the Budget Office			0	12 for the year	12	3	12 for the year	
Personnel and Performance Management	IIA684	Limit personnel days lost per month due to sick leave by 4% per month			0	4%	1.97%	4	4%	
Personnel and Performance Management	IIA688	Hold quarterly meetings with all direct reportees (INVOCOMS)			0	4 for the year	4	3	4 for the year	
Financial Planning and Reporting	IIA689	Review the operational risk register bi-annually by 31 December and 30 June			0	2 (by 31 December and 30 June)	2	3	2 (by 31 December and 30 June)	
Procedure, Systems and Controls	IIA692	Respond to AG queries within 5 working days (or prescribed by query) after the request was received			0	100%	100%	3	100%	

(b) Employees: Expenditure

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	2	0	0	0	0.00%
07 - 09	5	7	7	0	0.00%
10 - 12	3	3	3	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%

TOTAL	11	11	11	0	

3.10.2 BUDGET OFFICE AND COSTING

(a) Budget Office and Costing performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Procedures, Systems And Controls	IIA436	Review the Virement Policy and submit to the Director: Financial Services by 31 January			0	1 annually by 31 January	1 in January 2024	3		
Procedures, Systems And Controls	IIA437	Review the Budget Implementation Policy and submit to the Director: Financial Services by 31 January			0	1 annually by 31 January	1 in January 2024	3		
Budget Compilation and Financial Reporting	IIA438	Submit the Mid-Year Adjustment Budget requests to the Director: Financial Services by 10 December			0	1 annually by 10 December	1	3		
Budget Compilation and Financial Reporting	IIA439	Submit the verified multi-year draft operating and capital budgets to the Director: Financial Services by 31 December			0	1 annually by 31 December	1	3		
Personnel and Performance Management	IIA440	Limit personnel days lost per month due to sick leave by 4% per month			0	4%	1.01%	5		
Participation and Communication	IIA444	Hold quarterly meetings with all direct reportees (INVOCOMS)			0	4 for the year	4	3		

Participation and Communication	IIA445	Review the operational risk register bi-annually by 31 December and 30 June			0	2 for the year	2	3		

(b) Employees: Budget Office and Costing

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%

3.10.3 FINANCIAL STATEMENTS AND CONTROL**(a) Financial Statements and Control performance results**

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Strategic Financial Management and Financial Planning of the Municipality's Priorities in line with the Municipality's Fiscal Objectives	IIA848	Review the Department's Budget related policies accounting policies and submit to the Director Financial Services by 31 January			0	1 by 31 January	1	3	1 by 31 January	
Manage the Financial Statements Sub-Section of the Municipality as per Duties delegated by the CFO	IIA850	Submit AFS and audit file by 31 August to the AG			0	1 by 31 August	1	3	1 by 31 August	

Management of the Cash/Treasury Resources of the Municipality in Support to MM and CFO's Responsibilities in terms of the MFMA and MSA	IIA851	Submit the recommendation of investment money by the 10th working day of the month to Director: Financial Services			0	12 for the year	12	3	12 for the year	
Manage Personnel Strategy and Operations as per Authority delegated by the CFO	IIA855	Hold monthly meetings with all direct reportees (INVOCOMS)			0	10 for the year	12	5	10 for the year	
Directly influence and lead the Mitigation of Strategic Accounting Risks as per the Municipality's Audit Strategy	IIA856	Review the operational risk register bi-annually by 31 December and 30 June			0	2 (by 31 December and 30 June)	3	3	2 (by 31 December and 30 June)	
Management of Reporting and Correspondence	IIA858	Respond to AGSA findings within 5 working days (or prescribed by query) after the request was received			0	100%	100%	3	100%	
Manage Personnel Strategy and Operations as per Authority delegated by the CFO	IIA859	Limit personnel days lost per month due to sick leave by 4% per month			0	4%	4.36%	3	4%	Reason: Due to valid sick leave Corrective measure: none required

(b) Employees: Financial Statements and Control

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	0	0	0	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	1	2	2	0	0.00%

19 - 20	0	0	0	0	0.00%
TOTAL	2	3	3	0	

3.10.4 INCOME

(a) Income performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Strategic planning and Reporting	IIA463	Submit the budget related inputs report to the Budget office by 30 November			0	1 by 30 November	1	3	1 by 30 November	
Specialised Services	IIA464	Calculate the monthly distribution losses and submit the information to the Directors Civil and Electrical Services by the 10th working day of the month			0	12 for the year	12	3	12 for the year	
Statutory Frameworks, Policies, and Procedures, Systems and Controls	IIA465	Review the Tariff Policy and submit to the Senior Manager by the 15th January			0	1 by 15 January	1	3	1 by 15 January	
Divisional Strategic Reporting	IIA466	Review the operational risk register bi-annually by 31 December and 30 June			0	2 (by 31 December and 30 June)	2	3	2 (by 31 December and 30 June)	
Debtors Control	IIA467	Ensure the meter readings don't exceeding a 32 day period from the previous reading			0	100%	100%	3	100%	
Divisional Strategic Matters	IIA471	Hold monthly meetings			0	10 for the	10	3	10 for the	

		(INVOCOMS) with all direct reportees				year			year	
Divisional Strategic Matters	IIA474	Limit personnel days lost per month due to sick leave by 4% per month			0	4%	1.64%	4	4%	

(b) Employees: Income

Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	3	0	0	0	0.00%
04 - 06	12	11	11	0	0.00%
07 - 09	18	17	17	0	0.00%
10 - 12	3	3	3	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	37	32	32	0	

3.10.5 STRATEGIC MANAGEMENT**(a) Introduction**

The purpose of Strategic Management is to provide an efficient and pro-active strategic service to the Council, the Municipal Manager and the Organisation which includes -

- Development and management of strategic services
- Community participation as described in chapter 4 of the Municipal Systems Act
- Integrated development planning as described in chapter 5 of the Municipal Systems Act
- Performance management as described in chapter 6 of the Municipal Systems Act
- Programme and project management
- Intergovernmental alignment
- Local economic development

(b) Strategic Management performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Development and management of the Strategic Services function	IIA1072	Hold 1 INVOCOM per quarter with direct reportees			0	4 for the year	4	3	4 for the year	
Development and management of the Strategic Services function	IIA1073	Limit personnel days lost per month due to sick leave by 4% per month			0	4%	1.16%	4	4%	
Development and management of the Strategic Services function	IIA1074	Review the operational risk register bi-annually by 31 December and 30 June			0	2 (by 31 December and 30 June)	2	3	2 (by 31 December and 30 June)	
Development and management of the Strategic Services function	IIA1075	Respond to requests from Internal Audit within 5 working days			0	90%	95.42%	5	90%	
Community Participation	IIA1076	Consult stakeholders bi-annually on the compilation of the IDP			0	2 for the year	2	3	2 for the year	IDP engagements were held with all ward committee members during October and November. Stakeholders were also consulted when the DRAFT IDP was advertised for comments.
Community Participation	IIA1077	Conduct a strategic session with Councillors and management with the compilation and revision of the IDP by 30 November			0	100% by 30 November	100% on 12 December 2023	2	100% by 30 November	
Strategic Planning	IIA1078	Develop a time schedule for the IDP and budget process by 31 August and submit to Council for approval			0	1 by 31 August	1 by 24 August 2023	4	1 by 31 August	Council approved the IDP/Budget time schedule on 24 August 2023

Local economic development	IIA1079	Review Local Economic Development Policy and submit to the MM by 31 May			0	1 by 31 May	1	3	1 by 31 May	
Strategic Planning	IIA1080	Review the Performance Management Policy/framework and submit to the MM by 31 May			0	1 by 31 May	1 in January 2024	5	1 by 31 May	
Strategic Planning	IIA1081	Oversee the compilation and submission of the final IDP to Council by 31 May			0	1 by 31 May	1	3	1 by 31 May	
Performance Management	IIA1082	Attend performance management meetings monthly			0	10 for the year	10	3	10 for the year	
Performance Management	IIA1083	Hold performance evaluation session for section 57 managers annually by September			0	100% annually by September	100%	3	100% annually by September	Annual panel evaluation of performance: 15 September 2023
Performance Management	IIA1084	Submit the Section 72 report to the Mayor by the 25th of January			0	1 by the 25th of January	1	3	1 by the 25th of January	
Performance Management	IIA1085	Submit the Section 72 report to Council by 31 January			0	1 by 31 January	1	4	1 by 31 January	The S72 report was submitted to Council on 30 January 2024
Performance Management	IIA1086	Review Key performance indicators of Section 57 managers and submit a report to the Mayoral Committee by 31 January			0	1 by 31 January	1 on 24 January 2024	3	1 by 31 January	
Performance Management	IIA1087	Submit the Final Top Layer SDBIP and the draft performance agreements of the S57 managers to the Executive Mayor			0	1	1 on 14 June 2024	3	1	

		within 14 days after the budget has been approved by Council								
Local economic development	IIA1088	Report to the MM quarterly on economic development issues			0	4 for the year	4	3	4 for the year	

(c) Employees: Strategic Management

Included under Administration Municipal Manager

(d) Financial Performance: Strategic Management

Included under Administration Municipal Manager

(e) Comment on the performance of Strategic Management overall

No comments.

3.10.6 INTERNAL AUDIT (INCLUDING RISK MANAGEMENT)

(a) Introduction

Internal Audit

The purpose of the Internal Audit Activity (IAA) is to provide an independent, objective assurance and consulting services designed to add value and improve Swartland Municipality's operations. The IAA helps the organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The scope of work of the IAA is to determine whether the municipality's control processes, as designed and represented by management, are adequate and functioning in a manner to ensure amongst others the:

- i. Safeguarding of assets;
- ii. Compliance with laws, regulations and contractual obligations;
- iii. Reliability and integrity of information; and
- iv. Economic, efficient and effective use of resources.

The Senior Manager, Internal Audit follows a risk based audit approach whereby an annual audit plan is compiled and executed. Included in the plan are special tasks or projects requested by Management and the Performance, Risk and Audit Committee. Reporting to the Municipal Manager regarding the activities of the unit such as audits and investigations performed, audit findings not yet implemented and any other concerns is done on a monthly basis. Quarterly Performance, Risk and Audit Committee meetings are held where risk management, performance management, audit reports issued and performance against the audit plan are discussed. Audit findings raised by the Auditor-General are also discussed and the implementation thereof monitored. Minutes of these meetings are submitted to the Executive Mayoral Committee and noted at Council meetings as being received.

Risk Management

A fully functional Enterprise Risk Management unit has not been established within Swartland Municipality and the responsibility to assist management in compiling and updating risk registers assigned to Internal Audit. Risk Management is one of management's core responsibilities and therefore the Internal Audit unit as part of their consulting services, assists management with the implementation of risk management. The performance of risk assessments is done by Internal Audit through facilitating the process of identifying and assessing risks per Directorate.

Each Directorate in conjunction with Internal Audit has compiled Operational Risk Assessments as well as a Strategic Risk Assessment to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. These Risk Assessments are reviewed regularly to identify changes in the risk exposure that will result from changes in the organisation as well as external factors. Risk Management has been implemented in a comprehensive and integrated way, throughout the municipality rather than only in selected business areas or disciplines. The identified risks are prioritised which enables management to focus more time, effort and resources on higher risk areas. Identified high risk areas form part of the IDP and the Performance Management system which ensures that it is monitored on a continuous basis. The BarnOwl system is utilised to assess risks and to compile risk registers.

(b) Internal Audit (including Risk Management) performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
4 Indicators Division Heads										
Development of Policies and Procedures	IIA1096	Review and submit Internal Audit Strategy and Work Procedures to PRAC annually by 30 June			0	1 annually by 30 June	1 by 22 August 2023	5	1 annually by 30 June	
Development of Policies and Procedures	IIA1097	Review and submit Internal Audit Charter to the PRAC by 30 June			0	1 annually by 30 June	1 by 22 August 2023	5	1 by 30 June	
Development of Policies and Procedures	IIA1098	Review and submit PRAC Charter to the EMC annually by 30 June			0	1 annually by 30 June	1 by 11 September 2023	5	1 annually by 30 June	Approved by Mayco on 11 September 2023

Development of Policies and Procedures	IIA1099	Review and submit Risk Management Strategic Plan to the PRAC by 30 June			0	1 annually by 30 June	1 by 28 May 2024	5	1 by 30 June	
Development of Policies and Procedures	IIA1100	Review and submit Fraud and Anti-Corruption Policy to the Mayoral Committee by 30 June			0	1 annually by 30 June	1 by 8 December 2023	5	1 by 30 June	Approved by Mayco on 08 December 2023
Development of Policies and Procedures	IIA1101	Review and submit Risk Management Policy to the Mayoral Committee by 30 June			0	1 annually by 30 June	1 by 8 December 2023	5	1 by 30 June	Approved by Mayco on 08 December 2023
Resource Management	IIA1102	Limit personnel days lost per month due to sick leave by 4% per month			0	4%	2.67%	4	4%	
Resource Management	IIA1103	Hold 1 INVOCOM per quarter with direct reportees			0	4 for the year	4	3	4 for the year	
Execution of Audits	IIA1104	Compile and submit monthly reports regarding internal audit activities to the Municipal Manager by the 10th working day			0	12 for the year	12	3	12 for the year	
Execution of Audits	IIA1105	Prepare and submit quarterly progress reports to the PRAC on the implementation of the RBAP			0	4 for the year	4	3	4 for the year	
Ensure effective liaison with the Auditor-General and coordination of the implementation of the AGs findings	IIA1106	Obtain documents/information as per Auditor General request for information within 2 working days			0	100%	100%	3	100%	All RFI's attended to in the required time frames
Ensure effective liaison with the Auditor-General and coordination of the implementation of the AGs	IIA1107	Obtain comments / action plan from responsible manager within 5 days from date of issue for all			0	100%	100%	3	100%	All COMAF's responded to in 5 days

findings		COMAFS submitted by the AG								
Reporting to the Performance, Risk and Audit Committee and Senior Management	IIA1108	Submit quarterly risk report to PRAC			0	4 for the year	5	3	4 for the year	
Reporting to the Performance, Risk and Audit Committee and Senior Management	IIA1109	Compile and submit the minutes of PRAC to the Mayoral Committee			0	4 for the year	4	3	4 for the year	
Reporting to the Performance, Risk and Audit Committee and Senior Management	IIA1110	Develop and submit the Risk Based Audit Plan to the PRAC annually by 30 June			0	1 annually by 30 June	1 by 28 May 2024	5	1 annually by 30 June	Submitted to PRAC on 28 May 2024

(c) Employees: Internal Audit

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	1	0	1	1	100.00%
13 - 15	0	0	0	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	2	1	2	1	

(d) Financial Performance: Internal Audit

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R1 769 137	R1 908 340	R1 912 340	R1 806 730	94.68%
2 Contracted Services	R171 850	R285 823	R703 854	R157 601	55.14%
3 Other	R38 309	R1 111 795	R1 111 795	R62 305	5.60%
TOTAL	R1 979 296	R3 305 958	R3 727 989	R2 026 636	

(e) Comment on the performance of Internal Audit (including Risk Management) overall

During the financial year, the Internal Audit Unit executed various audits and investigations of which the results were directly reported to the Performance, Risk and Risk Audit Committee, Municipal Manager and relevant Directors. Included in the internal audit reports against each audit finding an agreed management action plan, person responsible for implementation as well as a due date are indicated to facilitate the follow-up thereof. The implementation of findings issued by Internal Audit and the Auditor-General are managed by means of a list indicating "Findings not yet implemented" which is updated after the execution of the relevant follow-up audits.

Quarterly Performance, Risk and Audit Committee meetings were held and administered by the Senior Manager, Internal Audit. Risk registers and performance against the approved Risk Based Internal Audit Plan and Risk Management Strategic Plan are submitted to the committee and monitored.

Combined Assurance:

We have commenced with a process to implement combined assurance after the Performance, Risk and Audit Committee approved a combined assurance implementation plan on 23 November 2023. The implementation of the plan is still in progress and a combined assurance report will be tabled to management and the PRAC as soon as all the actions has been completed.

3.10.7 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

(a) Introduction

The ICT Department of Swartland Municipality provides the following services: telephone and e-mail communication, internet access, active directory authentication, file storing services, network connectivity between offices, various applications, for example MS Office, Promun and Collaborator. The Department also implements and gives support on all PC's, servers, printers, copiers, telephones, PABX systems, Access / TA (time and attendance) control, wired, fibre and wireless networks including both hardware and software. The Department consists of 4 full time officials, who support approximately 250 users. Most of the server infrastructure is virtualised and runs on 3 physical servers, connected to a central storage device. Certain of our services was moved to the cloud. The Department is responsible for the backup and restoration of the Municipality's data and also implements and maintains the Municipality's IT Disaster Recovery site.

Furthermore, the Department also limits the Municipality's expenditure by making use of new technology. The Department has installed a number of VoIP PABX systems at the larger satellite offices in order to utilize our wide area network and software-defined wide area network effectively, rather than relying on expensive Telkom lines. The Department distributes approximately 16 111 accounts via email to residents instead of posting printed accounts, which further results in savings on both printing and mailing costs. Some of the challenges the Department face are ageing infrastructure, increasing demand for storage space, bandwidth constraints, user training and cyber security.

During the year under review the department implemented an online backup solution for the Microsoft 365 environment to ensure we minimise the potential loss of information should we have a data breach or hacking incident. Keeping the information save and secure is essential for sustainable service delivery to all departments and divisions in the municipality.

The Department is heading up the updating of all our prepayment electricity meters as part of the TID (Token Identification) project. As at the end of June 2024 more than 11672 (98%) of the 11882 meters has been updated. Considering that the final date for converting all meters is only November 2024 this is indeed a good performance.

(b) ICT Services performance results

Performance Objective	Objective ID	Key Performance Indicator	Previous Year Target	Previous Year Actual	Previous Year Score	Target	Actual	Score	Next Year Target	Notes
2 Indicators from IDP										
5.2 Inter-connected towns and Municipal buildings	D70	Ensure the development of an ICT masterplan for connectivity and submit to the Mayoral Committee by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	
5.3 Smart City concept	D71	Ensure the development of a proposal for implementing the "Smart City" concept in the Swartland and submit to the Mayoral Committee by June 2025			0	1 by June 2025	N/a (2024/2025 financial year)	0	1 by June 2025	

(c) Employees: ICT Services

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	0	0	0	0	0.00%
07 - 09	0	0	0	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	2	2	2	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	4	4	4	0	

(d) Financial Performance: ICT Services

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R4 441 189	R4 678 995	R4 750 995	R4 744 968	101.41%
2 Contracted Services	R165 779	R557 635	R534 166	R207 552	37.22%
3 Other	R9 750 577	R12 839 047	R12 693 383	R10 811 876	84.21%
TOTAL	R14 357 545	R18 075 677	R17 978 544	R15 764 396	

(e) Capital Expenditure: ICT Services

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Backup Solution	R560 000	R0	R0	0.00%
23/24 Desktops	R264 000	R264 000	R248 090	93.97%
23/24 Equipping Law Enforcement Office: Moorreesburg	R55 000	R66 000	R65 618	119.31%
23/24 Equipment: Information Technology	R75 000	R72 400	R72 333	96.44%
23/24 Notebooks	R375 000	R425 000	R419 345	111.83%
23/24 Printers	R68 000	R68 000	R66 683	98.06%
23/24 Scanner Replacements	R80 000	R65 904	R45 939	57.42%
23/24 Terminals	R40 000	R42 600	R42 599	106.50%
TOTAL	R1 517 000	R1 003 904	R960 607	

(f) Comment on the performance of ICT Services overall

The IT strategy is aligned with the strategic objectives of Swartland Municipality's Integrated Development Plan (IDP). The IDP objectives are:

- Community safety and wellbeing
- Economic transformation
- Quality and reliable services
- A healthy and sustainable environment
- A connected and innovative local government

The ICT services aid and assist in achieving the IDP strategic objectives in the following manner.

- A stable technology environment and infrastructure to support business units and departments in achieving their objectives
- Reduced down time of systems
- Increased support and optimized application and infrastructure resulting in increased productivity within Swartland Municipality
- Secure and govern IT assets
- Reduce cost through IT without compromising support and productivity
- Bring innovation through IT when required to support economic growth.

The capital projects for 2023/24 were intended to upgrade aging infrastructure, to bring down operating and maintenance costs by making use of equipment with a longer life cycle. The department was able to spend just over 95% of the available Capital budget and implemented all projects resulting in a +/-5% saving.

3.10.8 MUNICIPAL PROPERTY MAINTENANCE

(a) Introduction

The Division : Buildings and Structures completed a total of 128 small projects for the 2023/2024 financial year scoring 97% on its overall performance and meeting its annual target of 90%. Two major projects were also completed within the same year that includes : Renovations and alterations of internal offices at Financial Services Malmesbury and Fitting of new Council committee hall Malmesbury.

(b) Employees: Municipal Property Maintenance

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	0	0	0	0	0.00%
04 - 06	5	5	5	0	0.00%
07 - 09	4	4	4	0	0.00%
10 - 12	1	1	1	0	0.00%
13 - 15	0	0	0	0	0.00%
16 - 18	1	1	1	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	11	11	11	0	

(c) Financial Performance: Municipal Property Maintenance

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R5 083 747	R5 723 393	R5 731 393	R5 463 173	95.45%
2 Contracted Services	R4 141 229	R4 828 871	R4 818 897	R4 509 047	93.38%
3 Other	R7 652 461	R9 617 985	R10 660 674	R17 423 593	181.16%
TOTAL	R16 877 437	R20 170 249	R21 210 964	R27 395 813	

(d) Capital Expenditure: Municipal Property Maintenance

Project Name	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Fitting of Council Chambers (Std Bank Building)	R2 900 000	R2 921 747	R2 883 275	99.42%
23/24 Land: Donated Property (non-cash)	R0	R0	R149 000	0.00%
23/24 Buildings: CK23064 Nissan NP300 H	R976 500	R704 870	R704 870	72.18%
23/24 Moorreesburg Stores Ablution Facilities	R100 000	R53 000	R48 416	48.42%
23/24 Equipment : Buildings & Maintenance	R28 500	R28 500	R28 500	100.00%
TOTAL	R4 005 000	R3 708 117	R3 814 061	

(e) Comment on the performance of Municipal Property Maintenance overall

The Division : Buildings and Structures completed a total of 128 small projects for the 2023/2024 financial year scoring 97% on its overall performance and meeting its annual target of 90%. Two major projects were also completed within the same year that includes : Renovations and alterations of internal offices at Financial Services Malmesbury and Fitting of new Council committee hall Malmesbury.

3.10.9 TOWN AND COMMUNITY HALLS (INCLUDING PROPERTY AND LEGAL)

(a) Introduction

The Corporate Services Directorate is responsible for the administration of the Municipality's property portfolio, including the sale and lease of immovable properties and all transactions and contracts relating to same, and to ensure that all related actions and documents are legally compliant.

Legal Services are outsourced but the Directorate assists council, executive structures and the various municipal directorates with, inter alia –

- the interpretation and application of national and provincial legislation;
- policy formulation within the applicable legal frameworks;
- the assessment of legal risks and obtaining legal opinions where necessary; and
- the administration of legal actions and claims on behalf of and against the Municipality,

(b) Employees: Town and community halls (including property and legal)

Job Level	Previous Year Posts	Employees	Posts	Vacancies	Vacancies As Percentage
00 - 03	8	4	4	0	0.00%
04 - 06	10	11	12	1	8.33%
07 - 09	2	1	1	0	0.00%
10 - 12	0	1	1	0	0.00%
13 - 15	1	1	1	0	0.00%
16 - 18	0	0	0	0	0.00%
19 - 20	0	0	0	0	0.00%
TOTAL	21	18	19	1	

(c) Financial Performance: Town and community halls (including property and legal)

Operational Expenditure Type	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance
1 Employees	R4 016 904	R4 944 839	R4 872 839	R4 587 749	92.78%
2 Contracted Services	R145 798	R263 144	R263 144	R153 650	58.39%
3 Other	R1 046 697	R1 292 605	R1 704 394	R1 524 376	117.93%
TOTAL	R5 209 399	R6 500 588	R6 840 377	R6 265 775	

(d) Capital Expenditure: Town and community halls (including property and legal)

Project	Original Budget	Adjustment Budget	Actual	Original Budget Variance
23/24 Equipment Corporate: Buildings & Swartland Halls	R100 000	R95 017	R95 016	95.02%
TOTAL	R100 000	R95 017	R95 016	

(e) Comment on the performance of Town and community halls overall

Halls are utilised on a regular basis including standing users of which the WP Blood Transfusion Services and SASSA are examples.

Cleaning of halls is done by municipal cleaning staff, while maintenance of the buildings is the function of the Building Division. Maintenance is being carried out subject to the availability of funds.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION

Swartland Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: **To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce.** Swartland Municipality considers its human resources as one of its most critical assets. This chapter will focus on some of the key issues relating to human resources and other organisational management issues. Issues which will be addressed includes the staffing rate of the municipality, personnel cost, the status quo of retirement funds and medical aid schemes, human resource policies and practices, as well as the remuneration of senior officials and councillors.

4.2 MUNICIPAL PERSONNEL

(a) Employees

Service Name	Posts	Employees	Vacancies	Vacancies As Percentage
Asset and Fleet Management	4	4	0	0,00%
Budget Office and Costing	2	2	0	0,00%
Building Control	6	6	0	0,00%
Caravan Park Yzerfontein	6	6	0	0,00%
Cemeteries	0	0	0	0,00%
Civil Protection (including Disaster Management)	0	0	0	0,00%
Communication Management	0	0	0	0,00%
Community Development	4	4	0	0,00%
Council General Expenses	0	0	0	0,00%
Electricity Distribution	41	41	0	0,00%
Expenditure	11	11	0	0,00%
Financial Statements and Control	3	3	0	0,00%
Financial Systems Administration	1	1	0	0,00%
Fire Fighting Services	6	6	0	0,00%
Grants and subsidies Council	0	0	0	0,00%
Grants and subsidies Financial Services	0	0	0	0,00%

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Grants and subsidies FMG	0	0	0	0,00%
Harbour Yzerfontein	0	0	0	0,00%
Housing	3	3	0	0,00%
Human Resources	5	5	0	0,00%
ICT Services	4	4	0	0,00%
Income	32	32	0	0,00%
Internal Audit (including Risk Management)	2	1	1	50,00%
Legal and Credit Control	14	14	0	0,00%
Library and Client Services	33	32	1	3,03%
Licencing and Registration Services	26	24	2	7,69%
Local Economic Development	0	0	0	0,00%
Management Civil Engineering Services	6	6	0	0,00%
Management Corporate Services	8	8	0	0,00%
Management Development Services	2	2	0	0,00%
Management Electrical Engineering Services	0	0	0	0,00%
Management Financial Services	1	1	0	0,00%
Management Municipal Manager	3	2	1	33,33%
Management Protection Services	2	2	0	0,00%
Marketing and Tourism	1	1	0	0,00%
Municipal Property Maintenance	11	11	0	0,00%
Occupational Health and Safety (including Pollution Control)	2	2	0	0,00%
Parks and Recreational Areas	56	53	3	5,36%
Planning and Valuations	6	6	0	0,00%
Proclaimed Roads	4	4	0	0,00%
Rates Services	3	3	0	0,00%
Refuse Removal	77	75	2	2,60%
Secretariat and Archives	6	6	0	0,00%
Sewerage Services	32	31	1	3,13%

Sports Grounds	5	4	1	20,00%
Strategic Management	2	2	0	0,00%
Streets and Stormwater	71	70	1	1,41%
Supply Chain Management	12	12	0	0,00%
Swimming Pools	5	5	0	0,00%
Thusong Service Centres	4	4	0	0,00%
Town and Community Halls (including Property and Legal)	19	18	1	5,26%
Traffic and Law Enforcement Services	81	78	3	3,70%
Water Services	41	40	1	2,44%
TOTAL	663	645	18	

(b) Vacancy rate

Designation	Total Approved Posts	Vacancies	Vacancy Percentage
a Municipal Manager	1	0	0,00%
b Chief Financial Officer	1	0	0,00%
c Other S56 Managers (excluding Finance Posts)	5	0	0,00%
d Other S56 Managers (Finance Posts)	0	0	0,00%
e Police Officers	0	0	0,00%
f Fire fighters	6	0	0,00%
g Senior Management: Levels 13-18 (excluding Finance Posts)	42	0	0,00%
h Senior Management: Levels 13-18 (Finance Posts)	9	0	0,00%
i Highly skilled supervision: Levels 9-12 (excluding Finance Posts)	125	7	5,60%
j Highly skilled supervision: Levels 9-12 (Finance Posts)	14	0	0,00%

(c) Turn-over Rate

Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-Over Rate
646	34	5,26%

(d) Comment on municipal personnel

The stable environment of Swartland Municipality ensures that employees have stable careers and therefore there is a very low staff turnover of 2.8%.

4.3 MANAGING THE MUNICIPAL WORKFORCE

4.3.1 HR POLICIES AND PLANS

(a) HR policies and plans as on 30 June 2024

Name Of Policy	Completed	Revised	Date Adopted	Comment
Acting Allowance	100,00%	100,00%	2022-10-01	Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Alcohol and Drug Policy & Procedure	100,00%	100,00%	2018-12-01	
Coaching and Mentoring Policy	100,00%	0,00%	2023-07-01	New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Code of Conduct for employees	100,00%	0,00%		Part of Municipal Systems Act
Delegations, Authorisation & Responsibility	100,00%	100,00%	2024-05-31	
Disability	100,00%	0,00%	2018-12-01	
Disciplinary Code and Procedures	100,00%	0,00%		Collective Agreement
Dress Code	100,00%	0,00%	2013-01-01	
Employee Assistance / Wellness	100,00%	0,00%	2018-12-01	
Employment Equity	100,00%	100,00%	2016-04-01	
Essential Services	0,00%	0,00%		
Exit Management	100,00%	0,00%	2022-10-01	New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
External Bursary Policy	100,00%	100,00%	2017-04-01	
Gift Policy	100,00%	0,00%	2018-12-01	
Grievance Procedures	100,00%	0,00%		Part of Main Collective Agreement
HIV/Aids	100,00%	0,00%	2016-04-01	
Induction	100,00%	0,00%	2022-10-01	New policy in terms of Municipal Staff Regulations 890

				and 891 dated 20 September 2021
Information Technology	100,00%	100,00%	2022-06-15	
Internal Staff Bursary	100,00%	100,00%	2023-07-01	Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Internship	100,00%	0,00%	2016-04-01	
Leave	100,00%	100,00%	2016-12-01	
Mentoring and Coaching Policy	100,00%	0,00%	2023-06-13	New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Occupational Health and Safety	0,00%	0,00%		
Official Housing	100,00%	100,00%	2009-11-01	
Official transport to attend Funerals	0,00%	0,00%		
Organisational Rights	100,00%	0,00%		Part of Main Collective Agreement
Other	0,00%	0,00%		
Overtime	100,00%	100,00%	2022-10-01	
Payroll Deductions	100,00%	0,00%		Part of Main Collective Agreement
Performance Management and Development	100,00%	0,00%	2022-08-01	New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Privacy Policy	100,00%	0,00%	2021-06-28	
Private Work	100,00%	100,00%	2018-12-01	
Probationary Period	100,00%	0,00%	2022-09-01	New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Recruitment and Selection	100,00%	100,00%	2022-09-01	Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Relocation Assistance	100,00%	0,00%	2022-10-01	New policy
Remuneration Scales and Allowances	0,00%	0,00%		Collective Agreement
Retention	100,00%	0,00%	2022-09-01	New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Scarce Skills	100,00%	0,00%	2022-10-01	New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Sexual Harassment	100,00%	0,00%	2018-12-01	

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Skills Development	100,00%	100,00%	2023-05-01	Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Smoking	100,00%	100,00%	2018-12-01	
Succession Planning	100,00%	0,00%	2022-10-01	Reviewed in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Talent Management	100,00%	0,00%	2022-12-01	New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
TASK Job Evaluation	100,00%	0,00%	2023-05-01	New policy in terms of Municipal Staff Regulations 890 and 891 dated 20 September 2021
Telecommunications	100,00%	0,00%	2016-04-01	
Travel, Accommodation and Subsistence	100,00%	100,00%	2023-05-01	
Uniforms and Protective Clothing	100,00%	100,00%	2022-10-21	
Work Organisation	0,00%	0,00%		

(b) Comment on HR policies and plans

Policies are not static documents and therefore have to be revised regularly. During the 2022/23 period a revision process of all policies involving all stakeholders, namely employer, councillors and unions, commenced in terms of the Local Government: Municipal Staff Regulations that was promulgated on 21 September 2021, in order to ensure that the policies are in line with the new Regulations. As part of the process, during the 2023/24 period, one existing policy was reviewed and one new policy developed in terms of the Regulations for implementation with effect from 1 July 2024.

4.3.2 INJURIES, SICKNESS AND SUSPENSIONS

(a) Number and cost of injuries on duty

Type Of Injury	Injury Leave Taken	Employees Using Injury Leave	Proportion Employees Using Sick Leave	Injury Leave Per Employee	Estimated Cost
Required basic medical attention only	480	25	5,21%	18	R327 092
Temporary total disablement	0	0	0,00%	0	R0
Permanent disablement	0	0	0,00%	0	R0
Fatal	0	0	0,00%	0	R0
TOTAL	480	25			

(b) Number of days and cost of sick leave (excluding injuries on duty)

Salary Band	Total Days Sick Leave	Proportion Without Medical Certification	Employees Using Sick Leave	Total Employees In Post	Average Days Per Employee	Estimated Cost
a Lower skilled (Levels 1 - 2)	0	0,00%	0	0	0	R0
b Skilled (Levels 3 - 5)	1445	30,10%	164	211	9	R845 355
c Highly skilled production (Levels 6 - 8)	1680	28,40%	193	225	9	R1 455 856
d Highly skilled supervision (Levels 9 - 12)	1171	20,90%	127	153	9	R1 563 317
e Senior management (Levels 13 - 18)	260	28,10%	39	57	7	R682 443
f MM and S56	12	66,70%	2	7	6	R60 013

(c) Comment on injury and sick leave

The percentage of employees absent due to sick leave and injury on duty is monitored on a monthly basis and is also part of the performance management system. Whenever the figure exceeds 3%, measures are put in place to address problem areas. Levels of absenteeism due to these reasons are relatively low with an average absenteeism for the period 2023/24 for sick leave being 2.5% and for injury on duty 0.2%. All injuries are investigated thoroughly and if necessary, the Health and Safety Officer addresses the problem areas through training and counselling. Injuries are examined by the municipality's own doctors, and where long or regular periods of sick leave are taken, prognosis reports are requested in order to determine the employees' fitness for duty.

(d) Comment on suspensions and cases of financial misconduct

There were no suspension of more than 4 months and any cases of financial misconduct within Swartland Municipality.

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

4.4.1 INTRODUCTION

MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Swartland Municipality recognizes the obligations placed on it by the Skills Development Act to train and develop employees. In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees, non-employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports submitted. During 2023/2024 an amount of R1 950 043 was spent on efficiency development.

Swartland Municipality adopted a Succession Plan for the development of employees in order to prepare them for future vacancies through training and exposure to the required experience for the specific succession post. Bursaries are also awarded for succession candidates who need to complete formal qualifications. Currently there are 14 employees on the Succession Plan for various future vacancies.

4.4.2 SKILLS DEVELOPMENT AND TRAINING

(a) Annual Training Report: Number of employees trained as at 30 June 2024

Occupational Category	No of Employees in post at 30 June 2024	Type of Learning Intervention										Total
		Apprenticeship (ARPL)	Bursary	Learnership	RPL	Skills Programme	Short Cours Non Credit	AET1	AET2	AET3	AET4	
Legislators, Senior Officials and Managers	36	0	0	1	0	7	4	0	0	0	0	12
Professionals	27	0	3	2	0	8	4	0	0	0	0	17
Technicians and Associate Professionals	60	0	2	8	0	9	1	0	0	0	0	20
Clerks	113	0	7	4	0	12	1	0	0	0	0	24
Service and Sales Workers	107	1	3	4	0	10	0	0	0	0	1	19
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	15	0	0	0	0	9	0	0	0	0	0	9

Plant and Machine Operators and Assemblers	101	1	0	24	0	9	0	0	0	0	9	43
Elementary Occupations	194	0	2	21	0	17	0	0	0	3	7	50
TOTAL PERMANENT	653	2	17	64	0	81	10	0	0	3	17	194

(b) Financial Competency Development: Progress Report

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated Total: A and B	Consolidated: Competency assessments completed for A and B (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))
a Accounting officer	1	0	1	1	1	1
b Chief financial officer	1	0	1	1	1	1
c Senior managers	5	0	5	5	5	5
d Any other financial officials	82	0	82	0	0	0
e Heads of supply chain management units	3	0	3	2	2	2
f Supply chain management senior managers	1	0	1	1	1	1
TOTAL	93	0	93	10	10	10

(c) Skills Development Expenditure as at 30 June 2024

Type of Learning Intervention	NQF Level	Number trained		Actual Amount Spent
		Female	Male	
Apprenticeship	1-4	0	2	R14 400
	5-7	0	0	R0
	8-10	0	0	R0
Adult Education & Training	1	2	18	R521 748
Bursary	1-4	0	0	R0
	5-7	7	8	R59 528
	8-10	1	1	R0
Learnership	1-4	3	45	R971 991
	5-7	5	11	
	8-10	0	0	R0
RPL	1-4	0	0	R0
	5-7	0	0	R0
	8-10	0	0	R0
Skills Programme	1-4	19	62	R300 757
	5-7	0	0	
	8-10	0	0	R0
Short Course: Non-credit		7	3	R41 979
Unemployed Training				R39 640
TOTAL		44	150	R1 950 043

(d) Comment on skills development and related expenditure and on the financial competency regulations

Swartland Municipality recognizes the obligations placed on it by the Skills Development Act to train and develop employees. In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees, non-employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports submitted. During 2023/2024 an amount of R1 950 043 was spent on skills development.

Swartland Municipality adopted a Succession Plan for the development of employees in order to prepare them for future vacancies through training and exposure to the required experience for the specific succession post. Bursaries are also awarded for succession candidates who need to complete formal qualifications. Currently there are 14 employees on the Succession Plan for various future vacancies.

4.5 MANAGING THE WORKFORCE EXPENDITURE

4.5.1 INTRODUCTION

Workforce expenditure is managed effectively, through regular (monthly) budget control meetings to discuss expenditure and rectify any overspending. No appointments are made unless the posts are funded and vacant on the post establishment. In order to obtain value for money from workforce expenditure, the mandate for appointment is to appoint the candidate on the minimum notch of the scale unless motivation exists for appointment on a higher notch. The consultation for appointment on a higher notch is done by the Senior Manager: Human Resources and the director concerned. Should consensus not be reached, there should be a cooling-down period of forty-eight (48) hours after which further consultation should take place to reach consensus. Consensus must be reached after the cooling-down period has elapsed.

4.5.2 EMPLOYEE EXPENDITURE

(a) Workforce Expenditure Trends

Operational Expenditure Type	Total Operating Expenditure	Actual Workforce Expenditure	Ratio
1 Employees	R1 025 495 260	R326 635 718	31,85%

(b) Number of employees whose salaries were increased due to their positions being upgraded

Through job evaluation 8 employees' salaries were increased due to a higher job grading result.

(c) Employees whose salary levels exceed the grade determined by job evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Cashier and Enquiries Clerk	2	6	8	Implementation of TASK (Contractual to incumbent)
Operator: Loader	1	7	8	Implementation of TASK (Contractual to incumbent)
Library Assistant	1	6	8	Implementation of TASK (Contractual to incumbent)
Cashier and Enquiries Clerk	1	6	9	Implementation of TASK (Contractual to incumbent)
Principal Clerk	2	7	8	Implementation of TASK (Contractual to incumbent)
Administrator	1	9	11	Implementation of TASK (Contractual to incumbent)

(d) Employees appointed to posts not approved

None

(e) Comment on upgraded posts and those that are at variance with normal practice

Through job evaluation 14 posts acquired a higher grading.

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality is being subjected to extreme external cost pressures which includes the effect of the tariff increases of Eskom, labour collective agreements which resulted in expenditure increases well above the normal inflation rate, the increased cost of fuel due to the declining currency and higher oil prices etc. The municipality is well aware of the effect of the global economic slowdown and the effect it has on the ability of the consumers to pay for services. The municipality therefore embarked on cost saving measures in its budgeting- and actual processes wherever possible.

GRAP compliance

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The Accounting Standards Board annually issues a directive (Directive 5) indicating the relevant accounting standards which municipalities must comply with. The municipality implemented all the required standards and was able to obtain an unqualified audit report. The municipality did not deviate from any of the standards.

5.2 STATEMENTS OF FINANCIAL PERFORMANCE

5.2.1 INTRODUCTION

The financial statements of the municipality has been audited by the Office of the Auditor-General and the paragraphs below reflects a high level summary of the financial results for the financial year. The complete set of audited Annual Financial Statements is attached to the Annual Report as an appendix (Separate document).

