

## **ITEM**

### **OFFICE OF THE EXECUTIVE MAYOR: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT (SECTION 72) REPORT FOR 31 DECEMBER 2024**

5/1

#### **PURPOSE**

The purpose of this report is to table the section 72 report on mid-year budget and performance assessment to Council for consideration.

#### **INTRODUCTION**

In terms of the section 72(1) of Municipal Finance Management Act (No.56 of 2003):  
*The accounting officer of a municipality must by 25 January of each year—*

- (a) *assess the performance of the municipality during the first half of the financial year, taking into account—*
  - (i) *the monthly statements referred to in section 71 for the first half of the financial year;*
  - (ii) *the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;*
  - (iii) *the past year's annual report, and progress on resolving problems identified in the annual report; and*
  - (iv) *the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and*
- (b) *submit a report on such assessment to—*
  - (i) *the mayor of the municipality;*
  - (ii) *the National Treasury; and*
  - (iii) *the relevant provincial treasury.*

In terms of the section 54(1) of Municipal Finance Management Act (No.56 of 2003):  
*On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—*

- (a) *consider the statement or report;*
- (b) *check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;*
- (c) *consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;*

- (d) *issue any appropriate instructions to the accounting officer to ensure—*
  - (i) *that the budget is implemented in accordance with the service delivery and budget implementation plan; and*
  - (ii) *that spending of funds and revenue collection proceed in accordance with the budget;*
- (e) *identify any financial problems facing the municipality, including any emerging or impending financial problems; and*
- (f) *in the case of a section 72 report, submit the report to the council by 31 January of each year.*

## **DISCUSSION**

The Mid-year Budget and Performance Assessment was submitted to the Office of Executive Mayor on 25 January 2025 in terms of section 72 of Municipal Finance Management Act. Annexures are being attached which displays the West Rand District Municipality and West Rand Development Agency's financial and non-financial performance for the past six (6) months (1 July 2024 to 31 December 2024).

The following annexures are attached:

1. Mid-year Financial performance of West Rand District Municipality
2. Mid-year non-financial performance of West Rand District Municipality

This report is aimed to inform the Council to make an informed decision whether the adjustment budget is necessary or not.

## ***RECOMMENDATIONS THAT:***

1. Council take note of the Mid-year budget and performance assessment of West Rand District Municipality.
2. That the Municipality continue with the adjustment budget process.

**1R,1P,1A,1S**

1 REGION, 1 PLAN, 1 ACTION  
1 SYSTEM



REPOSITIONING THE **WEST RAND** FOR A BETTER LIFE FOR ALL



West Rand  
District Municipality

# Mid-Year Budget and Performance Assessment for the 2024/2025 Financial Year

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## IN-YEAR BUDGET STATEMENT TABLES: QUARTER ENDED 31 December 2024

The financial results for the quarter ended 31 December 2024 are attached and consists of the following tables:

### MBRR TABLES:

- 1) Table C2: Quarter 1 Budget Statement - Financial Performance (Revenue and Expenditure by Functional Classification)
- 2) Table C4: Quarter 1 Budget Statement – Financial Performance (Revenue and Expenditure)
- 3) Table C5: Quarter 1 Budget Statement – Capital Expenditure by vote, standard classification and funding
- 4) Table C6: Quarter 1 Budget Statement – Financial Position
- 5) Table C7: Quarter 1 Budget Statement – Cash Flow
- 6) Table SC3: Quarter 1 Budget Statement – Aged Debtors
- 7) Table SC4: Quarter 1 Budget Statement – Aged Creditors
- 8) Table SC5: Quarter 1 Budget Statement – Investment Portfolio
- 9) Table SC7: Quarter 1 Budget Statement – Transfer and grant expenditures
- 10) Table SC8: Quarter 1 Budget Statement – Councillor and staff benefits
- 11) Table 16: Councillors remuneration.



## Abbreviations

MFMA	Municipal Finance Management Act
MWIG	Municipal Water Infrastructure Grant
GDARD	Gauteng Department of Agriculture and Rural Development
EPWP	Expanded Public Works Programme
FMG	Financial Management Grant
GIFA	Gauteng Infrastructure Financing Agency
MSIG	Municipal Systems Improvement Grant
RSC	Regional Services Council
WRDM	West Rand District Municipality
WRDA	West Rand Development Agency
DoRA	Division of Revenue Act
mSCOA	Municipal Standard Chart of Accounts
MTREF	Medium Term Revenue and Expenditure Framework
MMC	Member of Mayoral Committee
CPIX	Consumer Price Inflation Index
GDP	Gross Domestic Product
FFC	Financial and Fiscal Commission
IDP	Integrated Development Plan
SDBIP	Service Delivery Budget Implementation Plan
MFRS	Municipal Financial Recovery Services
FRP	Financial Recovery Plan
MEC	Member of Executive Council
NPG	Neighbourhood development partnership grant
GRAP 17	General Reporting Accounting Practices
LG SETA	Local Government Sector Education and Training Authority
CCTV	Closed Circuit Television
YTD	Year to date

## 1 INTRODUCTION

### 1.1. PURPOSE

The purpose of this report is to inform the Council about the Financial Status quo of West Rand District Municipality and to comply with **Section 72 of the MFMA**.