5.2.2 STATEMENTS OF FINANCIAL PERFORMANCE

(a) Financial Summary

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
1a Total Revenue (excluding capital transfers and contributions)	R996 623 489	R1 085 098 238	R1 132 513 714	R1 179 043 598	108.66%	104.11%
a Property rates	R152 116 871	R167 829 935	R167 829 935	R163 174 552	97.23%	97.23%
b Service charges	R533 980 162	R596 913 852	R576 934 203	R630 654 583	105.65%	109.31%
c Investment revenue	R58 939 305	R55 954 389	R83 050 548	R84 764 075	151.49%	102.06%
d Transfers recognised - operational	R173 875 460	R168 035 872	R172 097 266	R171 662 265	102.16%	99.75%
e Other own revenue	R77 711 690	R96 364 190	R132 601 762	R128 788 123	133.65%	97.12%
1b Total Expenditure	-R934 531 186	-R1 071 330 062	-R1 071 352 206	-R1 025 495 256	95.72%	95.72%
a Employee costs	R291 907 026	R316 393 933	R318 240 760	R315 708 755	99.78%	99.20%
b Remuneration of councillors	R11 225 004	R12 081 258	R12 419 258	R12 004 775	99.37%	96.66%
c Depreciation and asset management	R93 099 959	R112 613 631	R118 669 977	R111 937 809	99.40%	94.33%
d Finance charges	R15 655 387	R14 486 358	R12 943 988	R12 335 335	85.15%	95.30%
e Materials and bulk purchases	R341 217 910	R417 131 006	R391 297 714	R391 243 562	93.79%	99.99%
f Transfers and grants	R4 245 585	R5 060 078	R5 426 498	R4 424 278	87.43%	81.53%
g Other expenditure	R177 180 315	R193 563 798	R212 354 011	R177 840 742	91.88%	83.75%
1c Capital transfers and contributions	R76 119 743	R107 386 943	R119 908 999	R113 776 998	105.95%	94.89%
a Transfers recognised - capital	R76 119 743	R107 386 943	R119 908 999	R113 470 176	105.66%	94.63%
b Contributions recognised - capital and contributed assets	R0	R0	R0	R0	0.00%	0.00%
c Donated property, plant and equipment	R0	R0	R0	-R306 822	0.00%	0.00%

Decsription	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
2 Total sources of capital funds	-R168 646 538	-R209 052 395	-R248 689 919	-R238 109 605	113.90%	95.75%
a Transfers recognised - capital	R58 631 303	R106 162 000	R118 708 891	R112 285 469	105.77%	94.59%
b Public contributions and donations	R11 209 649	R1 224 943	R1 200 108	R1 200 108	97.97%	100.00%
c Borrowing	R0	R0	R0	R0	0.00%	0.00%
d Internally generated funds	R98 805 586	R101 665 452	R128 780 920	R124 624 028	122.58%	96.77%
3 Financial position						
a Total current assets	R879 602 153	R863 165 753	R550 836 656	R668 528 985	77.45%	121.37%
b Total non-current assets	R2 234 437 195	R2 322 092 040	R2 681 854 728	R2 683 524 285	115.56%	100.06%
c Total current liabilities	R144 679 086	R144 716 907	R123 924 254	R160 162 051	110.67%	129.24%
d Total non-current liabilities	R223 550 521	R224 988 055	R182 216 878	R180 345 015	80.16%	98.97%
4 Cash Flows						
a Net cash from (used) operating	R234 305 886	R224 934 837	R267 554 092	R306 894 276	136.44%	114.70%
b Net cash from (used) investing	R170 142 007	R194 439 456	R543 468 877	R508 196 632	261.36%	93.51%
c Net cash from (used) financing	R7 237 993	R8 261 333	R51 558 962	R50 223 168	607.93%	97.41%
d Cash/Cash Equivalents at the year end	R722 016 835	R684 449 043	R394 543 088	R470 491 311	68.74%	119.25%

(b) Financial Performance of Operational Services

Service	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Variance From Original Budget	Variance From Adjustment Budget
Asset and Fleet Management	R3 178 596	R3 713 812	R4 085 312	R3 585 833	96.55%	87.77%
Budget Office and Costing	R3 472 271	R6 362 738	R7 250 014	R4 677 096	73.51%	64.51%
Building Control	R3 204 309	R3 779 591	R3 800 841	R3 647 423	96.50%	95.96%
Caravan Park Yzerfontein	R2 909 441	R3 093 753	R3 214 785	R3 278 819	105.98%	101.99%
Cemeteries	R744 390	R993 173	R980 322	R989 332	99.61%	100.92%

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Civil Protection (including Disaster Management)	R452 986	R380 000	R1 164 100	R896 120	235.82%	76.98%
Communication Management	R0	R0	R0	R0	0.00%	0.00%
Community Development	R3 483 582	R4 493 591	R4 639 239	R3 557 369	79.17%	76.68%
Council General Expenses	R18 881 370	R23 068 422	R23 556 253	R21 803 265	94.52%	92.56%
Electricity Distribution	R326 965 566	R399 516 506	R378 275 068	R374 821 309	93.82%	99.09%
Expenditure	R0	R0	R0	R0	0.00%	0.00%
Financial Statements and Control	R0	R0	R0	R0	0.00%	0.00%
Financial Systems Administration	R0	R0	R0	R0	0.00%	0.00%
Fire Fighting Services	R9 254 997	R10 001 650	R10 655 421	R11 486 039	114.84%	107.80%
Grants and subsidies Council	R0	R0	R0	R0	0.00%	0.00%
Grants and subsidies Financial Services	R0	R0	R0	R0	0.00%	0.00%
Grants and subsidies FMG	R1 550 000	R1 550 000	R1 550 000	R1 551 914	100.12%	100.12%
Harbour Yzerfontein	R361 291	R465 447	R465 447	R401 146	86.19%	86.19%
Housing	R26 173 763	R4 700 823	R4 764 453	R4 749 951	101.05%	99.70%
Human Resources	R6 491 232	R6 899 179	R8 525 020	R8 441 395	122.35%	99.02%
ICT Services	R14 357 545	R18 075 677	R17 978 544	R15 764 396	87.21%	87.68%
Income	R0	R0	R0	R0	0.00%	0.00%
Internal Audit (including Risk Management)	R1 979 296	R3 305 958	R3 727 989	R2 026 636	61.30%	54.36%
Legal and Credit Control	R0	R0	R0	R0	0.00%	0.00%
Library and Client Services	R11 957 818	R12 586 151	R12 598 141	R13 342 997	106.01%	105.91%
Licencing and Registration Services	R9 714 044	R10 810 528	R10 771 862	R10 437 166	96.55%	96.89%
Local Economic Development	R0	R0	R0	R0	0.00%	0.00%
Management Civil Engineering Services	R3 630 704	R3 827 334	R3 884 878	R4 043 600	105.65%	104.09%
Management Corporate Services	R11 819 424	R13 785 111	R14 824 592	R12 682 334	92.00%	85.55%
Management Development Services	R2 498 348	R2 779 245	R2 791 329	R2 810 552	101.13%	100.69%
Management Electrical Engineering Services	R1 461 033	R1 501 491	R1 515 591	R1 739 166	115.83%	114.75%
Management Financial Services	R34 557 765	R51 648 627	R58 008 765	R43 179 954	83.60%	74.44%
Management Municipal Manager	R3 262 358	R2 766 479	R3 316 479	R3 859 525	139.51%	116.37%
Management Protection Services	R2 448 245	R2 669 659	R2 792 759	R2 770 979	103.80%	99.22%
Marketing and Tourism	R2 321 691	R2 430 556	R2 431 620	R2 472 966	101.74%	101.70%

Municipal Property Maintenance	R16 877 437	R20 170 249	R21 210 964	R27 395 813	135.82%	129.16%
Occupational Health and Safety (including Pollution Control)	R1 871 382	R2 119 132	R2 139 576	R2 059 916	97.21%	96.28%
Parks and Recreational Areas	R19 073 382	R22 184 112	R22 759 342	R20 421 455	92.05%	89.73%
Planning and Valuations	R9 025 599	R9 566 008	R10 014 370	R9 299 006	97.21%	92.86%
Proclaimed Roads	R4 783 500	R482 763	R482 763	R470 000	97.36%	97.36%
Rates Services	R2 059 924	R1 026 479	R1 663 997	R1 812 282	176.55%	108.91%
Refuse Removal	R60 150 297	R58 054 182	R63 661 311	R59 720 705	102.87%	93.81%
Secretariat and Archives	R0	R0	R0	R0	0.00%	0.00%
Sewerage Services	R55 692 200	R62 591 070	R63 616 120	R65 107 983	104.02%	102.35%
Sports Grounds	R7 770 364	R7 244 080	R7 725 761	R10 927 155	150.84%	141.44%
Strategic Management	R2 331 350	R2 854 192	R2 923 192	R2 578 698	90.35%	88.22%
Streets and Stormwater	R67 109 261	R82 019 797	R77 405 718	R70 050 330	85.41%	90.50%
Supply Chain Management	R7 276 753	R9 426 591	R9 432 089	R8 550 755	90.71%	90.66%
Swimming Pools	R3 648 697	R4 491 199	R4 387 219	R4 092 436	91.12%	93.28%
Thusong Service Centres	R1 463 019	R1 679 477	R1 700 122	R1 593 973	94.91%	93.76%
Town and Community Halls (including Property and Legal)	R5 209 399	R6 500 588	R6 840 377	R6 265 775	96.39%	91.60%
Traffic and Law Enforcement Services	R77 209 263	R78 365 556	R86 330 012	R84 286 953	107.56%	97.63%
Water Services	R85 847 290	R107 349 086	R101 490 449	R91 844 743	85.56%	90.50%
TOTAL	R934 531 186	R1 071 330 062	R1 071 352 206	R1 025 495 260		

(c) Comment on financial performance

Total operating expenditure amounted to R1 025 495 256 and 95.72% of the budget was spent.

Total operating revenue amounted to R1 292 820 598 which is equal to 103.23%.

5.2.3 GRANTS

(a) Grants received from the Division of Revenue Act (DoRA)

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
National Government (capital)						
Integrated National Electrification Programme (Municipal) Grant	R17 600 000	R23 658 000	R23 658 000	R23 658 000	100.00%	100.00%
Municipal Infrastructure Grant (MIG)	R33 809 996	R24 708 000	R23 055 000	R23 055 000	93.31%	100.00%
TOTAL	R51 409 996	R48 366 000	R46 713 000	R46 713 000		
National Government (operating)						
Expanded Public Works Programme Integrated Grant	R1 873 000	R1 830 000	R1 830 000	R1 830 000	100.00%	100.00%
Finance Management	R1 550 000	R1 550 000	R1 550 000	R1 550 000	100.00%	100.00%
Local Government Equitable Share Grant	R126 228 000	R143 235 000	R143 235 000	R143 235 000	100.00%	100.00%
TOTAL	R129 651 000	R146 615 000	R146 615 000	R146 615 000		
Provincial Government (capital)						
Developement of Sport and Recreation Facilities Grant	R0	R966 000	R966 374	R966 374	100.04%	100.00%
Emergency Fire kits	R0	R0	R284 100	R0	0.00%	0.00%
Emergency Municipal Load-Shedding Relief	R2 351 723	R0	R8 506 517	R8 506 517	0.00%	100.00%
Establishment of a K9 Unit (capital)	R136 615	R40 000	R40 000	R40 000	100.00%	100.00%
Fire Service Capacity Building Grant	R0	R926 000	R926 000	R926 000	100.00%	100.00%
Human Settlements Development Grant (capital)	R3 515 230	R55 314 000	R60 507 000	R54 097 638	97.80%	89.41%
Library Service: Conditional Grant (capital)	R49 783	R50 000	R50 000	R50 000	100.00%	100.00%
Public Transport non-motorised infrastructure grant	R0	R0	R500 000	R500 000	0.00%	100.00%
RSEP/VPUU Municipal Projects Grant	R1 200 000	R500 000	R500 000	R500 000	100.00%	100.00%
TOTAL	R7 253 351	R57 796 000	R72 279 991	R65 586 529		
Provincial Government (operating)						
Community Development Workers Grant	R35 499	R38 000	R38 000	R36 689	96.55%	96.55%

Establishment of a K9 Unit (operating)	R2 390 000	R3 305 000	R3 305 000	R3 305 000	100.00%	100.00%
Establishment of Law Enforcement Rural Safety Unit	R0	R5 509 000	R5 509 000	R5 509 000	100.00%	100.00%
Financial Management Support Grant: Student Bursaries	R160 000	R0	R261 420	R84 613	0.00%	32.37%
Human Settlements Development Grant (operating)	R0	R0	R79 520	R0	0.00%	0.00%
Library Service: Conditional Grant (operating)	R11 573 000	R11 788 000	R12 254 000	R12 161 393	103.17%	99.24%
Municipal Accreditation Assistance Grant	R196 774	R245 000	R245 000	R155 911	63.64%	63.64%
Municipal Service Delivery and Capacity Building Grant	R0	R0	R500 000	R500 000	0.00%	100.00%
Proclaimed Roads Subsidy (operating)	R4 470 000	R170 000	R170 000	R170 000	100.00%	100.00%
Title Restoration	R0	R0	R0	R281 980	0.00%	0.00%
WC Financial Management Capability Grant (Internal Audit)	R0	R0	R418 031	R0	0.00%	0.00%
WC Mun Energy Resilience Grant	R0	R0	R680 000	R680 000	0.00%	100.00%
TOTAL	R18 825 273	R21 055 000	R23 459 971	R22 884 586		

(b) Comment on operating transfers and grants received from DoRA

Government grants and subsidies: Operating was underspend by 0.50% and Government grants and subsidies: Capital was underspend by 5.40%.

(c) Grants received from sources other than DoRA

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjusted Budget Variance
	R0	R0	R1 320 530	R0	0.00%	0.00%
Education, Training and Development Practices SETA	R861 795	R0	R1 617 773	R2 075 717	0.00%	128.31%
TOTAL	R861 795	R0	R2 938 303	R2 075 717		

(d) Comment on conditional grants and grant received from other sources

The municipality adhered to the conditions of all conditional transfers.

The following Grants were applied for roll-over:

- Unspent Municipal Disaster Response Grant to an amount of R 350 000 be rolled over.
- Unspent Western Cape Financial Management Capability Grant (Student Bursaries) to an amount of R176 807 to be repaid to the Provincial Fiscus.
- Unspent Western Cape Financial Management Capability Grant (Internal Audit Software) to an amount of R418 031 to be rolled over.
- Unspent Community Development Workers (CDW) Operational Support Grant to an amount of R1 311 to be repaid to the Provincial Fiscus.
- Unspent Municipal Accreditation and Capacity Building Grant to an amount of R89 089 to be repaid to the Provincial Fiscus.
- Unspent Financial Assistance for the Provision of Emergency Kits and Relocation Costs to an amount of R2 120 to be repaid to the Provincial Fiscus.
- Unspent Human settlements Development Grant (Beneficiaries) to an amount of R5 947 179 to be rolled-over and R363 379 to be repaid to the Provincial Fiscus.

5.2.4 ASSET MANAGEMENT

(a) Introduction

Assets under the control of each department are being managed by the relevant departmental heads. The Chief Financial Officer is responsible for maintaining an asset register for all assets which qualify to be capitalised.

Asset management is guided by the Asset Management Policy of the municipality. The policy is reviewed on an annual basis as part of the budget policies review process to ensure it complies with the latest requirements of GRAP, audit- and treasury directives.

(b) Comment on asset management

The municipality designed and implemented a system whereby each capital project is measured according to the requirements of the MFMA. The Council only approves projects where the full cost of the project, the future operating costs of the project as well as the effect that the costs associated with the project will have on tax and tariffs were considered by the Council.

(c) Repair and maintenance expenditure

Type	Operating Budget	Actual	% of Operating Budget
Repairs & Maintenance	R71 458 124	R67 165 386	93.99%

(d) Comment on repair and maintenance expenditure

Expenditure on repairs and maintenance does not keep track with the increase in asset values as well as the ageing of the infrastructure. A portion of repairs and maintenance is also included in the capital budget. The norm of repairs and maintenance as a % of Property, plant and equipment and investment property (carrying value) is 8%. Swartland Municipality is currently at 2.86%. Restated 22/23 2.91%.

5.2.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Financial viability ratio's	Norms	Criteria	2023/2024	2022/2023
Cost coverage	>4 months	Higher than 4 months is better	5 Months	9 Months
Debt coverage	40%	The lower the actual the better the result	3.07%	8.78%

(a) Comment on financial ratios

As indicated in the financial overview in Chapter 1.4 of this report, the Municipality is in a financially healthy position. Management proactively participates in programs to ensure a financially sustainable municipality.

5.3 SPENDING AGAINST CAPITAL BUDGET**5.3.1 INTRODUCTION**

Capital expenditures relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from Grants, Private funding ,donations/contributions and Capital Replacement Reserve.

The municipality spent 95.75% of the approved budget on capital projects.

5.3.2 CAPITAL EXPENDITURE

The table below indicates the capital expenditure against the total budget.

Description	Original Budget	Adjustment Budget	Actual
Capital Expenditure	R209 052 395	R248 689 919	R238 109 605

5.3.3 SOURCES OF FINANCE

(a) Capital Expenditure - Funding Sources

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
Capital Replacement Reserve (CRR)	R91 889 849	R101 665 452	R128 780 920	R124 624 028	122.58%	96.77%
Grants and subsidies	R58 631 303	R106 162 000	R118 708 891	R112 285 469	105.77%	94.59%
Public contributions and donations	R14 993 123	R1 224 943	R1 200 108	R1 200 108	97.97%	100.00%

(b) Comment on sources of funding

Capital sources of funding for actual expenditure consist of Transfers recognised - capital which amounted to 47.16%, Other Contributions and Public Donations was 0.5% and Internally generated funds was 52.34%.

5.3.4 CAPITAL SPENDING ON 5 LARGEST PROJECTS

(a) Capital Expenditure of 5 largest projects

Description	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjusted Budget Variance
23/24 Donated PPE: Electrical Infrastructure (De Werf)	R0	R11 800 000	R8 406 199	0.00%	71.24%
23/24 Donated PPE: Roads Infrastructure (De Werf)	R0	R12 880 433	R4 069 339	0.00%	31.59%
23/24 Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Stormwater)	R27 500 000	R22 685 342	R23 973 312	87.18%	105.68%
23/24 Malmesbury: Saamstaan/De Hoop area: Upgrading of bulk electricity supply: Phase 1	R23 658 000	R23 658 000	R23 657 999	100.00%	100.00%
23/24 Roads Swartland: Construction of New Roads (MIG)	R14 708 000	R14 178 506	R14 178 506	96.40%	100.00%

(b) Comment on capital projects

The expenditure on the major projects listed above is according to budget and the projects were all completed within the timeframes set.

5.3.5 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS OVERVIEW**(a) Municipal Infrastructure Grant (MIG)* Expenditure on Service backlogs**

Service	Households Above Minimum Level	Percentage	Households Below Minimum Level	Percentage
Sewerage Services	43 706	97.44%	1 149	2.56%
Refuse Removal	39 195	87.38%	5 660	12.62%
Water Services	44 370	98.92%	486	1.08%
Electricity Distribution	44 179	98.49%	677	1.51%

(b) Municipal Infrastructure Grant (MIG)* Expenditure on Service backlogs

Service	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
	R24 708 000	R23 055 000	R23 055 000	93.31%	100.00%

5.4 CASH FLOW MANAGEMENT AND INVESTMENTS**5.4.1 INTRODUCTION**

The municipality classified a positive cash balance as critical to its operations and future viability and all planning exercises take the effect of decisions on the cash position of the municipality into consideration.

The municipality utilises a Capital Replacement Reserve (CRR), established in terms of the Asset Management Policy, to fund as much of the capital expenditure as possible. The CRR is being funded by surplus cash which is mainly derived from a recovery from tariffs for depreciation charges.

In order to measure that the municipality has sufficient own cash resources, the municipality deducts any unspent grants as well as unspent loans from the available cash position, with the balance being own funds and which is allocated between the operating account and the CRR.

5.4.2 CASH FLOW

(a) Cash Flow Outcomes

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
1a Receipts	R1 026 288 390	R1 123 301 906	R1 150 302 579	R1 158 232 196	103.11%	100.69%
a Ratepayers and other	R729 643 533	R791 924 702	R784 867 156	R797 478 556	100.70%	101.61%
b Government - operating	R156 122 548	R168 035 872	R170 982 393	R171 246 227	101.91%	100.15%
c Government - capital	R78 588 952	R107 386 943	R111 402 482	R133 512 728	124.33%	119.85%
d Interest	R61 933 357	R55 954 389	R83 050 548	R55 994 685	100.07%	67.42%
e Dividends	R0	R0	R0	R0	0.00%	0.00%
1b Payments	-R791 982 504	-R898 367 069	-R882 748 487	-R851 337 921	94.77%	96.44%
a Suppliers and employees	R777 556 538	R883 983 031	R870 425 154	R839 716 810	94.99%	96.47%
b Finance charges	R10 180 381	R9 323 960	R6 896 835	R6 896 832	73.97%	100.00%
c Transfers and Grants	R4 245 585	R5 060 078	R5 426 498	R4 724 279	93.36%	87.06%
2a Receipts	R2 185 594	R14 612 939	R4 168 695	R301 828 939	2065.49%	7240.37%
a Proceeds on disposal of PPE	R2 185 594	R14 612 939	R4 168 695	R1 828 939	12.52%	43.87%
b Decrease (Increase) in non-current debtors	R0	R0	R0	R0	0.00%	0.00%
c Decrease (increase) other non-current receivables	R0	R0	R0	R0	0.00%	0.00%
d Decrease (increase) in non-current investments	R0	R0	R0	R300 000 000	0.00%	0.00%
2b Payments	-R172 327 601	-R209 052 395	-R214 609 545	-R210 025 571	100.47%	97.86%
a Capital assets	R172 327 601	R209 052 395	R214 609 545	R210 025 571	100.47%	97.86%
3a Receipts	R1 396 203	R500 000	R500 000	R1 813 857	362.77%	362.77%
a Short term loans	R0	R0	R0	R0	0.00%	0.00%
b Borrowing long term/refinancing	R0	R0	R0	R0	0.00%	0.00%
c Increase (decrease) in consumer deposits	R1 396 203	R500 000	R500 000	R1 813 857	362.77%	362.77%
3b Payments	-R8 634 196	-R8 761 333	-R52 058 962	-R52 037 024	593.94%	99.96%
a Repayment of borrowing	R8 634 196	R8 761 333	R52 058 962	R52 037 024	593.94%	99.96%

(b) Comment on cash flow outcomes

The net cash position of the municipality, as indicated above, has declined from R 722m to R470.5m. Unspent grants amounted to R30.5m .

The net decrease in Cash and cash equivalents amounts to R251.5m compared to the previous year's (2022/2023) increase of R56.9mm.

5.4.3 BORROWING AND INVESTMENTS**(a) Introduction**

No new borrowing contracts were taken up for the 2023/2024 financial year. The Municipality does not rely on borrowed funds to fund its capital budget. The main funding source is the Capital Replacement Reserve, to which an annual contribution is made out of the operating surplus.

The Municipality has current investments on hand and review these investments on a monthly basis.

(b) Actual Borrowings

Instrument	Previous Year Amount	Amount
Financial Leases	R0	R0
Instalment Credit	R0	R0
Long-Term Loans (annuity/reducing balance)	R90 850 978	R38 813 954
Long-Term Loans (non-annuity)	R0	R0
Marketable Bonds	R0	R0
Non-Marketable Bonds	R0	R0
TOTAL	R90 850 978	R38 813 954

(c) Municipal Investments

Investment Type	Previous Year Amount	Amount
Bankers Acceptance Certificates	R0	R0
Deposits - Bank	R0	R0
Deposits - Corporation for Public Deposits	R0	R0
Deposits - Public Investment Commissioners	R0	R0
Guaranteed Endowment Policies (sinking)	R0	R0
Listed Corporate Bonds	R0	R0
Municipal Bonds	R0	R0
Negotiable Certificates of Deposit - Banks	R0	R0
Other	R722 016 835	R470 491 311
Repurchase Agreements - Banks	R0	R0
Securities - National Government	R0	R0
TOTAL	R722 016 835	R470 491 311

5.4.4 PUBLIC PRIVATE PARTNERSHIPS

N/a

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

6.1 INTRODUCTION

The Constitution section 188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The responsibility of the Auditor-General is to perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement and to express an opinion based on the audit conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing.

The Municipal System Act section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The reported performance against predetermined objectives is evaluated against the overall criteria of usefulness and reliability. The usefulness of information relates to whether the reported performance is consistent with the planned development priorities or objectives and if indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

The Annual Financial Statements (AFS) for the year 2023/2024 submitted for auditing were prepared in accordance with the requirements of section 122(1) of the Municipal Finance Management Act.

6.2 AUDITOR-GENERAL OPINION (PREVIOUS YEAR - 2022/2023)

6.2.1 AUDITOR GENERAL REPORTS

(a) Auditor-General Report on Financial Performance

Status of audit report:	Unqualified- Clean Audit Report with no findings*
Non-Compliance Issues	Remedial Action Taken
No material findings were raised. Management's internal controls and processes are adequate to ensure that the financial statements were prepared in accordance with the requirements of section 122(1) of the Municipal Finance Management Act.	None The Chief Financial Officer will continue to improve the control environment to ensure that the financial statements are free from material misstatements, omissions or errors. Training across departments will carry on to ensure staff is aware of changes in the accounting framework environment.
<i>Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).</i>	

(b) Auditor-General Report on Service Delivery Performance

Status of audit report:	Unqualified - Clean Audit Report
Non-Compliance Issues	Remedial Action Taken
There are no material findings on the usefulness and reliability of the reported performance information for the selected objective in respect of Strategic Goal 5 – Sufficient, affordable and well-run services.	None

6.3 AUDITOR-GENERAL OPINION (CURRENT YEAR 2023/2024)

6.3.1 AUDITOR GENERAL REPORTS

(c) Auditor-General Report on Financial Performance

Status of audit report:	Unqualified - Clean Audit Report
Non-Compliance Issues	Remedial Action Taken
None. The financial statements present fairly, in all material respects, the financial position of the Swartland Municipality as at 30 June 2024. No material non-compliance issues with the selected legislative requirements were identified.	None

(d) Auditor-General Report on Service Delivery Performance

Status of audit report:	Unqualified - Clean Audit Report
Non-Compliance Issues	Remedial Action Taken
None. There are no material findings on the usefulness and reliability of the reported performance information for the selected objective in respect of Strategic Goal 3 – Quality and reliable services.	None

(e) Auditor-General Report on the financial statements

See Chapter 1 paragraph 1.2.6

(f) Comments on Auditor-General's opinion

None.

(g) Comments on MFMA section 71 responsibilities

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

A handwritten signature in dark ink, appearing to be 'H. De' followed by a stylized flourish.

Signed (Chief Financial Officer) 29 November 2024

GLOSSARY

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. 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 Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
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.
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)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Goals	A goal is a desired end result or possible outcome that an organisation envisions, plans and commits to achieve, towards which an organisation's programmes or problem solutions are directed. It is a major step in achieving the vision of the organisation. In the strategic planning context a goal is a state where the organisation wants to be, a destination
Objectives	Objectives are more detailed than goals and explain how goals will be accomplished. Objectives detail the activities that must be completed to bring about the achievement of the goal. The attainment of each goal may require a number of objectives to be reached.

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 result should be. In this 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 Budget Implementation Plan	Detailed plan 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.
Vote:	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. Section 1 of the MFMA defines a "vote" as: <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> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES**APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE**

Council Members	Full Time (FT)/ Part Time (PT)	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Van Zyl, M	PT	Chairperson: PF-committee (Protection Services); PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services); MPAC	Ward 1	100%	100%
Pypers, D C	PT	PF-committee (Municipal Manager, Administration and Finances); PF-committee (Development Services) ; MPAC	Ward 2	88%	100%
Smit, N	FT	Executive Mayoral Committee; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services); PF-committee (Development Services)	Ward 3	86%	100%
Jooste, R J	PT	Chairperson: PF-committee (Civil and Electrical Services); PF-committee (Protection Services) ; MPAC	Ward 4	100%	100%
Rangasamy, M A	FT	Speaker; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Development Services)	Ward 5	100%	N/a
Warnick, A K	FT	Executive Mayoral Committee; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services); PF-committee (Protection Services)	Ward 6	87%	100%
Williams, A M	PT	PF-committee (Civil and Electrical Services); PF-committee (Development Services); PF-committee (Protection Services)	Ward 7	100%	100%
De Beer, J M	PT	Executive Deputy Mayor; PF-committee (Development Services); PF-committee (Protection Services)	Ward 8	100%	N/a
Ngosi, M	PT	PF-committee (Development Services)	Ward 9	100%	N/a

Council Members	Full Time (FT)/ Part Time (PT)	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Van Essen, T	FT	Executive Mayoral Committee; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services)	Ward 10	91%	100%
White, G E	PT	PF-committee (Development Services); PF-committee (Protection Services) ; MPAC	Ward 11	100%	N/a
Bess, D G	FT	Executive Mayoral Committee; PF-committee (Civil and Electrical Services); PF-committee (Development Services); PF-committee (Protection Services)	Ward 12	95%	N/a
Cleophas, H J	FT	Executive Mayor	Party Representative	100%	N/a
O’Kennedy, E C	PT	Chairperson: MPAC; PF-committee (Municipal Manager, Administration and Finances); PF-committee (Civil and Electrical Services)	Party Representative	95%	100%
Le Minnie, I S	PT	Chairperson: PF-committee (Municipal Manager, Administration and Finances); PF-committee (Development Services); PF-committee (Protection Services) ; MPAC	Party Representative	95%	100%
Penxa, B J	PT	PF-committee (Municipal Manager, Administration and Finances)	Party Representative	100%	N/a
Pieters, C	PT	PF-committee (Civil and Electrical Services); PF-committee (Protection Services)	Party Representative	98%	N/a
Fortuin, C	PT	PF-committee (Civil and Electrical Services); PF-committee (Protection Services)	Party Representative	100%	100%
Soldaka, P E	PT	PF-committee (Municipal Manager, Administration and Finances); PF-committee (Development Services) ; MPAC	Party Representative	93%	100%
Vermeulen, G	PT	Chairperson: PF-committee (Development Services); PF-committee (Municipal Manager, Administration and Finances)	Party Representative	95%	100%
Booyesen, A M	PT	PF-committee (Development Services) ; MPAC	Party Representative	96%	100%

Council Members	Full Time (FT)/ Part Time (PT)	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Papier, J R	PT	PF-committee (Protection Services)	Party Representative	100%	N/a
Duda, A A	PT	PF-committee (Civil and Electrical Services) ; MPAC	Party Representative	97%	100%
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them.</i> <i>Council meetings = 8</i> <i>EMC meetings = 14</i> <i>Portfolio meetings = 36</i> <i>MPAC = 5</i> <i>Ward Committees = 10/ward</i>					

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Municipal Committees	Purpose of Committee
Local Labour Forum / Training / Appointment Committee	To regulate HR matters
Swartland Law Enforcement and Traffic Committee	To regulate law enforcement and traffic matters
Landfill Audit Committee	To regulate landfill sites
Occupational Health Committee	To regulate occupational health
Disaster Management Committee	To regulate disaster management
Tourism Organisation	To regulate tourism matters
Assets and Fleet Management Committee	To regulate asset and fleet matters
Development Services Committee	To regulate development services matters
Budget Steering Committee	To perform an oversight function
Municipal Public Accounts Committee (MPAC)	To perform an oversight function
Performance and Risk Audit Committee	To perform an oversight function
Rules Committee	To oversee the conduct of councillors
Municipal Planning Tribunal	To consider land use applications
Swartland Social Development forum	To regulate social development
Appeal Committee	To regulate matters iro of Section 62 appeals
Disciplinary Board	To conduct independent investigations regarding Financial Misconduct and Offences

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Directorate	Director/Manager (State title and name)
Corporate Services	Senior Manager: Human Resources Services, Ms S de Jongh
Corporate Services	Manager: Secretariat and Records Services, Ms N Brand
Corporate Services	Manager: Properties, Contracts and Legal Administration, Ms F Williams
Corporate Services	Manager: Tourism, Library and Client Services, Ms IH Look
Financial Services	Senior Manager: Treasury, Mr P Sheldon
Financial Services	Senior Manager: Financial Statements and Asset Management, Mr RP Alberts
Financial Services	Manager: Budget, Costing and Management Reporting, Ms HT Papier
Financial Services	Senior Manager: Supply Chain Management, Mr PJ Swart
Protection Services	Chief Fire Officer and Disaster Management, Mr R Harris
Protection Services	Senior Manager: Traffic and Law Enforcement Operations and Vehicle Licensing and Administration, Mr R Steyn
Electrical Engineering Services	Senior Manager: Information, Communication and Technology, Mr WJ Pienaar
Electrical Engineering Services	Senior Manager: Technical Services, Mr MJ Swanepoel
Electrical Engineering Services	Senior Manager: Operations, Maintenance and Construction, Mr TF Rossouw
Development Services	Senior Manager: Development Management, Mr AM Zaayman
Development Services	Manager: Community Development, Ms H Balie
Development Services	Manager: Human Settlements, Mr SC Arendse
Development Services	Manager: Environmental Affairs, Mr S Visagie
Civil Engineering Services	Manager: Buildings and Infrastructure Management, Mr NC Quickfall
Civil Engineering Services	Senior Manager: Solid Waste and Trade Services, Mr E De Jager
Civil Engineering Services	Senior Manager: Civil Operations and Maintenance, Mr JP Barlow
Civil Engineering Services	Senior Manager: Public Services and Project Management, Mr JMS Spies

APPENDIX D – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes (partially)
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
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 law	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes

Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

APPENDIX E – Functionality of Ward Committees

Note: All ward committees were established by 8 March 2022.

Ward Number	Name of Ward Councillor	Committee established (Yes / No)	*Number of monthly Committee meetings held during the year	Number of quarterly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	M van Zyl	Yes	8	4	1
2	D C Pypers	Yes	8	4	1
3	N Smit	Yes	8	4	1
4	R J Jooste	Yes	7	4	1
5	M A Rangasamy	Yes	8	4	1
6	A K Warnick	Yes	8	4	1
7	A M Williams	Yes	8	4	1
8	J M de Beer	Yes	8	4	1
9	M Ngosi	Yes	8	4	1
10	T van Essen	Yes	8	4	1
11	G E White	Yes	8	4	1
12	D G Bess	Yes	8	4	1

APPENDIX F – Largest Capital Projects PER WARD

WARD NUMBER	PROJECT NAME AND DETAILS	TOTAL VALUE
WARDS 1 & 2		
P73	Moorreesburg Serviced Sites (652)	3 200 000
WARDS 3 & 12		
WARD 4		
P139	Generator Installation: Riverlands Water Pumpstation	1 338 488
WARDS 5 & 6		
P135	Generator Installation: Darling WWTW & Pumpstation	2 204 138
WARD 7		
P140	Generator Installation: Kalbaskraal Water Pumpstation	1 468 956
WARDS 8, 9, 10 & 11		
P32/P33	Upgrading of Ilinge Lethu Sports Fields	9 776 494
VARIOUS WARDS		
P64/P65/P66	Malmesbury De Hoop Serviced Sites Phase 1	34 481 720
ALL WARDS: LARGEST CAPITAL PROJECTS PER SERVICE (>R1 milion)		
Electricity Distribution		
P77/P78	Replace oil insulated switchgear and equipment	5 000 000
Refuse removal		
P51	Highlands: Development of new cell	2 500 000
Roads and storm water		
P24/P25	New roads	23 928 506
Sewerage		
P8	Sewerage: telemetry	38 000
Water Distribution		

P42	Bulk water infrastructure (emergency spending)	2 500 000
Parks and recreation		
P17/P18	Ward committee projects	1 100 000
Sports Grounds		
P35	Viewing centres: Broadcasting equipment and related infrastructure	75 495
Municipal Property		
P13	Buildings: Fitting of Council Chambers (Std Bank Building)	2 900 000
ICT Services		
P104	IT: notebooks	425 000
Financial Services		
P108	Meter reading handhelds	80 000
Protection Services		
P115	Replacement: Drones	110 000

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL PERFORMANCE, RISK AND AUDIT COMMITTEE

FINAL REPORT OF THE PERFORMANCE, RISK AND AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2024 FOLLOWS ON THE NEXT PAGE

FINAL REPORT OF THE INDEPENDENT PERFORMANCE, RISK AND AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 TO THE COUNCIL OF THE SWARTLAND MUNICIPALITY

The Performance, Risk and Audit Committee (PRAC) is pleased to present its report for the financial year ended 30 June 2024 as required by Section 166 of the Municipal Finance Management Act, 56 of 2003 (MFMA). This report is provided by the PRAC in respect of the 2023/2024 financial year of the Swartland Municipality.

AUDIT COMMITTEE RESPONSIBILITY

Section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, as amended obliges every municipality to establish an independent Audit Committee, which must advise the Municipal Council, political office-bearers, accounting officer and management staff of the municipality on matters relating to internal financial controls and internal audits, risk management, accounting policies, adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA and any other applicable legislation and any other issues referred to it by the municipality.

Municipal Planning and Performance Management Regulations, section 14(2)(c) makes provision for the establishment of a Performance Audit Committee (the role of which can be fulfilled by the audit committee) that must include at least one person who has expertise in performance management. The performance audit committee is required to review the quarterly reports submitted by internal audit on performance management, review the municipality's performance management system and make recommendations in this regard to council. The PRAC submit audit reports to Council at least twice during a financial year.

The Committee is governed by a formal terms of reference as documented in their Charter, which is regularly reviewed the PRAC and approved by the Executive Mayoral Committee (last updated 20 September 2023). The document was again reviewed by the Committee and the changes accepted at their meeting of 26 November 2024.

PRAC MEMBERS AND ATTENDANCE

The Committee currently comprises of five independent members, who have sufficient qualifications and experience, appointed by the Council of Swartland Municipality. During the year under review, 5 Performance, Risk and Audit Committee meetings were held.

Committee members participate in meetings with commitment as is evidenced from the summary below:

Name of Member	Number of meetings attended
Mr CB de Jager (Chairperson)	5
Ms R Gani	5
Mr BJ Gouws	5
Ms S Jones	<i>Appointed from 01 November 2024</i>
Adv M Mdludlu	<i>Appointed from 01 November 2024</i>

The PRAC met on the following dates during the financial year 2023/2024:

- 22 August 2023;
- 29 August 2023;
- 28 November 2023;
- 28 February 2024; and
- 28 May 2024.

It should be noted that 2nd term of the Mr CB De Jager ended on 31 October 2024. Ms. Jones and Adv. Mdludlu were appointed from 01 November 2024. Ms. Gani was unanimously elected as the new Chairlady during a meeting held on 26 November 2024.

The tenure and qualifications of the members are as follows:

NAME	QUALIFICATIONS	TENURE PERIOD
Mr. CB de Jager	B.Comm. and B.Comm. (Hons), CA(SA) Practicing as CA (SA) and Registered Auditor	1 November 2021 to 31 October 2024 (2 nd term)
Ms. R Gani	Baccalaureus Commercii Honores with specialization Accounting Sciences CA (SA)	1 August 2023 to 31 July 2026 – (2 nd Term)
Mr. BJ Gouws	Baccalaureus Commercii Honores with specialization in Industrial and Personnel Psychology Master Degree in Industrial Administration (Intro to Business Administration and System Engineering Practice)	01 May 2024 to 30 April 2027 (2 nd term)
Adv. Mdludlu M	Bachelor of Law, Bachelor of Laws (LLB), Labour Law Certificate	1 November 2024 to 31 October 2027
Ms. SJ Jones	Professional Accountant (SA), Independent Reviewer (SA), Professional Tax Practitioner (SA) Bachelor of Accounting Science	1 November 2024 to 31 October 2027

DISCHARGE OF PRAC RESPONSIBILITIES

The Committee is pleased to report that it has complied with its responsibilities arising from its terms of reference, including relevant legislative requirements.

The detailed minutes of each meeting following the approval of the minutes at Committee meetings are presented to Council.

Internal Control

During the year under review the Committee executed the following functions in respect of internal control:

- Considered reports of internal audit and external audit on Council's system of internal control including internal financial controls and maintenance of effective internal control systems.
- Reviewed significant issues raised by internal and external audit on internal control systems and adequacy of corrective actions in response to the findings.

The PRAC will continue to monitor implementation of corrective action and the enhancement of the control environment in the 2024/2025 financial year.

Internal Audit Effectiveness

During the year under review the Committee executed the following functions in respect of Internal Audit:

- Reviewed and approved the Internal Audit Risk-based Annual Internal Audit Plan.
- Reviewed and approved the Internal Audit Three-year rolling Plan.
- Evaluated the independence and effectiveness and performance of the Internal Audit Function.
- Reviewed the work performed by Internal Audit on a quarterly basis and the implementation of internal audit recommendations.
- Review and monitor the implementation of the recommendations in respect of the 5-yearly External Quality Review of the Internal Audit Activity.

The Internal Audit activities are performed by a two-person in-house department operating in terms of an Internal Audit Charter. There appears to have been no compromise of the independence or objectivity of the function during the year of review. Internal Audit was able successfully execute the Risk-based Internal Audit Plan for the year under review. Internal Audit reports that were reviewed are as follows:

- Inventory/ Stock count 2023/2024
- Performance Management reports (Quarter 1 to 4)
- DORA expenditure for 2023/2024
- Risk Management report
- Assets Management review
- Governance Review
- Proclaim Main Roads – Letter of internal control environment
- Eunomia compliance reports
- Follow-up Internal Audit registers
- Ad-hoc reports
 - Evaluation of Tender T25/23/24
 - Review of Deviations
 - Evaluation of Tender T 17/23/24
 - UIFW Reports

Risk Management

Internal audit is responsible for facilitating risk management, as part of its consulting services, and assisted management during the performance of risk assessments. The Enterprise Risk Management Policy was reviewed and approved by the Executive Mayoral Committee on 13 December 2023 and the Risk Management Strategic Plan approved on 28 May 2024 by the PRAC. During the year under review detail risk assessments were conducted at the different directorates. Management also presented Strategic and Operational Risk registers to the PRAC for their consideration and input.

The PRAC will continue to exercise its advisory and oversight function in respect of risk management. There was a substantial improvement in the quality of the Operational Risk Registers submitted to the PRAC.

External audit

In respect of external audit, the PRAC performed the following:

Financial year 2023/2024

- Reviewed and discussed the Auditor-General's Engagement Letter and Audit Strategy on 17 October 2024
- Reviewed and discussed the Draft Management Report on 26 November 2024
- Received and reviewed the Final Management Report on 02 December 2024
- Received the reviewed the Final Audit Report on 02 December 2024

The Committee will endeavour together with the municipality to ensure that all recommendations made by Auditor-General in its Management Report will be implemented.

The PRAC is satisfied with the independence of the external auditors.

Combined assurance

A combined assurance framework has been developed and approved by Council. The PRAC will continue to monitor the implementation of the combined assurance framework and make recommendations in this regard.

Review and Evaluation of the Annual Financial Statements

The PRAC had the opportunity to review the annual financial statements and made recommendations to management as part of its advisory role. The committee reviewed the 2023/2024 draft annual financial statements on 27 August 2024. The PRAC asked clarity seeking questions and provided input into the financial statement review process.

Performance Management

The PRAC has reviewed the municipality's performance on a quarterly basis and have specifically focused on the indicators showing negative variances. Senior Management of the municipality is required to provide explanations and corrective actions for variances between planned and actual performance. The PRAC emphasises the need to maintain appropriate evidence to substantiate performance information.

The PRAC will continue to monitor management's actions to ensure an effective Municipality Performance Management System.

Financial Management and Performance: Quarterly Section 52 Reports:

The PRAC reviewed and commented on the Quarterly Section 52 Reports. The purpose of this report is to comply with the requirements of Section 52 (d) of the Municipal Finance Management Act, No. 56 of 2003, which prescribes the general responsibilities of the Mayor to table to council the financial position as well as the financial progress of the municipality, measured against the approved budget for the 1st quarter and at the end of each quarter.

The Auditor General stated in their 2023/2024 Management report that the *"The audit committee has performed its duties and responsibilities as an independent advisory body to council, accounting officer and the management and staff of the municipality on matters relating to internal financial control and internal audit through providing their input and feedback to the oversight bodies, Council and Municipal Public Accounts Committee (MPAC). The audit committee was able to perform an adequate review of the financial statements. The audit committee is fulfilling its responsibility effectively"*.

CONCLUSION

The PRAC wishes to express its appreciation to management, the Auditor-General and Internal Audit who assist the Committee in performing its functions effectively. The Committee would also like to congratulate the municipality for achieving once again a clean audit report for the 2023/2024 financial year, and the Committee is proud to be part of such an institution.



Ms. R Gani
Chairperson of the Performance, Risk and Audit Committee

Date: 17 January 2025

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS**(a) Long Term Contracts (20 Largest Contracts) Entered into**

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
The Standard Bank of South Africa Ltd	Banking Services	July 2022	June 2027	Mr M Dreyden	Tariffs/Charges/Interest rates
Linux Based Systems Design SA (Pty) Ltd	Provision of Internet Services for Swartland Municipality for a 3-year period	July 2021	June 2024	Mr J Pienaar	Tariffs
Riverlands Cleaning & Maintenance	Community Collection of general solid waste at Chatsworth, Riverlands and Kalbaskraal	July 2021	June 2024	Mr P Marais	R4 336 880.00
Tenderers on Panel	Supply Asphaltting Services in the Swartland municipal area	July 2022	June 2025	Mr J Spies	Tariffs
Dogs and All CC	The leasing of nine trained Narcotic Dogs for the K9-unit of Swartland Traffic and Law Enforcement Services	July 2022	June 2025	Mr R Steyn	Tariffs
Tenderers on Panel	Term tender for the upgrading of roads in the Swartland municipal area	Feb 2022	June 2024	Mr J Spies	Tariffs
Mubesko Africa (Pty) Ltd	Provision of Accounting Services to Swartland Municipality, to ensure GRAP/Mscoa compliant Annual Financial Statements	July 2022	June 2025	Mr R Alberts	Tariffs
Verso Financial Services	Underwriting of the Municipality's Group Life Insurance Portfolio	July 2022	June 2025	Ms S de Jongh	Tariffs
HCB Valuation and Services (Pty) Ltd	Execution of a General and Supplementary Valuations for all properties in die area of jurisdiction of Swartland Municipality ending June 2025	July 2023	June 2028	Mr A M Zaayman	Tariffs
Tshayela Projects cc	Sweeping of streets and cleansing services for the period ending 30 June 2025	Feb 2023	June 2025	Mr P Marais	Rates
VE Reticulation (Pty) Ltd	Supply, Delivery and Installation of back-up electrical generators for Water and Sewer Pump Stations in the Swartland municipal area	June 2023	Apr 2024	Mr E de Jager	R13 042 956

(b) **Public Private Partnerships Entered into: None**

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Did the service provider reach all targets (Yes/No)	If no, provide reasons	Project Manager
The Standard Bank of South Africa Ltd	Banking Services	Yes		Mr M Dreyden
Linux Based Systems Design SA (Pty) Ltd	Provision of Internet Services for Swartland Municipality for a 3-year period	Yes		Mr J Pienaar
Riverlands Cleaning & Maintenance	Community Collection of general solid waste at Chatsworth, Riverlands and Kalbaskraal	Yes		Mr P Marais
Tenderers on Panel	Supply Asphaltting Services in the Swartland municipal area	Yes		Mr J Spies
Dogs and All CC	The leasing of nine trained Narcotic Dogs for the K9-unit of Swartland Traffic and Law Enforcement Services	Yes		Mr R Steyn
Tenderers on Panel	Term tender for the upgrading of roads in the Swartland municipal area	Yes		Mr J Spies
Mubesko Africa (Pty) Ltd	Provision of Accounting Services to Swartland Municipality, to ensure GRAP/Mscoa compliant Annual Financial Statements	Yes		Mr R Alberts
Verso Financial Services	Underwriting of the Municipality's Group Life Insurance Portfolio	Yes		Ms S de Jongh
HCB Valuation and Services (Pty) Ltd	Execution of a General and Supplementary Valuations for all properties in die area of jurisdiction of Swartland Municipality ending June 2025	Yes		Mr A M Zaayman
VE Reticulation	New 132/11kV substation in the De Hoop area, Malmesbury (Phase 2)	Yes		Mr M J Swanepoel

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

The Municipal Manager and directors signed a disclosure of financial interest form when the performance agreements were signed in June 2024. The forms are available at the Office of the Municipal Manager. Any changes in the nature of financial interests are declared quarterly at management meetings and reported to the Speaker of the Council as required by law.