### 1.2. STRATEGIC OBJECTIVE

The application of sound financial management principles for the compilation of West Rand District Municipality financial plan is essential and critical to ensure that the municipality remains financially viable, and those sustainable municipal services are provided economically and equitably to all communities

### 1.3. Legislative Background

Sections of the MFMA and in terms of Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Budget and Regulations" necessitates those specific financial particulars be reported on and in the format prescribed.

**In terms of the section 72(1) of Municipal Finance Management Act (No.56 of 2003):**

**The accounting officer of a municipality must by 25 January of each year-assess the performance of the municipality during the first half of the financial year and submit the report to the Mayor, National Treasury and relevant provincial treasury.**



## 2 STATEMENT OF FINANCIAL PERFORMANCE

### 2.1 TABLE 1: SUMMARY OF THE TOTAL BUDGET PERFORMANCE

Description	2024/25 Budget (R'000)	Actual performance to date (in R and as a % of the Original Budget)		YTD Budget Original Budget (R'000)
		(R'000)	%	
TOTAL REVENUE COLLECTED	397,322	233,810	59%	198,661
TOTAL REVENUE RECOGNISED	397,322	223,376	56%	198,661
TOTAL EXPENDITURE	(397,321)	(174,106)	44%	(198,660)
Operational expenditure	(392,621)	(173,928)	44%	(196,310)
Capital expenditure	(4,700)	(178)	4%	(2,350)
SURPLUS/(DEFICIT)- including capital expenditure	1	49,270	-	-
SURPLUS/(DEFICIT) -excluding capital expenditure	1	49,092	-	-

Note: Positive Revenue & Negative (Expenditure)

2.1.1 In the 2024/25 financial year the municipality has anticipated to raise a total revenue R397,3 million which is inclusive of operational and capital grants. The total revenue of **R223** million has been recognised (representing 56%) of the annual budgeted revenue. This amount is mainly contributed by revenue received from grants (National and Provincial). The municipality is mostly funded by transfers and subsidies from National and Provincial Government. The SC6 table as part of the annexure has been attached detailing the performance of the grants

2.1.2 The total expenditure budget for the 2024/25 financial year that amounts to R397,3 million is inclusive of capital and operating expenditure (**44%** of the total approve expenditure budget for the year).

2.1.3 The summary statement of financial performance in Table 3 and 5 is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type.

2.1.4 The main cost drivers of the expenditure are **employee related costs**.



## 2.2 Table 2: FINANCIAL PERFORMANCE (INCOME AND EXPENDITURE BY MUNICIPAL FUNCTION)

Gauteng: West Rand (DC48) - Table C2 Monthly Budgeted Financial Performance by Functional Classification for period ending (Q2) 31 December 2024

Description	Ref	2023/24	Budget year 2024/25						
		Audited Outcome	Original Budget	Monthly Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
<b>Revenue - Functional</b>									
<i>Municipal governance and administration</i>		82 145	130 132	42 753	73 310	65 066	8 244	13%	130 132
Executive and council		23 812	37 194	7 618	17 789	18 597	(808)	-4%	37 194
Finance and administration		51 193	92 938	35 136	55 521	46 469	9 052	19%	92 938
<i>Community and public safety</i>		172 976	166 723	34 830	100 636	83 361	17 275	21%	166 723
Public safety		124 256	115 539	24 220	68 278	57 770	10 508	18%	115 539
Health		48 720	51 183	10 610	32 358	25 592	6 767	26%	51 183
<i>Economic and environmental services</i>		106 295	100 467	20 576	49 197	50 234	(1 036)	-2%	100 467
Planning and development		106 295	100 467	20 576	49 197	50 234	(1 036)	-2%	100 467
<b>Total Revenue - Functional</b>	2	<b>361 930</b>	<b>397 322</b>	<b>98 209</b>	<b>223 376</b>	<b>199 011</b>	<b>24 366</b>	<b>12%</b>	<b>397 322</b>
<b>Expenditure - Functional</b>									
<i>Municipal governance and administration</i>		115 579	130 520	8 776	55 815	65 260	(9 445)	-14%	130 520
Executive and council		41 125	37 250	2 508	20 812	18 625	2 186	12%	37 250
Finance and administration		74 455	93 269	6 268	35 004	46 635	(11 631)	-25%	93 269
<i>Community and public safety</i>		164 463	166 396	11 244	82 578	83 198	(620)	-1%	166 396
Public safety		115 091	115 262	7 792	56 401	57 631	(1 230)	-2%	115 262
Health		49 372	51 135	3 452	26 177	25 567	610	2%	51 135
<i>Economic and environmental services</i>		79 919	100 405	15 973	35 713	50 202	(14 490)	-29%	100 405
Planning and development		79 919	100 405	15 973	35 713	50 202	(14 490)	-29%	100 405
<b>Total Expenditure - Functional</b>	3	<b>359 961</b>	<b>397 321</b>	<b>35 994</b>	<b>174 106</b>	<b>198 660</b>	<b>(24 555)</b>	<b>-12%</b>	<b>397 321</b>
		1 969	1	62 215	49 271	350	48 921	13964%	1