APPENDIX K - REVENUE COLLECTION PERFORMANCE

(a) By Function

Revenue Collection Performance by Source						
Description	2022/2023	2023/2024			2023/2024 Variances	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Revenue						
Exchange Revenue						
Service charges - Electricity	364 616 492	421 006 894	399 716 198	443 249 370	5,02%	9,82%
Service charges - Water	84 141 514	91 856 867	91 856 867	92 981 779	1,21%	1,21%
Service charges - Waste Water Management	52 451 707	51 053 227	52 364 274	60 460 874	15,56%	13,39%
Service charges - Waste management	32 770 450	32 996 867	32 996 867	33 962 559	2,84%	2,84%
Sale of Goods and Rendering of Services		13 113 348	13 326 791	14 571 306	10,01%	8,54%
Agency services	5 511 479	6 402 902	6 402 902	5 348 435	-19,72%	-19,72%
Interest			-	-		
Interest earned from Receivables	4 048 147	2 639 506	3 199 152	3 694 797	28,56%	13,41%
Interest from Current and Non Current Assets	58 939 305	55 954 389	83 050 548	84 764 075	33,99%	2,02%
Dividends			-	-		
Rent on Land			-	-		
Rental from Fixed Assets	1 589 980	1 966 625	2 034 625	1 382 483	-42,25%	-47,17%
Licence and permits			-	-		
Operational Revenue		3 932 602	41 904 019	44 525 244	91,17%	5,89%
Non-Exchange Revenue				-		
Property rates	152 116 871	167 829 933	167 829 933	163 174 552	-2,85%	-2,85%
Surcharges and Taxes			-	-		
Fines, penalties and forfeits	34 692 158	32 076 393	39 506 787	38 582 079	16,86%	-2,40%
Licence and permits	5 087 530	5 157 976	5 193 871	5 079 410	-1,55%	-2,25%
Transfers and subsidies - Operational	173 875 460	168 035 872	172 097 266	171 662 265	2,11%	-0,25%
Interest		1 060 000	1 463 020	1 547 866	31,52%	5,48%
Fuel Levy			-	-		
Operational Revenue	16 837 235	15 401 900	15 401 900	11 093 950	-38,83%	-38,83%
Gains on disposal of Assets	9 945 162	14 612 939	4 168 695	2 962 555	-393,25%	-40,71%
Transfers and subsidies - capital (monetary allocations)	76 119 743	107 386 943	119 908 999	113 776 998	5,62%	-5,39%
Total Revenue (excluding capital transfers and contributions)	1 072 743 233	1 192 485 182	1 252 422 713	1 292 820 597	7,76%	3,12%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

	2023/2024	2023/2024		2023/2024 Variances	
Description	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Neighbourhood Development Partnership Grant	-	-	-	-	-
Public Transport Infrastructure and Systems Grant	-	-	-	-	-
Other Specify:					
Finance Management	1 550 000	1 550 000	1 550 000	0,00%	0,00%
EPWP Incentive	1 830 000	1 830 000	1 830 000	0,00%	0,00%
Community Development: Workers	38 000	38 000	38 000	0,00%	0,00%
Human Settlements	55 314 000	60 507 000	54 908 196	8,58%	-10,20%
Municipal Accreditation and Capacity Building Grant	245 000	245 000	245 000	0,00%	0,00%
Libraries	11 888 000	12 304 000	12 304 000	3,38%	0,00%
Proclaimed Roads Subsidy	170 000	170 000	170 000	0,00%	0,00%
Financial Management Support Grant: Student Bursaries	-	100 000	100 000	100,00%	0,00%
Establishment of a K9 Unit	3 345 000	3 345 000	3 345 000	0,00%	0,00%
Establishment of a Law Enforcement Reaction Unit	5 509 000	5 509 000	5 509 000	0,00%	0,00%
Municipal Water Resilience Grant	-	680 000	680 000	100,00%	0,00%
Municipal Service Delivery and Capacity Building Grant	-	500 000	500 000	100,00%	0,00%
Integrated National Electrification Programme (municipal)	23 658 000	23 658 000	23 658 000	0,00%	0,00%
RSEP/VPUU Municipal Projects	500 000	500 000	500 000	0,00%	0,00%
Fire Service Capacity Building Grant	926 000	926 000	926 000	0,00%	0,00%
Sport Development	966 000	966 000	966 000	0,00%	0,00%
Non-motorised Transport Infrastructure	-	500 000	500 000	100,00%	0,00%
Total	105 939 000	113 328 000	107 729 196	6,52%	-5,20%

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

(a) Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		72 662	125 032	150 105	28 419	148 372	151 869	3 496	2.3%	150 105
Roads Infrastructure		30 598	55 914	66 673	12 659	60 113	67 906	7 793	11.5%	66 673
<i>Roads</i>		30 598	55 914	66 673	12 659	60 113	67 906	7 793	11.5%	66 673
Storm water Infrastructure		–	–	2 169	(573)	1 529	2 169	639	29.5%	2 169
<i>Storm water Conveyance</i>				2 169	(573)	1 529	2 169	639	29.5%	2 169
Electrical Infrastructure		37 171	46 400	52 789	7 393	58 109	52 959	(5 149)	-9.7%	52 789
<i>MV Substations</i>		13 107	16 542	11 131	10 853	20 289	11 131	(9 157)	-82.3%	11 131
<i>MV Switching Stations</i>		5 129	5 350	5 350	288	4 830	5 420	590	10.9%	5 350
<i>MV Networks</i>		17 600	23 658	35 458	(3 800)	32 064	35 458	3 394	9.6%	35 458
<i>LV Networks</i>		1 336	850	850	52	926	950	24	2.5%	850
<i>Capital Spares</i>					–	–	–	–		–
Water Supply Infrastructure		2 965	9 797	15 877	5 043	17 173	16 238	(935)	-5.8%	15 877
<i>Boreholes</i>		658	500	–	–	–	–	–		–
<i>Distribution</i>		2 307	9 297	15 877	5 043	17 173	16 238	(935)	-5.8%	15 877
Sanitation Infrastructure		1 928	10 420	10 097	3 406	9 351	10 097	746	7.4%	10 097
<i>Pump Station</i>		536	1 100	1 316	(53)	1 212	1 316	104	7.9%	1 316
<i>Reticulation</i>		1 392	9 320	8 781	3 459	8 138	8 781	643	7.3%	8 781
Solid Waste Infrastructure		–	2 500	2 500	491	2 098	2 500	402	16.1%	2 500
<i>Landfill Sites</i>		–	2 000	2 500	491	2 098	2 500	402	16.1%	2 500
<i>Waste Drop-off Points</i>		–	500	–	–	–	–	–		–
Community Assets		3 044	15 700	11 840	4 290	10 446	10 560	113	1.1%	11 840

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Community Facilities		343	3 000	2 640	373	2 615	2 640	25	1.0%	2 640
<i>Cemeteries/Crematoria</i>			900	540	–	453	540	87	16.2%	540
<i>Parks</i>		343	1 100	1 100	130	1 212	1 100	(112)	-10.2%	1 100
<i>Markets</i>			1 000	1 000	243	950	1 000	50	5.0%	1 000
Sport and Recreation Facilities		2 701	12 700	9 200	3 917	7 831	7 920	88	1.1%	9 200
<i>Outdoor Facilities</i>		2 701	12 700	9 200	3 917	7 831	7 920	88	1.1%	9 200
Investment properties		345	–	–	–	681	–	(681)		–
Revenue Generating		345	–	–	–	681	–	(681)		–
<i>Unimproved Property</i>		345				681		(681)		–
Other assets		1 069	16 514	20 360	3 786	19 457	19 988	531	2.7%	20 360
Operational Buildings		103	3 000	2 953	667	2 955	2 975	20	0.7%	2 953
<i>Municipal Offices</i>		103	2 900	2 900	667	2 906	2 922	16	0.5%	2 900
<i>Stores</i>			100	53	–	48	53	5	8.6%	53
Housing		966	13 514	17 407	3 119	16 503	17 014	511	3.0%	17 407
<i>Social Housing</i>		966	13 514	17 407	3 119	16 503	17 014	511	3.0%	17 407
Intangible Assets		30	–	–	–	–	–	–		–
Licences and Rights		30	–	–	–	–	–	–		–
<i>Computer Software and Applications</i>		30						–		–
Computer Equipment		3 485	2 052	2 234	713	2 306	2 549	244	9.6%	2 234
Computer Equipment		3 485	2 052	2 234	713	2 306	2 549	244	9.6%	2 234
Furniture and Office Equipment		473	586	824	259	1 140	998	(142)	-14.2%	824
Furniture and Office Equipment		473	586	824	259	1 140	998	(142)	-14.2%	824
Machinery and Equipment		5 571	3 431	13 239	2 482	12 905	12 919	13	0.1%	13 239
Machinery and Equipment		5 571	3 431	13 239	2 482	12 905	12 919	13	0.1%	13 239
Transport Assets		14 250	11 962	10 773	2 664	10 690	10 773	83	0.8%	10 773
Transport Assets		14 250	11 962	10 773	2 664	10 690	10 773	83	0.8%	10 773
Land		533	–	5 500	149	149	5 500	5 351	97.3%	5 500

Land		533		5 500	149	149	5 500	5 351	97.3%	5 500
Total Capital Expenditure on new assets	1	101 461	175 276	214 874	42 761	206 147	215 155	9 008	4.2%	214 874

(b) Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		22 862	11 500	13 151	–	13 147	13 151	4	0.0%	13 151
Roads Infrastructure		21 500	10 000	9 251	–	9 251	9 251	0	0.0%	9 251
Roads		21 500	10 000	9 251	–	9 251	9 251	0	0.0%	9 251
Sanitation Infrastructure		1 362	1 500	3 900	–	3 896	3 900	4	0.1%	3 900
Pump Station								–		–
Reticulation		1 362	1 500	3 900	–	3 896	3 900	4	0.1%	3 900
Total Capital Expenditure on renewal of existing assets	1	22 862	11 500	13 151	–	13 147	13 151	4	0.0%	13 151

(c) Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		44 324	9 811	9 722	1 984	8 060	9 441	1 380	14.6%	9 722
Roads Infrastructure		–	–	667	–	667	667	0	0.0%	667
Roads		–	–	667	–	667	667	0	0.0%	667
Storm water Infrastructure		225	250	250	–	246	250	4	1.5%	250

<i>Storm water Conveyance</i>		225	250	250	–	246	250	4	1.5%	250
Electrical Infrastructure		7 430	3 650	5 142	559	3 554	4 860	1 306	26.9%	5 142
<i>MV Networks</i>		555	1 100	1 100	25	945	1 040	96	9.2%	1 100
<i>LV Networks</i>		6 874	2 550	4 042	535	2 610	3 820	1 210	31.7%	4 042
<i>Capital Spares</i>			–	–	–	–	–	–		–
Water Supply Infrastructure		28 513	4 300	2 053	600	1 550	1 600	50	3.1%	2 053
<i>Bulk Mains</i>			500	500	451	499	500	1	0.2%	500
<i>Distribution</i>		28 517	3 700	1 453	149	1 000	1 000	0	0.0%	1 453
<i>PRV Stations</i>		(4)	100	100	–	51	100	49	49.1%	100
Sanitation Infrastructure		8 157	1 611	1 611	825	2 043	2 064	21	1.0%	1 611
<i>Waste Water Treatment Works</i>		8 157	1 611	1 611	825	2 043	2 064	21	1.0%	1 611
Community Assets		–	12 466	10 943	2 246	10 755	10 943	188	1.7%	10 943
Community Facilities		–	200	200	–	24	200	176	88.1%	200
<i>Cemeteries/Crematoria</i>		–	200	200	–	24	200	176	88.1%	200
Sport and Recreation Facilities		–	12 266	10 743	2 246	10 732	10 743	11	0.1%	10 743
<i>Outdoor Facilities</i>		–	12 266	10 743	2 246	10 732	10 743	11	0.1%	10 743
Total Capital Expenditure on upgrading of existing assets	1	44 324	22 277	20 665	4 230	18 816	20 383	1 568	7.7%	20 665

APPENDIX N – CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

Nr.	Project Description	mSCOA Allocation	Original Budget 2023/24	Virement / Final Budget	ACTUAL	Sources of Finance
CIVIL						
1	Equipment : Civil	9/115-690-801	54 000	53 751	53 318	CRR
Sewerage Service						
2	Sewerage Works: Moorreesburg (CRR)	9/107-691-802	1 008 681	1 402 118	1 402 118	CRR
3	Sewerage Works: Darling (CRR)	9/107-692-803	102 000	161 684	140 926	CRR
4	Sewerage Works Chatsworth: Fencing	9/107-693-804	1 100 000	1 316 000	1 212 326	CRR
5	Upgrading of bulk collectors: Darling	9/111-694-805	300 000	300 000	300 000	CRR
6	Replace: Darling Drum Screens	9/111-695-807	1 520 000	1 250 000	1 106 840	CRR
7	Upgrading of bulk collectors: Moorreesburg	9/111-696-808	200 000	200 000	200 000	CRR
8	Equipment : Sewerage Telemetry	9/111-701-814	38 000	38 000	38 000	CRR
9	Equipment : Sewerage	9/111-702-815	32 000	32 000	31 916	CRR
10	Schoonspruit: Pipe Replacement	9/111-699-812	1 500 000	3 900 000	3 895 678	CRR
11	Generator Installation: Abbotsdale Sewer Pumpstation	9/111-858-1004		1 207 596	1 207 556	DLG
12	Generator Installation: Moorreesburg WWTW	9/111-859-1005		61 621	61 621	DLG
13	Generator Installation: Darling WWTW & Pumpstation	9/111-860-1006		2 204 138	2 204 138	DLG
14	Sewer Reticulation and Connection: Illinge Lethu	9/111-866-1012		-	-	WCED
15	Donated PPE: Sewerage Infrastructure (De Werf)	9/111-877-1033		605 040	578 318	CRR
TOTAL			5 854 681	12 731 948	12 432 755	
Buildings & Maintenance						
16	Equipment : Buildings & Maintenance	9/108-705-818	28 500	28 500	28 500	CRR
17	Fitting of Council Chambers (Std Bank Building)	9/108-706-819	2 900 000	2 921 747	2 883 275	CRR
18	Moorreesburg Stores Ablution Facilities	9/108-707-820	100 000	53 000	48 416	CRR
19	Buildings: CK23064 Nissan NP300 H	9/108-708-821	976 500	704 870	704 870	CRR
	Land: Donated Property	9/108-585-333			149 000	Non-funding
TOTAL			4 005 000	3 708 117	3 814 061	
Cemetries						
20	Wesbank Cemetery: Extension	9/127-713-826	200 000	200 000	23 704	CRR
21	New Cemetery Fencing: Moorreesburg	9/127-715-828	900 000	540 000	452 513	CRR
TOTAL			1 100 000	740 000	476 217	

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	Parks					
22	Ward Committee Projects: Parks (Acquisitions:Outsourced)	9/112-716-829	1 000 000	1 037 700	1 037 700	CRR
23	Ward Committee Projects: Parks (Materials and Supplies)	9/112-716-830	100 000	62 300	174 630	CRR
24	Equipment: Parks	9/112-717-831	64 000	134 000	129 284	CRR
25	Parks: CK16683 Nissan NP300	9/112-718-832	438 375	435 304	435 304	CRR
26	Parks: CK43400 Trailer with Roller	9/112-720-834	136 500	116 500	116 500	CRR
27	Parks: CK28881 John Deere Tractor	9/112-721-835	577 889	620 000	620 000	CRR
	Equipment Insurance (Parks)	9/112-425-212			53 610	Non-funding
	Equipment Insurance (Parks) Office Equipment	9/112-884-1121			10 170	Non-funding
	TOTAL		2 316 764	2 405 804	2 577 198	
	Roads					
28	Roads Swartland: Resealing of Roads (CRR)	9/110-724-838	10 000 000	9 251 164	9 251 164	CRR
29	Roads Swartland: Construction of New Roads (CRR)	9/110-725-840	9 000 000	10 950 000	10 950 000	CRR
30	Roads Swartland: Construction of New Roads (MIG)	9/110-725-841	14 708 000	14 178 506	14 178 506	MIG
31	Upgrading of N7/Voortrekker Northern Interchange	9/110-726-842	2 381 500	2 381 500	2 381 050	CRR
32	Construction of side walks and recreational nodes in Ilinge Lethu and Wesbank	9/110-727-843	1 224 943	1 200 108	1 200 108	Donation
33	Asphalt Sidewalks: Landbou Street, Moorreesburg	9/110-874-1027		500 000	500 000	Dept. Transport
34	Ward Committee Projects: Roads (Acquisitions:Outsourced)	9/110-728-844	1 000 000	1 000 000	840 630	CRR
35	Ward Committee Projects: Roads (Materials and Supplies)	9/110-728-845	100 000	100 000	-	CRR
36	Roads: CK18925 UD85	9/110-729-846	1 316 175	1 182 000	1 182 000	CRR
37	Access road and Intersection Upgrading: Ilinge Lethu	9/110-867-1013		-	-	WCED
38	Access road and Intersection Upgrading: Ilinge Lethu	9/110-867-1028		666 891	666 891	CRR
39	Donated PPE: Roads Infrastructure (De Werf)	9/110-878-1034		12 880 433	4 069 339	CRR
	TOTA		39 730 618	54 290 602	45 219 688	
	Swimming Pools					
40	Swimming Pool: Wesbank	9/113-734-851	12 000 000	7 300 000	7 300 000	CRR
	TOTAL	Total	12 000 000	7 300 000	7 300 000	
	Sportgrounds					
41	Upgrading of Ilinge Lethu Sports Fields (MIG)	9/106-735-852	10 000 000	8 876 494	8 876 132	MIG
42	Upgrading of Ilinge Lethu Sports Fields	9/106-735-853	1 300 000	900 000	889 154	CRR
43	Upgrading of Netball Courts: Moorreesburg	9/106-849-992	966 000	966 374	966 374	Dept. CA and Sport
44	Viewing Centres: Broadcasting equipment & related infrastructure	9/106-857-1000	75 000	75 495	75 495	CRR

	TOTAL		12 341 000	10 818 363	10 807 155	
	Stormwater					
45	Stormwater Network (Acquisitions:Outsourced)	9/114-741-859	200 000	200 000	199 836	CRR
46	Stormwater Network (Materials and Supplies)	9/114-741-860	20 000	3 603	-	CRR
47	Stormwater Network (Compensation of Employees)	9/114-741-861	30 000	46 397	46 397	CRR
48	Equipment: Streets and Stormwater	9/114-743-863	64 000	64 000	62 612	CRR
49	Access road and Intersection Storm water: Illinge Lethu	9/114-868-1014		-	-	WCED
50	Donated PPE: Stormwater Infrastructure (De Werf)	9/114-879-1035		2 168 711	1 529 395	CRR
	TOTAL		314 000	2 482 711	1 838 239	
	Water					
51	Water networks: Upgrades and Replacement (CRR)	9/105-744-864	2 000 000	-	-	CRR
52	Water: Upgrading water reticulation network: PRV's, flow control, zone metering and water augmentation	9/105-747-869	100 000	100 000	50 923	CRR
53	Bulk water infrastructure (emergency spending)	9/105-749-871	2 000 000	2 500 000	2 452 081	CRR
54	Connections: Water Meters (New/Replacements) (Acquisitions: Outsourced)	9/105-750-872	787 216	10 000	-	CRR
55	Connections: Water Meters (New/Replacements) (Materials and Supplies)	9/105-750-873	10 000	787 216	455 138	CRR
56	Equipment : Water	9/105-751-874	51 000	52 723	52 448	CRR
57	Swartland System S3.3 & S3.4 Panorama to Wesbank I1/4 - CRR	9/105-757-880	1 000 000	-	-	CRR
58	Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 water network upgrades (for housing project)	9/105-745-865	700 000	700 000	699 988	CRR
59	Water: CK15380 Isuzu 250 Crew Cab	9/105-753-876	915 600	730 957	730 957	CRR
60	Chatsworth/Riverlands upgrade bulk water supply	9/105-760-884	500 000	500 000	499 156	CRR
61	Generator Installation: Riverlands Water Pumpstation	9/105-861-1007		1 338 488	1 338 488	DLG
62	Generator Installation: Kalbaskraal Water Pumpstation	9/105-862-1008		1 468 956	1 468 956	DLG
63	Generator Installation: Wesbank Water Tower & Boosters	9/105-863-1009		1 085 749	1 085 749	DLG
64	Generator Installation: Rustfontein Water Pumpstation	9/105-864-1010		1 139 969	1 139 969	DLG
65	Generator for Wesbank Water Tower and Boosters	9/105-865-1011		1 286 760	1 286 760	CRR
66	Water Reticulation and Connection: Illinge Lethu	9/105-869-1015		-	-	WCED
67	Replace Existing Water pipe: Illinge Lethu	9/105-870-1016		-	-	WCED
68	Replace Existing Water pipe: Illinge Lethu	9/105-870-1029		300 000	300 000	CRR
69	Donated PPE: Water Infrastructure (De Werf)	9/105-880-1036		6 588 070	9 117 018	CRR
	Water Meters: Gains	9/105-586-341			-	Non-funding
	TOTAL		8 063 816	18 588 888	20 677 630	

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	Refuse					
70	Boreholes for Landfill sites	9/104-763-888	500 000	-	-	CRR
71	Highlands: Development of new cell	9/104-764-889	2 000 000	2 500 000	2 097 879	CRR
72	Koringberg: New Transfer Station	9/104-765-891	500 000	-	-	CRR
73	Equipment : Refuse bins, traps, skips (Swartland)	9/104-766-892	150 000	24 235	-	CRR
74	Equipment : Refuse Removal	9/104-767-893	26 000	23 509	23 509	CRR
75	Equipping Donated Vehicle with Equipment	9/104-852-995	150 000	275 765	275 765	CRR
76	Refuse: CK43134 Nissan UD35A	9/104-774-900	681 450	875 000	875 000	CRR
	Transport Asset: Donated	9/104-567-406			-	Non-funding
	TOTAL		4 007 450	3 698 509	3 272 153	
	Development Services					
77	Equipment : Development Services	9/123-775-901	44 000	133 254	133 254	CRR
78	LED Units/Trading Stalls:Darling (RSEP)	9/123-777-904	500 000	500 000	500 000	RSEP
79	LED Units/Trading Stalls:Darling	9/123-777-905	500 000	500 000	450 045	CRR
80	YZF Caravan Park: Expansion	9/120-780-908	700 000	619 618	531 320	CRR
81	Equipment: YZF Caravan Park	9/120-778-906	32 000	30 873	30 873	CRR
	TOTAL		1 776 000	1 783 745	1 645 492	
	Housing					
82	Malmesbury De Hoop (Professional Fees)	9/123-839-974	2 300 000	500 000	454 017	DHS
83	Malmesbury De Hoop Serviced Sites (Prof Fees)	9/123-839-975	3 200 000	10 518 280	10 518 280	DHS
84	Malmesbury De Hoop Serviced Sites (Sewerage)	9/123-839-976	7 800 000	6 434 388	5 964 094	DHS
85	Malmesbury De Hoop Serviced Sites Phase 1 (Water)	9/123-853-996	6 500 000	5 361 990	4 600 628	DHS
86	Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Stormwater)	9/123-854-997	27 500 000	22 685 342	23 973 312	DHS
87	Malmesbury De Hoop Serviced Sites (Phola Park) (Prof Fees)	9/123-839-977	124 000	885 234	480 426	DHS
88	Malmesbury De Hoop Serviced Sites (Phola Park) (Water)	9/123-839-978	1 736 000	393 635	390 807	DHS
89	Malmesbury De Hoop Serviced Sites (Phola Park) (Sewerage)	9/123-839-1021		331 483	329 102	DHS
90	Malmesbury De Hoop Serviced Sites (Phola Park) (Streets & Stormwater)	9/123-839-1022		1 346 648	1 336 973	DHS
91	Malmesbury De Hoop Serviced Sites (Bulk)	9/123-839-979	500 000	60 000	-	DHS
92	Malmesbury De Hoop Serviced Sites (Bulk) Water	9/123-839-1023		440 000	-	DHS
93	Darling 186 (Professional Fees)	9/123-840-980	1 000 000	1 396 000	1 396 000	DHS
94	Darling Serviced Sites (186) Phase 1	9/123-840-981	2 000 000	-	-	DHS
95	Darling Serviced Sites (186) Phase 1 (Water)	9/123-840-1030		156 909	156 909	DHS
96	Darling Serviced Sites (186) Phase 1 (Sewerage)	9/123-840-1024		160 000	160 000	DHS
97	Darling Serviced Sites (186) Phase 1 (Streets & Stormwater)	9/123-840-1025		683 091	683 090	DHS

98	Darling Serviced Sites (327) Prof Fees Phase 2	9/123-840-982	454 000	454 000	454 000	DHS
99	Moorreesburg (Professional Fees)	9/123-841-983	2 200 000	3 200 000	3 200 000	DHS
100	Purchasing of Land: Silvertown	9/123-843-986		5 500 000	-	DHS
	TOTAL		55 314 000	60 507 000	54 097 637	
	Electrical Services					
101	Malmesbury De Hoop Development: Electrical Bulk supply upgrading (INEP)	9/117-781-909	23 658 000	23 658 000	23 657 999	INEP
102	Outdoor Skid mounted Generator for Malmesbury Head Office building including automatic transfer and connections (Acquisitions:Outsourced)	9/117-785-914	1 100 000	811 000	810 677	CRR
103	Outdoor Skid mounted Generator for Malmesbury Head Office building including automatic transfer and connections (Materials and Supplies)	9/117-785-915	100 000	70 000	69 473	CRR
104	Replace oil insulated switchgear and equipment (Acquisitions:Outsourced)	9/117-787-917	4 500 000	4 949 442	4 389 928	CRR
105	Replace oil insulated switchgear and equipment (Materials and Supplies)	9/117-787-918	500 000	50 558	46 452	CRR
106	LV Upgrading: Swartland (Acquisitions:Outsourced)	9/117-788-919	100 000	58 400	58 315	CRR
107	LV Upgrading: Swartland (Materials and Supplies)	9/117-788-920	1 100 000	1 041 600	936 272	CRR
108	MV Upgrading: Swartland (Acquisitions:Outsourced)	9/117-789-921	100 000	100 000	80 305	CRR
109	MV Upgrading: Swartland (Materials and Supplies)	9/117-789-922	1 000 000	940 100	864 212	CRR
110	Substation Fencing: Swartland (Acquisitions:Outsourced)	9/117-792-925	180 000	180 000	144 868	CRR
111	Substation Fencing: Swartland (Materials and Supplies)	9/117-792-926	20 000	20 000	18 290	CRR
112	Connections: Electricity Meters (New/Replacements) (Acquisitions:Outsourced)	9/117-798-932	20 000	-	-	CRR
113	Connections: Electricity Meters (New/Replacements) (Materials and Supplies)	9/117-798-933	830 000	950 000	926 001	CRR
114	Darling 184 IRDP erven. Electrical bulk supply, infrastructure and connections	9/117-795-929	200 000	200 000	200 000	CRR
115	Malmesbury Illinge Lethu. Formalisation of ~220 erven for Blocks A & B Informal areas. Electrical bulk supply, infrastructure and connections	9/117-796-930	500 000	1 919 824	1 114 716	CRR
116	Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Acquisitions:Outsourced)	9/117-782-910	16 042 000	10 639 640	10 639 606	CRR
117	Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes (Compensation of Employees)	9/117-782-911	300 000	291 800	278 546	CRR
118	Streetlight, kiosk and polebox replacement: Swartland	9/117-790-923	650 000	599 900	300 242	CRR
119	Protection and Scada Upgrading: Swartland	9/117-791-924	350 000	420 000	393 685	CRR
120	Malmesbury Security Operational Centre: Communication, Monitoring and Other infrastructure equipment	9/117-793-927	200 000	713 372	706 802	CRR
121	Replacement of obsolete air conditioners	9/117-797-931	200 000	470 000	465 389	CRR
122	Equipment: Electric	9/117-800-935	360 000	306 000	302 864	CRR
123	Emergency Power Supply	9/117-799-934	150 000	619 000	445 888	CRR

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124	Elec: CK29443 Isuzu N Series + Crane & New Bakkie	9/117-802-937	1 581 300	1 996 092	1 994 950	CRR
125	Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S (Acquisitions:Outsourced)	9/117-871-1017		-	-	WCED
126	Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S (Materials and Supplies)	9/117-871-1018		-	-	WCED
127	Illinge Lethu School Electrical Service Connection (Acquisitions:Outsourced)	9/117-872-1019		-	-	WCED
128	Illinge Lethu School Electrical Service Connection (Materials and Supplies)	9/117-872-1020		-	-	WCED
129	Donated PPE: Electrical Infrastructure (De Werf)	9/117-881-1037		11 800 000	8 406 199	CRR
130	Electrical Infrastructure (Donated)	9/117-581-414		-	9 207 295	Non-funding
	TOTAL		53 741 300	62 804 728	66 458 975	
	Information Technology					
131	Backup Solution	9/118-803-938	560 000	-	-	CRR
132	Terminals	9/118-804-939	40 000	42 600	42 599	CRR
133	Scanner Replacements	9/118-806-941	80 000	65 904	45 939	CRR
134	Equipment: Information Technology	9/118-807-942	75 000	72 400	72 333	CRR
135	Printers	9/118-808-943	68 000	68 000	66 683	CRR
136	DeskTops	9/118-809-944	264 000	264 000	248 090	CRR
137	Notebooks	9/118-810-945	375 000	425 000	419 345	CRR
138	Equiping Law Enf Office: Moorreesburg	9/118-812-947	55 000	66 000	65 618	CRR
	TOTAL		1 517 000	1 003 904	960 607	
	Financial Services					
139	Equipment : Financial	9/119-813-948	45 000	118 783	118 783	CRR
140	Finance: CK40700 Citi Golf 310 & CK15992	9/119-820-955	282 765	508 116	508 110	CRR
141	Meterreading Handhelds	9/119-822-957	80 000	50 910	50 910	CRR
142	Finance: CK22572 Nissan NP300 Hardbody	9/119-815-950	459 480	721 582	721 582	CRR
143	Finance: CK14227 Chevrolet Aveo	9/119-816-951	282 765	254 058	254 055	CRR
144	Finance: CK18439 Chevrolet Aveo	9/119-817-952	282 765	254 058	254 055	CRR
145	Finance: CK42165 Chevrolet Aveo (Replace with Bakkie)	9/119-818-953	459 480	360 791	360 791	CRR
146	Finance: CK41089 Chevrolet Aveo	9/119-819-954	282 765	254 058	254 055	CRR
147	Asset Recording Handhelds	9/119-823-958	16 500	16 500	16 500	CRR
	Deeds	9/119-416-374			681 000	Non-funding
	TOTAL		2 191 520	2 538 856	3 219 840	
	Protection Services					

148	Replacement: Drones	9/126-828-963	110 000	110 000	89 207	CRR
149	Equipment: Protection	9/126-829-964	55 000	55 000	54 284	CRR
150	Traffic: CK39217 Chevrolet Aveo 1.6	9/126-826-961	329 123	329 123	288 298	CRR
151	Traffic: CK43672 Chevrolet Aveo	9/126-827-962	329 123	329 123	288 298	CRR
152	Equipment : Fire Fighting	9/125-831-966	160 000	160 000	140 598	CRR
153	Equipment : K9 Unit	9/126-830-965	40 000	40 000	28 339	Com Safety
154	Fire Fighting Equipment	9/126-850-993	926 000	926 000	926 000	FSCBG
155	Fire: CK38172 Nissan Cabstar (Replace with Light Pumper)	9/125-855-998	1 950 000	1 100 933	1 100 933	CRR
	Equipment Insurance (Fire) Office Equipment	9/125-885-1122			1 400	Non-funding
156	Donated PPE: Computer Equipment	9/126-875-1031		27 685	27 685	CRR
157	Donated PPE: Furniture and Office Equipment	9/126-876-1032		10 435	74 935	CRR
158	Donated PPE: Operational Buildings	9/126-882-1038		-	22 900	Non-funding
	TOTAL		3 899 246	3 088 299	3 042 878	
	MM and Council					
159	Equipment : MM	9/124-832-967	12 000	20 632	20 631	CRR
160	Equipment : Council	9/116-833-968	12 000	12 000	11 061	CRR
161	Council: CK15265 Caravelle Kombi 2.5 TDI	9/116-834-969	680 000	-	-	CRR
	TOTAL		704 000	32 632	31 692	
	Corporate Services					
162	Equipment : Corporate	9/101-835-970	26 000	20 796	20 796	CRR
163	Equipment: Libraries	9/102-836-971	50 000	50 000	48 004	Dept. CA and Sport
164	Equipment Corporate: Buildings & Swartland Halls	9/103-837-972	100 000	95 017	95 016	CRR
	Equipment Insurance (Libraries) Office Equipment	9/102-883-1120			73 570	Non-funding
	TOTAL		176 000	165 813	237 386	
	GRAND TOTAL		209 052 395	248 689 919	238 109 605	

APPENDIX O - CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

Project Ref	Project Description	Budget 2023 / 2024
WARDS 1 & 2		
P16	New Cemetery Fencing: Moorreesburg	540 000
P52	New Transfer Station Koringberg	-
P105	Equipping Law Enforcement Office: Moorreesburg	55 000
P14	Moorreesburg Stores Ablution Facilities	53 000
P7	Upgrading of bulk collectors: Moorreesburg	200 000
P2	Sewerage Works: Moorreesburg	1 008 681
P73	Moorreesburg Serviced Sites (652) Professional Fees	3 200 000
P34	Upgrading of netball courts Moorreesburg	966 374
P134	Generator Installation: Moorreesburg WWTW	61 621
WARDS 3 & 12		
WARD 4		
P4	Sewerage Works: Chatsworth - Fencing	1 316 000
P49	Chatsworth/Riverlands upgrade bulk water supply	500 000
P139	Generator Installation: Riverlands Water Pumpstation	1 338 488
P142	Generator Installation: Rustfontein Water Pumpstation	1 139 969
WARDS 5 & 6		
P61	Equipment YZF Caravan Parks	32 000
P60	YZF Caravan Park: Expansion	700 000
P5	Upgrading of bulk collectors: Darling	300 000
P6	Sewerage Darling: Replace Drum Screens	1 250 000
P3	Sewerage Works: Darling	102 000
P47	SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 water network upgrades (for housing project)	700 000
P87	Darling 184 IRDP erven. Electrical bulk supply, infrastructure and connections	200 000
P70	Darling Service Sites (186) Prof Fees Phase 1	1 396 000
P58/P59	LED Trading Stalls Darling	1 000 000
P71	Darling Service Sites (186) Phase 1	-
P72	Darling Service Sites (327) Prof Fees Phase 2	454 000
P135	Generator Installation: Darling WWTW & Pumpstation	2 204 138

WARD 7		
P133	Generator Installation: Abbotsdale Sewer Pumpstation	1 207 596
P140	Generator Installation: Kalbaskraal Water Pumpstation	1 468 956
WARDS 8, 9, 10 & 11		
P75/P76	Outdoor Skid mounted generator for Malmesbury Head Office building including automatic transfer and connections	1 200 000
P10	Sewerage: Schoonspruit: Pipe Replacement	3 900 000
P88	Malmesbury Ilinge Lethu. Formalisation of 220 erven for Blocks A & B Informal areas. Electrical bulk supply, infrastructure and connections	1 991 662
P32/P33	Upgrading of Ilinge Lethu Sports Fields	9 776 494
P27	Construction: Side walks and Recreational nodes (Ilinge Lethu & Wesbank)	1 200 108
P136	Sewer Reticulation and Connection: Ilinge Lethu	-
P137	Access road and Intersection Upgrading: Ilinge Lethu	-
P138	Access road and Intersection Storm water: Ilinge Lethu	-
P144	Water Reticulation and Connection: Ilinge Lethu	-
P145	Replace Existing Water pipe: Ilinge Lethu	300 00
P141	Generator Installation: Wesbank Water Tower & Boosters	1 085 749
P143	Generator for Wesbank Water Tower and Boosters	1 286 760
P129	Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S	-
P130	Relocation of section of 11 kV Cable between Darlingweg S/S to Holomisa S/S (Materials and Supplies)	-
P131	Ilinge Lethu School Electrical Service Connection	-
P132	Ilinge Lethu School Electrical Service Connection (Materials and Supplies)	-
VARIOUS WARDS		
P15	Wesbank Cemetery: Extension	200 000
P93	Malmesbury Security Operational Centre	713 372
P89/P90	132/11kV Eskom Schoonspruit substation, 132kV transmission line and Servitudes	10 631 440
P74	Malmesbury De Hoop Development: Electrical Bulk supply upgrading (INEP)	23 658 000
P62	Malmesbury De Hoop (Prof Fees)	500 000
P63	Malmesbury De Hoop Serviced Sites (Prof Fees)	10 518 280
P67	Malmesbury De Hoop Serviced Sites (Phola Park) (Prof Fees)	885 234
P69	Malmesbury De Hoop Serviced Sites (Bulk)	60 000
P68	Malmesbury De Hoop Serviced Sites (Phola Park)	393 635
P64/P65/P66	Malmesbury De Hoop Serviced Sites Phase 1	34 481 720

P26	Upgrading of N7/Voortrekker Northern Interchange	2 381 500
P31	Swimming pool: Wesbank	8 500 000
P46	Swartland System S3.3 & S3.4 Panorama to Wesbank I1/4	453 121
ALL WARDS		
Electricity Distribution		
P79/P80	LV Upgrading Swartland	1 200 000
P83/P84	Substation fencing	200 000
P85/P86	Connections: Electricity Meters (New/Replacements)	850 000
P81/P82	MV upgrading Swartland	1 100 000
P94	Replace obsolete air conditioners	430 000
P77/P78	Replace oil insulated switchgear and equipment	5 000 000
P91	Streetlight, kiosk and polebox replacement: Swartland	650 000
P92	Protection and Scada Upgrading: Swartland	350 000
P96	Emergency Power Supply	300 000
Refuse Removal		
P50	Boreholes for Landfill sites	-
P51	Highlands: Development of new cell	2 500 000
ICT Services		
P99	IT: Terminals	40 000
P100	IT: Scanner replacements	80 000
P101	IT: equipment	75 000
P102	IT: printers	68 000
P103	IT: desktops	264 000
P104	IT: notebooks	425 000
P98	IT: Backup solution	-
Parks and recreation		
P17/P18	Ward committee projects	1 100 000
Sports Grounds		
P35	Viewing centres: Broadcasting equipment and related infrastructure	75 495
Roads and storm water		
P23	Resealing/upgrading of roads and sidewalks (Swartland)	9 251 164
P36/P37/P38	Storm water network (Swartland)	250 000
P24/P25	New roads	23 928 506

P28/P29	Roads: ward committee projects	1 100 000
Sewerage		
P8	Sewerage: telemetry	38 000
Municipal Property		
P13	Buildings: Fitting of Council Chambers (Std Bank Building)	2 900 000
Water Distribution		
P40	Water: upgrading/replacement water reticulation network	-
P41	Water: upgrading of water reticulation network: PRV's, flow control, zone metering	100 000
P43/P44	Water: new connections: water meters	797 216
P42	Bulk water infrastructure (emergency spending)	2 500 000
Financial Services		
P108	Meter reading handhelds	80 000
P114	Asset Recording Handhelds	16 500
Protection Services		
P115	Replacement: Drones	110 000
Equipment		
P1	Equipment Civil Services	51 260
P11	Equipment Buildings & Maintenance	28 500
P19	Equipment Parks	134 000
P53	Equipment Refuse bins, traps, skips (Swartland)	150 000
P54	Equipment Refuse Removal	26 000
P9	Equipment Sewerage	32 000
P39	Equipment Streets and Storm Water	64 000
P45	Equipment Water	52 723
P126	Equipment Corporate	26 000
P128	Equipment Corporate: Halls and buildings	100 000
P127	Equipment Libraries	50 000
P124	Equipment Council	12 000
P123	Equipment Municipal Manager	12 000
P57	Equipment Development Services	44 000
P95	Equipment Electricity	306 000
P106	Equipment Finance	42 696
P116	Equipment Traffic and Law Enforcement	55 000

P119	Equipment Fire and Emergency Services	160 000
P121	Fire Fighting equipment	926 000
P120	Equipment: K9 Unit	40 000
Vehicles		
-	Vehicles Municipal Manager	-
-	Vehicles Parks	1 171 804
-	Vehicles Electricity	1 996 092
-	Vehicles Roads	1 182 000
-	Vehicles Traffic and Law Enforcement	658 246
-	Vehicles Municipal Buildings	704 870
-	Vehicles Refuse	1 025 000
-	Vehicles Water	730 957
-	Vehicles Finance	2 352 663
-	Vehicles Fire Services	1 100 933
TOTAL		248 689 919

APPENDIX P - SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS:

No backlogs regarding service delivery to provincial facilities in the urban areas. Information on rural areas is not available to the Municipality.

APPENDIX Q - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION:

The housing backlog in the 2023/2024 financial year was 16 622. The impact of the backlog was that it put a lot of pressure on our infrastructure, suitable land and funding for new housing projects.

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY - CURRENT YEAR

All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of business	Conditions attached to funding	Value	Total Amount committed for 2023/2024
Bergrivier Canoe Marathon	Non-profit institution	Yes	R 30 000	R 30 000
Darling Wildflower Society	Non-profit institution	Yes	R 55 177	R 55 177
National Sea Rescue Institute	Non-profit institution	Yes	R 36 639	R 36 639
SPCA	Non-profit institution	Yes	R 343 062	R 343 062
Yzerfontein Conservancy	Non-profit institution	Yes	R 83 512	R 83 512
Darling	Museums	Yes	R 94 770	R 94 770
Malmesbury	Museums	Yes	R 64 050	R 64 050
Oude Kerk	Museums	Yes	R 64 050	R 64 050
Wheat Industry	Museums	Yes	R 64 050	R 64 050
Swartland and Coastal Area	Tourism	Yes	R1 579 500	R 1 579 500
Darling Focus	Social Upliftment	Yes	R 51 392	R 51 392
Elkana Childcare	Social Upliftment	Yes	R 57 817	R 57 817
HUB R27	Social Upliftment	Yes	R 379	R 379
Huis van Heerde	Social Upliftment	Yes	R 113 437	R 113 437
Jo Dolphin	Social Upliftment	Yes	R 64 239	R 64 239
Multi-Purpose Centre: Moorreesburg	Social Upliftment	Yes	R 77 088	R 77 088
Night Shelter	Social Upliftment	Yes	R 32 121	R 32 121
Old Age Homes	Social Upliftment	Yes	R1 502 908	R 1 502 908
Student Bursaries	Social Upliftment	Yes	R 384 613	R 384 613
Top Achievers Award: Grade 12	Social Upliftment	Yes	R 25 475	R 25 475
			R 4 724 279	R 4 724 279

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

None

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Note: Information is already contained elsewhere in the Annual Report.

APPENDIX U – 2023/2024 CERTIFIED AUDITED ANNUAL FINANCIAL STATEMENTS

Note: See next page.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024



Swartland Municipality
Audited
Annual Financial Statements for
the year ended 30 June 2024

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

General Information

Nature of business and principal activities

Swartland Municipality (the municipality) is a category B, medium capacity, local government institution in Malmesbury, Western Cape. The addresses of its registered office and principal place of business are disclosed hereunder and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Constitution.

Reporting entity's mandate:

The reporting entity (hereafter 'the Entity') is a medium-capacity, category B local authority established in terms of section 151 of the Constitution of the Republic of South Africa.

The principal activities of the Entity are to:

- * provide democratic and accountable government to the local communities;
- * ensure sustainable service delivery to communities;
- * promote social and economic development;
- * promote a safe and healthy environment; and
- * encourage the involvement of communities and community organisations in the matters of local government.