NB: mSCOA version 6.8 Of 2024/25

- 2.2.1 The overall performance as at end of December 2024 indicates that the municipality has realised a year to date surplus of R49,2 million as per income and expenditure summary by municipal function. The year to date over-collection was due to the second trench of equitable share that was apportioned to all departments and a second distribution on impairment of investment (VBS) that amount to R14 million.
- 2.2.2 The function that contributes the largest year to date expenditure is Public Safety with a total of R56,4 million (32%) from the overall expenditure due to employee related costs.
- 2.2.3 The Regional Planning and Economic Development and Finance and Administration functions contributes the second largest year to date expenditure with a total of R35,5 Million (20%) and R35 million (20%) of the total expenditure incurred in December 2024 respectively .
- 2.2.4 The Finance and Administration Function is inclusive Finance and Corporate department with the total expenditure of R6,2 million contributes 17% of the total expenditure for the quarter of December 2024.
- 2.2.5 The functions with the lowest expenditure to date are Executive and Council function and Health function which constitutes of 12% and 15% respectively.
- 2.2.6 The profitability ratio presented below, is at a positive **22%**. This indicates that the municipality's year to date financial performance is at a surplus as at 31 December 2024.

Description	Basis of calculation	% Profit/ (Deficit)
Profitability ratio	Surplus/ Total revenue	22%

### 2.3 Table 3: FINANCIAL PERFORMANCE REVENUE BY TYPE

This table shows income raised by the municipality for the quarter ended 31 December 2024

**Gauteng: West Rand (DC48) - Table C4 Monthly Budgeted Financial Performance for period ending (Q2) 31 December 2024**

Description	Ref	2023/24	Budget year 2024/25						
		Audited Outcome	Original Budget	Monthly Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Sale of Goods and Rendering of Services		1 285	11 038	666	1 764	5 519	(3 755)	-68%	11 038
Interest earned from Current and Non Current Assets		6 312	6 759	405	2 267	3 379	(1 113)	-33%	6 759
Rental from Fixed Assets		2 094	3 252	162	1 197	1 626	(429)	-26%	3 252
Licence and permits		533	734	-	9	367	(358)	-98%	734
Operational Revenue		914	41 370	14 157	14 214	20 685	(6 471)	-31%	41 370
<b>Non-Exchange Revenue</b>									
Transfer and subsidies - Operational		269 970	329 919	82 762	203 926	164 960	38 967	24%	329 919
Other Gains		-	650	-	-	325	(325)	-100%	650
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>281 462</b>	<b>393 722</b>	<b>98 152</b>	<b>223 376</b>	<b>196 861</b>	<b>26 515</b>	<b>13%</b>	<b>393 722</b>

NB: NDPG and Rural Asset Management Grants are gazetted as capital and recognised as operational grants under financial performance as per mSCOA classification.

2.3.1 The total operational revenue recognised for the period ended 31 December 2024 amounted to R98 million. The overall collections of total revenue was mainly contributed by the operational grants, sale of goods, rental of facilities and interest received from short term investments.

2.3.2 Transfers and subsidies are made up of conditional grants namely: Rural Asset Management Grant, Financial Management Grant, Expanded Public Works Programme Grant, Fire and Rescue Services Grant, and Neighbourhood Development Partnership Grant. Revenue from these grants is recognised quarterly as the funds are spent in line with stipulated grant conditions.

2.3.3 The interest received was realised from Current and Non-Current Assets amounts to R405 thousand for the month and a total of R2,2 million collected to date. The collections are due to grants received and not yet utilised, however, the funds are made available for withdrawal as and when needed.

2.3.4 Grants are fully disclosed in Table 4. (SC6)

2.3.5 The breakdown of sale of goods and rendering of services for the quarter ended 31 December 2024 is made up from the following sources as presented on the table below:

Item Description	Monthly Income	YTD Income
Sales of Goods and Rendering of Services: Fire Services	557,043	1,355,518
Building Plan Fees	12,026	72,283
Sale of tender documents	5,250	36,902
Health Clearance Certificates	91,981	258,789
Donaldson Dam	-	40,409
<b>TOTAL</b>	<b>666,300</b>	<b>1,763,901</b>

The breakdown of Donaldson Dam revenue as at 31 December 2024 is made up from the following sources as presented on the table below:

Item Description	Monthly Income	YTD Income
Donaldson Dam	-	40,409
<b>TOTAL</b>	-	<b>40,409</b>

The breakdown of Operational Revenue is as follows:

Item Description	Monthly Income	YTD Income
VBS second distribution	14,157,326	14,157,326
Commission - Handing Fees	-	56,626
<b>TOTAL</b>	<b>14,157,326</b>	<b>14,213,975</b>

Table 4: GRANTS RECEIVED FOR THE QUARTER ENDED 31 December 2024

The table for transfers and subsidies received by the municipality as at the quarter ended 31 December 2024

DC48 West Rand - Supporting Table SC6 Monthly Budget Statement - Transfers and Grant Receipts - Q2

Description	Ref	Original Budget	Adjusted budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>RECEIPTS:</b>	1,2								
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>		<b>246 573</b>	-	<b>81 374</b>	<b>185 167</b>	<b>185 542</b>	<b>(375)</b>	<b>0%</b>	<b>246 573</b>
Local Government Equitable Share		53 548	-	-	53 548	53 548	-	0.0%	53 548
RSC Levy Replacement		190 575	-	81 374	129 544	129 544	-	-	190 575
Finance Management		1 200	-	-	1 200	1 200	-	-	1 200
EPWP Incentive		1 250	-	-	875	1 250	(375)	-30.0%	1 250
<b>Provincial Government:</b>		<b>16 668</b>	-	-	<b>7 841</b>	<b>16 668</b>	<b>(5 227)</b>	<b>(0.31)</b>	<b>16 668</b>
Health Subsidy		13 068	-	-	7 841	13 068	(5 227)	-40.0%	13 068
<b>District Municipality:</b>		<b>3 600</b>	-	-	<b>3 600</b>	-	-	-	-
Fire Rescue Services		3 600	-	-	3 600	3 600	-	0.0%	3 600
Disaster management		-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		<b>3 000</b>	-	-	<b>131</b>	<b>1 500</b>	<b>(1 369)</b>	<b>-91%</b>	<b>3 000</b>
LG SETA		3 000	-	-	131	1 500	(1 369)	-91%	3 000
<b>Total Operating Transfers and Grants</b>	5	<b>266 241</b>	-	<b>81 374</b>	<b>196 738</b>	<b>203 710</b>	<b>(6 972)</b>	<b>-3%</b>	<b>266 241</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>		<b>67 278</b>	-	-	<b>25 521</b>	<b>65 823</b>	<b>(40 302)</b>	<b>-61%</b>	<b>67 278</b>
Neighbourhood Development Partnership		64 367	-	-	23 483	64 367	(40 884)	-63.5%	64 367
Rural Roads Asset Management Systems		2 911	-	-	2 038	1 456	583	40.0%	2 911
<b>Total Capital Transfers and Grants</b>	5	<b>67 278</b>	-	-	<b>25 521</b>	<b>65 823</b>	<b>(40 302)</b>	<b>-61%</b>	<b>67 278</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	<b>333 519</b>	-	<b>81 374</b>	<b>222 259</b>	<b>269 533</b>	<b>(47 273)</b>	<b>-18%</b>	<b>333 519</b>

2.3.6 The total year-to-date transfers and subsidies received for the 2024/25 financial year amount to **R222,2 million** which is made up of R196, million and R25,5 million for operational and capital commitments respectively. The grants are the main revenue contributor which is an indication that the municipality is grant dependent while seeking other sources of revenue to maintain financial stability.

2.3.7 The table below presents the total conditional grant transfers and unspent grants as per their conditions:

Grants for the month ended 31 December 2024						
Grants	(A) Gazetted 2024/2025	(B) Roll-over 2024/2025	(C) Received per bank statement 2024/2025	(D) Spent to date 2024/2025	(E) Unspent 2024/2025 (B+C-D)	(F) % Spent to date 2024/2025 (D/C+B)
FMG	1,200,000	-	1,200,000	567,874	632,126	47%
EPWP	1,250,000	-	875,000	534,982	340,018	61%
Health subsidy	13,068,000	-	7,840,800	6,978,312	862,488	89%
Fire & Rescue Services Capital	3,600,000	-	3,600,000	-	3,600,000	0%
Rural Asset Management Grants	2,911,000	-	2,038,000	1,521,671	516,329	75%
Neighbourhood Development Partnership	64,367,000	-	23,483,000	19,000,543	4,482,457	81%
<b>TOTAL "R"</b>	<b>86,396,000</b>	<b>-</b>	<b>39,036,800</b>	<b>28,603,383</b>	<b>10,433,417</b>	

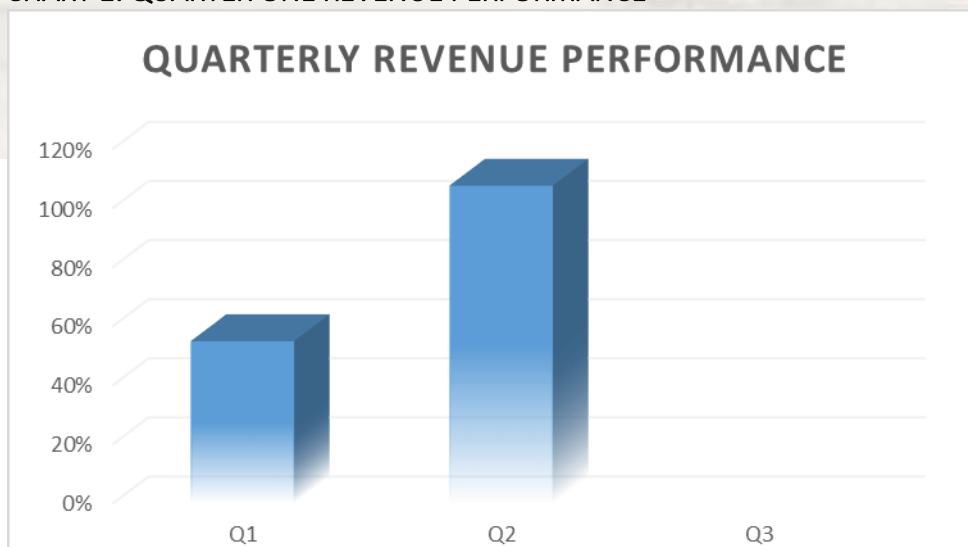
2.3.7.1 The above table depicts year to date conditional grants movement. The municipality has received **R39 million**, which is made up of the 46% of the total conditional grants gazetted during the year.