The Entity's operations are governed by the Local Government: Municipal Finance Management Act (MFMA) (Act 56 of 2003), Municipal Structures Act (Act 117 of 1998), Municipal Systems Act (Act 32 of 2000) and various other acts and regulations.

Executive Mayor
Deputy Executive Mayor
Speaker

Alderman J H Cleophas
Councillor J M De Beer
Alderman M Rangasamy

Members of Executive Mayoral Committee

Executive Mayor	Alderman J H Cleophas
Deputy Executive Mayor	Councillor J M De Beer
Member	Councillor N Smit
Member	Alderman T van Essen
Member	Councillor A K Warnick
Member	Councillor D G Bess

Chairpersons of Portfolio Committees

Office of the Municipal Manager Administration and Finances	Councillor I S le Minnie
Civil and Electrical Services	Councillor R J Jooste
Development Services	Councillor G Vermeulen
Protection Services	Alderlady Nel

Members of the Independent Performance and Risk Audit Committee

Chairperson	C B De Jager
Member	R Gani
Member	B Gouws

Auditors

Auditor-General of South Africa

Bankers

Standard Bank of South Africa

Registered office

1 Church Street
MALMESBURY
7300

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

General Information

Business address	1 Church Street MALMESBURY 7300	
Postal address	Private Bag X 52 Malmesbury 7299	
Accounting Officer	J J Scholtz	
Chief Financial Officer	M A C Bolton	
Council members of the Swartland Municipality	Bess D G Booyesen A M Cleophas J H De Beer J M Gaika M Jooste R J Le Minnie I S Ngozi M O'Kennedy E C Papier J R Fortuin C Penxa B J	Pieters C Pypers D C Rangasamy M A Smit N Soldaka P E White G E Van Essen T Nel M Vermeulen G Williams A N Warnick A K

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

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The reports and statements set out below comprise the annual financial statements presented to the Provincial Legislature:

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Appendix C: Segmental analysis of Property, Plant and Equipment	
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Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

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COID	Compensation for Occupational Injuries and Diseases
COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Responsibilities and Approval

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 annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the 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 annual financial statements and must be given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets 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.

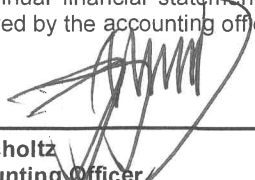
The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, the accounting officer is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

In terms of Section 13G of the Broad-Based Black Economic Empowerment Amendment Act (Act 46 of 2013), read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports. Compliance is disclosed in the annual report.

I certify that salaries, allowances and benefits of councillors as disclosed in note 37 to these 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 this Act.

The annual financial statements set out on pages 6 to 119, which have been prepared on the going concern basis, were approved by the accounting officer on 30 August 2024 and were signed:



J J Scholtz
Accounting Officer

Friday, 30 August 2024

Swartland Municipality

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			
Current Assets			
Cash and cash equivalents	2	470 491 311	722 016 835
Receivables from exchange transactions	3 and 5	119 105 779	90 842 996
Receivables from non-exchange transactions	4 and 5	34 292 280	34 688 479
Inventories	7	21 602 623	23 023 111
VAT receivable	9	23 036 992	9 030 732
		668 528 985	879 602 153
Non-Current Assets			
Property, plant and equipment	11	2 320 840 796	2 215 749 938
Investment property	12	24 940 643	23 339 121
Intangible assets		503 141	606 400
Heritage assets		4 120 691	1 345 400
Other financial assets	13	300 000 000	-
Receivables from exchange transactions	3 and 13	33 119 014	-
		2 683 524 285	2 241 040 859
Total Assets		3 352 053 270	3 120 643 012
Liabilities			
Current Liabilities			
Operating lease liability	8	334 731	223 681
Payables from exchange transactions	14	88 832 667	103 492 340
Consumer deposits	15	19 659 688	17 845 831
Construction contracts payables	6	-	79 520
Unspent conditional grants and receipts	16	30 493 916	9 360 378
Other financial liabilities	17	5 455 716	8 761 333
Employee benefit obligation	18	6 605 000	4 916 000
Provisions	19	8 780 333	8 192 545
		160 162 051	152 871 628
Non-Current Liabilities			
Other financial liabilities	17	33 358 238	82 089 645
Employee benefit obligation	18	89 675 000	82 974 000
Provisions	19	57 311 777	58 486 876
		180 345 015	223 550 521
Total Liabilities		340 507 066	376 422 149
Net Assets		3 011 546 204	2 744 220 863
Reserves			
Reserves	21	299 421 237	259 260 281
Accumulated surplus	22	2 712 124 967	2 484 960 582
Total Net Assets		3 011 546 204	2 744 220 863

* See Note 62

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	23	630 654 582	523 090 767
Agency services	24	5 348 435	5 511 479
Construction contracts	6	79 520	17 729 913
Interest received	25	88 032 664	61 390 999
Operational revenue	26	17 329 201	15 130 524
Rental of facilities and equipment	27	1 382 483	1 589 981
Development charges	28	41 767 348	1 706 707
Total revenue from exchange transactions		784 594 233	626 150 370
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	29	163 174 552	152 116 870
Interest received on receivables	4 and 30	1 974 074	1 596 453
Transfer revenue			
Government grants and subsidies	31	283 874 832	214 584 639
Donated property, plant and equipment		306 822	6 143 474
Fines, Penalties and Forfeits	32	38 582 078	34 692 160
Licences and permits (non-exchange)	33	5 079 411	5 087 529
Public contributions and donations	34	1 178 090	11 248 071
Vesting of properties and equipment		921 992	732 965
Availability charges	35	11 093 950	10 889 395
Total revenue from non-exchange transactions		506 185 801	437 091 556
Total revenue		1 290 780 034	1 063 241 926
Expenditure			
Employee related costs	36	316 536 834	286 378 168
Remuneration of councillors	37	12 004 775	11 225 003
Bad debts written off	4	34 705 031	43 096 415
Bulk purchases	38	340 331 780	289 451 395
Contracted services	39	69 008 625	87 019 625
Depreciation and amortisation	40	103 283 357	94 562 938
Finance costs	41	12 830 517	16 266 039
Grants and subsidies paid	42	4 724 279	4 245 586
Operational cost	43	42 971 455	38 191 069
Other materials	44	53 319 903	55 778 336
Total expenditure		989 716 556	926 214 574
Operating surplus		301 063 478	137 027 352
Gains on sale of fixed assets		1 828 939	2 185 594
Gains on sale of land		211 625	7 026 603
Reversal / (impairment) of assets and receivables	45	(18 990 976)	5 396 351
Inventory losses: Water losses	7	(6 301 059)	(4 439 286)
Loss on disposal of assets	46	(10 486 669)	(10 266 498)
		(33 738 140)	(97 236)
Surplus for the year		267 325 338	136 930 116

* See Note 62

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

	Statutory funds	Capital replacement reserve	Total reserves	Accumulated surplus	Total net assets
Figures in Rand					
Opening balance as previously reported	1 003	266 156 243	266 157 246	2 341 440 453	2 607 597 699
Adjustments					
Correction of errors	-	-	-	(306 952)	(306 952)
Balance at 01 July 2022 as restated*	1 003	266 156 243	266 157 246	2 341 133 501	2 607 290 747
Changes in net assets					
Surplus for the year	-	-	-	136 930 116	136 930 116
Transfer from Statutory Fund	(1 003)	-	(1 003)	1 003	-
Transfer to Capital Replacement Reserve	-	91 909 624	91 909 624	(91 909 624)	-
Property, plant and equipment purchased	-	(98 805 586)	(98 805 586)	98 805 586	-
Total changes	(1 003)	(6 895 962)	(6 896 965)	143 827 081	136 930 116
Restated* Balance at 01 July 2023	-	259 260 281	259 260 281	2 484 960 585	2 744 220 866
Changes in net assets					
Surplus for the year	-	-	-	267 325 338	267 325 338
Transfer to Capital Replacement Reserve	-	164 784 984	164 784 984	(164 784 984)	-
Property, plant and equipment purchased	-	(124 624 028)	(124 624 028)	124 624 028	-
Total changes	-	40 160 956	40 160 956	227 164 382	267 325 338
Balance at 30 June 2024	-	299 421 237	299 421 237	2 712 124 967	3 011 546 204
Note(s)	20	21			

Accumulated Surplus has been restated to correctly classify amounts held by the municipality. Refer to Note 62 "Restatement of prior year" for details of the restatements.

* See Note 62

Swartland Municipality

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			
Interest income		55 994 685	61 933 357
Cash receipts from services and rate payers		797 478 558	729 642 530
Cash receipts from government grants and other grants		304 758 955	234 711 500
		<u>1 158 232 198</u>	<u>1 026 287 387</u>
Payments			
Finance costs		(6 896 832)	(10 180 381)
Cash paid to suppliers and employees		(842 627 234)	(780 405 919)
		<u>(849 524 066)</u>	<u>(790 586 300)</u>
Net cash flows from operating activities	47	<u>308 708 132</u>	<u>235 701 087</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	47	(210 025 571)	(172 155 872)
Proceeds from sale of property, plant and equipment		1 828 939	2 185 594
Purchase of other intangible assets		-	(171 730)
Investment in other financial assets		(300 000 000)	-
Net cash flows from investing activities		<u>(508 196 632)</u>	<u>(170 142 008)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(52 037 024)	(8 634 196)
Finance lease receipts		-	1 003
Net cash flows from financing activities		<u>(52 037 024)</u>	<u>(8 633 193)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(251 525 524)</u>	<u>56 925 886</u>
Cash and cash equivalents at the beginning of the year		722 016 835	665 090 949
Cash and cash equivalents at the end of the year	2	<u>470 491 311</u>	<u>722 016 835</u>

The decrease in Cash and cash equivalents is due to an increase in long-term Investments. Refer to Note 13.

* See Note 62

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments (Virements)	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Statement of Financial Performance

Revenue

Service charges - electricity revenue	399 716 198	-	399 716 198	443 249 370	43 533 172	48.1
Service charges - water revenue	91 856 867	-	91 856 867	92 981 779	1 124 912	
Service charges - sanitation revenue	52 364 273	-	52 364 273	60 460 874	8 096 601	48.2
Service charges - refuse revenue	32 996 865	-	32 996 865	33 962 559	965 694	
Rendering of services	13 326 791	-	13 326 791	14 571 306	1 244 515	
Agency services	6 402 902	-	6 402 902	5 348 435	(1 054 467)	48.3
Rental of facilities and equipment	2 034 625	-	2 034 625	1 382 483	(652 142)	48.5
Interest earned - external investments	83 050 548	-	83 050 548	84 764 075	1 713 527	
Interest earned - outstanding debtors	3 199 152	-	3 199 152	3 694 797	495 645	48.4
Operational revenue - exchange	41 904 020	-	41 904 020	44 525 244	2 621 224	
Total revenue	726 852 241	-	726 852 241	784 940 922	58 088 681	

Revenue from non-exchange transactions

Taxation revenue

Property rates	167 829 935	-	167 829 935	163 174 552	(4 655 383)	
Licences and Permits (Non-exchange)	5 193 871	-	5 193 871	5 079 410	(114 461)	
Interest received on rates receivables	1 463 020	-	1 463 020	1 547 866	84 846	

Transfer revenue

Transfers & subsidies - Operational	172 097 266	-	172 097 266	171 662 265	(435 001)	
Transfers & Subsidies - Capital Monetary allocations (National/Provincial and District)	119 908 999	-	119 908 999	113 470 176	(6 438 823)	
Fines Penalties & Forfeits	39 506 787	-	39 506 787	38 582 079	(924 708)	
Transfers and Subsidies capital (in-kind)	-	-	-	306 822	306 822	48.15
Operational revenue/Availability Gains	15 401 899	-	15 401 899	11 093 950	(4 307 949)	48.6
	4 168 695	-	4 168 695	2 962 555	(1 206 140)	48.7

Total revenue from non-exchange transactions	525 570 472	-	525 570 472	507 879 675	(17 690 797)	

Total revenue	1 252 422 713	-	1 252 422 713	1 292 820 597	40 397 884	

Expenditure

Employee related costs	(318 240 760)	344 999	(317 895 761)	(315 708 755)	2 187 006	
Remuneration of councillors	(12 419 258)	-	(12 419 258)	(12 004 775)	414 483	
Depreciation and asset impairment	(118 669 977)	-	(118 669 977)	(111 937 809)	6 732 168	
Finance charges	(12 943 988)	-	(12 943 988)	(12 335 335)	608 653	
Irrecoverable debts written off	(44 100 774)	-	(44 100 774)	(34 705 031)	9 395 743	48.12
Debt impairment	(700 353)	-	(700 353)	(10 371 467)	(9 671 114)	48.8
Bulk purchases - electricity	(333 880 869)	-	(333 880 869)	(340 331 780)	(6 450 911)	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments (Virements)	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Contracted services	(77 316 632)	(2 802 833)	(80 119 465)	(71 683 231)	8 436 234	48.10
Transfers and subsidies	(5 426 498)	225 000	(5 201 498)	(4 424 278)	777 220	
Inventory consumed	(59 987 792)	1 974 048	(58 013 744)	(50 911 782)	7 101 962	48.9
Other expenditure	(58 574 226)	258 786	(58 315 440)	(45 271 685)	13 043 755	48.11
Losses on Disposal of Assets	(15 374 432)	-	(15 374 432)	(10 451 726)	4 922 706	48.13
Losses	(13 716 647)	-	(13 716 647)	(5 357 602)	8 359 045	48.14
Total expenditure	(1 071 352 206)	-	(1 071 352 206)	(1 025 495 256)	45 856 950	
Actual Amount on Comparable Basis	181 070 507	-	181 070 507	267 325 341	86 254 834	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments (Virements)	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Statement of Financial Position

Assets

Current Assets

Cash	394 543 088	-	394 543 088	470 491 310	75 948 222	48.16
Trade and other receivables from exchange transactions	92 404 442	-	92 404 442	102 876 193	10 471 751	48.17
Receivables from non-exchange	33 141 203	-	33 141 203	34 292 282	1 151 079	
Current portion of long-term receivables	(139 488)	-	(139 488)	(334 731)	(195 243)	48.18
Inventory	20 653 476	-	20 653 476	21 602 622	949 146	
VAT	10 049 344	-	10 049 344	32 466 784	22 417 440	48.19
Other current assets	184 591	-	184 591	16 229 585	16 044 994	48.20
	550 836 656	-	550 836 656	677 624 045	126 787 389	

Non-Current Assets

Investment property	20 255 217	-	20 255 217	24 940 643	4 685 426	48.22
Property, plant and equipment	2 326 829 923	-	2 326 829 923	2 320 840 793	(5 989 130)	
Intangible	396 161	-	396 161	503 141	106 980	48.21
Heritage assets	1 345 400	-	1 345 400	4 120 691	2 775 291	48.23
Investments	333 028 027	-	333 028 027	333 119 014	90 987	
	2 681 854 728	-	2 681 854 728	2 683 524 282	1 669 554	

Total Assets

	3 232 691 384	-	3 232 691 384	3 361 148 327	128 456 943	

Liabilities

Current Liabilities

Borrowing	3 543 634	-	3 543 634	5 455 716	1 912 082	48.24
Consumer deposits	18 345 831	-	18 345 831	19 659 688	1 313 857	
Trade payables from exchange transactions	87 406 099	-	87 406 099	81 063 515	(6 342 584)	
Trade and other payables from (non-exchange)	75 000	-	75 000	30 493 915	30 418 915	48.25
VAT	1 018 613	-	1 018 613	9 429 792	8 411 179	48.26
Provisions	13 535 077	-	13 535 077	23 154 485	9 619 408	48.27
	123 924 254	-	123 924 254	169 257 111	45 332 857	

Non-Current Liabilities

Borrowing	33 336 301	-	33 336 301	33 358 238	21 937	
Provisions	75 478 029	-	75 478 029	70 058 776	(5 419 253)	
Other non-current liabilities	73 402 548	-	73 402 548	76 928 000	3 525 452	
	182 216 878	-	182 216 878	180 345 014	(1 871 864)	

Total Liabilities

	306 141 132	-	306 141 132	349 602 125	43 460 993	

Net Assets

	2 926 550 252	-	2 926 550 252	3 011 546 202	84 995 950	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments (Virements)	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Net Assets

Reserves

Reserves	303 718 982	-	303 718 982	299 421 235	(4 297 747)	
Accumulated surplus	2 622 831 270	-	2 622 831 270	2 712 124 967	89 293 697	
Total Net Assets	2 926 550 252	-	2 926 550 252	3 011 546 202	84 995 950	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments (Virements)	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

Cash receipts from rate payers, government and other	784 867 156	-	784 867 156	797 478 557	12 611 401	
Grants	282 384 875	-	282 384 875	304 758 955	22 374 080	
Interest	83 050 548	-	83 050 548	55 994 685	(27 055 863)	48.28
1 150 302 579		-	1 150 302 579	1 158 232 197	7 929 618	

Payments

Finance charges	(6 896 835)	-	(6 896 835)	(6 896 832)	3	
Cash paid to suppliers and employees	(875 851 652)	-	(875 851 652)	(844 441 089)	31 410 563	
(882 748 487)		-	(882 748 487)	(851 337 921)	31 410 566	

Net cash flows from operating activities

267 554 092	-	267 554 092	306 894 276	39 340 184	

Cash flows from investing activities

Proceeds on disposal of property, plant and equipment	4 168 695	-	4 168 695	1 828 939	(2 339 756)	48.29
Capital assets (Payments)	(214 609 545)	-	(214 609 545)	(210 025 571)	4 583 974	
Decrease(increase) in non-current investments	(333 028 027)	-	(333 028 027)	(300 000 000)	33 028 027	48.30

Net cash flows from investing activities

(543 468 877)	-	(543 468 877)	(508 196 632)	35 272 245	

Cash flows from financing activities

Repayment of borrowing	(52 058 962)	-	(52 058 962)	(52 037 025)	21 937	
Increase (decrease) in consumer deposits	500 000	-	500 000	1 813 857	1 313 857	48.31

Net cash flows from financing activities

(51 558 962)	-	(51 558 962)	(50 223 168)	1 335 794	

Net increase/(decrease) in cash and cash equivalents

(327 473 747)	-	(327 473 747)	(251 525 524)	75 948 223	

Cash and cash equivalents at the beginning of the year

722 016 835	-	722 016 835	722 016 835	-	

Cash and cash equivalents at the end of the year

394 543 088	-	394 543 088	470 491 311	75 948 223	

Budget variances are discussed in Note 48.

Accounting Policies

1. Presentation of Annual Financial Statements

The 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).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Changes in accounting policies, changes in estimates and errors

Accounting Policies have been consistently applied, except where otherwise indicated. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

Standards that are not yet effective are included in policy 1.2 below.

1.2 Standards, amendments to standards and interpretations issued but not yet effective

The ASB Directive 5, paragraph 8, 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. The following standards were considered:

- Amendments to GRAP 25: Employee Benefits (effective date 1 April 2023)
- Improvements to the Standards of GRAP (effective date 1 April 2023)
- Amendments to GRAP 104: Financial Instruments (effective date 1 April 2025)
- IGRAP 7 on the limit on a defined benefit asset, minimum funding requirements and their interaction (revised) (effective date 1 April 2023)
- IGRAP 21 on the effect of past decisions on materiality (effective date 1 April 2023)
- Guideline on the Application of Materiality to Financial Statements (no effective date)
- Guideline on Accounting for Landfill sites (effective date 1 April 2023)
- GRAP 1: Presentation of Financial Statements (amendments related to materiality) (effective date 1 April 2023)
- GRAP 1: Presentation of Financial Statements (amendments related to going concern) (no effective date)

GRAP standards that were issued but are not yet effective, have not been early adopted by the municipality.

The amendments to GRAP 25: Employee Benefits and IGRAP 7: As the municipality does not hold any plan assets, the amendments are unlikely to have any material impact the Statement of Financial Position or Statement of Financial Performance of the municipality. Some of the disclosures in the notes to the financial statements have been improved in order to allow users to assess the impact of these benefits on the going concern status of the municipality.

The ASB embarked on a project to improve the Standards of GRAP due to some implementation concerns raised by preparers, users, auditors and others. No major changes to the accounting policies and application were required.

The amendments to GRAP 104: Financial Instruments will result in significant changes in classification and impairment considerations. In terms of classification, the definitions of each designation has been enhanced which might result in changes in financial instruments at amortised cost. The impairment considerations will also be affected whereby impairment requires an expected future credit loss, rather than the current approach whereby historical data is currently the primary source for impairment methods. Some other changes are also expected and will be presented once more detailed analysis becomes available from consultations with various GRAP stakeholders.

IGRAP 21 has an impact on how to assess changes in the materiality assessments of the prior period. This interpretation guides the use of materiality in the annual financial statements. The guideline on the Application of Materiality also enhances the ability of preparers and users to apply materiality when assessing appropriateness of presentation and disclosure within the annual financial statements. The guideline is not authoritative and therefore will not have any effective date. In respect of the aspects of materiality, GRAP 1: Presentation of Financial Statements were also amended to ensure the concept of materiality is included in this Standard. Other minor amendments were also made in an effort to enhance the usefulness of general use annual financial statements. Given the municipal accounting policy on materiality, the amendments to GRAP 1 will not have a significant impact on the Annual Financial Statements of Swartland Municipality.

The municipal accounting policies already incorporated the guideline for accounting for landfill sites.

Accounting Policies

The amendments to GRAP 1: Presentation of Financial Statements will not have any impact on Swartland municipality given the municipal assessment of going concern.

As such, no new standards, interpretation or other pronouncements were introduced during the period under review having a significant impact on the financial statements.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

In assessing whether the going concern assumption is appropriate, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and, if necessary, potential sources of replacement funding.

1.4 Materiality

Management has applied its judgement in terms of assessing all matters in the annual financial statements with reference to materiality. Items are reported based on aggregation and in some instances, the aggregation would result in some standards of GRAP not being applied as the items affected by these standards were assessed as not being material. Items of dissimilar nature may be aggregated provided that these items are not material and that the aggregation is based on management's procedures to allow the discharge of accountability (when the same manager is responsible for items that meets the requirement of more than one accounting standard).

Both the qualitative and quantitative characteristics of an item are considered when applying materiality. Care is taken to ensure that these annual financial statements provide users with the most suitable information in order to evaluate the performance of the municipality.

Management has applied its judgement in terms of materiality and has determined a trivial threshold of R100 000. This threshold will be used to evaluate variances such as differences in the budget comparison and movements on the impairment of Statutory Receivables. This threshold does not imply that all totals of R100 000 or less would automatically be excluded from the annual financial statements. It merely determines a cut-off value where no further disclosures or corrections would be made. Items where the balance is less than R100 000 would first need to be evaluated in terms of the origin of such an amount. If a balance is less than R100 000, but significant debits and credits are set-off in order to arrive at such a net balance, such balance should still be disclosed due to the significance of the individual items that comprise such a balance. The operating lease asset, operating lease liability and VAT were therefore separately disclosed.

Prior period errors are only corrected when these are found to be material. All immaterial prior period errors are corrected in the current year and the previously reported figures will not be corrected.

Materiality is reviewed annually and only when an error in prior year's judgement is identified based on information that existed at the time of publication of the annual financial statements, would prior period immaterial errors be rolled forward and reassessed in the current year based on the revised materiality considerations.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. 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 in the future could differ from these estimates which may be material to the annual financial statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. If the revision affects future periods as well, the revision will be recognised when the estimate is revised.

The following are the critical judgements, apart from those involving estimations, that 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 annual financial statements.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Financial Instruments and Statutory Receivables

The classification of Financial Assets and Liabilities as well as Statutory Receivables require judgement. The accounting policy 1.6 on Financial Instruments: Classification as well as the accounting policy 1.7 on Statutory Receivables: Definitions describes the factors considered in applying management's judgement.

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 and GRAP 108: Statutory Receivables.

Receivables are considered past due when payment is not received by the due date. If a debtor receives a statement, all amounts in the 30 days and older columns are those considered past due in terms of the municipal by-laws.

A detailed assessment was done in order to determine whether grant related items: Unspent Grants and Construction Contracts, should be classified as a Financial Instrument or not. Specifically, the GRAP FAQ for Statutory Receivables was used whilst being cognisant of the requirements of both AG.29 and AG.29A of GRAP 104. After careful consideration of the specific facts applicable, the requirements of the FAQ were found to reflect the best version of events for Swartland Municipality. The facts and circumstances for municipalities may differ, resulting in different conclusions as to whether unspent grants and construction contracts should be considered a financial instrument. For Swartland Municipality, the majority of revenue is recognised based on the terms agreed rather than the underlying legislation which supports the grant. The majority of grant related funds are firstly based on a contract/arrangement falling within GRAP 104 and in these arrangements reference would be made to the relevant legislated requirements.

Impairment of Trade receivables

The calculation in respect of the impairment of debtors 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. The recoverability of receivables is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The impairment allowance is calculated using the effective interest rate (prime +1%). The total increase in estimation of the impairment of Receivables from Exchange Transactions and that of Receivables from Non-exchange Transactions are disclosed in Notes 3, 4 and 5 to the Annual Financial Statements.

Impairment of Statutory receivables

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such a receivable. Debtors are grouped into appropriate aggregated grouping levels when insufficient information is available to assess individual debtors. Aggregation is based on best practice and receivables are assessed on historic information available. Thereafter the past due (accounts in arrears, i.e. not current), but not impaired debtors are subjected to a further impairment test taking into account the effect of time resulting in a discounting of debtors being included as a further factor for impairment of statutory receivables. Outstanding receivables that are past due are charged interest at prime +1% in terms of the municipal by-laws. This is considered the appropriate discount rate as it is market based. Only those receivables that are not subject to an interest charge would be assessed in terms of discounting as those that are subject to an interest charge would accumulate interest at the same rate as the discount rate.

Significant movements on impairments are defined as those movements that exceeds 10% of the gross balance of the relevant statutory receivable type at year end or R100 000, whichever is the greatest. Qualitative factors are considered with reference to exceptions to the normal process for identification of impairment losses. This implies disclosing losses incurred due to circumstances that are unique to the specified period or unique to the municipality in comparison to other municipalities with a similar capacity.

Impairment and useful lives: Write down of Property, Plant and Equipment, Investment property, Intangible assets, Heritage assets and Inventories

As described in the accounting policies 1.12 and 1.13 for these asset types the municipality depreciates / amortises its property, plant and equipment, intangible assets and investment property over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements, the type of asset and required return on assets in order to determine the optimum useful life expectation, where appropriate.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

The accounting policies 1.15 and 1.16 on Impairment of assets and accounting policy 1.9 on Inventory - Subsequent measurement describe 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 impairment testing and write down of Inventories to Net Realisable Values (NRV). Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lower of Cost and Net Realisable Value.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of Cash generating Assets and GRAP 26: Impairment of non-Cash generating Assets. In particular, the calculation of the recoverable service amount for Property, plant and equipment, intangible assets and the Net Realisable Value (NRV) for inventories (in terms of GRAP 12) involves significant judgment by management.

Estimated impairments during the year to Inventory, Property, Plant and Equipment, Investment Property, Intangible Assets and Heritage Assets are disclosed in Notes 45 to the annual financial statements, as applicable.

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Management judgement is required when recognising and measuring provisions and when measuring provision, contingent liabilities and contingent assets as set out in notes 19 and 51. Accounting policies pertaining to contingent assets and liabilities are disclosed under policy 1.19.

Staff leave and bonuses

The liability for leave pay is based on the total accrued leave days at year end and is shown as a Payable from exchange transactions in the Statement of Financial Position. The municipality recognises the accrual of a guaranteed 13th cheque benefit only when the municipality has a present legal or contractual obligation to make such payment and a reliable estimate can be made. The estimation is based on the current expected cost at the time of meeting the recognition criteria.

Leave and the guaranteed 13th cheque liabilities are estimates. However the nature of the balance is an accrual of unused benefits arising from past service and therefore this is classified as a payable from exchange transactions (excluded from the financial instruments).

Environmental Rehabilitation Provision

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's accounting policy (1.18), taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises.

Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site. Interest rates linked to national bonds were used to calculate the effect of the time value of money.

In terms of the Minimum Requirements for Waste Disposal by Landfill a period of up to 30 years post-closure monitoring is recommended. This 30 year period is a recommendation and the Minister of the Department of Water and Sanitation needs to instruct the municipality as to what the exact period of post-closure monitoring would be. This instruction would be communicated in terms of each site's license conditions. The period could be shortened or prolonged, depending on specific conditions that will only become known while the actual rehabilitation activities are planned and undertaken. The extent of the monitoring (frequency of monitoring) and the costs involved (whether external experts are required or whether the monitoring be done in-house) can also not yet be determined. No communication has been received from the Department of Water Affairs and Sanitation defining the responsibilities of the municipality regarding the post-closure of any landfill site on the licenses of each site. Therefore, the monitoring and inspection costs post closure of landfill sites are regarded to not exist at the reporting date.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

As described in the accounting policy on Employee Benefits (1.17), the municipality obtains actuarial valuations of its defined benefit plan liabilities. The long-term nature of these benefits results in significant judgements regarding the timing and value of the outflow of economic benefits. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Note 18 to the annual financial statements.

Management regards the total movement on the liability as the increase/decrease in expenditure for the current year. A detailed explanation of the individual expense drivers is provided in Note 18 to the annual financial statements. Where an actuarial gain is realised, the nature of the gain will be assessed with reference to the market conditions. If the gain arises from a change in estimate (i.e. key underlying assumptions are being applied in a significantly different manner than the previous reporting period), the change in estimate will be isolated from the change in market conditions and recorded separately as a gain/(loss) rather than to reduce the expense by the movement of the liability.

Revenue recognition

The Accounting Policy 1.21 on Revenue from Exchange Transactions and Accounting Policy 1.22 on Revenue from Non-exchange Transactions describe the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, 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). As far as Revenue from Non-exchange Transactions is concerned, and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered or not. Also, of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Water inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, where the level indicates the depth of the water in the reservoir, which is then converted into volumes based on the total capacity of the relevant reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

1.6 Financial instruments

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement. The municipality only recognises a Financial Instrument when it becomes a party to the contractual provisions of the instrument.

Accounting Policies

1.6 Financial instruments (continued)

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Effective interest rate method

Outstanding receivables that are past due are charged interest at prime +1% in terms of the municipal by-laws. This is considered the appropriate effective interest rate as it is market based. For all other instruments, the contractual rate is compared to the market rate. If the rate is considered reasonable in comparison to the prevailing market rates (i.e. the rate is linked to a market rate such as the prime or repo rate), the contractual rate is considered an appropriate effective interest rate. Where a contractual rate deviates significantly from the market rate, the debtors' rate (prime + 1%) will be used as an effective interest rate.

Fair value method and assumptions

The fair values of Financial Instruments are determined as follows:

- The fair values of quoted investments are based on current bid prices; and
- If the market for a Financial Asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Classification

A Financial Asset is any asset that is cash, a contractual right to receive cash or another financial asset from another entity.

- *Financial assets (or financial liabilities) at amortised cost* are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. Financial assets (or financial liabilities) at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. After initial recognition financial assets are measured at amortised cost, using the effective interest rate method less an allowance for impairment.
- *Financial assets (or financial liabilities) at fair value are financial instruments that meet either of the following conditions:*
 - a. derivatives;
 - b. combined instruments that are designated at fair value;
 - c. instruments held for trading;
 - d. non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
 - e. financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.
- Financial assets (or financial liabilities) at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Included under the major classes of financial instruments below, are line items that are separately disclosed in the notes that do not meet the definition of a financial instrument (such as Prepaid expenses, Payments made in advance etc.). The balances are clearly identifiable by the naming of the line items. Such items are excluded from the balances disclosed in Notes 56 and 57. In rare instances, aggregation within a line item of a note might contain both financial instruments and balances that do not meet the definition of a financial instrument. In these cases the individual line items would be assessed with reference to its significance. Where insignificant, non-financial instruments would be included in the aggregated line items that would normally meet the definition of a financial instrument. This disclosure aggregation was specifically selected to ensure comprehensive classification.

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:

Class

Cash and cash equivalents (see exception below)
Receivables from exchange transactions
Receivables from non-exchange transactions
Construction contracts and payables

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

Accounting Policies

1.6 Financial instruments (continued)

Cash and cash equivalents include cash on hand (including petty cash) and cash with banks. Cash equivalents are both short-term highly liquid investments, readily convertible into known amounts of cash, and fixed term deposits that are held with registered banking institutions that are not subject to any significant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, cash with banks and call deposits held with banks.

Receivables from non-exchange transactions comprise Statutory receivables and Financial instruments. Refer to Note 4 for the classification of the balances.

In accordance with GRAP 104 the Financial Assets of the municipality are all classified as financial assets at amortised cost, except for cash floats and petty cash, which are classified as financial assets at fair value.

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

There are three main categories of Financial Liabilities, the classification determining how they are measured. Financial Liabilities may be measured at:

- Financial Liabilities measured at Fair Value;
- Financial Liabilities measured at Amortised Cost; or
- Financial Liabilities measured at Cost.

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost
Construction contracts payables	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at fair value

In accordance with GRAP 104 the Financial Liabilities of the municipality are all classified as financial liabilities at amortised cost, except for Consumer deposits, which are classified as financial liabilities at fair value.

Financial liabilities are initially measured at fair value net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Interest income and expenses is recognised in the Statement of Financial Performance by applying the effective interest rate.

Impairment and uncollectibility of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date (also refer to 1.5). 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.

An allowance 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 allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as recoverable.

Annual impairment testing is conducted on all receivable balances. The effects of the annual impairment testing are accounted for against the Provision for Bad Debts Allowance. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance against the Reversal of Impairment Loss/(Impairment Loss) on Receivables. Accounts identified and written-off during the year is recognised against Bad Debts Written Off in the Statement of Financial Performance.

Accounting Policies

1.6 Financial instruments (continued)

Derecognition

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset 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.

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.7 Statutory receivables

Definitions and measurement principles

Statutory Receivables are those receivables (settlement in cash or another financial asset) that arise from legislation as opposed to contractual deliverables. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments (1.6).

Statutory receivables are classified and recognised as exchange or non-exchange in accordance with the relevant standards on revenue and essentially based on whether there is a supply of goods and services in exchange for economic benefits of similar value.

Initial Measurement

Statutory receivables are measured at their transaction amount in accordance with the relevant standards on revenue based on the classification between exchange and non-exchange (refer accounting policies 1.21 and 1.22 respectively).

Subsequent measurement

Statutory Receivables are measured at cost, plus accrued interest, less any impairment recognised and amounts derecognised.

Interest is calculated using the nominal interest rate as stipulated in legislation and municipal by-laws.

Impairment losses

Impairment is assessed on an annual basis based on objective evidence regarding expected recoverability.

Consumers are assessed based on groupings, risk profiles and payment history profiles.

Government accounts are not provided for as such accounts are regarded as recoverable.

If there is an indication that a statutory receivable may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable shall be reduced directly or through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

Refer to the Significant Judgements (refer accounting policy 1.6) for the calculation in respect of the impairment of Statutory Receivables.

Derecognition

Statutory receivables are derecognised when the asset is extinguished, settled or through transferring of all significant risks and rewards to a third party.

Extinguishing the asset would usually be in terms of legislation or other similar means.

The difference between the consideration received and amount derecognised shall be recognised in the surplus or deficit of the period of transfer.

Accounting Policies

1.8 Construction contracts and payables

Construction contracts are those contracts entered between the municipality and a customer (or third party) whereby the municipality delivers a constructed asset in terms of an agreement with such party. The construction can be done by the municipality or through the use of a sub-contractor. The benefit of the constructed item (or group of items) must be received by such party and not the municipality.

Revenue from such contracts shall comprise the agreed value in terms of the contract plus any agreed variations to such contract on the conditions that these variations will result in an inflow of economic resources that can be measured reliably (refer accounting policy 1.21).

Contract costs are costs that directly relate to the contract as well as costs that are attributable to the execution of the construction work and any additional costs as agreed between the municipality and the party obtaining the final goods. Attributable costs are only assigned to the contract costs if these can be assigned on a systematic and rational basis.

All of these contracts of the municipality are fixed price contracts. Revenue and costs are therefore recognised with reference to the stage of completion provided that the conditions for contract revenue and contract costs will flow to the entity and the contract costs can clearly be identified and measured reliably.

An expected deficit on a construction contract shall be recognised as an expense immediately based on the stage of completion. Future losses are only accounted for when these losses are incurred in terms of the stage of completion. This implies that only the proportional loss of a contract would be recognised based on the percentage of completion.

As the percentage or stage of completion is an estimate at year-end, any subsequent changes to the estimate would be accounted for as a change in estimate in terms of the relevant municipal accounting policy.

Classification of Transactions

Various transactions arise from the Housing Arrangements. Some fall within the ambit of GRAP 11: Construction Contracts, others with GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-exchange Transactions. The information below briefly outlines how transactions are recognised:

- Expenditure pertaining to the planning and civil services of a project is considered to be Grants and subsidies in terms of GRAP 23: Revenue from Non-exchange transactions.
- Expenditure on the stand (also known as top structure expenditure) include the physical building, NHRBC fees and other expenses that are directly related to construction of houses that will be transferred to the beneficiary is accounted for as construction contract revenue and construction of low cost housing (contracted service expenses).
- 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.
- Land parcels purchased by means of receipts from the Provincial Department are assessed in terms of IGRAP 18: Recognition and Derecognition of Land. The portions of the expenditure that will remain under the control of the municipality is capitalised as Property, Plant and Equipment when the future use is determinable. When such future use cannot be determined, such land will be accounted for as Investment Property based on the municipal policy pertaining to such land. The portion of land expenditure that will be transferred to the beneficiaries are expensed once the contract is signed. The expense and receipts pertaining to land transactions are included under either Operational cost, Loss on disposal of assets and Sale of land or Gains on sale of fixed assets respectively.

1.9 Inventories

Inventories comprise of current assets held for sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

Where inventory 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 the item on the date acquired.

The term ordinary course of operations refers to activities that occur on a frequent basis on terms that are comparable to those of other municipalities. Once-off or occasional transactions are therefore not considered in the ordinary course of operations (such as the sale of a financial instrument).

Accounting Policies

1.9 Inventories (continued)

Subsequent measurement

Consumable stores, raw materials, work-in-progress

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value (net amount that an entity expects to realise from the sale on inventory in the ordinary course of business). In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge or for consumption in the production process of goods to be distributed at no charge or for a nominal charge, they are measured at the lower of cost and current replacement cost.

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, 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 reporting 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 and purified effluent are therefore valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Water inventory is being measured by multiplying the cost per kilolitre of purified water by the amount of water in storage.

Unsold properties

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis.

Other arrangements

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Most inventories are distributed at no charge or for a nominal charge rather than sold. Net realisable value is therefore measured in terms of Current Replacement Cost. 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 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.

1.10 Leases

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are expensed in the period in which they are incurred.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.10 Leases (continued)

The Municipality as Lessee

Operating leases are those leases that do not fall within the scope of a finance lease receivable. Operating lease rentals are recognised as an expense in the statement of financial performance on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The Municipality as Lessor

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as revenue and the contractual payments received are recognised as an operating lease asset or liability.

Determining whether an Arrangement contains a Lease

At inception of an arrangement, the municipality determines whether such an arrangement is, or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the municipality the right to control the use of the underlying asset.

1.11 Value-added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the VAT Act No.89 of 1991.

VAT in the records of the municipality comprises main categories of VAT, namely the VAT Control (VAT declared at year-end to SARS and not yet paid or received), a VAT input accrual (VAT on expenditure incurred, but not yet paid) and VAT output accrual (VAT revenue accrued or invoiced, but not yet paid as well as the VAT on impairment of receivables).

As each VAT transaction is individually exclusive, management has elected to not offset the separate VAT categories. As all VAT transactions will eventually fall due to or by the same juristic person, all balances are presented in the same line item on the AFS to permit comparison of our total VAT balance with that of the private sector. The VAT classification is as follows:

VAT Type	Description	Classification
VAT Control	Balance due by/(to) SARS	Statutory receivable or Payable from non-exchange transactions
VAT Output	VAT accrued on outstanding debtors (only payable once the debtor pays its outstanding amounts)	Payable from exchange transactions
VAT Input	VAT on Trade Payables not yet paid (only claimable once payment is made to the creditors (i.e. will move to Control account within 30 days from year-end)	Receivable from exchange transactions
VAT on provision for impairment	VAT that could potentially be claimed if the debt is written off	Depends on the nature of the balance. Availability charges: Receivables from non-exchange; Services rendered: Receivables from exchange.

1.12 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for service delivery in terms of the mandated functions of the municipality and are expected to be used during more than one period.

Property, plant and equipment is recognised and measured in terms of GRAP 17: Property, plant and equipment at cost less accumulated depreciation and accumulated impairments.

Repairs and maintenance

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 49).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.12 Property, plant and equipment (continued)

Depreciation

Depreciation only commences when the asset is available for use, unless stated otherwise.

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's 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 shall be depreciated separately. The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year-end:

Item	Depreciation method	Average useful life
Buildings	Straight-line	10 - 60 years
Infrastructure	Straight-line	
• Electricity		10 - 50 years
• Landfill sites		10 - 50 years
• Sewerage		10 - 100 years
• Stormwater		50 years
• Roads and paving		10 - 100 years
• Water		10 - 100 years
Community	Straight-line	10 - 60 years
Movable assets	Straight-line	
• Furniture and fittings		5 - 20 years
• Machinery and equipment		5 - 15 years
• Machinery and equipment exception: Large Skip Bins		30 years
• Office equipment		3 - 10 years
• Specialised vehicles		5 - 20 years
• Vehicles		5 - 10 years

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate. The residual values and useful lives is deemed to be appropriate unless an event has occurred or conditions of use have changed, which may have an effect on the residual values and remaining useful lives of these assets.

Incomplete Construction Work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.

Infrastructure Assets

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

If cost can however not be established, then infrastructure assets will be initially measured and recognised at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market.

Land

The municipality assesses at each reporting date if there is an indication of impairment.

Land is recognised and derecognised based on evidence of control. Control over land is evidenced by legal ownership and/or the ability to direct access to the land and to restrict or deny the access of others to land.

In assessing the control criteria, any binding arrangements over properties will be considered. Binding agreements can be in written form, a verbal agreement or the result of best practice.

Accounting Policies

1.12 Property, plant and equipment (continued)

The loss of control will result in the derecognition of the property, despite legal title, while assets over which the municipality does not hold the legal title may be recognised as an asset if control over the property has been established.

Derecognition 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. Disposals can be voluntary or involuntary of nature.

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.

1.13 Investment property

Initial recognition

Investment property includes fixed property (land or a building, or part of a building, or both land and buildings) 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.

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. (If the Municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality);
- A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties;
- Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations;
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment or Inventory as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- Property being constructed or developed on behalf of third parties;
- Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- Property that is leased to another entity under a finance lease;
- Property held by council for strategic purposes or to meet service delivery objectives rather than to earn rental or for capital appreciation; and
- Where council has properties that are used both for administrative and commercial purposes and part of the properties cannot be sold separately these properties will not be classified as investment properties.

Repairs and maintenance

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the financial statements (see note 49).

Accounting Policies

1.13 Investment property (continued)

Subsequent measurement - Cost model

Investment property is measured using the cost model. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20 - 30 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. Land is not depreciated. The municipality assesses at each reporting date if there is an indication of impairment or whether the residual values and useful lives needs to be adjusted as a change in estimate.

Derecognition

Investment property shall be derecognised 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.

Transfers

Transfers to, or from, investment property shall be made when, and only when, there is evidence of a change in use.

1.14 Living and non-living resources

Living resources are defined as any living animal or plant that undergoes biological changes naturally. The municipality has evidenced control over the living resource by means of one or more of the following:

- Our ability to intervene in the physical condition of the resource;
- Our ability to restrict the movement of the resource through fences and other security measures; and
- Our ability to decide how the resource is used.

Only those resources where management implements actions in order to use and protect the use of the living resource will such be recognised.

Management considers its intervention in physical condition of living resources as critical for the recognition as an asset. In this regard, detailed plans should be in place in order to stimulate the growth and monitor the ageing of the resource. Ad hoc, unplanned activities such as the watering of plants and trimming of trees do not constitute intervention and as such town beautification would not meet the recognition criteria. No living resources were identified as controlled by the municipality. Therefore the considerations as to recognition and measurement is not considered relevant.