2.3.7.2 The municipality has received the full gazetted amount for the Financial Management Grant and Fire Services capital grant.

2.3.7.3 The Provincial Government has transferred the Healthy subsidy of 60% of the gazetted amount for HIV/AIDS programme/projects for West Rand Region.

2.3.7.4 In terms of mSCOA reporting classification, revenue recognition for conditional grants is only considered once the expense has been incurred by the municipality (grants spent). In turn, a liability (unspent grants) should be recognised for the particular grant not yet utilised. The unspent grants of R10,4 million are recorded as liability and grants spent to date of R28,6 million be recognised as revenue.

**CHART 1: QUARTER ONE REVENUE PERFORMANCE**



The above chart represents the quarter one revenue % of the total revenue raised as at 31 December 2024

**Table 5: FINANCIAL PERFORMANCE EXPENDITURE BY TYPE**

This table shows expenditure incurred by the municipality for the quarter ended 31 December 2024  
**Gauteng: West Rand (DC48) - Table C4 Monthly Budgeted Financial Performance for period ending (Q2) 31 December 2024**

Description	Ref	Budget year 2024/25							Full Year Forecast
		2023/24 Audited Outcome	Original Budget	Monthly Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	
<b>Expenditure</b>									
Employee related costs	-	214 867	238 454	18 677	112 530	119 227	(6 697)	-6%	238 454
Remuneration of councillors		13 282	14 809	1 080	6 279	7 404	(1 125)	-15%	14 809
Inventory consumed		782	410	45	240	205	35	17%	410
Debt impairment		536	1 731			865	(865)	-100%	1 731
Depreciation and amortisation		5 349	6 594	550	3 139	3 297	(158)	-5%	6 594
Interest		8 851	11 747	40	396	5 873	(5 477)	-93%	11 747
Contracted services		74 084	73 056	8 682	23 567	36 528	(12 961)	-35%	73 056
Transfers and subsidies		12 242	13 068		6 978	6 534	444	7%	13 068
Operational costs		26 543	32 752	6 918	20 977	16 376	4 601	28%	32 752
<b>Total Expenditure</b>		<b>356 535</b>	<b>392 621</b>	<b>35 994</b>	<b>174 106</b>	<b>196 311</b>	<b>(22 204)</b>	<b>-11%</b>	<b>392 621</b>

2.3.8 The total year to date operating expenditure amounts to **R174 million** which represents 44% of the year to date operational budget.

2.3.9 The total employee related costs including councillors' remuneration is 68% of the total budgeted expenditure incurred as at end of December 2024. The major portion of equitable share is utilised for employee costs due to limited revenue streams in the municipality.

2.3.10 The reported year to date interest charges of R40 thousand on overdue account was billed by Rand West City LM for utilities, however the amount will be written off after receiving a credit note on amount paid as per payment arrangement.

2.3.11 The over spending on inventory consumed was due to requisition demand from departments for consumables and other materials including stationery and cleaning materials.

2.3.12 The amount spent on contracted services and other operational expenditure for the quarter are listed are listed below.

The breakdown of contracted services for the period under review is made up of the following sources presented below:

Item Description	Monthly Expenditure	YTD Expenditure
Security Services	400,109	2,139,714
Maintenance of equipment	-	32,533
Maintenance of vehicles	-	245,477
Audit Committee	48,628	295,492
Accounting & Auditing Services	-	156,522
Legal services	753,392	1,623,666
Burial Services	-	46,696
Actuaries	-	26,200
NDPG projects	7,480,289	19,000,543
<b>TOTAL CONTRACTED SERVICES</b>	<b>8,682,418</b>	<b>23,566,843</b>

The breakdown of other expenditure for the quarter ended 31 December 2024 is made up of the following sources presented below:

Item Description	Monthly Expenditure	YTD Expenditure
Bank charges	4,514	20,161
Advertising	16,871	131,562
Communication (Telephone & Cellular)	230,796	629,550
Software licenses	348,678	2,644,087
Professional Bodies Membership Fees	-	9,200
Membership Fees	500,000	1,000,000
Wet fuel	300,000	900,000
External Audit fees	2,000,000	5,481,701
Learnership and Internships	377,857	599,080
Skills Development Fund Levy	156,680	764,564
Insurance	-	1,588,249
Workmen's Compensation Fund	969,609	2,911,627
Travel and Subsistence	9,860	90,240
Vehicle Tracking	-	12,537
Motor Vehicle licence	-	19,427
Municipal Services	2,000,000	4,139,087
Lease – Furniture and equipment	-	31,773
Refund	3,500	3,500
<b>TOTAL OTHER EXPENDITURE</b>	<b>6,918,365</b>	<b>20,976,345</b>

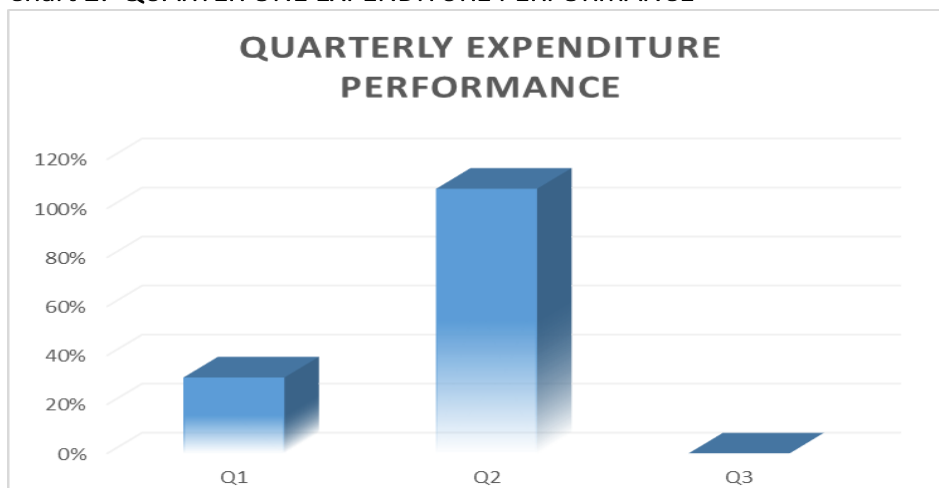
The breakdown of Donaldson Dam expenditure for the quarter ended 31 December 2024 is made up of the following sources presented below:

Item Description	Monthly Expenditure	YTD Expenditure
Employee Cost	30,500	197,825
Security Services	80,022	480,132
<b>TOTAL EXPENDITURE</b>	<b>110,522</b>	<b>677,957</b>

The breakdown of Merafong flora expenditure for the quarter ended 31 December 2024 is made up of the following sources presented below:

Item Description	Quarterly Expenditure	YTD Expenditure
Employee Cost	99,500	631,975
Security Services	80,022	480,132
<b>TOTAL EXPENDITURE</b>	<b>179,522</b>	<b>1,112,107</b>

Chart 2: QUARTER ONE EXPENDITURE PERFORMANCE



The above chart represents the quarter one expenditure % of the total expenditure as at the 31 December 2024.

### 3 DEBTORS AND CREDITORS

#### 3.1 TABLE 6: DEBTORS AGE ANALYSIS – QUARTER ENDED 31 December 2024

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Other	1900	339	121	145	144	147	133	132	4,340	5,502	4,896	-	7,226
<b>Total By Income Source</b>	<b>2000</b>	<b>339</b>	<b>121</b>	<b>145</b>	<b>144</b>	<b>147</b>	<b>133</b>	<b>132</b>	<b>4,340</b>	<b>5,502</b>	<b>4,896</b>	<b>-</b>	<b>7,226</b>
<b>107656.6 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	-	-	-	-	-	-	-	7,226	7,226	7,226	-	7,226
Commercial	2300	339	121	145	144	147	133	132	4,340	5,502	4,896	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>339</b>	<b>121</b>	<b>145</b>	<b>144</b>	<b>147</b>	<b>133</b>	<b>132</b>	<b>11,566</b>	<b>12,728</b>	<b>12,122</b>	<b>-</b>	<b>7,226</b>

3.1.1 Debtors who are 90 days and older for WRDM is **R12,7 million** as at 31 December 2024. The longer an account is outstanding, it imposes high risk of collection to the municipality and can be reviewed as impaired if non-payment status persists, below is a detailed aging analysis per debtor.

**Debtors ageing analysis breakdown**

Debtors Name	Description of services rendered	Total
Adel	Rental	607,163
Adel JUL 2	Rental	1,267,446
Adel JUL 3	Rental	11,676
NYDA	Rental	131,928
Jumbo Liquors	Rental	35,208
Capitec Bank Limited	Rental	315,972
BP South Africa (PTY) LTD	Rental	13,593
United Meat and Chicken	Rental	2,121,840
Department of Health	Rental	234,397
South African Municipal Workers (Vacant)	Rental	678,524
Jumbo Furniture (Vacant)	Rental	198,495
Rand West City Local Municipality	Contributions	1,825,500
Merafong City Local Municipality	Contributions	5,400,000
<b>Total</b>		<b>12,728,447</b>

The status quo in the implementation of the credit control policy is attached as an **Annexure** to the financial report.

**3.2 TABLE 7: CREDITORS AGE ANALYSIS – QUARTER ENDED 31 December 2024**

DC48 West Rand - Supporting Table SC4 Budget Monthly Statement - aged creditors - Q2

Description R thousands	NT Code	Budget Year 2024/25									Total
		0 Days	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>Creditors Age Analysis By Customer Type</b>											
Trade Creditors	0700	-	538	537	581	21 831	-	-	-	-	23 487
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	27 155	-	-	-	-	-	-	37 287	64 442
<b>Total By Customer Type</b>	<b>1000</b>	-	<b>27 693</b>	<b>537</b>	<b>581</b>	<b>21 831</b>	-	-	-	<b>37 287</b>	<b>87 929</b>

3.2.1 The municipality is currently owing the suppliers a total amount of **R23 million** as at 31 December 2024. The trade creditors from the supply of goods and services reflected on the table includes the trade and other payables that are payable in 30 days with no dispute and those that are paid in terms of payments arrangements as indicated from the explanatory tables below.