As an eventuality, management will acquire city beautification from time to time. In order to fulfil the municipalities mandate (for example maintenance of community parks, supply electricity) it would be required from time to time to do maintenance of trees and plants. The purpose however is not the manage or extent the physical condition, in order to obtain future economic benefits or services from the trees, but to preserve the area (for e.g. to prevent veld fires) or promote the area for tourism. Therefore, management does not control the trees and plants as a living resource, that requires separate recognition.

Non-living resources are those resources that occur naturally and have not been extracted. Minerals, oil, water and land are examples hereof. Living resources are only disclosed when:

- Management intervenes in the processes as part of the municipal mandate in order to deliver goods or services. This intervention must be at the point before extraction while the resource is still in its natural state.
- Intervention must be preceded by either extraction or utilisation of the resource.

Management only identified water resources as no other natural resources are prevalent within our jurisdiction.

Water contained in reservoirs and pipes are considered to be extracted and is therefore accounted for as Inventory in terms of GRAP 12.

1.15 Impairment of cash-generating assets

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash generating assets.

It is expected that some assets may have a dual-purpose. A dual-purpose asset is only classified as cash-generating (profit assets) if the purpose to create a profit clearly stands out and the service delivery aspect is incidental. If the purpose is not clear, the assets are presumed to be non-cash-generating (service assets).

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

The designation may be done on an asset or group of assets, where a group of assets is a unit of assets operating together. In the designation process assets are first designated using a group of assets and any remaining assets are then designated on an individual asset basis. The designation is applied to individual assets. An asset could comprise a group of assets that are part of a system or network.

Assets are reviewed annually for indicators that these needs to be impaired. Only once an impairment indicator for an asset or group of assets is identified will the recoverable service amount be measured. Therefore, if no adverse indicators are prevalent, management would not assess the recoverable service amount.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

The recoverable value is the higher of the asset's value in use or its fair value less cost to sell.

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.

The following are examples of impairment indicators used by management:

- During routine physical inspection of the asset there was evidence of physical damage (or obsolescence).
- The asset is not being used, or access to the asset is restricted, due to structural damage.
- The asset is not able to perform at the planned or required level and as a result is not meeting service delivery targets.
- During routine physical inspection of the asset it was identified that the asset deteriorated faster than expected, or was subject to damage, which will result in replacement or significant maintenance earlier than expected.
- Due to technological advances or environmental requirement, the asset may need to be taken out of service.

Physical damage would trigger an impairment test when it results in a permanent or significant decline in the service potential of the asset. Judgement is needed to determine whether the decline is permanent or significant. In certain circumstances evidence may be available to demonstrate that the impairment will be temporary. In such circumstances, no impairment loss will be recognised.

Where the recoverable amount is less than the carrying amount, the carrying amount will be reduced to the recoverable service amount by way of an impairment loss. The impairment loss will be recognised as an expense as part of the gains and losses disclosed in the Statement of Financial Performance.

1.16 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets. Refer to the policy 1.15 for the impairment indicators.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

The recoverable value is the higher of the asset's value in use or its fair value less cost to sell.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. A temporary decline does not have to be accounted for as an impairment, but only if evidence can be provided that the decline is temporary in nature.

The recoverable amount is assessed by either the Depreciated Replacement Cost, Restoration Cost or Service units approach. The selection of the approach is based on the circumstances as per management judgement of each impairment indicator of each asset.

Assets are reviewed annually for indicators that these needs to be impaired. Only once an impairment indicator for an asset or group of assets is identified will the recoverable service amount be measured. Therefore, if no adverse indicators are prevalent, management would not assess the recoverable service amount.

Where the recoverable amount is less than the carrying amount, the carrying amount will be reduced to the recoverable service amount by way of an impairment loss. The impairment loss will be recognised as an expense as part of the gains and losses disclosed in the Statement of Financial Performance.

Accounting Policies

1.17 Employee benefits

Short-term employee benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The municipality has opted to treat its provision for leave pay and for the 13th Cheque as an accrual.

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. The liability for leave pay is based on the total accrued leave days on the total remuneration package of the employee at year end and is shown as an accrual in the Statement of Financial Position.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees. The municipality has no such informal arrangements.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Long Service Awards

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 (also refer significant judgements 1.5).

Post-retirement benefits

The municipality provides retirement benefits for its employees and has both defined benefit and defined contribution post-employment plans.

Defined Contribution plans

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 in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined Benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Accounting Policies

1.17 Employee benefits (continued)

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. Not all Medical Aid Funds with which the Municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses, reduced by 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 every year by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in the Statement of Financial Performance (also refer significant judgements 1.5).

1.18 Provisions

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The best estimate of the expenditure required to settle the present obligation is the amount that an municipality 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.

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.

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.

When the outflow of economic benefits or service potential is no longer probable the provision will be derecognised.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

The related asset is measured using the cost model:

- Changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.15 and 1.16.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

Accounting Policies

1.19 Contingent assets, contingent liabilities and commitments

Contingencies are only disclosed in the notes to the Annual Financial Statements.

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 fully 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 fully within the control of the municipality.

Commitments are future expenditure to which the municipality has committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance, but are included in the disclosure Notes. A distinction is made between capital and current commitments.

Lease commitments as defined per GRAP 13: Leases are disclosed in note 9. Operating commitments are not disclosed as the municipal annual budget is available on the municipal website.

Commitments are disclosed for:

- Items are classified as capital commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources;
- Approved and contracted capital commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP; and
- Contracts to purchase, construct or develop assets or for repairs, maintenance or enhancements to assets, that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the Notes to the Annual Financial Statements.

Understanding the classification of amounts due

Payables, provisions and contingencies are distinguished with relation to the certainty of the amount or the likelihood of payment. Payables from exchange are those amounts factually payable within the immediate future. Provisions are those amounts where either the timing of payment or the value of payment is uncertain, but the fact that an amount will be due is fairly certain. Provisions are therefore subject to management estimates whereas payables are factual amounts due.

In contrast thereto, contingencies are those amount due which are fairly uncertain. Uncertainty is determined by management's estimate of the likelihood of the potential payment or with reference to the uncertainty as to the actual amount that cannot be reliably estimated at reporting date. Where an amount can be estimated reliably, but the likelihood of payment or receipt is assessed as remote by management, the matter will be reported as a contingency.

1.20 Net Assets

Included in the net assets of the municipality, are the following statutory funds and reserves, apart from the Accumulated Surplus, that are maintained in terms of specific requirements:

Reserve: Capital Replacement (CRR)

In order to finance the provision of infrastructure and other property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR in terms of delegated powers. The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the investment policy of the Entity.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR.

Accounting Policies

1.21 Revenue from exchange transactions

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 municipality's 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, and the transaction costs can be measured reliably.

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.

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are normally read on a monthly basis and are recognised as revenue when invoiced. Where meters are not read monthly, 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 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.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties. 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 or a property is vacant.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property and are levied monthly in arrears.

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 electricity pre-paid meter cards are recognised at the point of sale. In respect of consumption between the last point of sale and the reporting date, an accrual is made based on the average daily consumption (for the period 1 July to 30 June) of consumers as per an internal system estimation report.

Finance income

Interest earned on investments and outstanding debtors is recognised in the Statement of Financial Performance when the interest is earned.

Accounting Policies

1.21 Revenue from exchange transactions (continued)

Tariff Charges

Revenue arising from the application of the approved tariff policy is recognised when the relevant service is rendered by applying the relevant authorised tariff (e.g. Operational revenue and Development charges).

Income from Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of the principal has been quantified. The income recognised is in terms of the agency agreement.

Rentals

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Sale of goods (including houses)

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser 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.

Construction contract revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- 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;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is recognised and measured in terms of GRAP 11: Construction Contracts rather than GRAP 9: Revenue from Exchange Transactions.

1.22 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction that meets the definition of an asset, is recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability is recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

Property rates

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.

Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

Tariff charges

Transferred assets are measured at their fair value as at the date of acquisition.

These charges are recognised in terms of the tariffs determined by legislation (e.g. license fees, availability charges, etc.) or tariffs approved by council.

Debt forgiveness

All unclaimed deposits are initially recognised as a liability until 36 months expires, where after all unclaimed deposits, which were deposited into the Municipality's bank account, will be treated as revenue. This policy is in line with prescribed debt principle as enforced by the Prescribed Debt Act. Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Public 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 from non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

Services in-kind

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period. No services in-kind were noted that is significant to the operations of the municipality.

Accounting Policies

1.23 Government grants and receipts

Conditional grants, 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 transfer or, 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 transfer or has never been 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. Often these unspent grant liabilities are cash backed.

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, as the qualifying expenditure is incurred.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the grantor 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.

1.24 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.25 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted or is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). All expenditure relating to Unauthorised Expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

The definition of "vote" for Swartland Municipality is set at the Functional area within the respective department.

1.26 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. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was incurred and is classified in accordance with the nature of the expense. 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 No.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 excludes unauthorised expenditure.

1.28 Losses

The MFMA requires the disclosure of losses incurred during the year under review. The disclosure is provided in order to comply with the legislative requirements governing Municipalities and Municipal Entities. Disclosure of losses is based on units as required by the MFMA.

Accounting for water losses is discussed in the accounting policy for Inventory (1.9).

Accounting Policies

1.29 Service concession arrangements

Identification

Service concession arrangements of the municipality include the provision of mandated functions on behalf of the municipality by the operator for a specified period of time, for which the operator is compensated for its services over the period of the service concession arrangement.

Initial recognition and measurement

Service concession assets are measured initially at fair value except where the assets are existing assets of the municipality in which case the assets are reclassified at their carrying amounts. Service concession assets will be identified separately.

The service concession liability is recognised and initially measured at:

- the same amount as the service concession asset,
- adjusted by the amount of any other consideration (e.g. cash) from the municipality to the operator, or from the operator to the municipality.

Subsequent measurement and derecognition

After initial recognition, the municipality applies the measurement (including impairment) and derecognition principles to the service concession asset applicable to similar items of Property, Plant and Equipment.

The municipality accounts for the liability as a financial liability when the municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset.

The municipality allocates the payments to the operator and account for them according to their substance as a reduction in the service concession liability, a finance charge, and charges for services provided by the operator.

Other liabilities, contingent liabilities, contingent assets and revenues

The municipality accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the policy on Provisions, Contingent liabilities and contingent assets and Financial instruments.

The municipality accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the principles of Revenue from exchange transactions.

Dividing the arrangement

When the municipality pays for the construction, development, acquisition, or upgrade of a service concession asset partly by incurring a financial liability and partly by the grant of a right to the operator, it accounts separately for each part of the total liability.

Refer to note 60 for the disclosure of the service concession arrangement assets, liabilities, revenue and expenditure.

Recognition of the performance obligation and the right to receive a significant interest in a service concession asset

Where the municipality controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the municipality recognises its right to receive the residual interest (i.e. a receivable) in the service concession asset at the commencement of the arrangement. The value of the receivable at the end of the service concession arrangement, reflects the value of the service concession asset as if it were already in the age and in the condition expected at the end of the service concession arrangement.

1.30 Accounting by principals and agents

A principal-agent arrangement exists where there is 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).

Accounting Policies

1.30 Accounting by principals and agents (continued)

Where the municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or moneys due being recorded in terms of GRAP 104: Financial Instruments.

Identification

Special consideration is given to the classification of an agreement (once the standard is triggered) to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Does the third party determine significant terms
- Does the third party receive the benefit from the transactions
- Is the municipality exposed to the variability of the outcome

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

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. Substance over form is applied. Therefore the exact wording over contracts where the terms agent or acting on behalf are used are considered, but only to the extent that rights and obligations are substantially transferred. Where rights and obligations are not transferred, the transaction is considered a normal supplier/customer relationship and accounted for as such.

Administrative rights, such as those resulting from a collection agency agreement are not considered sufficient grounds for a principal agent relationship. The agent or principal arrangement needs to confer rights and obligations that give the counter party the ability to execute transactions as if it is acting on the other party's behalf. A collection agency only collects revenue and pays such revenue over to the municipality. It has no authority to deviate or alter on any significant terms and therefore is not considered an agent per the definition of the standard.

1.31 Segment reporting

The segments reported is the functional segments as 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 key factor considered is therefore the manner in which management has chosen to organise the entity around differences in goods and/or services to the public.

None of management's segments were aggregated as each segment contains material goods or services. Activities are already aggregated for purposes of strategic review as outline in the table below.

The level of aggregation is summarised in the table below:

Segment	Functions	Revenue	Unique expenditure
Vote 1 - Corporate Services	Property management (rentals, sales), Legal services, Human Resources, Record Management, Public Relations, Communication, Tourism and Libraries	Grants (Library and Other), Sale of Land, Libraries, Rental income	Communication (Operational Costs), Ward Committees
Vote 2 - Civil Services	Roads, Waste Management, Waste Water Management, Water Management, Management of facilities (buildings, parks etc.)	Trading Services (except electricity), various grants (e.g. MIG, Roads etc.)	Water consumed and water losses, Solid Waste
Vote 3 - Council	Councillors, Speakers, Mayor	Allocated	Remuneration of councillors, Grants and subsidies paid
Vote 4 - Electricity Services	Electricity, Information Technology	Electricity, Grants	Electricity bulk purchases
Vote 5 - Financial Services	Budgeting, Credit Control, Supply Chain, Financial Systems and Reporting, Revenue administration, Expenditure Management, Asset Management	Interest received, Property rates, Gains on vesting of properties and equipment, Land Sales	Bad debts, Finance Costs, Impairments for receivables

Swartland Municipality

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Accounting Policies

1.31 Segment reporting (continued)

Vote 6 - Development Services	Community Development (Social services), Human Settlements, Health and Safety, Town Planning, Valuations, Building Inspections	Grants (Housing and other), Construction Contracts, Majority of Operational Revenue (Building Plans, Camping)	Low Cost Housing, Health and Safety
Vote 7 - Municipal Manager	Executive Management, Strategic Services and Internal Audit	Allocated	Majority of expenditure pertains to salaries and depreciation
Vote 8 - Protection Services	Traffic and Law Enforcement, Fire and Emergency Services	Grants, Fines, Licences and Permits	Traffic Fine Management, Bad debts and debt impairment for traffic fines. Most of the COVID-19 related expenditure

Grant revenue is shared by all departments as these are applied for. Certain grants are directly contributable to specific votes, such as Electricity or Library (Corporate) and Housing (Development). Equitable share is however allocated to each department based on the approved budget.

All other expenditure is generic and shared by all departments: Employee Costs, Contracted Services, Operational costs, Other Materials (consumables). The administration of assets occur within Financial Services, but the losses are allocated to each department.

Details of each activity of the municipality is disclosed in the annual performance report.

The municipality manages its operational revenue and expenditure, assets and liabilities geographically 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 segmental report surplus or deficit reviewed by management does not comprise all of the details as required by the standard. Management reviews the performance on an aggregated basis of total revenue and total expenditure. Management's focus is service delivery and ensuring sufficient revenue is available to ensure such. Only overall (municipal total) surplus is considered when allocating resources. The segment surplus, assets and liabilities are not reviewed on a segregated basis and therefore will not be disclosed as it is not considered relevant for purposes of measuring performance.

The reporting measurement basis for the management reports is the same as that of the annual financial statements (i.e. SA GRAP). Interdepartmental services charges are already eliminated in the management reports reviewed by executive management and will therefore not be separately disclosed (deemed to not be relevant for decision making).

1.32 Related parties

A related party is a person or an entity with the ability to control or jointly control the municipality, or exercise significant influence over the municipality, or vice versa, or an entity that is subject to common control.

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.

An entity is related to the reporting entity where they are members of the same economic entity or controlled by the same group of individuals or related individuals who exercise significant influence over their operational and financial decision making (such as group, associate or Joint venture).

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 and persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality.

Accounting Policies

1.32 Related parties (continued)

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. 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 related parties not at arm's length or not in the ordinary course of business are disclosed.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality such as:

- A person married to or live together in a relationship similar to a marriage.
- People who are separated by no more than two degrees of natural or legal consanguinity or affinity.

1.33 Events after reporting date

Events after the reporting date that are classified as adjusting events are accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the Annual Financial Statements.

When events provide evidence of conditions that existed at year end and these conditions have an impact on the values presented, the event is considered an adjusting event. All other events are considered non-adjusting events.

1.34 Budget information

The annual budget figures are those approved by 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 and needs to comply with the classification as prescribed in the Municipal Budget and Reporting Regulations. Such classification is reconciled to classification in terms of financial reporting framework. The original approved budget covers the period from 1 July 2023 to 30 June 2024. During January each year, following a review of the mid-year performance, the adjustment budget is approved by council. Such adjustment budget is considered the final budget.

Explanatory comments are provided for overall growth or decline in the budget and motivations for over or under spending on line items. The municipality considers a variance between the actual and budget of more than 10% of the budgeted value as material, provided that such variance exceeds R100 000. All variances less than R100 000 is considered immaterial.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts. This is based on paragraph 2 and 30 of GRAP 24. The presentation is a mirror image of the National Treasury Budget Submission Template and therefore classification of items differ slightly from the face of the Statement of Financial Position and Statement of Financial Performance (for example service consumers and other debtors compared to Receivables from Exchange and Non-Exchange).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Petty cash advances	19 758	16 924
Bank balances	470 471 553	721 999 911
	470 491 311	722 016 835

The decrease in Cash and cash equivalents is due to an increase in long-term Investments. Refer to Note 13.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings. The management of the municipality is of the opinion that the carrying value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Current Investment Deposits, 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.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
Standard Bank of South Africa Limited 372865100	466 445 064	719 086 786	661 935 050	470 471 553	721 999 911	665 069 624
Municipal Traffic Account 372865178	(17)	190 653	113 787	-	-	-
OTM Account 372865119	4 873	8 568	20 016	-	-	-
TMT Fines Account 372865127	196 939	(251)	1 688	-	-	-
ACB Account Number 372865151	(38)	(38)	-	-	-	-
372865143	3 584	-	-	-	-	-
Total	466 650 405	719 285 718	662 070 541	470 471 553	721 999 911	665 069 624

The municipality also have the following bank accounts with Standard Bank South Africa Limited which had a zero balance at year end except as indicated below. All accounts balances are cleared to the main account on a daily basis except on weekends.

1) Web Fines Account Number 372865135

For the purposes of the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments.

No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period.

Deposits of R 299 421 237 (2023: R 259 260 281) are attributable to the capital replacement reserve (Refer to Note 21).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
3. Receivables from exchange transactions		
Non-current interest accrual	33 119 014	-
Prepaid expenses	4 082 895	3 762 438
Electricity	62 045 146	49 931 362
Water	23 705 770	21 235 130
Sewerage	7 240 514	7 015 527
Refuse Removal	5 705 732	5 193 984
Housing rentals / instalments	96 136	82 844
Other	16 229 586	3 621 711
	152 224 793	90 842 996
Classification of receivables from exchange transactions		
Non-current assets	33 119 014	-
Current assets	119 105 779	90 842 996
	152 224 793	90 842 996

30 June 2024

Service Receivables

	Gross Balances	Collective Allowance for Impairment	Net Balances
Electricity	62 918 023	(872 877)	62 045 146
Water	30 948 149	(7 242 379)	23 705 770
Sewerage	10 801 359	(3 560 845)	7 240 514
Refuse Removal	8 762 272	(3 056 540)	5 705 732
Subtotal	113 429 803	(14 732 641)	98 697 162
Other Receivables			
Housing rentals / instalments	103 217	(7 081)	96 136
Other	17 458 994	(1 229 408)	16 229 586
Prepaid expenses	4 082 895	-	4 082 895
Non-current interest accrual	33 119 014	-	33 119 014
	168 193 923	(15 969 130)	152 224 793

30 June 2023

Service Receivables

	Gross Balances	Collective Allowance for Impairment	Net Balances
Electricity	50 359 281	(427 919)	49 931 362
Water	27 004 728	(5 769 598)	21 235 130
Sewerage	9 577 076	(2 561 549)	7 015 527
Refuse Removal	7 501 351	(2 307 367)	5 193 984
Subtotal	94 442 436	(11 066 433)	83 376 003
Other Receivables			
Housing rentals / instalments	87 436	(4 592)	82 844
Other	4 447 366	(825 655)	3 621 711
Prepaid expenses	3 762 438	-	3 762 438
	102 739 676	(11 896 680)	90 842 996

Receivables from Exchange Transactions are billed monthly, at the end of the month.

The average credit period for receivables from exchange transactions is 30 days. No interest is charged on receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at prime plus 1 % per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of receivables from exchange transactions.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

3. Receivables from exchange transactions (continued)

Other Receivables include outstanding debtors for various other services, e.g. Chemical Oxygen Demand, Treated Waste Water, Bulk Dumping and Sundry Services like Escorting of heavy vehicles, Advertisement costs, Cleaning of stands, etc. The surplus (where applicable) recorded on the water service concession arrangement is also included under this debtor type (refer to Note 60). For 30 June 2024, there was a surplus of R6 416 180 this is a debtor which needs to be paid by WCDM. Furthermore, a deposit of R 5 500 000 to purchase land is held at an attorney as at 30 June 2024 (2023: R Nil).

Of the exchange receivables balance at the end of the year, R 4 180 682 (2023: R 4 143 225) (VAT exclusive) is due from Sasko (Pty) Ltd, the municipality's largest customer. There are no other receivables that represent more than 3% of the total balance of Receivables from exchange.

The municipality receives applications for services that it provides. Deposits are required for all electricity and water accounts opened.

Management of the municipality is of the opinion that the carrying value of receivables approximate their amortised values.

No receivables from exchange transactions were pledged as security.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 1 month past due are not considered to be impaired. At 30 June 2024, R 18 088 527 (2023: R 16 216 390) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

31 - 60 Days	8 958 020	6 576 862
61 - 90 Days	1 999 523	1 478 253
91 - 120 Days	1 502 937	1 295 180
121 - 365 days	5 628 047	6 866 095
	18 088 527	16 216 390

Reconciliation of bad debts written- off: Exchange Transactions

Electricity	267 311	381 050
Refuse Removal	1 052 615	549 163
Sewerage	1 459 800	658 092
Water	7 912 438	5 965 055
Housing	28 596	39 809
Other Debtors	274 163	338 101
	10 994 923	7 931 270

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable.

The details of the ageing of receivables are disclosed in Note 5.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

3. Receivables from exchange transactions (continued)

Derecognition of financial assets

No Financial Assets have been transferred to other parties during the year.

All Exchange receivables were reviewed and no terms were identified whereby receivable types would meet the definitions of a statutory instrument as defined by this standard.

Most levies charged are based on the municipal tariff by-laws. The origin of the transactions is based on contractual deliverables rather than legislation. The legislation in place therefore supports the value of recognition rather than giving rise to the occurrence of these transactions.

Reconciliation of changes in Allowance Account	2024 Expense	2024 VAT	2024 Total Changes	2023 Expense	2023 VAT	2023 Total Changes
Opening Balance	-	-	11 896 680	-	-	9 858 141
Electricity	386 919	58 038	444 959	(165 440)	(24 816)	(190 256)
Refuse Removal	651 455	97 717	749 172	437 718	65 658	503 376
Sewerage	868 948	130 348	999 296	520 850	78 127	598 977
Water	1 280 678	192 103	1 472 781	949 814	142 472	1 092 286
Subtotal	3 188 000	478 206	15 562 888	1 742 942	261 441	11 862 524
Housing	2 164	324	2 489	(1 532)	(230)	(1 762)
Other Debtors	351 089	52 664	403 753	31 233	4 685	35 918
	3 541 253	531 194	15 969 130	1 772 643	265 896	11 896 680

4. Receivables from non-exchange transactions

Availability charges	2 735 077	2 482 342
Property Rates	21 959 870	20 820 099
Sundry debtors	1 132 414	4 530 190
Traffic fines - TMT	8 464 919	6 855 848
	34 292 280	34 688 479

30 June 2024	Gross Balances	Collective Allowance for Impairment	Net Balances
Property Rates	28 428 093	(6 468 223)	21 959 870
Sundry Debtors	1 132 414	-	1 132 414
Traffic Fines	41 781 436	(33 316 517)	8 464 919
Availability charges	5 164 577	(2 429 500)	2 735 077
	76 506 520	(42 214 240)	34 292 280

30 June 2023	Gross Balances	Collective Allowance for Impairment	Net Balances
Property Rates	26 431 084	(5 610 985)	20 820 099
Sundry Debtors	4 530 190	-	4 530 190
Traffic Fines	34 434 195	(27 578 347)	6 855 848
Availability charges	4 583 320	(2 100 978)	2 482 342
	69 978 789	(35 290 310)	34 688 479

Sundry Debtors include sundry deposits, unclaimed wages, accruals cash deposits made to Eskom for the supply of electricity and debts outstanding at year-end on normal business transactions entered into by the municipality, in respect of uncleared bank reconciliation items. Grant debtors (ad-hoc balances for multi-year grants) are also included under this debtor type.

Management of the municipality is of the opinion that the carrying value of receivables approximate their amortised values.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
4. Receivables from non-exchange transactions (continued)		
Statutory receivables from Receivables from non-exchange transactions above are as follows:		
Property Rates	21 959 870	20 820 099
Sundry debtors	1 132 414	4 530 190
Traffic Fines - TMT	8 464 919	6 855 848
	31 557 203	32 206 137
Financial instruments from Receivables from non-exchange transactions above (Availability charges)	2 735 077	2 482 342
Total receivables from non-exchange transactions	34 292 280	34 688 479

Statutory receivables general information

Receivable type	Revenue type	Legislation that give rise to the transactions	Rates and Interest charges	Impairment considerations
Property Rates	Non-exchange	Municipal Property Rates Act 6 of 2004	Municipal Tariff Policy, Interest Charged	Individual collection rates, interest charged at discount rate
Traffic Fines	Non-exchange	Administrative Adjudication of Road Traffic Offences Act, 1998	The Act determines rates, no interest is charge	Collection rate of the balance as a whole, thereafter discounting is considered in terms of materiality
Sundry Debtors	Exchange and Non-exchange	Various different acts (aggregate amounts)	Municipal Tariff Policy, Interest Charged	Individual collection rates, interest charged at discount rate
VAT Receivables	Not applicable	Value Added Tax Act 89 of 1991	The Act determines rates and interest is charge	No impairment, balance expected to be fully recoverable

Interest or other charges levied/charged

Interest was only charged on outstanding rates accounts. All other statutory receivables were within normal credit terms and therefore no other receivables generated interest income. No other levies were charged.

Outstanding debtors: Rates and Availability Charges	1 974 074	1 596 453

Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as authorised by a council decision (Currently, Prime plus 1%). This rate is also considered an appropriate discount rate.

Non-exchange receivables past due but not impaired

Non-exchange receivables which are less than 1 month past due are not considered to be impaired. At 30 June 2024, R19 100 544 (2023: R14 888 940) were past due but not impaired.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. Receivables from non-exchange transactions (continued)

The ageing of amounts past due but not impaired is as follows:

	2024 Past Due	2023 Past Due	2024 Impaired	2023 Impaired	2024 Past due not impaired	2023 Past due not impaired
31 - 60 Days	5 129 886	4 157 068	-	-	5 129 886	4 157 068
61 - 90 Days	2 096 668	2 221 286	-	-	2 096 668	2 221 286
91 - 120 Days	1 842 387	4 002 270	-	-	1 842 387	4 002 270
121 - 365 days	28 888 798	25 818 059	(18 857 195)	(21 309 743)	10 031 603	4 508 316
> 365 days	23 357 046	13 980 567	(23 357 046)	(13 980 567)	-	-
	61 314 785	50 179 250	(42 214 241)	(35 290 310)	19 100 544	14 888 940

Factors the entity considered in assessing statutory receivables past due but not impaired

Receivables are assessed in terms of their respective overall payment percentages. Some debtors are therefore past due, but the balances are still expected to be recoverable based on the payment percentages.

Reconciliation of movements for statutory receivables

Reconciliation of bad debts written-off: Non-Exchange Transactions

Rates	1 005 910	1 042 435
Traffic Fines	22 408 685	33 437 105
Availability charges	295 514	685 605
	23 710 109	35 165 145

Reconciliation of changes in Allowance Account	2024 Expense	2024 VAT	2024 Total Changes	2023 Expense	2023 VAT	2023 Total Changes
Opening Balance	-	-	35 290 310	-	-	42 561 609
Rates	857 239	-	857 239	835 490	-	835 490
Traffic Fines	5 738 170	-	5 738 170	(7 950 342)	-	(7 950 342)
Availability charges	285 670	42 852	328 522	(136 042)	(20 405)	(156 447)
Subtotal	6 881 079	42 852	42 214 241	(7 250 894)	(20 405)	35 290 310
	6 881 079	42 852	42 214 241	(7 250 894)	(20 405)	35 290 310

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

Significant impairment losses recognised or reversed

Property Rates: Impairment Recognised: No significant movement from the prior year. In the prior year the estimate was revised to take into account the macro-economic impact of the National Lockdown.

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage. The impairment loss is similar to our expectation, but quantitatively the impairment is significant and therefore disclosed separately.

The credit quality of receivables from non- exchange transactions that are neither past nor due nor impaired can be assessed to historical information about counterparty default rates. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's receivables.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. Receivables from non-exchange transactions (continued)

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such a receivable. Debtors are grouped into appropriate aggregated grouping levels when insufficient information is available to assess individual debtors. Aggregation is based on best practice and receivables are assessed on historic information available. Thereafter the past due (accounts in arrears, i.e. not current), but not impaired debtors are subjected to a further impairment test taking into account the effect of time resulting in a discounting of debtors being included as a further factor for impairment of statutory receivables.

The claims instituted against the municipality's insurance company are supported by valid insurance claims that 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.

The average credit period for government grants and subsidies is dependent on the Government Department involved and the nature of claim. No interest is charged on outstanding government grants and subsidies. The subsidies are payable to the municipality per allocations made in the Division of Revenue Act or based on agreements between the municipality and the relevant departments. Government Grants and Subsidies receivable are past due and not impaired as management have no concerns over the credit quality of these assets.

The Allowance for impairment on Other Debtors (loans and receivables) exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were grouped together in the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed to historical information about counterparty default rates. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's receivables.

Classification of Bad Debts

Exchange receivables	10 994 923	7 931 270
Consumer debtors	10 994 923	7 931 270
Non-exchange receivables	23 710 109	35 165 145
Property rates	1 005 910	1 042 435
Availability charges	295 514	685 605
Traffic fines	22 408 685	33 437 105
Total bad debts for the year	34 705 032	43 096 415

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
5. Consumer debtors disclosure		
Gross balances		
Property Rates	28 428 093	26 431 084
Electricity	62 918 023	50 359 281
Water	30 948 149	27 004 728
Sewerage	10 801 359	9 577 076
Refuse Removal	8 762 272	7 501 351
Housing rentals / instalments	103 217	87 436
Other	17 458 994	4 447 366
Payments made in advance *	4 082 895	3 762 438
Sundry Debtors *	1 132 414	4 530 190
Traffic Fines - TMT *	41 781 436	34 434 195
Availability charges *	5 164 577	4 583 320
	211 581 429	172 718 465
Less: Allowance for impairment		
Property Rates	(6 468 223)	(5 610 985)
Electricity	(872 877)	(427 919)
Water	(7 242 379)	(5 769 598)
Sewerage	(3 560 845)	(2 561 549)
Refuse Removal	(3 056 540)	(2 307 367)
Housing rentals / instalments	(7 081)	(4 592)
Other	(1 229 408)	(825 655)
Traffic Fines - TMT *	(33 316 517)	(27 578 347)
Availability charges *	(2 429 500)	(2 100 978)
	(58 183 370)	(47 186 990)
Net balance		
Property Rates	21 959 870	20 820 099
Electricity	62 045 146	49 931 362
Water	23 705 770	21 235 130
Sewerage	7 240 514	7 015 527
Refuse Removal	5 705 732	5 193 984
Housing rentals / instalments	96 136	82 844
Other	16 229 586	3 621 711
Payments made in advance *	4 082 895	3 762 438
Sundry Debtors *	1 132 414	4 530 190
Traffic Fines - TMT *	8 464 919	6 855 848
Availability charges	2 735 077	2 482 342
	153 398 059	125 531 475
Rates		
Current (0 -30 days)	12 468 539	11 208 620
31 - 60 days	1 979 669	1 638 336
61 - 90 days	283 808	259 216
91 - 120 days	153 264	130 864
121 - 365 days	6 706 779	8 985 141
> 365 days	6 836 034	4 208 907
Less: Allowance for impairment	(6 468 223)	(5 610 985)
	21 959 870	20 820 099
Electricity		
Current (0 -30 days)	57 729 811	46 616 319
31 - 60 days	3 765 751	2 403 479
61 - 90 days	112 015	88 450
91 - 120 days	91 367	58 197
121 - 365 days	439 408	750 788

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
5. Consumer debtors disclosure (continued)		
> 365 days	779 671	442 048
Less: Allowance for impairment	(872 877)	(427 919)
	62 045 146	49 931 362
Water		
Current (0 -30 days)	17 252 494	15 359 026
31 - 60 days	2 532 179	1 945 959
61 - 90 days	1 127 809	664 558
91 - 120 days	765 484	578 338
121 - 365 days	4 552 187	5 714 700
> 365 days	4 717 996	2 742 147
Less: Allowance for impairment	(7 242 379)	(5 769 598)
	23 705 770	21 235 130
Sewerage		
Current (0 -30 days)	4 038 994	3 728 200
31 - 60 days	1 332 742	1 166 977
61 - 90 days	368 556	350 493
91 - 120 days	313 375	299 935
121 - 365 days	3 065 522	3 204 331
> 365 days	1 682 170	827 140
Less: Allowance for impairment	(3 560 845)	(2 561 549)
	7 240 514	7 015 527
Refuse		
Current (0 -30 days)	3 149 313	2 757 791
31 - 60 days	978 348	826 284
61 - 90 days	297 036	266 168
91 - 120 days	256 034	236 992
121 - 365 days	2 318 346	2 455 070
> 365 days	1 763 195	959 046
Less: Allowance for impairment	(3 056 540)	(2 307 367)
	5 705 732	5 193 984
Housing		
Current (0 -30 days)	35 099	34 358
31 - 60 days	20 688	18 673
61 - 90 days	4 304	2 061
91 - 120 days	1 962	1 815
121 - 365 days	18 245	28 131
> 365 days	22 919	2 398
Less: Allowance for impairment	(7 081)	(4 592)
	96 136	82 844
Other Exchange Debtors		
Current (0 -30 days)	18 811 540	6 130 910
31 - 60 days	328 312	215 491
61 - 90 days	89 802	106 524
91 - 120 days	74 716	119 904
121 - 365 days	1 088 586	828 377
> 365 days	1 148 933	808 598
Less: Allowance for impairment	(1 229 408)	(825 655)
	20 312 481	7 384 149

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
5. Consumer debtors disclosure (continued)		
* Other Non-exchange Debtors		
Current (0 -30 days)	2 723 195	8 590 917
31 - 60 days	3 150 217	2 518 731
61 - 90 days	1 812 860	1 962 070
91 - 120 days	1 689 123	3 871 406
121 - 365 days	22 182 020	16 832 918
> 365 days	16 521 011	9 771 663
Less: Allowance for impairment	(35 746 017)	(29 679 325)
	12 332 409	13 868 380
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	73 594 313	66 455 601
31 - 60 days	11 167 780	9 152 800
61 - 90 days	3 959 041	3 502 235
91 - 120 days	3 258 287	5 142 812
121 - 365 days	37 690 667	35 152 071
> 365 days	31 707 580	18 408 087
Subtotal	161 377 668	137 813 606
Less: Allowance for impairment	(56 779 899)	(46 237 001)
	104 597 769	91 576 605
Industrial/ commercial		
Current (0 -30 days)	28 590 167	21 936 265
31 - 60 days	2 796 347	1 460 287
61 - 90 days	95 759	132 770
91 - 120 days	53 936	99 623
121 - 365 days	836 006	1 116 613
> 365 days	1 018 720	367 867
Subtotal	33 390 935	25 113 425
Less: Allowance for impairment	(1 403 471)	(949 989)
	31 987 464	24 163 436
National and provincial government		
Current (0 -30 days)	13 252 388	6 034 275
31 - 60 days	123 779	120 843
61 - 90 days	41 392	64 535
91 - 120 days	33 102	55 015
121 - 365 days	1 844 419	2 530 772
> 365 days	1 517 747	985 994
	16 812 827	9 791 434
Total		
Current (0 -30 days)	115 436 868	94 426 141
31 - 60 days	14 087 906	10 733 930
61 - 90 days	4 096 191	3 699 540
91 - 120 days	3 345 325	5 297 450
121 - 365 days	40 371 092	38 799 456
> 365 days	34 244 047	19 761 948
Subtotal	211 581 429	172 718 465
Less: Allowance for impairment	(58 183 370)	(47 186 990)
	153 398 059	125 531 475

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
6. Construction contracts and payables		
Contracts in progress at statement of financial position date		
Construction contracts and receivables/(payables)	(79 520)	(4 043 670)
Reconciliation of contracts for the year		
Contract revenue for the year	79 520	17 729 912
Contract costs for the year	(79 520)	(17 729 912)
Unpaid deliverables at year end	-	(79 520)
Balance at year end	-	(79 520)
Amounts due from/(prepaid by) customers		
Opening balance of Advances Receivable	(79 520)	(4 043 670)
Progress billings for the period (with reference to stage of completion)	79 520	17 729 912
Advances received during the period	-	(13 765 762)
Amounts due from/(prepaid by) customers	-	(79 520)
Less Retentions held	-	-
Total due from/(prepaid by) customers	-	(79 520)
Contracts in progress at year end		
Budgeted construction deliverables due at the beginning of the period	(79 520)	(4 043 670)
New deliverables due	-	(13 765 762)
Contract deliverables met	79 520	17 729 912
Total budgeted contract deliverables due	-	(79 520)
Total due from/(prepaid by customers)	-	(79 520)
Reconciliation of construction contracts balance		
Opening Balance	(79 520)	(4 043 670)
Receipts for the year	-	(13 765 762)
Deliverables met (Revenue recognised)	79 520	17 729 912
	-	(79 520)
Housing Arrangements		
Construction contract revenue is dependent on the infrastructure installation and needs to be reviewed with reference to each housing project's grant revenue as disclosed in Note 31.		
Contract revenue is fixed based on the arrangement with the Provincial Department of Housing. Revenue is determined in terms of the stage of completion which is determined by the progress payments claimed by the sub-contractors received at year end. Contracts with the Provincial Department and its beneficiaries are not subject to any retention.		
30 June 2024	De Hoop	Phola Park
Opening Balance (due to)/from customers	(79 520)	-
Transfer from Assets	79 520	-
	-	-
30 June 2023	Phola Park	De Hoop
Opening Balance (due to)/from customers	(341 135)	(3 702 535)
Transfer from Assets	341 135	17 388 777
Collections	-	(13 765 762)
	-	(79 520)

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
7. Inventories		
Consumable stores	14 442 840	15 656 064
Franking Machine and Postage	-	30 120
SMS Bundles	-	18 380
Stationery	285 671	386 461
Unsold properties held for resale	6 514 309	6 549 817
Water	359 803	382 269
	21 602 623	23 023 111

The cost of water purchases is subject to the water service concession arrangement (refer to Note 60). The adjusted cost per kilolitre for the year amounted to R 5.87 (2023: R 5.15).

No Inventories have been pledged as collateral for liabilities of the municipality.

The cost of inventories recognised as expense and included in Other Materials (refer to Note 44).

Water for distribution

Opening balance	382 269	292 534
System input volume	33 540 669	33 612 592
Authorised consumption	(27 262 076)	(29 083 571)
Water losses	(6 301 059)	(4 439 286)
Closing balance	359 803	382 269

8. Operating lease liability

Current liabilities	(334 731)	(223 681)

The Municipality as lessee

Leasing arrangements:

Operating leases relate to Buildings, Computer and other equipment with lease terms of between one to five years. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

At the reporting date the municipality had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Buildings	1 034 268	871 235
Up to 1 year	960 597	797 564
1 to 5 years	73 671	73 671
Computer Equipment	-	335 680
Up to 1 year	-	335 680
Total operating lease commitments	1 034 268	1 206 915
 Total Operating Lease Expenses - as Lessee	 961 298	 1 212 973

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

8. Operating lease liability (continued)

Operating leases are recognized on the straight-line basis over the lease term. In respect of non-cancellable Operating Leases the following asset/(liability) has been recognised:

Accrual as at 30 June

Opening balance	(84 193)	(67 030)
Operating lease payments effected	997 977	1 195 810
Operating expenses recorded	(961 298)	(1 212 973)
Total Operating Lease Assets/(Liabilities)	(47 514)	(84 193)

No restrictions have been imposed on the Municipality in terms of the operating lease agreements.

The Municipality as Lessor:

Leasing arrangements:

Operating Leases relate to Investment Property owned by the municipality with lease terms of between 5 to 50 years. The lessee does not have an option to purchase the property at the expiry of the lease period.

At the reporting date the following lease receipts were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	120 324	120 324
1 to 5 years	107 664	107 664
More than 5 years	1 942	1 942
	229 930	229 930

This impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has resulted in an (decrease)/increase in current year's income of (R 147 728) (2023: (R 143 821)).

Operating leases are recognized on the straight-line basis over the lease term. In respect of non-cancellable Operating Leases the following asset/(liability) has been recognised:

No restrictions have been imposed on the Municipality in terms of the lease agreements.

Accrual as a 30 June

Opening balance	(139 488)	3 330
Operating lease payments received	(807 659)	(792 148)
Operating income recorded as revenue	659 931	649 330
Total Operating Lease Assets/(Liabilities)	(287 216)	(139 488)

9. VAT receivable

VAT	23 036 992	9 030 732

VAT balances per classification

Statutory Receivable: VAT Control	9 006 270	9 274 831
Receivable from exchange transactions: VAT Input	23 460 513	7 021 686
Payables from exchange transactions: Vat Output	(11 880 486)	(8 846 076)
VAT on provision for bad debts	2 450 695	1 580 291
	23 036 992	9 030 732

For statutory receivable information regarding VAT refer to Note 4.

Swartland Municipality

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9. VAT receivable (continued)

The VAT control represents balances currently due by/(to) SARS.

VAT input represents accrued expenditure not yet paid. As such, the VAT will be claimed in the following month.

VAT output represents VAT on outstanding debtors. VAT on outstanding debtors will only be declared once the debt is recovered. Given the municipal recovery of debt, most of the balance due will be declared to SARS in the following month.

VAT on provision for bad debts represents the VAT that could be claimed once the debt is written off. Such VAT retains the nature of the receivable (e.g. VAT on provision for impairment on Availability charges will be a non-exchange financial instrument whereas same on Electricity debtors would be classified as Receivables from exchange transactions). VAT on Revenue resulting in Statutory receivables (i.e. Rates and Grants) are Zero rated or out of scope in terms of VAT.

10. Non-living resources

Management only identified water resources as no other natural resources are prevalent within our jurisdiction.

The supply from Paardenberg Dam is to supplement the supply to Malmesbury, Abbotsdale, Kalbaskraal, Riverlands and Chatsworth from the Municipality's own local source. Three boreholes at Riverlands are also used as supplementary sources as needed.

No liabilities or contingent liabilities arise due to the custodianship of the Perdeberg Dam. No resources were given up that resulted in compensation from third parties. The service concession arrangement is disclosed in note 60.