3.2.2 The other creditors constitute a balance of R64 million includes Human Settlement Grant accumulated from previous financial years, accumulated leave payables to employees and the Department of labour.

3.2.3 The main contribution from the trade creditors are within 120 days. The main creditor being the local municipality for utilities expenses. The total creditors from suppliers contribute 27% and other creditors is 73% towards the creditor's age analysis. Other suppliers are paid timeously, within 30 days as and when there is cash available to meet short term commitments.



- 3.2.4 The municipality has payment arrangements with those creditors that are in arrears to comply with and improve adherence to section 65(2) (e) of the MFMA. The institution is obliged to honour payment arrangement terms as the interest charges will remain suspended. The creditors that are paid in terms of payment arrangements are Rand West CLM and the Department of Labour for compensation fund
- 3.2.5 The creditors from the above table are included in the Statement of Financial Position hence the negative net community wealth and low current ratio.
- 3.2.6 The municipality is honouring the payment arrangements with long outstanding creditors:
- Rand West City LM;
  - SALGA and
  - Department of labour



The breakdown of the creditors' age analysis by customer balance for the quarter ended 31 December 2024 is made up as follows:

Creditor Code 202412	Creditor Name	Description of services rendered	30days	60days	90days	120days	Total
99348	MABOTWANE SECURITY SERVICES CC	Security Services		-	-	177,821	177,821
2077	NOZUKO NXUSANI INCORPORATED	Legal Services	-	-	-	570,025	570,025
99339	PK FINANCIAL CONSULTANTS	VAT review services	-	-	-	320,460	320,460
6857	RAND WEST CLM (DONALDSON)	Municipal Services	-	48,863	48,282	1,510,786	1,607,930
99902	RAND WEST CITY LOCAL MUNICIPAL	Municipal Services	537,736	488,126	532,787	12,760,291	14,318,940
13852	SALGA	Membership fees	-	-	-	6,491,265	6,491,265
<b>Total</b>			<b>537,736</b>	<b>536,989</b>	<b>581,069</b>	<b>21,830,108</b>	<b>23,485,902</b>

3.2.7 Other payables on accruals and deferred income on unspent conditional grants breakdown is presented below:

Creditors (other accrual)	Amount
Leave payable (days not taken)	27,155,332
Human Settlement Grant	30,444,044
Department of Labour – Compensation Fund	6,842,466
<b>Total</b>	<b>64,441,842</b>

Unspent conditional grants	Amount
Neighbourhood Development Partnership Grant	4,482,457
Health Subsidy	862,488
Financial Management Grant	632,126
Expanded Public Works Programmes	340,018
Rural Assets Management Grant	516,326
Fire grant	3,600,00
<b>Total unspent grants</b>	<b>10,433,417</b>

3.2.8 The municipality has a leave payable balance of R27,1 million by 31 December 2024 due to accumulated leave accrued to employees in terms of the main collective agreement. The accumulated leave payables is limited to 48 days per employee.

3.2.9 The municipality's employees are encouraged to take leave to reduce the liability.

3.2.10 The municipality has entered in a payment arrangement with Department of labour to settle the outstanding amount and maintain the current debt.

## 4 CAPITAL EXPENDITURE, REPAIRS AND MAINTENANCE EXPENDITURE

### 4.1. Table 8: Repairs and Maintenance Expenditure (RME) for the quarter ended 31 December 2024

Repairs and Maintenance as per department	Description	2024/25 Original budget	Monthly Expenditure	Year to date actual	YTD budget
Public Safety	Fire Vehicles	729,400.00	-	162,655	364,700,00
Finance	Pool Vehicles	100,000.00	-	69,778	50,000,00
Corporate Services	Computer Equipment	170,000.00	-	-	85,000,00
Corporate Services	Municipal Properties	729,400.00	-	13,044	364,700,00
<b>Total Repairs and Maintenance</b>		<b>1,728,800.00</b>	<b>-</b>	<b>R245,477</b>	<b>864,400</b>

4.1.1 The Repairs and Maintenance expenditure incurred for the year to date actual expenditure of R245 thousand against approved budget.

4.1.2 The repairs and maintenance was mainly budgeted for motor vehicles from public safety department and for municipal properties.

4.1.3 The spending is low compared to the total budgeted amount for the quarter due cash flow challenges. The municipality is funding the repairs and maintenance from its own generated revenue in the current financial year.

4.1.4 The municipality is intending to repair municipal properties which can be more costly using the same budget allocation. Partly, the procurement process for repairs and maintenance of the municipal properties is ongoing.