Swartland Municipality

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11. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	95 603 810	(14 402 501)	81 201 309	96 186 623	(8 834 651)	87 351 972
Movable assets	151 561 169	(70 707 816)	80 853 353	140 798 348	(66 746 413)	74 051 935
Infrastructure	3 985 950 745	(1 993 101 714)	1 992 849 031	3 830 549 352	(1 925 935 125)	1 904 614 227
Community	269 318 952	(152 625 113)	116 693 839	260 759 310	(159 840 925)	100 918 385
Other assets	170 141 088	(120 897 824)	49 243 264	164 074 594	(115 261 175)	48 813 419
Total	4 672 575 764	(2 351 734 968)	2 320 840 796	4 492 368 227	(2 276 618 289)	2 215 749 938

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Fair value adjustment	Depreciation	Impairment loss	Total
Land	87 351 972	830 000	(1 462 040)	49 227	-	-	(5 567 850)	81 201 309
Movable assets	74 051 935	17 843 945	(2 351 103)	-	-	(8 691 424)	-	80 853 353
Infrastructure	1 904 614 227	184 980 443	(6 278 168)	164 967	(6 395 117)	(85 055 234)	817 913	1 992 849 031
Community	100 918 385	24 546 307	(59 656)	2 222 572	-	(7 076 374)	(3 857 395)	116 693 839
Other assets	48 813 419	9 908 910	-	(7 504 619)	-	(1 962 894)	(11 552)	49 243 264
	2 215 749 938	238 109 605	(10 150 967)	(5 067 853)	(6 395 117)	(102 785 926)	(8 618 884)	2 320 840 796

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11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	85 400 573	877 731	(471 238)	1 621 344	-	(76 438)	87 351 972
Movable assets	61 722 070	21 364 809	(1 390 002)	-	(7 644 942)	-	74 051 935
Infrastructure	1 846 471 183	145 118 319	(8 192 189)	-	(78 783 086)	-	1 904 614 227
Community	102 749 969	4 423 576	(522 807)	-	(5 732 353)	-	100 918 385
Other assets	50 082 893	832 294	-	-	(2 101 768)	-	48 813 419
	2 146 426 688	172 616 729	(10 576 236)	1 621 344	(94 262 149)	(76 438)	2 215 749 938

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	221 601 170	864 960	6 661 869	229 127 999
Additions/capital expenditure	151 279 131	19 775 310	9 744 432	180 798 873
Transferred to completed items	(264 305 189)	(2 661 133)	(397 880)	(267 364 202)
	108 575 112	17 979 137	16 008 421	142 562 670

Reconciliation of Work-in-Progress 2023

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	158 909 174	428 264	5 749 750	165 087 188
Additions/capital expenditure	139 682 558	4 371 343	4 082 779	148 136 680
Transferred to completed items	(76 990 562)	(3 934 647)	(3 170 660)	(84 095 869)
	221 601 170	864 960	6 661 869	229 127 999

The description: Other Assets relates to the traditional line for Buildings.

Swartland Municipality

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11. Property, plant and equipment (continued)

No Property, Plant and Equipment were retired from active use and held for disposal during the financial year. Compensation in the amount of R 138 750 (2023: R 39 299), included in Operating Surplus, was received from the municipality's insurers for Property, Plant and Equipment lost during the year. None of the above assets are pledged as security.

As per Note 45, Impairment losses on Property, Plant and Equipment to the amount of R 8 618 884 (2023: R 76 438) have been recognised in the operating surplus and are included in Impairment Losses in the Statement of Financial Performance.

The estimation of the useful lives of assets is a matter of judgement based on the municipality's experience with similar assets.

Expenditure to repair and maintain assets is disclosed in Note 49.

No projects with expenditure have been halted or delayed significantly.

Included in the total for Property, Plant and Equipment are assets that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. For details of the service concession arrangement refer to Note 60.

Contractual commitments for the acquisition of Property, plant and equipment are disclosed in Note 50.

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

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12. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	54 941 609	(30 000 966)	24 940 643	39 033 861	(15 694 740)	23 339 121

Reconciliation of investment property - 2024

	Opening balance	Disposals	Transfers	Impairments	Depreciation	Total
Investment property	23 339 121	(347 418)	2 343 738	(625)	(394 173)	24 940 643

Reconciliation of investment property - 2023

	Opening balance	Disposals	Transfers	Impairments	Depreciation	Total
Investment property	25 533 409	(335 701)	(1 621 344)	(5 460)	(231 783)	23 339 121

The municipality's Investment Properties are accounted for according to the cost model and therefore no fair value has been determined.

As per Note 45, impairment losses to the value of R 625 (2023: R 5 460) have been recognised on Investment Property of the municipality at the reporting date. No construction projects were entered into for Investment Property during the year.

Expenditure to repair and maintain assets is disclosed in Note 49.

All of the municipality's Investment Properties are held under freehold interests and none 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 no contractual obligations on Investment Property.

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13. Other financial assets		
At amortised cost		
Long term investment	300 000 000	-
The investment will mature on 29 June 2026 and accumulates interest at an effective rate of 11.07%. Interest is payable at maturity.		
Non-current assets		
At amortised cost	300 000 000	-
Financial assets at amortised cost		
Receivables from exchange and Other financial assets		
The total present value for the investment was classified as follows:		
Long term investment	300 000 000	-
Non-current receivable from exchange transactions: Accrued interest	33 119 014	-
	333 119 014	-
14. Payables from exchange transactions		
Trade payables	31 764 760	42 661 520
Payments received in advanced	2 643 045	2 655 406
Retentions	12 844 892	15 481 782
Other payables	13 281 453	16 731 819
Staff leave	19 246 174	17 522 987
Other deposits	1 283 192	1 235 839
13th cheque accrual	7 769 151	7 202 987
	88 832 667	103 492 340
No interest is charged for the first 30 days from the date of receipt of the statement. 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 timeframe. The carrying value of trade and other payables approximates its fair value. Retentions are usually payable after a period of 12 months.		
The municipality did not default on any payment of its Creditors. No terms for payment have been re-negotiated by the municipality. Discounting of trade and other payables on initial recognition is not deemed necessary.		
15. Consumer deposits		
Electricity and Water	19 659 688	17 845 831

Guarantees amounting to R 975 490 (2023: R 975 490) are held in lieu of Electricity and Water Deposits.

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 Council can utilise the deposit as payment for the outstanding account. No interest is paid on consumer deposits held.

The carrying value of consumer deposits approximates their fair value.

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16. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Community Development Workers	1 311	2 501
Covid-19 - Food Parcels and Financial Support	75 000	75 000
Municipal Disaster Relief Grant	350 000	-
Emergency Fire Kits	2 120	-
Emergency Municipal Load-shedding Relief Grant	-	8 506 517
WC Financial Management Capability Grant: Internal Audit	418 031	418 031
WC Financial Management Capability Grant: Student Bursaries	176 807	161 420
Housing: Darling	447 179	-
Housing: De Hoop	363 379	-
Education, Training and Development Practices (Seta)	-	138 559
Municipal Accreditation and Capacity Building	89 089	58 350
Swartland Business Hive (Entrepreneurial Hub)	40 000	-
WC Department of Education - Schools allocation	23 000 000	-
Housing Project - Silvertown	5 500 000	-
Contribution: Grade 1 project	31 000	-
	30 493 916	9 360 378

The Unspent Grants are cash backed. The municipality complied with the conditions applicable to all grants received to the extent of revenue recognised. No grants were withheld. The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

Included above are funds received from private institutions such as, WC Department of Education, Covid-19, etc. which are not unspent grants, but rather unspent in terms of the agreement with such funder.

See Note 31 for reconciliation of grants by other spheres of government and for Public Contributions (Other Receipts).

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Figures in Rand	2024	2023

17. Other financial liabilities

At amortised cost

Annuity loans	38 813 954	90 850 978

Summary of arrangements

Annuity Loans are repaid over periods varying from ten to twenty years (2023: ten to twenty years), and at interest rates varying from 8.61% to 10.96% (2023: 8.61% to 10.96%). Annuity Loans are not secured.

Refer to Appendix A for more detail on long-term liabilities.

Non-current liabilities

At amortised cost	33 358 238	82 089 645

Current liabilities

At amortised cost	5 455 716	8 761 333

18. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value

	81 423 000	74 582 000
Long Term: Post-Employment Health Care Benefit Liability	76 928 000	70 830 000
Current Portion: Post-Employment Health Care Benefit Liability	4 495 000	3 752 000
	14 857 000	13 308 000
Long Term: Long Service Awards	12 747 000	12 144 000
Current portion: Long Service Awards	2 110 000	1 164 000
	96 280 000	87 890 000
Non-current liabilities	89 675 000	82 974 000
Current liabilities	6 605 000	4 916 000
	96 280 000	87 890 000

Post-Employment Health Care Benefit Liability

The Municipality provides certain post-retirement medical benefits by funding the medical aid contributions of certain 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 condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The most recent actuarial valuations of the present value of the unfunded defined benefit obligation were carried out as at 30 June 2024 by ARCH Actuarial Consulting, Fellow of the Actuarial Society of South Africa. 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. No other post retirement or long service benefits are provided by the municipality.

In-service members	341	339
In-service (non)-members	306	302
Continuation members	72	68
	719	709

During the current year the municipality revised its estimates to include a higher percentage of in-service non-members. Some employees that would previously not have been able to afford medical aid may indeed be able to afford such benefits in the future. The municipality estimates that 10% (2023: 10%) of employees currently not in a position to afford medical aid, may be able to join a scheme before retirement. The 10% potential joining rate was determined based on municipal history in conjunction with national data reviewed by the actuaries.

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Figures in Rand	2024	2023

18. Employee benefit obligations (continued)

The liability in respect of past service has been estimated to be as follows:

In-service members	35 016 000	32 366 000
In-service (non)-members	3 289 000	2 941 000
Continuation members	43 118 000	39 275 000
	81 423 000	74 582 000

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Keyhealth
- LA Health
- Samwumed
- Sizwe Hosmed

The future service cost for the ensuing year is established to be R 2 753 000, whereas the interest-cost for the next year is estimated to be R 9 667 000 (2023: R 2 548 000 and R 9 051 000 respectively).

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	74 582 000	74 092 000
Benefits paid	(3 814 543)	(3 533 171)
Net expense recognised in the statement of financial performance	10 655 543	4 023 171
	81 423 000	74 582 000

Net expense recognised in the statement of financial performance

Current service cost	2 548 000	2 476 000
Interest cost	9 051 000	8 541 000
Actuarial (gains) losses	(943 457)	(6 993 829)
	10 655 543	4 023 171

Calculation of actuarial gains and losses

Basis changes: Increase in net discount rate	(1 323 000)	(9 819 000)
Basis changes: Change in in-service non-member assumed medical aid option	-	1 390 000
Subsidy inflationary increases lower than assumed	343 000	(987 000)
Changes to membership profile different from assumed	(26 000)	2 416 000
Actual benefits vested, greater than expected	62 543	6 171
	(943 457)	(6 993 829)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	12,20 %	12,44 %
Expected rate of health care cost inflation rate	7,69 %	8,05 %
Net effective discount rate	4,19 %	4,06 %
Expected medical aid increases	6,19 %	6,55 %
Average retirement age	62	62

Reasons for the Movement in the Liability:

The average in-service member liability has increased by 8% since the last valuation due to :

- an increase in the average age which means members are closer to retirement (less discounting) and less likely to leave before retirement

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18. Employee benefit obligations (continued)

- an increase in the average past service
- an increase in the average post-employment subsidy

The average in-service non-member liability has increased by 87% since the last valuation primarily due to a change in the assumed medical aid option used for non-members, from Bonitas Cap to Samwumed B. Furthermore, there was:

- an increase in the average post-employment subsidy (partially due to the change in the assumed option)
- an increase in the average age
- an increase in the average past service

The total in-service non-member liability has increased by 12% due to the above, combined with an increase in the number of in-service non-members.

The total continuation member liability has increased by 10% due to the above, combined with an increase in the number of continuation members.

Sensitivity analysis and movements for the year

The below table summarises significant sensitivity effects on the amounts recognised in surplus or deficit.

	Changes in overall assumptions	One percentage point increase	One percentage point decrease
30 June 2024			
Key assumptions			
Effect on the aggregate of the service cost and interest cost	11 599 000	-	-
Effect on defined benefit obligation	81 423 000	-	-
Health care inflation rate			
Effect on the aggregate of the service cost and interest cost	-	13 448 000	10 096 000
Effect on defined benefit obligation	-	92 562 000	72 217 000
Discount rate			
Effect on the aggregate of the service cost and interest cost	-	10 826 000	12 533 000
Effect on defined benefit obligation	-	72 625 000	92 175 000
Post-employment mortality			
Effect on the aggregate of the service cost and interest cost	-	11 270 000	11 928 000
Effect on defined benefit obligation	-	79 122 000	83 713 000
Average retirement age (1 year later)			
Effect on the aggregate of the service cost and interest cost	12 255 000	-	-
Effect on defined benefit obligation	85 233 000	-	-
Membership continuation (10% longer)			
Effect on the aggregate of the service cost and interest cost	10 673 000	-	-
Effect on defined benefit obligation	76 317 000	-	-
30 June 2023			
Key assumptions			
Effect on the aggregate of the service cost and interest cost	11 017 000	-	-
Effect on defined benefit obligation	74 582 000	-	-
Health care inflation rate			
Effect on the aggregate of the service cost and interest cost	-	12 892 000	9 506 000
Effect on defined benefit obligation	-	84 777 000	66 154 000
Discount rate			
Effect on the aggregate of the service cost and interest cost	-	10 218 000	11 989 000
Effect on defined benefit obligation	-	66 521 000	84 437 000
Post-employment mortality			
Effect on the aggregate of the service cost and interest cost	-	10 677 000	11 989 000
Effect on defined benefit obligation	-	72 437 000	76 717 000
Average retirement age (1 year later)			
Effect on the aggregate of the service cost and interest cost	11 607 000	-	-
Effect on defined benefit obligation	69 874 000	-	-

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18. Employee benefit obligations (continued)

Membership continuation

Effect on the aggregate of the service cost and interest cost	10 164 000	-	-
Effect on defined benefit obligation	69 874 000	-	-

Maturity analysis of the Post-employment medical aid subsidy:

	Expected benefit payments
Within 1 year	4 495 000
Within 2-5 years	23 068 000
Within 6-10 years	44 006 000
Within 11-20 years	186 360 000
Within 21-40 years	950 696 000
Beyond 40 years	1 346 947 000

The municipality expects to make a contribution of R 4 495 000 (2023: R 3 752 000) to the defined benefit plans during the next financial year.

Refer to Note 61 "Multi- Employer Retirement Benefit Information" to the Annual Financial Statements for more information regarding the municipality's other retirement funds that are Provincially and Nationally administered.

Long Service Awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality (which includes their uninterrupted service with the former local authorities amalgamated in December 2000 to become Swartland Municipality). The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2024 may become entitled to in future, based on an actuarial valuation performed at that date.

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 ARCH Actuarial Consulting, Fellow of the Actuarial Society of South Africa. 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, 62 (2023: 77) employees received Long-service Awards.

Eligible employees at the beginning of the year	641	631
New entrants	12	33
Members that exited	(6)	(23)
Eligible employees at the end of the year	647	641

The future service cost for the ensuing year is established to be R 1 183 000 whereas the interest-cost for the next year is estimated to be R 1 561 000 (2023: R 1 112 000 and R 1 459 000 respectively).

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	13 308 000	13 197 000
Benefits paid	(1 203 946)	(1 711 099)
Net expense recognised in the statement of financial performance	2 752 946	1 822 099
	14 857 000	13 308 000

Net expense recognised in the statement of financial performance

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Figures in Rand	2024	2023
18. Employee benefit obligations (continued)		
Current service cost	1 112 000	1 118 000
Interest cost	1 459 000	1 395 000
Actuarial (gains) losses	181 946	(690 901)
	2 752 946	1 822 099

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	11,29 %	11,45 %
Expected rate of salary increases	6,42 %	6,68 %
Net effective discount rate	4,58 %	4,47 %
Average retirement age	62	62

The history of experience adjustments

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed general earnings inflation rates would have the following effects:

	Changes in overall assumptions	One percentage point increase	One percentage point decrease
30 June 2024	-		
Key assumptions	-		
Effect on the aggregate of the service cost and interest cost	2 571 000	-	-
Effect on defined benefit obligation	14 857 000	-	-
General earnings inflation rate	-		
Effect on the aggregate of the service cost and interest cost	-	2 756 000	2 404 000
Effect on defined benefit obligation	-	15 726 000	14 067 000
Discount rate	-		
Effect on the aggregate of the service cost and interest cost	-	2 533 000	2 614 000
Effect on defined benefit obligation	-	14 053 000	15 754 000
Post-employment mortality	-		
Effect on the aggregate of the service cost and interest cost	-	-	-
Effect on defined benefit obligation	-	-	-
Average retirement age (2 years later)	-		
Effect on the aggregate of the service cost and interest cost	2 895 000	-	-
Effect on defined benefit obligation	16 842 000	-	-
Rates of termination of service (x two)	-		
Effect on the aggregate of the service cost and interest cost	2 016 000	-	-
Effect on defined benefit obligation	12 397 000	-	-
30 June 2023	-		
Key assumptions	-		
Effect on the aggregate of the service cost and interest cost	2 513 000	-	-
Effect on defined benefit obligation	13 308 000	-	-
General earnings inflation rate	-		
Effect on the aggregate of the service cost and interest cost	-	2 704 000	2 341 000
Effect on defined benefit obligation	-	14 134 000	12 557 000
Discount rate	-		
Effect on the aggregate of the service cost and interest cost	-	2 464 000	2 567 000
Effect on defined benefit obligation	-	12 545 000	14 160 000
Post-employment mortality	-		
Effect on the aggregate of the service cost and interest cost	-	-	-
Effect on defined benefit obligation	-	-	-
Average retirement age (2 years later)	-		
Effect on the aggregate of the service cost and interest cost	2 833 000	-	-
Effect on defined benefit obligation	15 078 000	-	-

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18. Employee benefit obligations (continued)

Rates of termination of service (x two)

Effect on the aggregate of the service cost and interest cost	1 934 000	-	-
Effect on defined benefit obligation	10 961 000	-	-

Maturity analysis of the Long service award:

	Expected benefits vesting
Within 1 year	2 110 000
Within 2-5 years	8 361 000
Within 6-10 years	14 822 000
Within 11-20 years	31 413 000
Within 21-40 years	32 667 000

The municipality expects the benefits to vest in the ensuing year of R 2 110 000 (2023: R 1 164 000).

19. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Remeasure / Redemption	Interest due to passage of time	Total
Landfill Site	58 486 876	(6 613 603)	5 438 504	57 311 777
SARS Library Grant	8 192 545	92 607	495 181	8 780 333
	66 679 421	(6 520 996)	5 933 685	66 092 110

Reconciliation of provisions - 2023

	Opening Balance	Remeasure / Redemption	Interest due to passage of time	Total
Landfill Site	51 156 085	1 855 785	5 475 006	58 486 876
SARS Library Grant	8 192 545	289 107	610 652	8 192 545
Legal Proceedings	370 000	(370 000)	-	-
	59 718 630	1 774 892	6 085 658	66 679 421

Non-current liabilities	57 311 777	58 486 876
Current liabilities	8 780 333	8 192 545
	66 092 110	66 679 421

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Figures in Rand	2024	2023

19. Provisions (continued)

Legal Proceedings:

The plaintiff, Paulus Smit N.O. instituted an application to WC High Court for order directing the municipality to, inter alia erect a wall between Mr Smit's farm property and that of the Municipality. Judgement was delivered on 23 August 2019 with the municipality having to pay R370 000 as a final contribution to the erection of a wall by the applicant. Payment is contingent on the wall being erected with Swartland contributing the final payment to enable the completion of such works. The wall has not yet been erected and no building plans have been submitted for such a wall to be erected. Therefore the amount is deemed a provision as the conditions for payment has not yet been met. Following a new notice and summons in the High Court of the Western Cape on 22 August 2022, the municipality made a payment of R370 000 on 15 September 2022. Such payment is conditional and as such, is included under the contingent assets (Note 51). Details of the new matter is also included under contingent liabilities.

SARS Library Grant

For more information on the matter refer to Note 51.

The comparative figures have been restated as per Note 62.

Environmental rehabilitation provision

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R 57 311 776 (2023: R58 486 876) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using rates below as per similar Government Bond periods and the average Consumer Price Index from June to May.

Sites 2024	Proposed Rehabilitation Date	Size (Square Meters)	Current Costs per Square	2024 Provision	2023 Provision
Darling	2039/2040	32 717	998	12 185 533	11 990 572
Highlands	2037/2038	96 456	200	8 499 413	7 414 840
Koringberg (*)	2028/2029	4 500	1 835	6 878 396	6 770 909
Moorreesburg	2033/2034	28 100	771	12 254 779	11 817 123
Riebeek Kasteel	2031/2032	22 118	897	13 999 702	16 414 073
Yzerfontein	2032/2033	27 400	193	3 493 953	4 079 359
		211 291	4 894	57 311 776	58 486 876

Each year, the landfill sites are reviewed in terms of size, available capacity and other environmental factors. Each of the factors have an impact on the valuation at year-end. The following key factors were considered:

Sites	Years until rehabilitation 2024	Years until rehabilitation 2023	Discount rate 2024	Discount rate 2023
Darling	16	16	11,70 %	11,73 %
Highlands	14	15	11,36 %	11,58 %
Koringberg (*)	5	3	8,94 %	9,17 %
Moorreesburg	11	11	10,61 %	10,83 %
Riebeek Kasteel	8	4	9,71 %	9,18 %
Yzerfontein	9	5	9,96 %	9,19 %

Swartland Municipality

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Figures in Rand	2024	2023

19. Provisions (continued)

Sites	Size 2024 (Square Meters)	Size 2023 (Square Meters)	Rate per Square Meter 2024	Rate per Square Meter 2023	% Change in rate/square meter
Darling	32 717	32 717	998	957	4,26 %
Highlands	96 456	96 456	200	185	8,01 %
Koringberg (*)	4 500	4 500	1 835	1 681	9,17 %
Moorreesburg	28 100	28 100	771	744	3,61 %
Riebeek Kasteel	22 118	22 118	897	860	4,28 %
Yzerfontein	27 400	27 400	193	179	7,64 %

Sites	Opening Balance	Interest Expense	Market related adjustments (capitalised)	Total
Darling	11 990 572	1 276 567	(1 081 606)	12 185 533
Highlands	7 414 840	866 729	217 844	8 499 413
Koringberg (*)	6 770 909	564 581	(457 094)	6 878 396
Moorreesburg	11 817 123	1 175 661	(738 005)	12 254 779
Riebeek Kasteel	16 414 073	1 238 500	(3 652 871)	13 999 702
Yzerfontein	4 079 359	316 465	(901 871)	3 493 953
	58 486 876	5 438 503	(6 613 603)	57 311 776

20. Statutory fund: Housing development

The Housing Development Fund has its origin from Loans extinguished by Government on 1 April 1998 and the net of housing transactions appropriated to the fund thereafter. No separate Unappropriated Surplus Account for housing transactions was kept.

21. Reserves: Capital Replacement

The Capital Replacement Reserve is a reserve to finance future capital expenditure, is fully funded and invested in Financial Instruments.

Balance at the beginning of the year	259 260 281	266 156 243
Contribution from accumulated surplus	123 017 635	90 202 918
Capital contributions received	41 767 349	1 706 706
Funding capital projects	(124 624 028)	(98 805 586)
	299 421 237	259 260 281

22. Accumulated surplus

Accumulated surplus generated from operations	2 712 124 967	2 484 960 582

Accumulated Surplus has been restated to correctly classify amounts held by the municipality. Refer to Note 62 "Correction of Error" for details of the restatements.

23. Service charges

Sale of electricity	443 249 370	361 186 362
Sale of water	92 981 779	82 372 082
Sewerage and sanitation charges	60 460 874	49 885 270
Refuse removal	33 962 559	29 647 053
	630 654 582	523 090 767

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
24. Agency services		
Driver's Licenses	5 348 435	5 511 479
25. Interest received		
Interest revenue		
Interest earned - Investments	41 694 396	50 987 485
Bank account	9 950 665	7 950 622
Outstanding debtors: Exchange receivables	3 268 589	2 451 694
Non-current Interest:Receivables	33 119 014	-
Interest earned - Land sales	-	1 198
	88 032 664	61 390 999
26. Operational revenue		
Sale of goods and rendering of services		
Advertisements	364 777	363 956
Application Fees for Land Usage	200 135	139 129
Building Plan Approval	3 613 332	3 320 363
Bulk Waste Dumping	1 702 383	1 204 216
Camping Fees	3 703 373	3 687 660
Cemetery and Burial	901 942	818 777
Cleaning and Removal	726 827	372 730
Clearance Certificates (Rates)	534 974	352 744
Encroachment Fees	590	590
Entrance Fees	745 276	550 497
Escort Fees	107 739	145 210
Housing (Boarding Services) - Staff	126 160	117 931
Occupation Certificates	420 902	378 819
Photocopies and Faxes	135 617	137 008
Removal of Restrictions	367 707	340 726
Sewerage Blockages	408 284	384 764
Rendering of Fire Services	14	10
Sub-division and Consolidation Fees	234 551	131 250
Tender Documents	72 793	45 095
Town Planning and Servitudes	31 639	17 980
Valuation Services	156 242	181 370
Other operational revenue		
Administrative Handling Fees	70 430	70 516
Application: Service Connections	532 791	619 836
Breakages and Losses Recovered	58 944	53 182
Bad debts recovered	358 675	479 080
Housing Selling Schemes	-	1 394
Sundry income and cash surpluses	48 643	32 454
Insurance Refund	423 665	96 879
Merchandising, Jobbing and Contracts	144 526	71 871
Other Fees	2 911	2 596
Registration Fees - Road and Transport	267 360	306 161
Transaction Handling Fees	129 946	110 217
Debt Forgiveness	736 053	595 513
	17 329 201	15 130 524

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
27. Rental of facilities and equipment		
Premises		
Rental Revenue from buildings	365 604	596 342
Halls		
Rental Revenue from halls	316 632	308 855
Facilities and equipment		
Rental of equipment	700 247	684 784
	1 382 483	1 589 981
28. Development charges		
Development charges received (cash)		
Parking Areas	54 185	39 365
Water	2 785 079	726 723
Sanitation	2 865 584	364 101
Stormwater	1 386 758	402 812
Electricity	1 768 178	173 706
Development charges received through asset donations		
Water	9 117 018	-
Sanitation	578 318	-
Stormwater	1 529 395	-
Electricity	17 613 494	-
Roads	4 069 339	-
	41 767 348	1 706 707
29. Property rates		
Rates received		
Residential	95 944 707	87 985 903
Commercial	15 077 119	14 009 683
State	10 759 532	9 986 071
Vacant land	8 908 804	8 962 551
Farm Properties: Agricultural Purposes	24 200 810	22 526 333
Industrial	9 231 312	8 559 405
Rural: Business	1 955 059	2 045 992
Less: Revenue forgone	(2 902 791)	(1 959 068)
	163 174 552	152 116 870

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

29. Property rates (continued)

Valuation of properties (R'000)

Rates Category	Rate 2024	Rate 2023	Valuation 2024	Valuation 2023
Residential	0,5956	0,5624	17 208 324	16 883 017
Commercial	0,8769	0,8203	2 130 608	2 087 276
State	0,8769	0,8203	1 679 912	1 590 626
Vacant land	0,8022	0,7575	1 281 708	1 318 205
Farm properties: Agricultural purposes	0,1489	0,1406	13 552 747	13 637 704
Industrial	0,8769	0,8203	962 705	966 234
			36 816 004	36 483 062

A statutory rebate of 75% was granted on agricultural land. A statutory rebate of R 15 000 on the value of the property is granted to residential property owners. A further R 300 000 discount on the market value of the property, over and above the aforementioned R 15 000 is granted on the value of the property for residents 60 years and older on condition that they occupy the premises. Some additional relief was provided to qualifying consumers in order to assist families in need.

30. Interest on receivables

Interest - Property rates	1 547 866	1 239 369
Interest - Availability charges	426 208	357 084
	1 974 074	1 596 453

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
31. Government grants and subsidies		
Unconditional grants		
Equitable Share	143 235 000	126 228 000
Conditional grants		
Community Development: Workers	36 689	35 499
Community Safety: K9 Unit	3 345 000	2 527 485
Education, Training and Development Practices (Seta)	2 075 717	861 795
WC Municipal Energy Resilience Grant	680 000	-
Extended Public Works Programme	1 830 000	1 873 000
WC Financial Management Capability Grant: Student Bursaries	84 613	160 000
Fire Services Capacity Building	926 000	-
Housing Project: Darling	2 850 000	2 615 230
Housing Project: Malmesbury De Hoop	48 047 638	-
Housing Project: Sibanye-Moorreesburg	3 200 000	900 000
Integrated National Electrification Programme	23 658 000	17 600 000
Library service	12 211 393	11 333 893
Local Government Employment Support Grant	-	855 341
Local Government Financial Management Grant	1 550 000	1 550 000
Municipal Accreditation and Capacity Building	155 911	196 774
Law Enforcement Reaction Unit Grant	5 509 000	5 329 139
Municipal Infrastructure Grant	23 055 000	33 810 000
Municipal Energy Resilience Grant	8 506 517	2 438 483
Municipal Water Resilience Grant	-	600 000
Proclaimed Roads Subsidies	170 000	4 470 000
Non-motorised Transport Grant	500 000	-
Regional Socio-Economic Project (RSEP)	500 000	1 200 000
Service Delivery and Capacity Building Grant	500 000	-
Sports Development Grant	966 374	-
Title Restoration: Housing Projects	281 980	-
	140 639 832	88 356 639
	283 874 832	214 584 639

No funds destined for the municipality in terms of the annual Division of Revenue Act were delayed, withheld or withdrawn.

The municipality complied with the grant terms including the requirements of section 214(1) of the Constitution.

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Community Development: Workers

Balance unspent at beginning of year	2 501	-
Current-year receipts	38 000	38 000
Conditions met - transferred to revenue	(36 689)	(35 499)
Repayment to funder	(2 501)	-
	1 311	2 501

Conditions still to be met - remain liabilities (see note 16).

Funds made available for sundry expenditure and stationery for workers, under the control of the Municipality but remunerated by PAWC.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

31. Government grants and subsidies (continued)

Community Safety: K9 Units

Balance unspent at beginning of year	-	107 485
Current-year receipts	3 345 000	2 420 000
Conditions met - transferred to revenue	(3 345 000)	(2 527 485)
	-	-

Funds are for the establishment of a dog unit for detecting drugs.

COVID 19 - Food Parcels and Financial Support

Balance unspent at beginning of year	75 000	75 000

Conditions still to be met - remain liabilities (see note 16).

Special government allocations received in order to assist those in need following the Covid-19 national lockdown. The balance remaining is expected to be refunded to the public during the 2023/24 financial year.

The unspent funds will be repaid to the funders during 2024/25.

Non-motorised Transport Grant

Current-year receipts	500 000	-
Conditions met - transferred to revenue	(500 000)	-
	-	-

Funds are utilised to build and improve the municipal pavement network.

Education, Training and Development Practices (Seta)

Balance unspent at beginning of year	138 559	-
Current-year receipts	1 729 383	1 000 353
Conditions met - transferred to revenue	(2 075 717)	(861 794)
Transferred to/(from) debtors (Sundry Receivables - Non-exchange receivables)	207 775	-
	-	138 559

Conditions still to be met - remain liabilities (see note 16).

Training of officials as well as unemployed persons utilised on projects under control of the Municipality.

The unspent portion relates to students in training for which the project is only expected to draw to a close in 2023/24.

WC Municipal Energy Resilience Grant

Current-year receipts	(680 000)	-
Conditions met - transferred to revenue	680 000	-
	-	-

The grant funded the Electricity Cost of Supply Study.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

31. Government grants and subsidies (continued)

Extended Public Works Programme

Current-year receipts	1 830 000	1 873 000
Conditions met - transferred to revenue	(1 830 000)	(1 873 000)
	-	-

The grant is to enable the Municipality to create jobs.

Local Government Employment Support Grant

Balance unspent at beginning of year	-	855 341
Conditions met - transferred to revenue	-	(855 341)
	-	-

Conditions still to be met - remain liabilities (see note 16).

The grant is to enable the Municipality to create jobs.

Municipal Water Resilience Grant

Current-year receipts	-	600 000
Conditions met - transferred to revenue	-	(600 000)
	-	-

The funds are to enable the Municipality to investigate and implement water savings initiatives..

Municipal Energy Resilience Grant

Balance unspent at beginning of year	8 506 517	-
Current-year receipts	-	10 945 000
Conditions met - transferred to revenue	(8 506 517)	(2 438 483)
	-	8 506 517

Conditions still to be met - remain liabilities (see note 16).

The grant is for the Municipality to investigate and implement alternative energy solutions.

WC Financial Management Capability Grant: Student Bursaries

Balance unspent at beginning of year	161 420	21 420
Current-year receipts	100 000	300 000
Conditions met - transferred to revenue	(84 613)	(160 000)
	176 807	161 420

Conditions still to be met - remain liabilities (see note 16).

Municipal bursary programme that enable municipalities to attract top performing learners and learners with potential to succeed in Higher Education Institutions (HEI) in the areas such as finance, economics, accounting, supply chain management, internal audit, risk management, infrastructure, etc.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

31. Government grants and subsidies (continued)

WC Financial Management Capability Grant: Internal Audit

Balance unspent at beginning of year	418 031	-
Current-year receipts	-	418 031
	418 031	418 031

Conditions still to be met - remain liabilities (see note 16).

The purpose of the grant is to implement a systematic and formalised process to identify, assess, manage and monitor risks by acquiring, configuring and utilising a Risk Management automated electronic system.

Municipal Disaster Relief Grant

Current-year receipts	350 000	-

Conditions still to be met - remain liabilities (see note 16).

Funding was received for infrastructure damages due to the impact of floods that occurred in December 2023 to January 2024 (Washed away Gravel Roads in Chatsworth, Kalbaskraal, Riebeek Wes/Kasteel and Moorresburg).

Housing Project: Kalbaskraal

Balance unspent at beginning of year	-	2 347
Refunded to funder	-	(2 347)
	-	-

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Emergency Fire Kits

Current-year receipts	284 100	-
Conditions met - transferred to revenue	(281 980)	-
	2 120	-

Conditions still to be met - remain liabilities (see note 16).

Financial assistance from the Department of Infrastructure for the provision of enhanced emergency kits and relocation costs

For the change in accounting policy refer to note. The balance included under receivables remains unchanged as the change in accounting policy would have resulted in a credit against the debtors with the new treatment resulting in an additional debit.

Housing Project: Darling

Current-year receipts	3 297 179	2 615 230
Conditions met - transferred to revenue	(2 850 000)	(2 615 230)
	447 179	-

Conditions still to be met - remain liabilities (see note 16).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
31. Government grants and subsidies (continued)		
Housing Project: Malmesbury De Hoop		
Construction contracts - Balance unspent at beginning of year	-	3 702 535
Current-year receipts	48 411 017	-
Conditions met - transferred to revenue	(48 047 638)	-
Construction contracts - Collections	79 520	13 765 762
Construction contracts - Transfer of Assets	(79 520)	(17 388 777)
Construction contracts - Closing Balance	-	(79 520)
	363 379	-

Conditions still to be met - remain liabilities (see note 16).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 6, 26 and 59.

Housing Project: Riebeek Kasteel

Current-year receipts	-	1 806 690
	-	(1 806 690)
	-	-

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 6, 26 and 59.

Housing: Riebeek Wes

Balance unspent at beginning of year	-	65 393
Repayment to funder	-	(65 393)
	-	-

Conditions still to be met - remain liabilities (see note 16).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Housing Project: Sibanye-Moorreesburg

Current-year receipts	3 200 000	900 000
Conditions met - transferred to revenue	(3 200 000)	-
Transferred (to)/from debtors (Sundry Receivables - Non-exchange receivables)	-	(900 000)
	-	-

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Integrated National Electrification Programme

Current-year receipts	23 658 000	17 600 000
Conditions met - transferred to revenue	(23 658 000)	(17 600 000)
	-	-

Funds made available for the electrical network to the proposed area where low cost houses are build and the electrification of these houses.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
31. Government grants and subsidies (continued)		
Library service		
Current-year receipts	12 304 000	11 623 000
Provision for VAT	(92 607)	(289 107)
Conditions met - transferred to revenue	(12 211 393)	(11 333 893)
	-	-
Grant provided for the partial funding of the operational and capital costs of libraries in the area under the jurisdiction of the Swartland Municipality.		
Local Government Financial Management Grant		
Current-year receipts	1 550 000	1 550 000
Conditions met - transferred to revenue	(1 550 000)	(1 550 000)
	-	-
The purpose of the grant is to enable the Municipality to modernise and improve its financial management activities entailing, among others, capacity building, the implementation of municipal finance management legislation and regulating policies and compliance with generally accepted municipal accounting practices.		
Municipal Accreditation and Capacity Building		
Balance unspent at beginning of year	58 350	255 124
Current-year receipts	245 000	255 124
Conditions met - transferred to revenue	(155 911)	(196 774)
Refunded to funder	(58 350)	(255 124)
	89 089	58 350
Conditions still to be met - remain liabilities (see note 16).		
Funds received for the remuneration of an intern for the Department of Community Services.		
Municipal Infrastructure Grant		
Current-year receipts	(23 055 000)	33 810 000
Conditions met - transferred to revenue	23 055 000	(33 810 000)
	-	-
Funds utilised for the upgrading of existing infrastructure in its area of jurisdiction and/or the erection / construction of new amenities required for service delivery and the development of sport.		
Proclaimed Roads Subsidies		
Current-year receipts	170 000	4 470 000
Conditions met - transferred to revenue	(170 000)	(4 470 000)
	-	-
Expenditure incurred by the Municipality in connection with the maintenance of proclaimed main roads falling under the jurisdiction of the Municipality, in accordance with a budget approved by the PAWC, which costs are partly recoverable from the Administration.		
WC Department of Education - Schools allocation		
Current-year receipts	23 000 000	-

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

31. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 16).

Funds made available for the development costs associated with municipal services to enable the building of a new school in Malmesbury.

Regional Socio-Economic Project (RSEP)

Current-year receipts	500 000	1 200 000
Conditions met - transferred to revenue	(500 000)	(1 200 000)
	-	-

Funds received from PAWC for the social upliftment in lower income areas to improve living conditions and combat crime.

Law Enforcement Reaction Unit Grant

Balance unspent at beginning of year	-	1 329 139
Current-year receipts	5 509 000	4 000 000
Conditions met - transferred to revenue	(5 509 000)	(5 329 139)
	-	-

Funds received from PAWC for establishment of a law enforcement reaction unit.

Sports Development Grant

Current-year receipts	966 374	-
Conditions met - transferred to revenue	(966 374)	-
	-	-

Funds received for the enhancement of existing sports grounds.

Standard Contribution: Top Achievers Award

Current-year receipts	-	25 000
Conditions met - transferred to revenue	-	(25 000)
	-	-

Funds received Standard Bank to recognise Top Academic Achievers at local schools.

Title Restoration: Housing Projects

Balance unspent at beginning of year	-	140 197
Refunded to funder	-	(140 197)
	-	-

Funds utilised for the title deed restoration for owners of low cost housing.

Swartland Business Hive (Entrepreneurial Hub)

Balance unspent at beginning of year	-	360 400
Current-year receipts	40 000	-
Conditions met - transferred to revenue	-	(360 400)
	40 000	-

Conditions still to be met - remain liabilities (see note 16).

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

31. Government grants and subsidies (continued)

Public and provincial contributions (donations) for the establishment and enhancement of entrepreneurs.

This is considered a public contribution rather than a grant as the funding source is not the Division of Revenue Act.

Public Contribution: Swartland Water Week

Current-year receipts	6 000	7 000
Conditions met - transferred to revenue	(6 000)	(7 000)
	-	-

A private funder made a contribution to the prizes issued during the school visits to educate learners and their families to save water.

This is considered a public contribution rather than a grant.

Housing Project - Silvertown

Conditional grants received	5 500 000	-

Conditions still to be met - remain liabilities (see note 16).

Funds provided to enable the Municipality to finance the purchase of land.

Sondeza

Current-year receipts	-	23 000
Conditions met - transferred to revenue	-	(23 000)
	-	-

Funding was received for the sponsorship of a youth event.

This is considered a public contribution rather than a grant.

Contribution: SANRAL

Current-year receipts	613 698	7 447 102
Conditions met - transferred to revenue	(1 172 091)	(10 832 672)
Transferred to/(from) debtors (Sundry Receivables - Non-exchange receivables)	558 393	3 385 570
	-	-

SANRAL made a contribution to the upgrading of sidewalks within the municipal jurisdiction.

This is considered a public contribution rather than a grant as the funding source is not the Division of Revenue Act.

Contribution: Grade 1 Project

Current-year receipts	31 000	-

Funds received in lieu of Social development for grade 1 learners.

Swartland Municipality

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Figures in Rand	2024	2023

31. Government grants and subsidies (continued)

Reconciliation of grant allocation expenditure (conditions met - transferred to revenue) per vote (MFMA s123(c))

Vote 1 - Corporate Services	14 371 724	12 360 608
Vote 2 - Civil Services	35 027 891	44 041 904
Vote 4 - Electricity Services	24 338 000	17 600 000
Vote 5 - Financial Services	1 550 000	1 550 000
Vote 6 - Development Services	54 869 757	22 677 416
Vote 8 - Protection Services	10 561 980	7 856 624
	140 719 352	106 086 552

The above revenue were recognised as follows:

Construction contracts	79 520	17 729 913
Government grants and subsidies	140 639 832	88 356 639
	140 719 352	106 086 552

32. Fines, Penalties and Forfeits

Building fines	177 366	134 931
Councillors fines	1 304	652
Deposits	12 453	9 997
Illegal connections	45 357	62 757
Library: Abbotsdale	137	308
Library: Chatsworth	286	315
Library: Darling	2 660	1 711
Library: Malmesbury	3 613	2 095
Library: Moorreesburg	2 486	3 021
Library: Riebeek Kasteel	791	870
Library: Riebeek Wes	696	1 739
Library: Wesbank	2 428	2 164
Traffic fines	38 332 501	34 471 600
	38 582 078	34 692 160

33. Licences and permits (non-exchange)

Application: Driver licenses	642 411	655 563
Application: Instruction certificate	1 148	1 578
Application: Learner licenses	248 588	241 848
Application: Special permits	59 605	56 654
Application: Temporary permits	183 150	188 286
Drivers licenses: Issue	435 384	455 647
Drivers licenses: Temporary	124 713	124 204
Film shooting	203 570	252 217
Instruction certificates: Issue	115	115
Learners license: Duplicate	3 961	4 104
Learners license: Issue	67 207	70 306
Licences: Deregistration, special and other	36 100	32 750
Licenses: Trading	1 503	1 006
Professional driver permits	147 760	153 812
Registrations: Vehicles	2 775 201	2 733 609
Registrations: Duplicate	148 995	115 830
	5 079 411	5 087 529

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Figures in Rand	2024	2023

34. Public contributions and donations

SANRAL	1 172 090	11 225 071
Sondeza (SLIMSUN)	-	23 000
Swartland water week	6 000	-
	1 178 090	11 248 071

Conditions still to be met - remain liabilities (see note 16)

35. Availability charges

Electricity	3 712 233	3 430 130
Water	1 744 141	1 769 432
Refuse	3 177 139	3 123 396
Sewerage and sanitation charges	2 460 437	2 566 437
	11 093 950	10 889 395

36. Employee related costs

Employee related costs - Salaries and Wages	185 153 132	172 372 343
Employee related costs - Contributions for UIF, pensions, medical aids and other contributions	53 744 909	49 198 593
Bonuses: 13th cheque	14 704 455	13 049 688
Contribution to leave gratuity	3 001 938	2 641 802
Housing benefits and allowances	1 316 892	1 165 523
Overtime payments	19 349 446	18 530 854
Performance bonus	1 155 088	249 636
Travel, motor car, accommodation and other allowances	24 702 485	23 324 459
Contribution to provision for post-retirement medical aid benefits	10 655 543	4 023 171
Contribution to long-service provision	2 752 946	1 822 099
	316 536 834	286 378 168

Remuneration of Municipal Manager

Annual Remuneration	1 591 125	1 353 890
Car Allowance	272 826	96 000
Performance Bonuses	176 909	249 636
Contributions to UIF, Medical and Pension Funds	418 611	368 799
Cellphone Allowance	42 800	40 800
	2 502 271	2 109 125

Remuneration of Chief Finance Officer

Annual Remuneration	1 379 918	1 313 904
Car Allowance	72 000	60 000
Performance Bonuses	158 142	-
Contributions to UIF, Medical and Pension Funds	368 144	350 012
Cellphone Allowance	42 800	40 800
Leave Pay	70 285	66 684
	2 091 289	1 831 400

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36. Employee related costs (continued)

Remuneration of Director: Corporate Services

Annual Remuneration	1 421 972	1 342 747
Car Allowance	60 180	60 180
Cellphone Allowance	42 800	40 800
Contributions to UIF, Medical and Pension Funds	340 686	323 209
Leave Pay	-	66 684
Performance Bonuses	158 142	-
	2 023 780	1 833 620

Remuneration of Director: Civil Engineering Services

Annual Remuneration	1 359 896	1 284 025
Car Allowance	96 000	96 000
Performance Bonuses	158 142	-
Contributions to UIF, Medical and Pension Funds	348 709	329 312
Cellphone Allowance	42 800	40 800
Leave Pay	70 285	66 684
	2 075 832	1 816 821

Remuneration of Director: Electrical Engineering Services (Former)

Annual Remuneration	-	105 449
Car Allowance	-	12 345
Contributions to UIF, Medical and Pension Funds	-	3 400
Contributions to UIF, Medical and Pension Funds	-	177
Bonuses: 13th Cheque	-	6 628
Leave Pay	-	15 893
	-	143 892

The former director was employed permanently until 31 December 2021. From 1 January 2022 until 31 July 2022 he was appointed on a contract basis.

Remuneration of Director: Electrical Engineering Services (Current)

Annual Remuneration	1 161 258	979 064
Car Allowance	60 000	55 000
Performance Bonuses	187 468	-
Contributions to UIF, Medical and Pension Funds	237 195	210 219
Cellphone Allowance	42 800	35 864
	1 688 721	1 280 147

The current director's engagement date is 15 August 2022.

Remuneration of Director: Development Services

Annual Remuneration	1 328 389	1 252 020
Car Allowance	120 000	120 000
Contributions to UIF, Medical and Pension Funds	357 305	335 437
Cellphone Allowance	42 800	40 800
Performance Bonuses	158 142	-
Leave Pay	-	66 685
	2 006 636	1 814 942

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36. Employee related costs (continued)

Remuneration of Director: Protection Services

Annual Remuneration	1 228 005	1 149 579
Car Allowance	228 000	228 000
Contributions to UIF, Medical and Pension Funds	333 204	315 985
Cellphone Allowance	42 800	40 800
Leave Pay	70 285	66 685
Bonuses: 13th Cheque	74 796	74 796
Performance Bonuses	158 142	-
	2 135 232	1 875 845

Aggregate remuneration to management

Annual Remuneration	9 470 563	8 780 678
Bonuses: 13th Cheque	74 796	81 424
Car Allowance	909 006	727 525
Cellphone Allowance	299 600	284 064
Contributions to UIF, Medical, Group Life and Pension Funds	2 403 853	2 233 150
Leave Pay	210 856	349 315
Performance Bonus	1 155 088	249 636
	14 523 762	12 705 792

37. Remuneration of councillors

Executive Mayor	843 046	773 056
Deputy Executive Mayor	731 967	680 671
Mayoral Committee Members	2 314 658	2 164 368
Speaker	519 333	473 609
Councillors	4 535 725	4 273 486
Councillors' - travelling allowances	810 603	810 603
Councillors' - cellular and telephone	1 121 691	993 600
Councillors' - pension contribution	924 738	901 326
Councillors' - medical aid contribution	203 014	154 284
	12 004 775	11 225 003

Events after reporting date

The Government Gazette setting the upper limits for the salaries, allowances, and benefits of municipal council members was published on 17 October 2024 (compared to 18 August 2023 in 2023). The notice stipulates that these limits take effect from 1 July. On 31 October 2024 (5 September 2023 in 2023), the council informed the MEC of its resolution on the upper limits, and the MEC formally acknowledged the resolution on 6 November 2024 (8 September 2023 in 2023). This acknowledgement resulted in back-pay for council members for the period ending 30 June. The table below can be used to review council remuneration as though the Government Gazette had been issued by 30 June.

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Figures in Rand	2024	2023

37. Remuneration of councillors (continued)

The table below outlines the scenario if the Minister had published the upper limits before the year end..

	2024	2023
Executive Mayor	836 720	808 051
Deputy Executive Mayor	726 915	708 659
Mayoral Committee Members	2 300 000	2 254 559
Speaker	514 940	497 947
Councillors	4 492 184	4 445 907
Councillors' - travelling allowance	810 603	810 603
Councillors' - cellular allowance	1 061 799	1 053 492
Councillors' - pension allowance	915 633	938 916
Councillors' - medical aid contribution	203 014	154 284
	11 861 808	11 672 418

In-kind benefits

The Councillors occupying the positions of Executive Mayor, Deputy Executive Mayor, Speaker and Executive Mayoral Committee Members of the Municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the Municipality in order to enable them to perform their official duties.

38. Bulk purchases

Electricity - Eskom	340 331 780	289 451 395

Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom.

Distribution losses are disclosed in Note 64.

Electricity is not a tangible commodity and therefore does not meet the requirements of GRAP 2 Inventory.

39. Contracted services

Outsourced Services

Alien Vegetation Control	66 999	72 000
Burial services	-	8 278
Business and financial management	209 954	233 004
Catering services	922 880	747 243
Cleaning Services	116 841	105 521
Clearing and Grass cutting services	44 604	31 500
Commissions and committees	34 200	14 760
Dumping site	6 989 455	7 781 923
Electrical	479 547	460 751
Hygiene services	83 435	82 307
Litter picking and street cleaning	6 418 099	5 892 495
Sewerage	1 364 625	666 432
Meter management	46 816	8 124
Mini dumping sites	143 659	225 205
Quality control	282 883	198 012
Professional staff	42 892	34 836
Refuse removal	1 928 932	1 708 751
Research and advisory	2 979 711	2 957 369
Security services	2 483 538	2 100 705
Stage and sound crew	14 700	12 400
Swimming supervision	45 023	35 100
Traffic fine management	4 931 126	3 221 163
Translators, scribes and editors	88 510	96 756
Transport services	384 559	302 050

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
39. Contracted services (continued)		
Consultants and Professional Services		
Business and advisory	144 000	138 000
Audit committee	60 120	81 660
Business and financial management	2 821 538	1 715 899
Civil engineering	1 911 510	1 998 460
Electrical engineering	1 160 678	740 339
Geodetic, control and surveys	335 815	265 540
Human resources	148 218	399 482
Laboratory services	163 113	179 282
Risk management	-	13 500
Town planner	1 110 114	855 574
Valuer and assessors	976 951	1 478 429
Contractors		
Artists and performers	4 974	4 613
Communications	-	31 840
Construction of Low Cost Housing	91 169	22 247 628
Employee wellness	27 130	59 683
Fire Protection	493 206	58 605
Forestry	395 679	366 708
Gardening Services	43 522	39 682
Graphic Designers	8 335	-
Harbour services	297 600	230 400
Legal costs	1 391 797	1 081 042
Maintenance of Assets	15 633 281	17 376 316
Maintenance of Buildings and Facilities	4 495 906	3 924 733
Maintenance of Equipment	6 394 875	6 065 285
Management of Informal Settlements	5 392	10 197
Medical Services	34 785	1 701
Organic and Building Refuse Removal	575 702	495 257
Pest control and fumigation	33 245	35 535
Qualification verification	19 971	15 988
Town Beautification	16 100	300
Traffic and Street Lights	108 961	102 154
Transportation for asset break-downs	1 950	9 108
	69 008 625	87 019 625
40. Depreciation and amortisation		
Property, plant and equipment	102 785 926	94 262 149
Investment property	394 173	231 783
Intangible assets	103 258	69 006
	103 283 357	94 562 938
41. Finance costs		
Unwinding of interest for provisions	5 438 504	5 475 006
Other financial liabilities	6 896 832	10 180 381
Late payment of tax	495 181	610 652
	12 830 517	16 266 039

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Figures in Rand	2024	2023
42. Grants and subsidies paid		
Non-profit institution		
Bergrivier Canoe Marathon	30 000	30 000
Darling Wildflower Society	55 177	52 400
National Sea Rescue Institute	36 639	34 795
SPCA	343 062	325 795
Yzerfontein Conservancy	83 512	79 309
Museums		
Darling	94 770	90 000
Malmesbury	64 050	60 826
Oude Kerk	64 050	60 826
Wheat Industry	64 050	60 826
Tourism		
Swartland and Coastal Area	1 579 500	1 500 000
Social upliftment (refer * below)		
Darling Focus	51 392	48 805
Elkana Childcare	57 817	54 907
HUB R27	379	11 272
Huis van Heerde	113 437	107 727
Jo Dolphin	64 239	61 006
Multi-Purpose Centre: Moorreesburg	77 088	73 208
Night Shelter	32 121	30 504
Old Age Homes	1 502 908	1 378 905
Student Bursaries	384 613	160 000
Top Achievers Award: Grade 12	25 475	24 475
	4 724 279	4 245 586

Due to the need in the Swartland Municipal area for expert services and resources to support effective domestic animal management initiatives and controls, for which the Municipality does not have the resources, it is deemed necessary, from a perspective of serving the community, for the Municipality to contribute financially towards the operational costs of the SPCA.

The National Sea Rescue Institute (NSRI) is a non-profit organisation dedicated to the preservation of all persons at sea. Their members provide their services on a voluntary basis and the organisation is dependent on donations and sponsorship from the public. The NSRI operates a base from Yzerfontein providing a rescue service to the commercial and recreational fishing boats as well as bathers in the vicinity. Financial assistance by the Municipality is intended to enable the organisation to fund some of its operations as the Municipality cannot offer this essential service.

The Yzerfontein Urban Conservancy and Darling Wildflower Society came into being to preserve and promote, on a voluntary basis, the conservation of the environment and heritage in, specifically, the sensitive coastal region within the boundaries of the Yzerfontein and Darling regions. Financial assistance by the Municipality is intended to enable the Organisation to fund its programmes.

Museums generally do not generate sufficient income from own resources, and are therefore dependent on financial aid from the public and organisations to meet their financial needs and obligations. The Municipality, consequently regards it appropriate to contribute financially to this end.

A financial contribution was made by the municipality to support the Swartland Tourism structure/body in a bid to facilitate and market the region as a tourism destination adding to the local economy. Similarly, a contribution is made to the Bergrivier Canoe Marathon as the event promotes tourism in the area.

The aim of Social Upliftment (*) organisations entails the social upliftment of the poor and disadvantaged section of the community. Financial aid by the Municipality to these organisations, as well as assistance in counselling and advisory services, is intended to enable them to fulfil the said aim.

Swartland Municipality

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Figures in Rand	2024	2023
43. Operational cost		
Advertising, publicity and marketing	1 646 024	1 544 187
Assets less than the capitalisation threshold	276 714	244 309
Bank charges, facility and card fees	1 524 426	308 906
Bank charges, fleet card services	1 343 110	1 371 936
Cleaning services: Car valet and washing services	2 908	1 840
Cleaning services: Laundry services	1 045	1 331
Commission: Prepaid electricity	1 725 241	1 371 971
Commission: Third party vendors	511 957	541 780
Communication: Bulk message service	107 017	136 584
Communication: Cellular contract (Subscription and calls)	19 591	16 862
Communication: Licences (Radio and television)	21 189	2 725
Communication: Postage/stamps/franking machines	1 392 541	1 265 377
Communication: Telephone, fax, telegraph and telex	668 291	681 635
Community development and training	12 828	-
Deeds	58 838	44 851
Entertainment: Mayor	38 122	13 767
Entrance fees	56 143	56 192
External audit fees	3 187 459	3 000 991
External computer service	8 611 198	7 070 019
Full time union representative	136 188	136 672
Indigent relief	2 086 541	1 883 540
Insurance	4 494 465	4 584 421
Levies paid - Water resource management charges	9 610	5 524
Licences: Motor vehicle licence and registrations	850 723	711 076
Licences: Performing arts	55 366	52 232
Operating leases - Machinery, equipment and other	3 232 579	3 040 322
Other	33 500	2 419
Parking fees	84 375	86 676
Printing, publications and books	379 688	346 460
Professional bodies, membership and subscription	3 194 382	2 739 767
Registration fees	31 127	51 277
Remuneration to ward committees	402 475	444 291
Rendering of services	-	-
Resettlement cost	53 847	31 326
Servitudes and land surveys	76 713	275 794
Signage	120 005	119 599
Skills development fund levy	2 577 916	2 405 888
Travel and subsistence	520 867	498 471
Uniform and protective clothing	3 193 425	2 869 084
Vehicle tracking	233 021	230 967
	42 971 455	38 191 069

44. Other materials

Consumables	6 076 362	5 555 075
Consumables: Zero rated	15 494 985	15 663 546
Inventory consumed: Water	27 262 076	29 083 571
Materials and supplies	4 486 480	5 476 144
	53 319 903	55 778 336

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Figures in Rand	2024	2023
45. Reversal / (impairment) of assets and receivables		
Impairments		
Property, plant and equipment	(8 618 884)	(76 438)
Investment property	(625)	(5 460)
	(8 619 509)	(81 898)
Reversal of impairments		
Trade and other receivables	(10 371 467)	5 478 249
Total impairment losses recognised (reversed)	(18 990 976)	5 396 351
Refer to notes 11 and 12 for the impairment on Property, Plant and Equipment. Impairments are identified by comparing assets in their current condition to external sources (e.g. the valuation roll for land) and replacement costs. The impairments reflect the instances where the replacement cost for assets in a similar condition is lower than the carrying value at year-end.		
Refer to notes 3 and 4 for the gross movements on Receivables from Exchange and Non-exchange. Impairment of debt arise due to, amongst other factors, the time value of money.		
46. Loss on disposal of assets		
Carrying value of Property, plant and equipment disposed	10 150 967	10 576 236
Carrying value of Investment properties disposed	347 418	335 701
Carrying value of Intangible assets disposed	1	-
Less disposals to Inventory (non-current to current assets)	(11 717)	(645 439)
	10 486 669	10 266 498
47. Cash generated from operations		
Surplus	267 325 338	136 930 116
Adjustments for:		
Depreciation and amortisation	103 283 357	94 562 938
Loss on sale of property, plant and equipment	10 486 669	10 266 498
Gain on sale of assets and liabilities	(1 828 939)	(2 185 594)
Unwinding of interest on landfill site provision	5 438 504	5 475 006
Vesting of properties	(921 992)	(732 965)
Donated property, plant and equipment	(33 214 386)	(6 143 474)
Water losses	6 301 059	4 439 286
Impairment losses on non-current assets	8 619 509	81 897
Accrued Interest	(34 012 053)	(1 054 095)
Movement on employee benefit provision	587 788	(8 139 720)
Movement on provisions - litigation and claims	-	529 759
Changes in working capital:		
Inventories	(4 916 079)	(5 184 790)
Receivables from exchange transactions	(27 398 519)	2 697 681
Receivables from non-exchange transactions	954 592	(9 279 430)
Construction contracts and receivables	-	(3 964 150)
Payables from exchange transactions	(627 360)	4 181 574
VAT	(14 006 260)	5 592 374
Unspent conditional grants and receipts	20 711 997	6 071 992
Consumer deposits	1 813 857	1 396 203
Movement in operating leases	111 050	159 981
	308 708 132	235 701 087

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Figures in Rand	2024	2023
47. Cash generated from operations (continued)		
Property, plant and equipment purchased		
Additions as per note (including transfers)	238 109 604	170 330 592
Non-cash transactions included in profit or loss (e.g. gains on vesting of properties and equipment)	(34 136 377)	(6 876 436)
Movement on accruals of Property, Plant and equipment	5 782 685	10 557 501
Non-cash movement in Provision for landfill sites (changes in market values)	269 658	(1 855 785)
	210 025 570	172 155 872
Payables from exchange transactions		
Movement on balance from the prior year	14 659 676	(14 653 593)
Payment of employee benefits	(8 358 380)	8 740 720
Unspent Grants repaid	108 749	(463 061)
Movement on accruals of Property, Plant and equipment	(5 782 685)	10 557 501
	627 360	4 181 567
Receivables from exchange transactions		
Movement on balance from the prior year	(61 381 799)	2 003 986
Public contributions received	(76 000)	(360 400)
Profit on sale of land (cost is netted against gain)	47 227	-
Accrued interest	34 012 053	1 054 095
	(27 398 519)	2 697 681
Receivables from non-exchange		
Movement on balance from the prior year	396 200	(10 179 430)
Unspent grants - transferred to debtors	558 392	900 000
	954 592	(9 279 430)
Inventories		
Movement on balance from the prior year	1 420 489	(1 390 943)
Water losses	(6 301 059)	(4 439 286)
Additions of land (non-cash)	(35 509)	645 439
	(4 916 079)	(5 184 790)
Unspent conditional grants and receipts		
Movement on balance from the prior year	21 133 539	6 148 531
Public contributions	76 000	360 400
Transferred to debtors	(558 392)	(900 000)
Unspent Grants repaid	60 850	463 061
	20 711 997	6 071 992
Movement on operating leases		
Movement on operating lease asset	-	142 818
Movement on operating lease liability	111 050	17 163
	111 050	159 981

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48. Budget differences

Material differences between budget and actual amounts

Explanation of material variances:

Revenue:

- 48.1 **Service charges - electricity revenue:** The suspension of loadshedding resulted in higher revenue than expected.
- 48.2 **Service charges - sanitation revenue:** The increased sewerage due to the expansion of commercial client is more than expected.
- 48.3 **Agency services:** Collections were lower than expected.
- 48.4 **Interest earned from receivables:** Recovery of debt was lower than expected.
- 48.5 **Rental from fixed Assets:** A number of lease contracts were suspended that were expected to be renewed.
- 48.6 **Operational revenue (non-exchange):** Availability charges were lower than expected for the year.
- 48.7 **Gains:** Land sales were lower than expected.

Expenditure:

- 48.8 **Debt impairment:** The debt impairment was higher than expected as a reduction for traffic fine impairment was expected.
- 48.9 **Inventory consumed:** The municipality received a credit note of R5.7m for the water resulting in a budget surplus.
- 48.10 **Contracted services:** Various savings on the use of consultants.
- 48.11 **Operational costs:** Savings are due to projects that were moved to the next year.
- 48.12 **Irrecoverable debts written off:** The traffic fines write off was lower than expected.
- 48.13 **Losses on Disposal of Assets:** The carrying value of assets disposed due to replacement was lower than expected.
- 48.14 **Losses:** The water loss was lower than expected due to the credit note for the water.

Transfers and Subsidies Capital

- 48.15 **Transfers and Subsidies Capital - in-kind:** Given the ad-hoc nature of the line-item management could not forecast the amount.

Assets

- 48.16 **Cash:** The operational surplus was higher than expected.
- 48.17 **Trade Receivables from exchange transactions:** Better than expected electricity sales due to suspension of loadshedding.
- 48.18 **Current portion of non-current:** The lease liability was slightly more than expected.
- 48.19 **VAT:** Due to low creditors at year-end the VAT claimable was lower than expected.
- 48.20 **Other Current Assets:** The balance pertains to ad-hoc debtors which cannot be foreseen during the budget process.
- 48.21 **Intangible:** The depreciation charge for the year was lower than expected.
- 48.22 **Investment Property:** Due to the reclassification of assets.
- 48.23 **Heritage Assets:** Due to the reclassification of assets.

Liabilities:

- 48.24 **Borrowing:** The municipality early settled a loan resulting in lower balance at year-end.
- 48.25 **Trade and other payables non-exchange:** Some grants were received after the adjustment budget which will only be accommodated for in the following budget.
- 48.26 **VAT:** Due to low creditors at year-end the VAT claimable was lower than expected.
- 48.27 **Provision:** Due to loss on employee benefits and SARS VAT provision.

Cash flow from investing activities

- 48.28 **Interest:** Due to the accrual of long-term investment interest budgeted for as a receipt.
- 48.29 **Proceeds on disposal of PPE:** Less cash was generated from the sale of land than expected.
- 48.30 **Increase (decrease) in non-current investments:** Due to the accrual of long-term investment interest budgeted for as a receipt.
- 48.31 **Increase (decrease) in consumer deposits:** Consumer deposits increased more than expected.

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48. Budget differences (continued)

Differences between budget and actual amounts basis of preparation and presentation

The National Treasury Budget Prescripts classifies items differently from the prescripts of GRAP. Significant classifications are shown below. For example, the Current portion of non-current provisions is the Operating lease liability and the Other non-current liabilities refers to the Long Term: Post-Employment Health Care Benefit Liability (R 76 928 000) as disclosed under Note 18.

For ease of reference, the electricity charges were reconciled below. The same principle would apply for all service charges.

Statement of Financial Performance

Operational revenue (exchange)

Development charges	41 767 349
Operational revenue	17 329 201
Sale of goods and rendering of services	(14 571 306)
	44 525 244

Interest earned - outstanding debtors

Interest received	88 032 664
Outstanding debtors: Exchange receivables	(3 268 589)
	84 764 075

Transfers and subsidies

Government Grants & Subsidies	283 874 832
Construction contracts	79 520
Public contribution	1 178 090
Capital grants (refer Capital Transfers)	(113 470 176)
	171 662 266

Gains

Gains on sale of Fixed Assets	1 828 939
Gain on sale of land	211 625
Vesting of properties and equipment	921 991
	2 962 555

Employee related costs

Employee related costs	316 536 834
Workman's compensation (considered other expenditure by NT)	(1 771 536)
Actuarial gains and losses (considered losses by NT)	943 457
	315 708 755

Debt impairment

(Reversal)/impairment of assets and receivables	18 990 976
Impairment of assets	(8 619 509)
	10 371 467

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Figures in Rand	2024	2023
48. Budget differences (continued)		
Depreciation & asset impairment		
Depreciation and amortisation	103 283 357	
Loss on disposal of assets (reallocated)	34 943	
Impairment of assets	8 619 509	
	111 937 809	
Inventory consumed		
Other materials	53 319 903	
Reclassification for GRAP	(2 408 121)	
	50 911 782	
Contracted services		
Contracted services	69 008 625	
Reclassification for GRAP	2 674 606	
	71 683 231	
Other expenditure		
Operational Costs	42 971 455	
Reclassification for GRAP	528 694	
Workmans compensation (considered other expenditure by NT)	1 771 536	
	45 271 685	
Losses		
Water losses	6 301 059	
Actuarial gains and losses (considered losses by NT)	(943 457)	
	5 357 602	
Other revenue		
Operational revenue	17 329 201	
Development charges	-	
	17 329 201	
Losses on Disposal of Assets		
Losses on Disposal of Assets	10 486 669	
Loss on disposal of assets (reallocated)	(34 943)	
	10 451 726	
Interest earned from receivables		
Outstanding debtors: Exchange receivables as per Note 25	3 268 589	
Interest - Availability charges as per Note 30	426 208	
	3 694 797	

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
48. Budget differences (continued)		
Statement of Financial Position		
Trade and other receivables from exchange transactions		
Receivables from exchange transactions	119 105 779	
Other Debtors included above (exchange)	(16 229 586)	
	102 876 193	
Trade payables from exchange transactions		
Payables from exchange transactions	88 832 666	
13th Cheque accrual (considered provision by NT)	(7 769 151)	
	81 063 515	
Provision (Current)		
Provisions	8 780 334	
Employee Benefits (Current portion)	6 605 000	
13th Cheque accrual (considered provision by NT)	7 769 151	
	23 154 485	
Provisions (Non-current)		
Provision for landfill sites	57 311 776	
Employee Benefits (Non-current portion)	12 747 000	
	70 058 776	
Investments		
Other financial assets	300 000 000	
Receivables from exchange transactions (non-current)	33 119 014	
	333 119 014	
VAT		
Balance as per AFS	23 036 992	
VAT payable per budget	9 429 792	
	32 466 784	

Changes from the approved budget to the final budget

Changes between the original and final adjustments budget are due to budget adjustments that are approved by council. Furthermore, for operational and capital expenditure, some virements were approved based on the municipal delegation of authority. No material budget or significant virements were noted.

The capital expenditure budget comparison is included in Note 58.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
49. Repairs and maintenance expenditure		
<u>Movable assets</u>	9 252 905	7 860 342
Furniture and Office Equipment	25 098	20 985
- Contracted Services	25 098	20 985
Machinery and Equipment	1 307 600	992 144
- Contracted Services	1 112 059	805 213
- Other materials	195 541	186 931
Transport Assets	7 686 497	6 623 908
- Contracted Services	7 686 497	6 623 908
Computer Equipment	233 710	223 305
- Contracted Services	182 552	159 839
- Operation cost	51 158	63 466
<u>Community Assets</u>	3 110 946	3 458 494
- Contracted Services	3 110 946	3 453 915
- Other materials	-	4 579
<u>Other Assets</u>	3 199 092	2 158 052
- Contracted Services	2 557 700	2 158 052
- Other materials	641 392	-
<u>Intangible Assets</u>	4 633 461	3 749 763
- Operation cost	4 633 461	3 749 763
<u>Infrastructure Assets</u>	46 968 982	47 907 755
Electrical Infrastructure	3 583 110	3 607 835
- Contracted Services	250 029	199 962
- Other materials	2 045 858	2 124 137
- Labour	1 287 223	1 283 736
Roads Infrastructure	6 108 028	9 656 841
- Contracted Services	6 108 028	9 656 841
Sanitation Infrastructure	5 491 495	4 411 841
- Contracted Services	5 491 495	4 411 841
Solid Waste Disposal Infrastructure	9 737 676	10 017 218
- Contracted Services	7 953 088	8 397 351
- Labour	1 770 815	1 606 665
- Operation cost	13 773	13 202
Storm Water Infrastructure	20 156 864	18 615 718
- Contracted Services	554 593	339 750
- Inventory Consumed	34 280	30 655
- Labour	18 611 227	17 428 152
- Other lease expenditure	355 991	307 945
- Operational costs	600 773	509 216
Water Supply Infrastructure	1 891 809	1 598 302
- Contracted Services	1 891 809	1 598 302
	67 165 386	65 134 406

50. Capital commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment - Infrastructure	231 186 631	46 876 912
• Property, plant and equipment - Other assets	11 588 393	14 270 352
	242 775 024	61 147 264

Total capital commitments

Swartland Municipality

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Figures in Rand	2024	2023

50. Capital commitments (continued)

Already contracted for but not provided for	242 775 024	61 147 264

Non-cancellable Operating Lease Commitments are disclosed in Note 8.

Amounts are exclusive of VAT and the amount for infrastructure includes escalation cost.

51. Contingencies

Guarantees in favour of Eskom	70 900	70 900
Guarantees in favour of South African Post Office Limited	200 000	200 000
	270 900	270 900

Paulus Smit N.O. and others	1 283 000	1 283 000
VAT on library grant receipts	726 822	676 278
	2 009 822	1 959 278

Paulus Smit N.O. and others v Swartland Municipality: The case relates to a previous judgment by the High Court (Case No. 11127/2018) delivered on 23 August 2019. The applicant failed to erect the wall, and also to claim payment from the Municipality, but instead issued a summons in the High Court on 22 August 2022, following a notice given on 28 July 2022 i.t.o. section 3 of the Institution of Legal Proceedings against Certain Organs of State Act 4 of 2002 of further legal action contemplated herein, claiming payment by the Municipality of R1 283 000.

The municipality sought the expertise of a tax practitioner regarding the potential Value Added Tax consequences on the Provincial Administration of Western Cape's grant allocation for Libraries which is paid to the municipality. A technical interpretation of the Marshall NO and Others vs Commissioner for the South African Revenue Service (CCT208/17) resulted therein that the municipality could be delivering a service to the Provincial Administration. As such, there is a potential that SARS could expect the municipality to pay VAT over on the grant receipts to date. The municipality has requested a binding Ruling on the matter and has made use of the Voluntary Disclosure Program (VDP) to declare historic receipts.

Given formal communication from The Minister of Finance to the Provincial Minister of Finance, management is of the opinion that SARS would want the municipality to make payment of a deemed VAT on the receipts of the grant in lieu of services rendered to the public. SARS has verbally indicated that it will audit the transactions, resulting in a potential that penalties may be imposed despite the VDP process.

As such, the municipality has estimated that potential VAT penalties that could arise from such audit. A provision was recognised for the receipts with interest that is expected to be incurred and contingent liability has been disclosed for the penalties, both limited to receipts dating back five (5) years as this period is quoted in the Tax Administration Act.

Bank guarantees provided to Eskom for the supply of electricity to the Municipality for distribution amongst consumers. The guarantees are covered to a large extent by cash deposits recovered from the individual consumers of electricity within the municipal area.

A bank guarantee has been obtained from Standard Bank and issued to the SA Post Office which serves as security in respect of the payment for the monthly delivery of the municipal accounts.

Contingent asset

Swartland Municipality vs The National Energy Regulator of South Africa: Application in the high court of South Africa (Gauteng Division) for the judicial review of 2023/24 tariff approvals by the electricity regulator.

The municipality is also involved in various individual building & land use matters, eviction applications, etc.

52. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised	38 813 954	90 850 978
Used to finance property, plant and equipment	(38 813 954)	(90 850 978)

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
52. Utilisation of Long-term liabilities reconciliation (continued)		
Short-term portion of long-term liabilities	5 455 716	8 761 333
	5 455 716	8 761 333

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act (Act 56 of 2003). Sufficient cash is available for the annual repayment of capital and interest until the redemption date.

53. Non-cash investing and financing activities

The Municipality was engaged in exchange transactions of non-monetary assets during the year. Various municipal properties were exchanged for similar assets acquired from the registered owners.

54. In-kind donations and assistance

The municipality received services in-kind under voluntary or non-voluntary schemes which included free training, workshops and technical assistance from government departments and entities. These services in-kind have not been recognised as they were assessed not to be significant to the municipality's operations and/or basic service delivery objectives and are not measurable.

55. Related parties

Relationships	
Accounting Officer	Refer to accounting officers' report
Other spheres of government and municipalities	
Councillors	Refer to general information
Members of key management	Refer to note 36

Municipal services rendered to related parties

The rates, service and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses had been recognised in respect of amounts owed by related parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Section 57 Personnel (managers directly accountable to the Municipal Manager). No expense has been recognised in the period for the provision for doubtful debts in respect of the amounts owed by related parties.

Services rendered to key management personnel occurred within normal supplier and customer relationships on terms and conditions no more or less favourable than those which the municipality is reasonable to expect to have adopted if dealing with the individual persons in the same circumstances. These terms and conditions are within the normal operating parameters established by the municipality's legal mandate.

No councillor was in arrears for more than 90 days.

Related Party Loans

Loans to Councillors and senior management employees are no longer permitted since 1 July 2004.

Purchases from Related Parties

No purchases were made from related parties that are considered to not be at arms-length. In terms of the municipal accounting policy, transactions and balances that are at arms-length will not be separately disclosed.

The water service concession arrangement would not have been entered into with any party other than a related party. The details of the water service concession arrangement are included in Note 60.

Compensation of key personnel

The compensation of key management personnel is set out in Notes 36 and 37.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

56. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At fair value	At amortised cost	Total
Cash and cash equivalents	19 758	470 471 553	470 491 311
Receivables from exchange transactions	-	148 141 897	148 141 897
Receivables from non-exchange transactions	-	2 735 076	2 735 076
Other Financial Assets	-	300 000 000	300 000 000
	19 758	921 348 526	921 368 284

Financial liabilities

	At fair value	At amortised cost	Total
Payables from exchange transactions	-	59 174 294	59 174 294
Consumer deposits	19 659 688	-	19 659 688
Unspent conditional grants and receipts	-	30 493 915	30 493 915
Other financial liabilities	-	38 813 953	38 813 953
	19 659 688	128 482 162	148 141 850

2023

Financial assets

	At fair value	At amortised cost	Total
Cash and cash equivalents	16 924	721 999 911	722 016 835
Receivables from exchange transactions	-	87 080 556	87 080 556
Receivables from non-exchange transactions	-	2 482 341	2 482 341
	16 924	811 562 808	811 579 732

Financial liabilities

	At fair value	At amortised cost	Total
Payables from exchange transactions	-	76 110 961	76 110 961
Consumer deposits	17 845 831	-	17 845 831
Unspent conditional grants and receipts	-	9 360 376	9 360 376
Other financial liabilities	-	90 850 978	90 850 978
Construction contracts	-	79 520	79 520
	17 845 831	176 401 835	194 247 666

57. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks. The main categories of risk that the municipality is exposed to is credit risk (pertaining to debtors), interest rate risks for investments and liquidity risk as it pertains to the long-term cashflow of the municipality.

Swartland Municipality

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Figures in Rand	2024	2023

57. Risk management (continued)

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits, implement controls and monitor adherence.

Due to the large 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 IAS's 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 Directorate: 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, responsible for initiating a control framework and monitoring and responding to potential risk, reports quarterly to the municipality's Performance Risk and Audit Committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk

Liquidity risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation. A maturity analysis for financial liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed below.

Consumer Deposits (*) are disclosed at the value that could be repayable in the following year. It is unlikely that the full balance would become payable as consumer accounts are expected to remain similar year to year. By implication, if the consumer deposit is paid, a similar receipt from a different customer would be expected. The balance is however disclosed in order to indicate a conservative liquidity risk.

Previously, the Other financial liabilities' maturity analysis was disclosed inclusive of interest payable. Upon reconsideration, it was thought more prudent to disclose only the capital portion due as this balance affects the liquidity as at 30 June 2024. The balance at year end is therefore comparable to the maturity analysis. Only the capital is due as at year end, while interest only accrues in the future (future costs not taken into account).

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand 2024 2023

57. Risk management (continued)

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	59 174 294	-	-	-
Consumer deposits	19 659 688	-	-	-
Unspent conditional grants and receipts	30 493 915	-	-	-
Other financial liabilities	9 349 099	9 349 099	25 548 731	8 703 937

At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	76 110 961	-	-	-
Consumer deposits	17 845 831	-	-	-
Unspent conditional grants and receipts	9 360 376	-	-	-
Other financial liabilities	8 761 333	9 452 366	34 967 679	37 669 600
Construction contracts	79 520	-	-	-

Credit risk

Credit risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities. Maximum exposure to credit risk is not covered by collateral unless otherwise specified. Each class of financial instrument is disclosed separately.

Potential concentrations of credit risk consist mainly of fixed deposit investments, finance lease debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The municipality exposure to the credit risk is wide-spread, but a single significant debtor, Sasko (Pty) Ltd can be noted as disclosed in Note 3.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2024	2023
Cash and cash equivalents	470 471 553	721 999 911
Receivables from exchange transactions	115 022 884	87 080 556
Receivables from non-exchange transactions	24 694 947	23 302 441
Other Financial Assets	333 119 014	-

The municipality is exposed to a number of guarantees issued in favour of the creditors of the municipality. Refer to note 51 for additional details.

The gross balance from receivables has been grouped into risk groupings (Group 1-3). Group 1 are those debtors with a high certainty of timely payment. Risk of non- payment is considered to be low as these receivables maintained a payment rate of more than 70 %. Group 2 are those debtors with a reasonable certainty of timely payment. The risk of non-payment is considered to be moderate as these receivables maintained a payment rate of 50 - 70 % during the year. Group 3 are those debtors for which the risk factors of non- payment are larger as these receivables had a payment rate of below 50 % during the year.

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57. Risk management (continued)

Grouping include property rates debtors (Statutory Receivables) due to council's policy to allocate payments on a hierarchical basis which includes property rates. The debtor as a whole is only presented fairly by including the property rates balances in the grouping as per the table below.

Gross balances of receivables from exchange transactions	2024	2023
Group 1	70 901 176	57 516 745
Group 2	2 113 360	1 476 496
Group 3	39 162 354	34 836 109
	112 176 890	93 829 350

Market risk

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 consist mainly of variable rate deposit investments, finance lease debtors, consumer debtors, other debtors, and bank and cash balances.

The municipality is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

At 30 June 2024, if interest rates on Rand-denominated borrowings and investments had been 2% higher (200 basis points) with all other variables held constant, surplus for the year would have been R 16 738 921 (2023: R 14 384 099) higher, mainly as a result of higher interest income.

58. Segment information

General information

The municipal management accounts that are used to review the performance of the municipality are based on National Treasury's Budget schedules as published in the Municipal Budget Reporting Regulations. The management accounts therefore comprise the actual consolidated GRAP results which are presented two different segmental reports: 1) MSCOA's Function Segment and the Municipal Standard Classification (Votes 1-8). Monthly management accounts are however only reviewed for purposes of measuring performance in terms of the municipal organogram (Municipal Votes). Therefore only this report has been presented. The monthly municipal management accounts are available on the municipal website. Details of each municipal service has been reported in the annual performance report.

All figures reported in the management accounts are based on the measurement principles of GRAP. Interdepartmental transactions are already eliminated in the published figures order to present the GRAP accounting to management when reviewing performance.

Management does not review segmented profit or loss as segments are reviewed based on the budget expectations for revenue and expenditure rather than the overall net-profit result. As segmented profit is not reviewed, this has not been presented. For the segment report, only total revenue and total expenditure is reviewed. The detailed breakdown of revenue and expenditure per AFS classification is not reviewed on a segment report level in the monthly management meetings. The detailed analysis is reviewed by each individual manager, but these detailed results are not presented as part of the senior management discussions.

Management does not review restated financial performance or capital expenditure. As such the comparative figures were not updated for the restatements of the prior year.

Swartland Municipality

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Figures in Rand

58. Segment information (continued)

Segment surplus or deficit, assets

2024

	Actual	Final Budget	Budget Variance
Revenue			
Vote 1 - Corporate Services	15 130 417	14 795 120	335 297
Vote 2 - Civil Services	323 767 239	321 785 060	1 982 179
Vote 3 - Council	153 529	335 379	(181 850)
Vote 4 - Electricity Services	498 222 211	448 934 804	49 287 407
Vote 5 - Financial Services	331 233 583	333 603 522	(2 369 939)
Vote 6 - Development Services	64 426 390	70 359 053	(5 932 663)
Vote 7 - Municipal Manager	-	418 031	(418 031)
Vote 8 - Protection services	59 887 228	62 191 744	(2 304 516)
Total segment revenue	1 292 820 597	1 252 422 713	40 397 884
Entity's revenue			40 397 884
Expenditure			
Vote 1 - Corporate Services	43 205 466	45 147 086	(1 941 620)
Vote 2 - Civil Services	355 063 552	369 881 687	(14 818 135)
Vote 3 - Council	21 803 265	23 634 003	(1 830 738)
Vote 4 - Electricity Services	392 324 871	397 583 965	(5 259 094)
Vote 5 - Financial Services	63 357 834	79 737 269	(16 379 435)
Vote 6 - Development Services	30 997 007	32 995 494	(1 998 487)
Vote 7 - Municipal Manager	8 464 860	9 967 660	(1 502 800)
Vote 8 - Protection Services	110 278 402	112 405 042	(2 126 640)
Total segment expenditure	1 025 495 257	1 071 352 206	(45 856 949)
Total segmental surplus/(deficit)	267 325 340	181 070 507	86 254 833

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	Actual	Final Budget	Budget Variance
58. Segment information (continued)			
Assets			
Vote 1 - Corporate Services	237 386	165 813	71 573
Vote 2 - Civil Services	108 415 097	116 764 942	(8 349 845)
Vote 3 - Council	11 061	12 000	(939)
Vote 4 - Electricity Services	67 419 582	63 808 632	3 610 950
Vote 5 - Financial Services	3 219 840	2 538 856	680 984
Vote 6 - Development Services	55 743 129	62 290 745	(6 547 616)
Vote 7 - Municipal Manager	20 631	20 632	(1)
Vote 8 - Protection Services	3 042 878	3 088 299	(45 421)
Total Capital Expenditure	238 109 604	248 689 919	(10 580 315)
Total assets as per Statement of financial Position			(10 580 315)

Swartland Municipality

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Figures in Rand

58. Segment information (continued)

2023

	Actual	Final Budget	Budget Variance
Revenue			
Vote 1 - Corporate Services	13 416 327	12 798 595	617 732
Vote 2 - Civil Services	293 035 429	298 253 544	(5 218 115)
Vote 3 - Council	103 327	299 425	(196 098)
Vote 4 - Electricity Services	393 023 473	410 288 864	(17 265 391)
Vote 5 - Financial Services	287 844 206	278 834 788	9 009 418
Vote 6 - Development Services	31 971 405	47 587 169	(15 615 764)
Vote 7 - Municipal Manager	-	418 000	(418 000)
Vote 8 - Protection Services	53 349 066	49 537 194	3 811 872
Total segment revenue	1 072 743 233	1 098 017 579	(25 274 346)
Entity's revenue			(25 274 346)
Expenditure			
Vote 1 - Corporate Services	37 799 564	41 200 514	(3 400 950)
Vote 2 - Civil Services	325 327 523	356 613 686	(31 286 163)
Vote 3 - Council	18 881 370	19 502 019	(620 649)
Vote 4 - Electricity Services	342 784 143	371 902 840	(29 118 697)
Vote 5 - Financial Services	52 095 308	67 142 502	(15 047 194)
Vote 6 - Development Services	50 629 443	64 578 736	(13 949 293)
Vote 7 - Municipal Manager	7 573 005	10 753 501	(3 180 496)
Vote 8 - Protection Services	99 440 829	93 882 193	5 558 636
Total segment expenditure	934 531 185	1 025 575 991	(91 044 806)
Total segmental surplus/(deficit)	138 212 048	72 441 588	65 770 460

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	Actual	Final Budget	Budget Variance
58. Segment information (continued)			
Assets			
Vote 1 - Corporate Services	595 547	594 671	876
Vote 2 - Civil Services	107 124 266	116 195 463	(9 071 197)
Vote 3 - Council	663 869	663 869	-
Vote 4 - Electricity Services	48 605 561	49 576 775	(971 214)
Vote 5 - Financial Services	665 314	314 293	351 021
Vote 6 - Development Services	6 934 611	7 435 113	(500 502)
Vote 7 - Municipal Manager	12 135	12 135	-
Vote 8 - Protection Services	4 045 233	4 047 485	(2 252)
Reconciling items			
Landfill site (movement on provision)	1 855 785	-	-
Total capital expenditure	170 502 321	178 839 804	(10 193 268)
Total additions as per Statement of Financial Position			(10 193 268)

Swartland Municipality

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Figures in Rand	2024	2023

59. Accounting by principals and agents

The entity is a party to principal-agent arrangements.

Details of the arrangements are as follows:

Licensing fees collected on behalf of the Provincial Department

The municipality collects licensing fees on behalf of the Provincial Department of Transport and Public Works. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end are included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any additional expenses on behalf of the Provincial Department as the collection of fees are within the normal operations of the municipality. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and municipal cashier collection points. No resources are held on behalf of the Provincial Department (other than the receipts). Monies are paid to the department every 5 days (or first business day thereafter).

Other Arrangements

The municipality has entered into arrangements with service providers where they provide services to the public on behalf of the municipality. The nature of these arrangements was assessed and since the municipality collects all revenues in full, the transactions are not considered to be those within the scope of GRAP 109. The types of arrangements considered for this purpose are:

- Traffic fines are issued on our behalf by a service provider. Some collections are also collected via their service level agreements with e-payment service providers.
- Various prepaid electricity vendors sell electricity on our behalf. The software used results in all transactions being recorded in our sub-system. We collect the cash receipts from the vendors daily. Prepaid vendors earn commission on the value of each transaction with a maximum limit in place.

For conditional grant receipts, kindly refer to Note 31.

Commission to Prepaid vendors and expenditure relating to services rendered by the traffic services vendor are disclosed in Note 39.

No other resources are held by these vendors on behalf of the municipality. As no resources are held, except the daily cash-ups, no significant risks have been transferred to these vendors.

Entity as agent

Additional information

Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

Category(ies) of revenue received or to be received on behalf of the principal, are:

Categories

Licensing fees

Additional details

The municipality receives a commission on collection of Licensing Fees on behalf of the Provincial Department of Transport and Public Works. The municipality accounts for its portion as Income from Agency Services and the net amount due to the Provincial Department is transferred to such department.

Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
59. Accounting by principals and agents (continued)		
Reconciliation of the carrying amount of payables		
Motor Vehicle Licenses		
Revenue that principal is entitled to	47 773 560	43 296 577
Cash repaid to the principal	(42 424 477)	(37 785 098)
Income from agency service	(5 348 435)	(5 511 479)
	648	-

The amount due to the Department is included under Payables from Exchange Transactions (Other payables).

60. Service Concession Arrangements

In terms of the Municipal Systems Act, Bulk Water service falls under the domain of the District Municipality which would mean that these assets would fall under West Coast District Municipality, however authority was given by way of a Government Gazette notice whereby the Local Municipalities of Bergrivier, Swartland and Saldanha Bay were given Water Service Authority Status with the responsibility for the provision of the Bulk Water Function.

This effectively meant that this function was taken over from the District Municipality. At this stage the assets should in effect have been transferred to the Local Municipalities.

In terms of the Section 78 Study dated August 2005 a decision was made to maintain the status quo, whereby West Coast District Municipality would continue to operate the water function on behalf of the three local municipalities (Swartland, Saldanha bay and Bergrivier), the agreement was for a period of 10 years and the function ultimately remains that of the Local Municipalities. Currently the agreement is cancellable by either of the parties, but it is unlikely that the agreement would be terminated in the foreseeable future. No changes to the arrangement were made during the current or previous financial periods, but minor administrative matters are constantly being addressed (e.g. procurement strategies). No breaches by either of the parties have been identified to date.

In return for operating the Bulk Water service function the District received compensation as follows:

- Monthly Tariff Fee
- Administrative fee equal to 5% of the operating costs

The Local Municipalities are thus in control of the Bulk Water assets, and as a result these assets are, measured and disclosed in our financial records.

The effect of the service concession arrangement in the financial statements of the municipality can be summarised as follows:

Property, plant and equipment		
Infrastructure (Water)	88 693 038	91 893 970
Borrowings		
Expenditure relating to service concession arrangement		
Depreciation	3 200 932	3 192 977
Loss on disposal of assets	-	36 061
Finance charges	-	25 886
Total water purchased from District	33 540 669	33 612 592
- Purchased at agreed rate	39 119 956	33 519 410
- Adjusted for distribution (gains)/losses	(5 579 287)	93 182

No revenue is receivable by the municipality in terms of the arrangement. The municipality's water purchases are generated through this arrangement.

The loans are registered in the name of West Coast District Municipality, but have been entered into solely to finance the purchase or upgrade of the service concession assets. For this purpose, the loans have been apportioned to each municipality within the district in relation to the approximate value of the infrastructure assets purchased by the operator (West Coast District Municipality).

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
60. Service Concession Arrangements (continued)		
Service Concession Assets		
Included in the total for Property, Plant and Equipment are assets that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. The carrying values of these assets are disclosed below:		
Infrastructure: Water	88 693 038	91 893 970
Reconciliation of Carrying Amounts of Service Concession Assets		
Opening Balance (Carrying Value)	91 893 970	95 053 032
Additions	-	69 976
Depreciation	(3 200 932)	(3 192 977)
Disposal of assets	-	(36 061)
Total Carrying Amounts of Service Concession Assets	88 693 038	91 893 970

61. Multi-employer retirement benefit information

The personnel of the Swartland Municipality are members of the funds as set out below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below. The Local Authority Retirement Fund, The Consolidated Retirement Fund for Local Government, The National Municipal and Related Services Employee Retirement Fund and The National Fund for Municipal Workers are defined contribution plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio; these assets are not nationally allocated to each of the participating employers.
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The rate of contributions is provided below under each fund.

Each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality in respect of the defined contribution plans is to make the specified contributions.

LOCAL AUTHORITY RETIREMENT FUND

The Local Authority Retirement Fund operates as a defined contribution scheme.

The defined contribution scheme is a multi-employer plan and the contribution rate payable is 9,00% by the members and 18,00% by Council. The last valuations performed for the year ended 30 June 2023 (30 June 2022) had an overall funding level of 106.9% (2022: 111.6%) and is in a sound financial position. The next actuarial valuation will be as at 30 June 2024.

Swartland Municipality

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Figures in Rand	2024	2023

61. Multi-employer retirement benefit information (continued)

CONSOLIDATED RETIREMENT FUND FOR LOCAL GOVERNMENT

The contribution rate paid by the members (9,00% by employees, 7,50% by section 57 employees and 12,00% by councillors) and by Council (18,00% for employees, 19,50% for section 57 employees and 15,00 % for councillors) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2023 (30 June 2022) revealed that the fund had a funding level of 120.6% (131.6%). Certified to be of a sound financial position as at 30 June 2023.

MUNICIPAL WORKERS RETIREMENT FUND

The contribution rate payable is 7,50% by the members 18% by Council. Actuarial valuation on this fund is performed every three years, and the last valuation performed for the year ended 30 June 2020 (30 June 2019) certified that the fund is in a sound financial state. The funding level was 100,00% at valuating date (2019: 100,00%).

NATIONAL FUND FOR MUNICIPAL WORKERS

The above mentioned fund is a Defined Contribution Fund and the contribution rate paid by the members is 9,00% and 7,50% by section 57 employees and that of council 18,00% and 19,50% respectively. The latest statutory valuation was done on 30 June 2023. As at 30 June 2023 the results state that the funding level was 100,00% (2022: 100%).

Employers do not have any liability for any fund's performances or deficits. None of the above mentioned plans are state plans.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

62. Restatement of prior year

Presented below are those items contained in the statement of financial performance that have been affected by prior-year adjustments:

No restatements were made to the Statement of Financial Position.

Statement of financial position

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Current Assets		879 602 153	-	-	879 602 153
Cash and cash equivalents		722 016 835	-	-	722 016 835
Receivables from exchange transactions		87 080 558	-	3 762 438	90 842 996
Receivables from non-exchange transactions		38 450 917	-	(3 762 438)	34 688 479
Inventories		23 023 111	-	-	23 023 111
VAT receivable		9 030 732	-	-	9 030 732
Non-Current Assets		2 234 437 195	6 603 664	-	2 241 040 859
Property, plant and equipment		2 211 648 413	4 101 525	-	2 215 749 938
Investment property		20 836 982	2 502 139	-	23 339 121
Intangible assets		606 400	-	-	606 400
Heritage assets		1 345 400	-	-	1 345 400
Total Assets		3 114 039 348	6 603 664	-	3 120 643 012
Liabilities					
Current Liabilities		144 679 086	8 192 545	-	152 871 631
Operating lease liability		223 681	-	-	223 681
Payables from exchange transactions		103 492 343	-	-	103 492 343
Consumer deposits		17 845 831	-	-	17 845 831
Construction contracts payables		79 520	-	-	79 520
Unspent conditional grants and receipts		9 360 378	-	-	9 360 378
Other financial liabilities		8 761 333	-	-	8 761 333
Employee benefit obligation		4 916 000	-	-	4 916 000
Provisions		-	8 192 545	-	8 192 545
Non-Current Liabilities		223 550 521	-	-	223 550 521
Other financial liabilities		82 089 645	-	-	82 089 645
Employee benefit obligation		82 974 000	-	-	82 974 000
Provisions		58 486 876	-	-	58 486 876
Total Liabilities		368 229 607	8 192 545	-	376 422 152
Reserves		2 745 809 741	(1 588 881)	-	2 744 220 860
Reserves		259 260 281	-	-	259 260 281
Accumulated surplus		2 486 549 460	(1 588 881)	-	2 484 960 579
Total Net Assets		2 745 809 741	(1 588 881)	-	2 744 220 860

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023		
62. Restatement of prior year (continued)				
Statement of financial performance				
2023				
	Note	As previously reported	Correction of error	Restated
Revenue			-	-
Revenue from exchange transactions			-	-
Service charges		523 090 767	-	523 090 767
Agency services		5 511 479	-	5 511 479
Construction contracts		17 729 913	-	17 729 913
Interest received		61 748 083	-	61 748 083
Operational revenue		15 130 524	-	15 130 524
Rental of facilities and equipment		1 589 981	-	1 589 981
Development charges		1 706 706	-	1 706 706
Total revenue from exchange transactions		626 507 453	-	626 507 453
Revenue from non-exchange transactions		-	-	-
Taxation revenue			-	-
Property rates		152 116 870	-	152 116 870
Interest received on rates receivables		1 239 369	-	1 239 369
Transfer revenue			-	-
Government grants and subsidies		214 873 746	(289 107)	214 584 639
Donated property, plant and equipment		6 143 474	-	6 143 474
Fines, Penalties and Forfeits		34 692 160	-	34 692 160
Licences and permits (non-exchange)		5 087 529	-	5 087 529
Public contributions and donations		11 248 071	-	11 248 071
Vesting of properties and equipment		732 965	-	732 965
Availability charges		10 889 395	-	10 889 395
Total revenue from non-exchange transactions		437 023 579	(289 107)	436 734 472
Total revenue		1 063 531 032	(289 107)	1 063 241 925
Expenditure			-	-
Employee related costs		286 378 168	-	286 378 168
Remuneration of councillors		11 225 003	-	11 225 003
Bad debts written off		43 096 415	-	43 096 415
Bulk purchases		289 451 395	-	289 451 395
Contracted services		87 019 625	-	87 019 625
Depreciation and amortisation		94 180 770	382 169	94 562 939
Finance costs		15 655 387	610 652	16 266 039
Grants and subsidies paid		4 245 586	-	4 245 586
Operational cost		38 191 069	-	38 191 069
Other materials		55 778 336	-	55 778 336
Total expenditure		925 221 754	992 821	926 214 575
Operating surplus		138 309 278	(1 281 928)	137 027 350
Gains on sale of fixed assets		2 185 594	-	2 185 594
Gains on sale of land		7 026 603	-	7 026 603
(Reversal) / impairment of assets and receivables		5 396 351	-	5 396 351
Inventory losses: Water losses		(4 439 286)	-	(4 439 286)
Loss on disposal of assets		(10 266 498)	-	(10 266 498)
Gains and (losses) for the year		(97 236)	-	(97 236)
Surplus for the year		138 212 042	(1 281 928)	136 930 114

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

62. Restatement of prior year (continued)

(a) Correction of Non-current assets

During the year under review, a data cleansing exercise on the asset register was conducted to confirm the asset register to the latest standards and norms as per the municipal asset management policy. During the review of the land and buildings some assets were discovered which was not previously included in the asset register. These were found to be historic donations (such as grass for a cricket field and a wheel-chair ramp at Yzerfontein beach).

Furthermore, during the current year unbundling evidence was obtained of projects that were completed in previous years, but for which the evidence was not obtained during the prior year's unbundling (for example the required as-built drawings were not available). Such resulted in a correction of the opening balance cost (donations) and depreciation.

Increase/(Decrease) in Property, Plant and Equipment

Closing Balance - previously stated	2 211 648 413
Opening balance cost restated due to data cleansing	3 626 365
Opening balance accumulated depreciation restated due to data cleansing	(2 222 320)
Opening balance cost restated during current year unbundling	723 598
Opening balance accumulated depreciation restated due to unbundling	(130 235)
Additions restated during current year unbundling	2 286 137
Depreciation restated due to data cleansing	(144 379)
Depreciation restated during current year unbundling	(37 641)
	2 215 749 938

Increase/(Decrease) in Investment Property

Closing Balance - previously stated	20 836 982
Opening balance cost restated due to data cleansing	14 391 512
Opening balance accumulated depreciation restated due to data cleansing	(11 689 224)
Depreciation restated due to data cleansing	(200 149)
	23 339 121

(b) Correction of error - provisions

Kindly refer to Note 51 for details on SARS VAT matter. A provision has been created based on formal correspondence from the Minister of Finance on the matter.

Increase/(Decrease) in provisions

Closing Balance - previously stated	58 486 876
Opening balance adjustment	7 292 786
Remeasure/Redemption adjustment	289 107
Interest due to passage of time adjustment	610 652
	66 679 421

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Figures in Rand	2024	2023

62. Restatement of prior year (continued)

(e) Adjustment of surplus for the year

The aforementioned adjustments resulted in adjustments to the accumulated surplus for the year as follows:

Statement of Financial Performance

Closing Balance - previously stated	2 486 549 460
Opening balance adjustment due to Fixed assets	6 985 833
Opening balance adjustment due to Provisions	(7 292 786)
Restated opening balance	2 486 242 507
Restated surplus for the year	(1 281 928)
	2 484 960 579

Statement of financial performance

Depreciation restated	(382 169)
Finance cost restated	(610 652)
Government grants and subsidies restated	(289 107)
	(1 281 928)

63. Comparative figures

Certain comparative figures have been reclassified as indicated in Notes 62. These reclassifications were made in order to ensure comparability (consistency) to the current and future periods.

64. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	3 240 371	3 070 399
Amount paid - current year	(3 240 371)	(3 070 399)
Balance unpaid (included in creditors)	-	-

Audit fees

Current year fee	3 665 578	3 451 139
Amount paid - current year	(3 665 578)	(3 451 139)
	-	-

VAT

VAT payments made	23 365 523	9 259 612

VAT output payables and VAT input receivables are shown in note 9.

All VAT returns have been submitted by the due date throughout the year.

PAYE, UIF and SDL

Current year amounts due	51 151 451	46 384 424
Amount paid - current year	(51 151 451)	(46 384 424)
Balance unpaid (included in creditors)	-	-

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64. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Current year contributions due	78 994 435	72 681 635
Amount paid - current year	(78 994 435)	(72 675 635)
Balance unpaid (included in creditors)	-	6 000

Councillors' arrear consumer accounts

During the financial year under review no Councillor was in arrears with the settlement of their municipal accounts.

Deviations in terms of section 36 of the Municipal Supply Chain Regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The incidents were reported to council.

Incident

Deviations above R30 000 due to Emergencies (occurrences: 23 (2023: 23))	2 677 606	2 632 493
Deviations above R30 000 due to Sole Supplier deviations (occurrences: 6 (2023: 3))	677 903	208 603
Deviations based on section 2(6) of Supply Chain Policy - Impractical to obtain quotes - special goods/services (occurrences: 79 (2023: 46))	6 098 509	1 858 089
Deviations based on section 2(6) of Supply Chain Policy - Impractical to obtain quotes for repairs and services to specialised equipment or vehicles (occurrences: 470 (2023: 469))	5 311 616	4 610 862
Deviations below R30 000 (occurrences: 398 (2023: 435))	3 252 173	3 809 840
	18 017 807	13 119 887

Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Immaterial Electricity and Water Losses were as follows and are not recoverable:

Technical electricity losses

Units purchased	181 968 411	178 364 118
Units sold	(171 735 306)	(168 951 523)
Technical electricity losses	10 233 105	9 412 595
	5,62%	5.28%

Electricity Losses occur due to inter alia, technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing occurrence, with regular actions being taken against defaulters. Faulty meters are replaced as soon as it is reported.

Water distribution losses and non-revenue water

Kilolitres purchased	5 714 492	5 183 703
Kilolitres sold	(4 452 371)	(4 328 018)
Kilolitres Lost in distribution (kl)	1 262 121	855 685
Unbilled / Unmetered Water (kl)	(188 578)	(171 062)
Actual loss in units (kl)	1 073 543	684 623
Percentage loss	18,78%	13.21%

Water losses occur due to inter alia evaporation, leakages, the tampering of meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing occurrence, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as it is reported.

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64. Additional disclosure in terms of Municipal Finance Management Act (continued)

Disclosure of awards of more than R2 000 to a person who is a family member of a person in the service of the state in terms of section 45 of the Municipal Supply Chain Regulations:

Kindly note that certain previously disclosed names and amounts have been restated to reflect the correct information available to the municipality as at 30 June 2023.

Service Provider	Relation to Service Provider	Name of Relation in the Employment of the Organ of State	Organ of State	Position of the person in the employment of the Organ of State	Value of Transaction 2024 R	Value of Transaction 2023 R
Neil Lyners and Associates (RF) (OCT Potgieter)	Daughter	Alicia Potgieter	City of Cape Town	Professional Officer	4 680 196	7 221 955
WJ Cotter Electrical (J Cotter)	Father in law	T van Essen	Swartland Municipality	Councillor	538 829	1 088 485
WJ Cotter Electrical (R Crawford)	Father in law	T van Essen	Swartland Municipality	Councillor		
Lumico (Pty) Ltd (D Malherbe)	Father in law	L Fourie	Swartland Municipality	Strategic management	-	20 700
Euraf Agencies CC (P Fourie)	Spouse	R Fourie	Department of Correctional Services	Financial Manager	171 820	277 730
Golden Rewards 1873 cc t/a Futasia Caterers (Suenelle De Jager)	Spouse	R De Jager	Department of Education	Teacher	270 460	264 682
Jonathan Wayne Lawrence t/a J Lawrence (J Lawrence)	Son	Bjorn	Swartland Municipality	General Worker	228 970	177 360
JPCE (J Minnie)	Spouse	J Minnie	City of Cape Town	Director	3 269 291	2 261 961
Conlog (L Moodley)	Spouse	N Moodley	Department of Health	Director	138 000	224 250
Zutari (Aurecon South Africa) (KP Nadasen)	Wife	K Nadasen	National Department of Public Works	Director: Key Account Management	3 419 448	4 100 046
Zutari (Aurecon South Africa) (RJ Ahlschlager)	Spouse	HC Ahlschlager	Special Investigating Unit	Legal Representative	-	-
Zutari (Aurecon South Africa) (I Gasant)	Sister	N Allie	City of Cape Town	Head of Security Architecture	-	-
Zutari (Aurecon South Africa) (I Gasant)	Sister	M Gasant			-	-
Zutari (Aurecon South Africa) (I Gasant)					-	-
Zutari (Aurecon South Africa) (E Marques)	Spouse	M Marques	Department of Internal Affairs	Director	-	-
Zutari (Aurecon South Africa) (J Ndala)	Spouse	TJ Ndala			-	-
Fonnies Enterprises (BA Adonis)	Sister	T Adonis	Statistics SA	Data Capturer	61 618	42 718
Fonnies Enterprises (Brent Angelo Adonis)	Brother	A Adonis	Metro EMS	Rescue Technician	-	-
Yolanda Petersen - Petersen Tuindienste (Y Petersen)	Spouse	R Petersen	Department of Correctional Services	Correctional Officer	226 920	152 000

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64. Additional disclosure in terms of Municipal Finance Management Act (continued)

Thembile Petrus Dapula t/a T P Dapula (TP Dapula)	Spouse	N Dapula	West Coast TVET College	Deputy Principal	66 950	83 030
Blackbird 49 - Koos Smit (K Smit)	Spouse	M Smit	Swartland Municipality	Clerk	26 700	60 500
Webber Wentzel (J Watson)	Mother	E Watson	Department of Public Service	Official	-	-
Webber Wentzel (J Smit)	Father	JCL Smit	Beaufort West Municipality	Director: Engineering Services	-	-
Webber Wentzel (G Truter)	Father	LC Truter	Newton Primary School	School Principal	-	-
Webber Wentzel (G Truter)	Mother	AM Truter	West Coast Education District	Chief Education Specialist	-	-
Webber Wentzel (T Thekiso)	Sister	N Ndebele	Melodi Primary School	Principal	-	-
Webber Wentzel (M Mahlangu)	Mother	BT Mahlangu	Hlolisa Combined School	School Principal	-	-
Webber Wentzel (B Abraham)	Mother	J Abraham	Department of Education	Secretary	-	-
Webber Wentzel (S Dias)	Spouse	N Dias	City of Cape Town	Senior Legal Advisor	-	-
Webber Wentzel (K Nonyane)	Spouse	K Nonyane	Petro SA	Senior Planning Technician	-	-
Amandla GCF Construction (W Frazenburg)	Sister	U Frazenburg	National Government: Deeds Office	Registrar of Deeds	29 660 419	10 374 243
Amandla GCF Construction (W Frazenburg)	Brother	E Frazenburg	Kimberley Department of Education	Teacher	-	-
Amandla GCF Construction (W Frazenburg)	Sister	J Frazenburg	Western Cape Department of Education	Teacher	-	-
Amandla GCF Construction (W Frazenburg)	Brother	B Frazenburg	City of Cape Town: Traffic	Municipal Prosecutor	-	-
Turner and Townsend (G Bulmer)	Wife	T Bulmer	Department of Health: Gauteng	Chief Physiotherapist	-	48 300
Turner and Townsend (E Harmse)	Step mother	N Harmse	Tswane University of Technology	Head of Department	-	-
Turner and Townsend (R Singh)	Sister	B Singh	Department of Health Kwazulu Natal	Sister	-	-
Turner and Townsend (C Barnard)	Wife	E Barnard	Telkom	Risk Manager	-	-
Turner and Townsend (V Naidoo)	Wife	P Naidoo	Helen Joseph Hospital	Doctor	-	-
Turner and Townsend (Y Naicker)	Mother	S Naicker	Department of Education: Kwazulu Natal	Head of Department	-	-

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64. Additional disclosure in terms of Municipal Finance Management Act (continued)

Turner and Townsend (K Pauw)	Brother	B Pauw	Department of Health: Western Cape	Community Service Medical Officer	-	-
Turner and Townsend (J van der Merwe)	Sister	M Wepener	Agricultural Research Council SADF	Senior Research Veterinarian	-	-
Turner and Townsend (P Shezi)	Sister	I Shezi	SAPS	Warrant Officer Forensic Analyst	-	-
Turner and Townsend (J Maphala)	Aunt	S Raphadu	Department of Education: Gauteng	Head	-	-
Turner and Townsend (J Louw)	Wife	M Louw	Eskom	Contract Management	-	-
Turner and Townsend (N McMahon)	Sister	E Louw	City of Cape Town	Principal Professional Officer	1 352 517	6 688 758
Actom (S Nel)	Daughter	I Nel	Department of Education	Nurse	-	-
Actom (D Lubbe)	Spouse	T Lubbe	Department of Health	Teacher	-	9 695
Cyote Fire Services (M Muller)	Spouse	B Muller	Department of Education	Curriculum Advisor	-	16 840
MT Panelbeating (M Bocks)	Spouse	C Bocks	Department of Education: Western Cape	Teacher	-	1 867 068
Mubesko Africa (Pty) Ltd (B Saaiman)	Spouse	L Saaiman	Department of Education	Teacher	-	34 105
Redhill Electronics (E Hartley)	Spouse	L Hartley	Department of Education	Teacher	-	152 279
Landis & Gyr (C Ngcukana)	Spouse	C Ngcukana	Department of Education	Teacher	-	-
Landis & Gyr (C Ngcukana)	Brother	V Ngcukana	City of Cape Town	Teacher	-	-
Landis & Gyr (C Dinga)	Sister	P Nquomo	Umhlanga Municipality	Teacher	-	-
Swartland and West Coast Trading (Pty) Ltd (L Marcus)	Spouse	H Marcus	Department of Labour	Supervisor	160 686	71 024
Swartland and West Coast Trading (Pty) Ltd (L Marcus)	Child	K Dietrich	Department of Health	Finance Clerk	-	-
IX Engineers (M Mashegana)	Spouse	R Mashegana	Department of Health	Nurse	689 242	477 393
Mainstruct Project (E Isaacs)	Spouse	E Benjamin	Groote Schuur Hospital	Psychologist	-	306 637
IQ Vision (J Meyer)	Daughter	MD Meyer	Department of Health	Doctor	6 401 006	1 821 364
Johan Bester Ingenieurswerke (A Jordaan)	Spouse	M Jordaan	SAPS	Clerk	967 231	828 612
Adapt IT (M Mbambo)	Spouse	MS Mbambo	SANRAL	Ops Maintenance Manager	106 205	106 570
GIBB (N Phizda)	Brother	FF Phizda	Gauteng Provincial Government	IT	-	23 000
GIBB (N Phizda)	Brother	R Phizda	Emfulweni Municipality	Horticulture	-	-
GIBB (N Phizda)	Sister	T Phizda	Eskom Rotek Industries	Engineering Technician	-	-

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64. Additional disclosure in terms of Municipal Finance Management Act (continued)

Innovative Transport Solutions (L Pretorius)	Son	D Pretorius	CSIR	Engineer	199 645	264 417
Innovative Transport Solutions (C Krogscheepers)	Daughter	M van der Merwe	City of Cape Town	Doctor	-	-
Innovative Transport Solutions (O Rebeiro)	Spouse	N Khena	PRASA	Chief Operating Officer	-	-
Bubbles Household Chemicals (C Pieters)	Spouse	JR Pieters	Swartland Municipality	Chief Engineering Technician	537 116	414 345
Mindspring Computing (R Hendricks)	Spouse	B Hendricks	City of Cape Town	Electrician	-	59 413
Indecon (Pty) Ltd (T Barnard)	Spouse	L Barnard	Department of Education	Teacher	195 326	113 729
Cigicell (Pty) Ltd (M Nyawane)	Spouse	T Nyawane	Department of Education	Deputy Principal	-	379 258
Ian Dickie & Co (Pty) Ltd (M Samuels)	Spouse	D Samuels	SAPS	Warrant Officer	135 677	16 216
JVZ Construction (M Matthee)	Spouse	R Matthee	Correctional Services	Security Guard	30 492	704 766
Siphakame Skills Development (N Vacu)	Spouse	NS Vacu	Drakenstein Municipality	Economic Growth Officer	404 628	839 040
Melloda Project Management (LE Daniels)	Spouse	MN Daniels	Swartland Municipality	Principal Clerk: Sundries and Housing	6 169	28 750
Motheo Construction (LT Mashau)	Brother	N Ndhlovu	Department of Statistics	Statistician	217 723	-
Motheo Construction (SJ Matlhasi)	Sister	B Mantlhasi	North West Department of Cooperative Governance and Traditional Affairs	PA - HR Manager	-	-
Motheo Construction (U Langa)	Mother	DM Langa	Department of Education	Senior Educational Specialist	-	-
Motheo Construction (RC Diphoko)	Father	KE Monareng	SANDF	Warrant Officer	-	-
Motheo Construction (RC Diphoko)	Spouse	M Diphoko	Transnet	Senior Construction Manager	-	-
Motheo Construction (R Madi)	Father	M Madi	Tholomela Municipality	Environmental Manager	-	-
Motheo Construction (V Singh)	Spouse	R Singh	Department of Education	Teacher	-	-
Motheo Construction (FA Matsila)	Sister	N Matsila	National Prosecuting Authority	Senior Administrator	-	-
F Bocks Construction (F Bocks)	Spouse	S Bocks	Department of correctional services	Warden	3 164 141	-
Spill Tech (GZ Goosen)	Spouse	S Goosen	Transnet	Supply Chain Manager	13 455	-

Swartland Municipality

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64. Additional disclosure in terms of Municipal Finance Management Act (continued)

Spill Tech (SA Ngema)	Spouse	T Ngema	SARS	Audit Manager	-	-
					57 340 880	41 621 239

65. Fruitless and wasteful expenditure

Due to the fiscal governance control environment of the municipality, paired with our commitment to pay creditors within 30-days from statement or invoice, no fruitless expenditure was incurred during the year.

66. Irregular expenditure

Add: Irregular Expenditure - current	1 606 612	-
Add: Irregular expenditure - prior period	12 263 605	435 563
Less: Amount written off - current	(522 691)	(435 563)
Closing balance	13 347 526	-

Current year irregular expenditure

During the prior year audit, management concurred with the auditor that some deviations listed as emergencies were in fact not due to emergencies, resulting in a breach of the municipal supply management policy. As such the expenditure was considered irregular. Following an investigation by the disciplinary committee, council wrote off the R506 377 pertaining to the prior year audit.

Furthermore, 7 other cases were investigated for current year expenditure where the requirements of the supply chain management was not followed. Each case was investigated and council wrote off the expenditure after due care was exercised (total of cases (R30 880)). One of these cases were only written off during August 2024 (R10 799).

Lastly, following guidance from National Treasury, all payments in lieu of grants in aid since the inception of the MFMA towards our local tourism offices was reconsidered to be in breach of the supply chain management regulations. Management acted in good faith given repealed legal requirements that stated that a local tourism office's revenue should comprise contributions from the local government. Following an investigation, Council wrote off the R13 336 728 in irregular expenditure during August 2024.

Prior year expenditure

The irregular expenditure - prior period for 2022/23 pertains to a contract that fell subject to the requirements of Local production and content requirements not included in advertisement and bid documents in the 2021-2022 year. The matter was only identified during the prior year audit. Given the municipal policies the matter was only considered for investigation in the 2022/23 financial year.

67. Unauthorised expenditure

Opening balance as previously reported	5 556 386	11 717 297
Opening balance as restated	5 556 386	11 717 297
Add: Expenditure identified - current	-	5 556 386
Less: Approved/condoned/authorised by council	(5 556 386)	(11 717 297)
Closing balance	-	5 556 386

Prior year Unauthorised Expenditure

The Department of Protection Services overspent by an amount of R 5 556 386 (2022: R Nil). The overspent amount is as a result of the traffic fines that appeared before the court to be issued for summons. Only the Department of Justice has through the local courts the authority to issue summons on a fine. However, due to the court rolls being full, the rolls were scrapped without due consideration (non-cash transaction). This resulted in a significant overspent for the department against bad debts. The over-spending could not reasonably have been foreseen at the time of the mid-year budget review as court processes fall outside of the ambit of control.

Swartland Municipality

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68. Events after the reporting date

Management would like to bring to the attention of the users that following copious rain, three dams burst their banks on 8 August, near the municipal border. Sadly, one of our towns, Riverlands, suffered severe flood damage. Support operations is still under way, as at 31st August, to the community of the affected area. Management is expecting to replace capital service delivery assets of approximately R13 500 000 (gross replacement value) and the disaster will have an impact on the municipal operational expenditure once additional funding has been secured to support the community.

Management would also like to highlight that the upper limits for council remuneration were published after the date of signature of the annual financial statements. For the financial impact, kindly refer to Note 37, which outlines the scenario if the Minister had published the upper limits before the year end.

69. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus of R 2 712 124 967 (2023: R 2 484 960 582) and that the municipality's total assets exceed its liabilities.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

In assessing whether the going concern assumption is appropriate under the current economic climate, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and, if necessary, potential sources of replacement funding.

70. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

EXTERNAL LOANS	Redeemable	Balance at 2023/06/30	Received/ Transferred during the period	Interest capitalised during the period	Redeemed written off during the period	Balance 2024/06/30
LONG- TERM LOANS						
Development Bank	2028/12/29	20 981 060	-	9 400	3 065 163	17 925 297
Development Bank	2023/12/29	143 711	-	-	143 711	-
Development Bank	2031/12/31	46 938 006	-	-	46 938 006	-
Sanlam	2031/06/30	22 788 202	-	12 537	1 912 082	20 888 657
Total Long- Term Loans		90 850 978	-	21 937	52 058 962	38 813 953
TOTAL EXTERNAL LOANS		90 850 978	-	21 937	52 058 962	38 813 953

Swartland Municipality

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Appendix B: Analysis of Property, Plant and Equipment

Asset Type	Cost				Accumulated Depreciation and Impairment					Book Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening balance	Depreciation	Impairments	Disposals	Closing balance	
Heritage Assets	5 078 800	-	-	5 078 800	958 109	-	-	-	958 109	4 120 691
Intangible assets	4 661 707	-	(300)	4 661 407	4 055 307	103 258	-	(299)	4 158 266	503 141
Investment property	55 289 027	-	(347 418)	54 941 609	29 606 168	394 173	625	-	30 000 966	24 940 643
Property, plant and equipment	4 472 908 621	231 673 675	(32 047 348)	4 672 534 948	2 262 226 538	102 785 925	8 618 884	(21 896 380)	2 351 734 968	2 320 799 980
Land	96 235 849	830 000	(1 462 040)	95 603 809	8 834 651	-	5 567 850	-	14 402 501	81 201 308
Movable assets	140 798 348	17 843 943	(7 081 123)	151 561 168	66 746 412	8 691 424	-	(4 730 020)	70 707 816	80 853 353
Computer Equipment	17 165 114	1 319 378	(573 176)	17 911 316	11 144 941	1 671 774	-	(563 890)	12 252 825	5 658 490
Furniture and Office Equipment	10 156 534	1 737 397	(291 271)	11 602 660	7 679 213	659 700	-	(260 581)	8 078 331	3 524 329
Machinery and Equipment	36 351 393	2 895 646	(497 833)	38 749 207	20 013 128	2 540 038	-	(476 018)	22 077 148	16 672 059
Transport Assets	77 125 307	11 891 522	(5 718 843)	83 297 985	27 909 129	3 819 913	-	(3 429 531)	28 299 511	54 998 475
Infrastructure	3 830 714 318	178 544 515	(23 348 900)	3 985 909 933	1 925 935 126	85 055 234	(817 913)	(17 070 732)	1 993 101 715	1 992 808 218
Electrical infrastructure	675 659 262	69 732 070	(1 038 192)	744 353 140	311 458 207	14 876 186	-	(232 344)	326 102 049	418 251 091
Roads infrastructure	1 046 386 925	53 882 625	(12 312 588)	1 087 956 962	573 496 379	25 739 593	-	(8 880 377)	590 355 595	497 601 367
Sanitation infrastructure	877 944 679	13 223 672	(9 665 566)	881 502 786	386 305 953	19 914 161	(817 913)	(7 856 417)	397 545 784	483 957 001
Solid waste infrastructure	70 167 193	(4 515 724)	-	65 651 469	31 280 561	3 047 718	-	-	34 328 279	31 323 190
Storm-water infrastructure	232 439 609	17 198 286	-	249 637 895	113 711 922	4 703 867	-	-	118 415 790	131 222 105
Water supply infrastructure	928 116 650	29 023 585	(332 554)	956 807 681	509 682 102	16 773 708	-	(101 593)	526 354 217	430 453 463
Community assets	244 927 928	24 546 308	(155 284)	269 318 951	141 786 972	7 076 374	3 857 395	(95 628)	152 625 113	116 693 839
Other assets	160 232 178	9 908 910	-	170 141 087	118 923 378	1 962 894	11 552	-	120 897 824	49 243 264
	4 537 938 154	231 673 675	(32 395 066)	4 737 216 764	2 296 846 121	103 283 357	8 619 509	(21 896 679)	2 386 852 308	2 350 364 455

Swartland Municipality

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Appendix C: Segmental Analysis of Assets

Department	Cost				Accumulated Depreciation and Impairment					Book Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening balance	Depreciation	Impairments	Disposals	Closing balance	
Administration Civil	1 173 182.55	143 965.89	(42 383.01)	1 274 765.43	604 271.01	84 118.88	37 267.78	(42 036.28)	683 621.39	591 144.04
Administration Corporate Servi	11 426 183.12	8 051.33	(265 453.61)	11 168 780.84	2 630 033.91	31 398.66	-	(264 460.59)	2 396 971.98	8 771 808.86
Administration Development Services	1 045 233.94	44 886.27	(5 139.89)	1 084 980.32	576 212.52	36 971.05	-	(5 103.83)	608 079.74	476 900.58
Administration Financial Services	7 528 474.99	2 508 719.15	(1 404 693.37)	8 632 500.77	5 814 732.82	493 834.04	-	(1 014 820.72)	5 293 746.14	3 338 754.63
Administration Municipal Manag	83 552.10	17 857.24	-	101 409.34	62 090.28	4 601.77	-	-	66 692.05	34 717.29
Administration Protection Services	36 630.40	-	(5 965.00)	30 665.40	20 194.35	4 233.69	-	(4 598.47)	19 829.57	10 835.83
Building Control	78 575.94	18 500.00	-	97 075.94	74 095.86	3 755.45	-	-	77 851.31	19 224.63
Caravan Park - Yzerfontein	2 238 142.11	558 592.71	(30 211.15)	2 766 523.67	466 685.78	87 599.94	-	(2 015.20)	552 270.52	2 214 253.15
Cemetries	6 251 266.18	546 366.96	-	6 797 633.14	4 866 614.49	188 253.90	269 559.74	-	5 324 428.13	1 473 205.01
Civil Protection	-	-	-	-	-	-	-	-	-	-
Community Development	312 120.02	950 045.46	(628.50)	1 261 536.98	52 368.78	41 067.52	-	(627.26)	92 809.04	1 168 727.94
Council	1 207 222.14	58 810.87	-	1 266 033.01	334 207.54	129 926.99	17 274.02	-	481 408.55	784 624.46
Electricity Distribution	692 346 736.20	74 589 794.90	(1 219 487.00)	765 717 044.10	320 097 360.03	15 777 856.92	36 212.38	(411 348.44)	335 500 080.89	430 216 963.21
Fire Fighting	12 416 818.11	2 259 665.09	(545 986.62)	14 130 496.58	2 029 762.91	742 713.42	-	(268 588.52)	2 503 887.81	11 626 608.77
Grants and Subsidies General	-	-	-	-	-	-	-	-	-	-
Housing	52 805 675.72	5 984 442.65	(2 300.00)	58 787 818.37	8 042 364.56	1 093 554.37	535 137.80	(1 903.38)	9 669 153.35	49 118 665.02
Human Resources	52 710.31	2 315.25	(2 936.03)	52 089.53	40 388.94	3 497.96	-	(1 788.86)	42 098.04	9 991.49
Internal Audit	26 353.44	2 773.91	-	29 127.35	21 689.40	1 125.45	-	-	22 814.85	6 312.50
IT Services	17 681 153.27	1 967 302.24	(145 026.66)	19 503 428.85	11 008 661.27	1 787 815.19	-	(138 584.74)	12 657 891.72	6 845 537.13
Libraries	10 104 951.71	164 125.26	(46 723.34)	10 222 353.63	4 462 042.57	374 210.34	-	(45 444.63)	4 790 808.28	5 431 545.35
Licencing and Traffic Services	2 610 675.73	648 554.68	(28 088.91)	3 231 141.50	1 962 617.63	186 626.40	-	(26 638.66)	2 122 605.37	1 108 536.13
Multi Purpose Centres	262 138.10	-	-	262 138.10	156 092.91	17 391.72	-	-	173 484.63	88 653.47
Municipal Property	421 939 228.03	4 144 609.99	(2 169 875.22)	423 913 962.80	245 263 233.09	5 579 009.25	5 787 983.11	(306 962.15)	256 323 263.30	167 590 699.50
Occupational Health and Safety	85 686.56	-	(8 313.68)	77 372.88	65 311.51	3 814.95	-	(8 281.68)	60 844.78	16 528.10
Parks and Recreational Areas	13 989 377.09	2 281 884.66	(326 215.64)	15 945 046.11	6 384 050.38	858 918.08	90 182.44	(205 654.25)	7 127 496.65	8 817 549.46
Planning and Valuation	89 382.29	-	-	89 382.29	76 520.44	3 275.89	-	-	79 796.33	9 585.96
Policing and Law Enforcement	8 589 957.34	293 055.79	(372 180.42)	8 510 832.71	4 010 516.43	638 715.07	-	(241 584.15)	4 407 647.35	4 103 185.36
Refuse Removal	91 699 946.13	(3 164 958.88)	(2 052 521.00)	86 482 466.25	37 382 085.81	4 089 358.37	-	(1 196 786.12)	40 274 658.06	46 207 808.19
Sewerage	880 827 484.80	8 170 375.34	(9 838 604.10)	879 159 256.04	390 274 856.11	20 366 214.49	(817 913.09)	(7 978 894.78)	401 844 262.73	477 314 993.31
Sportgrounds	78 876 616.55	14 336 560.59	(75 582.56)	93 137 594.58	40 999 891.57	2 140 381.31	2 316 006.21	(62 528.51)	45 393 750.58	47 743 844.00
Streets and Stormwater	1 272 914 887.71	72 683 390.92	(12 746 975.77)	1 332 851 302.86	695 092 555.65	30 702 254.38	3 018.82	(9 156 915.76)	716 640 913.09	616 210 389.77
Supply Chain Management	56 335.35	3 946.61	-	60 281.96	31 354.19	6 383.51	-	-	37 737.70	22 544.26
Swimming Pools	716 222.37	7 322 250.00	-	8 038 472.37	15 604.26	1 931.67	-	-	17 535.93	8 020 936.44
Tourism	12 084.21	9 500.00	(450.00)	21 134.21	11 899.63	628.74	-	(449.09)	12 079.28	9 054.93
Town and Community Halls	18 386 714.74	170 510.83	-	18 557 225.57	1 533 250.16	766 895.42	344 779.86	-	2 644 925.44	15 912 300.13
Unspecified	-	-	-	-	-	-	-	-	-	-
Water Services	930 066 435.22	34 947 779.44	(1 059 324.62)	963 954 890.04	512 382 504.40	17 035 021.91	-	(510 662.48)	528 906 863.83	435 048 026.21
Grand Total	4 537 938 154.47	231 673 675.15	(32 395 066.10)	4 737 216 763.52	2 296 846 121.19	103 283 356.70	8 619 509.07	(21 896 678.55)	2 386 852 308.41	2 350 364 455.11

Appendix D: Segmental Statement of Financial Performance

Refer note 58.

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Appendix E: Disclosure of Grants and Subsidies in terms of Section 123 of the MFMA, 56 of 2003

GRANT NAME	O/B	Receipts Q1	Receipts Q2	Receipts Q3	Receipts Q4	Expenditure Q1	Expenditure Q2	Expenditure Q3	Expenditure Q4	Unspent	Grants and subsidies delayed or withheld?	Reason	Compliant to DoRA
Community Development Workers Programme	(2 500.80)	(38 000.00)	2 500.80	-	-	689.68	-	-	35 999.65	(1 310.67)	No	N/a	Yes
CHIETA Grant	(138 558.65)	-	-	(101 250.00)	(1 091 520.00)	121 586.67	337 164.00	809 333.20	63 244.78	-	No	N/a	Yes
Emergency Fire Kits Funding	-	-	-	-	(284 100.00)	-	-	-	281 980.00	(2 120.00)	No	N/a	Yes
Expanded Public Works Programme	-	(458 000.00)	(823 000.00)	(549 000.00)	-	281 175.00	428 130.00	521 566.20	599 128.80	-	No	N/a	Yes
Fire Service Capacity Building Grant	-	(926 000.00)	-	-	-	-	-	-	926 000.00	-	No	N/a	Yes
Housing Projects: Darling (Capital)	-	-	(2 843 179.00)	(454 000.00)	-	-	981 928.68	6 214.44	1 861 855.92	(447 179.96)	No	N/a	Yes
Housing Project: Malmesbury De Hoop	-	-	(24 237 823.00)	(24 173 194.00)	-	-	3 485 917.76	4 935 695.96	39 626 024.32	(363 378.96)	No	N/a	Yes
Housing project: Moorreesburg (Capital)	-	900 000.00	(2 303 633.75)	(896 366.25)	(900 000.00)	-	1 275 376.33	-	1 924 623.67	-	No	N/a	Yes
Housing project: Silvertown (Capital)	-	-	-	(5 500 000.00)	-	-	-	-	-	(5 500 000.00)	No	N/a	Yes
Integrated National Electrification Programme	-	(6 500 000.00)	(8 158 000.00)	(9 000 000.00)	-	1 001 970.28	2 658 876.32	18 720 216.83	1 276 936.57	-	No	N/a	Yes
Comm Safety (K9 UNIT)	-	(3 305 000.00)	-	-	-	1 446 734.24	1 554 932.87	303 332.89	-	0.00	No	N/a	Yes
Comm Safety (K9 UNIT): Capital	-	(40 000.00)	-	-	-	-	-	-	40 000.00	-	No	N/a	Yes
Law Enforcement Reaction Unit	-	(5 509 000.00)	-	-	-	1 587 568.33	1 631 107.54	1 636 353.42	653 970.71	-	No	N/a	Yes
LG Emergency Mun Load-Shedding Relief Grant	(8 506 516.74)	-	-	-	-	-	1 805 909.71	1 258 257.06	5 442 349.97	-	No	N/a	Yes
LG Financial Management Grant	-	(1 550 000.00)	-	-	-	109 201.20	300 340.82	418 393.95	722 064.03	-	No	N/a	Yes
Library Service: Capital	-	-	(50 000.00)	-	-	4 719.93	4 050.45	-	41 229.62	-	No	N/a	Yes
Library Service: Operating	-	(3 972 000.00)	(3 920 000.00)	(4 362 000.00)	-	2 569 642.17	3 168 420.05	2 652 928.02	3 863 009.76	-	No	N/a	Yes
Municipal Accreditation and Capacity Building	(58 349.60)	(245 000.00)	58 349.99	-	-	51 953.73	51 953.73	51 953.73	49.33	(89 089.09)	No	N/a	Yes
Municipal Disaster Relief Grant	-	-	-	(350 000.00)	-	-	-	-	-	(350 000.00)	No	N/a	Yes
Mun Energy Resilience Grant	-	-	(680 000.00)	-	-	-	461 833.16	-	218 166.84	-	No	N/a	Yes
Municipal Infrastructure Grant	-	(12 900 000.00)	(6 808 000.00)	(3 347 000.00)	-	2 664 343.46	12 784 407.16	7 226 169.55	380 079.83	0.00	No	N/a	Yes
Maintenance of Main Road (Capital)	-	-	-	(500 000.00)	-	-	-	-	500 000.00	-	No	N/a	Yes
Maintenance of Main Road (Operating)	-	-	-	(170 000.00)	-	-	170 000.00	-	-	-	No	N/a	Yes
Municipal Service Delivery and Capacity Building Grant	-	-	-	(500 000.00)	-	-	-	-	500 000.00	-	No	N/a	Yes
Regional Socio-economic Project	-	-	(500 000.00)	-	-	-	-	500 000.00	-	-	No	N/a	Yes
Sport Development	-	-	(966 373.63)	-	-	-	575 000.00	133 257.43	258 116.20	-	No	N/a	Yes
SETA	-	(456 253.52)	(939 255.16)	(107 657.02)	966 552.67	-	1 111 924.38	(966 890.77)	391 579.42	-	No	N/a	Yes
WC FMCG (Internal Audit)	(418 031.00)	-	-	-	-	-	-	-	-	(418 031.00)	No	N/a	Yes
WC FMCG (Student Bursaries)	(161 420.00)	-	-	(100 000.00)	-	-	-	84 612.70	-	(176 807.30)	No	N/a	Yes