### 4.2. SUMMARY OF CAPITAL BUDGET

Table 9: CAPITAL BUDGET PERFORMANCE FOR THE QUARTER ENDED 31 December 2024

	2024/25 Approved Original Budget	Actual spend to date (in R and as a % of the Approved Budget)		Pro rata Original Budget to date
	R	R	%	R
EXPENDITURE (Excl. VAT)	4,086,957	154,783	4%	2,043,479
VAT @ 15%	613,043	23,217	-	306,522
<b>EXPENDITURE (Incl. VAT)</b>	<b>4,700,000</b>	<b>178,000</b>	<b>4%</b>	<b>2,350,001</b>

4.2.1. The table below represents the capital expenditure as at 31 December 2024 per functional classification and funding:

**Gauteng: West Rand (DC48) - Table C5 Quarterly Budgeted Capital Expenditure by Functional Classification and Funding for quarter ending 31 December 2024**

Description R thousands	Ref	Budget year 2024/25						
		Original Budget	Q02 Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
<b>Capital Expenditure - Functional</b>								
<i>Municipal governance and administration</i>		1 100	32	178	550	(372)	-68%	1 100
Finance and administration		1 100	32	178	550	(372)	-68%	1 100
<i>Community and public safety</i>		3 600	-	-	1 800	(1 800)	-100%	3 600
Public safety		3 600			1 800	(1 800)	-100%	3 600
<b>Total Capital Expenditure - Functional</b>	3	<b>4 700</b>	<b>32</b>	<b>178</b>	<b>2 350</b>	<b>(2 172)</b>	<b>-168%</b>	<b>4 700</b>
<b>Funded by</b>								
National Government	-	78		47	39	8	20%	78
Provincial Government		3 600			1 800	(1 800)	-100%	3 600
<b>Transfers recognised - capital</b>		<b>3 678</b>	<b>-</b>	<b>47</b>	<b>1 839</b>	<b>(1 792)</b>	<b>-80%</b>	<b>3 678</b>
<b>Internally generated funds</b>		<b>1 022</b>	<b>32</b>	<b>131</b>	<b>511</b>	<b>(380)</b>	<b>-74%</b>	<b>1 022</b>
<b>Total Capital Funding</b>		<b>4 700</b>	<b>32</b>	<b>178</b>	<b>2 350</b>	<b>(2 172)</b>	<b>-92%</b>	<b>4 700</b>

4.2.2. The municipality has a total budget of R4,7 million for capital expenditure with the year to date expenditure of R178 thousand.

4.2.3. The capital expenditure that will be funded by Provincial government is fire services equipment under Public Safety. The computers and ICT equipment will be funded by own revenue generated and grant from the National government. The computer equipment that were acquired as capital assets are computer equipment

4.2.4. The process of purchasing fire equipment is under the procurement process.

## 5. CASH FLOW POSITION

### 5.1. TABLE 10: CASH FLOW – QUARTER ENDED 31 December 2024

#### DC48 West Rand - Table C7 Monthly Budget Statement - Cashflow - Q2

Description	Ref	Budget Year 2024/25							
		2023/24 Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>		352,212	383,072	114,113	270,150	191,536			377,165
Other revenue		5,229	43,646	16,228	21,456	21,823	(367)	-2%	43,646
Government - operating	1	263,183	262,641	97,474	239,853	131,321	108,533	83%	262,641
Government - capital	1	77,488	70,878	-	5,638	35,439	(29,801)	-84%	70,878
Interest		6,312	5,907	410	3,203	2,954	249	8%	-
<b>Payments</b>		(355,327)	(384,296)	(35,994)	(211,861)	(192,148)			(393,365)
Suppliers and employees		(334,233)	(359,481)	(35,994)	(204,883)	(179,741)	(25,143)	14%	(368,550)
Finance charges		(8,851)	(11,747)	-	-	(5,874)	5,874	-100%	(11,747)
Transfers and Grants		(12,242)	(13,068)	-	(6,978)	(6,534)	(444)	7%	(13,068)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(3,114)</b>	<b>(1,224)</b>	<b>78,119</b>	<b>58,288</b>	<b>(612)</b>	<b>58,900</b>	<b>(0)</b>	<b>(16,200)</b>
<b>Payments</b>									
Capital assets		(5,796)	(4,700)	-	(146)	(2,350)	2,204	-94%	(4,700)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(5,796)</b>	<b>(4,700)</b>	<b>-</b>	<b>(146)</b>	<b>(2,350)</b>	<b>2,204</b>	<b>(0)</b>	<b>(4,700)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(8,910)</b>	<b>(5,924)</b>	<b>78,119</b>	<b>58,142</b>				
Cash/cash equivalents at beginning:	2	18,526	3,117	9,615	9,585				3,117
Cash/cash equivalents at month/year end:	2	9,615	(2,807)		67,728				(2,807)

### 5.2. TABLE 11: FREE CASH FLOW ANALYSIS

Total Application of cash and investments:	Closing balance (R '000)
WRDM ( FNB transactional account)	323,636
WRDM ( Standard bank transactional accounts)	49,776
Call Account Investment – WRDM (Standard bank)	46,845
Call Account Investment – WRDM (FNB)	509,673
Standard bank Fixed Deposit Account	20,000
<b>Total cash available</b>	<b>67,728</b>
Unspent conditional grants	(10,433)
<b>Free cash flow surplus</b>	<b>57,295</b>
<b>Commitments</b>	<b>(42,500)</b>
January 2025	(21,400)
February 2025	(21,100)
<b>Cash flow Surplus by 28 February 2025</b>	<b>14,795</b>

5.2.1. A summary of the cash flow statement as at end of December 2024 is reflected in the table above with the closing balance of R67,7 million.

5.2.2. The additional table for cash flow analysis indicates the affordability status and confirms that the municipality is partially relieved for the next two months due to funds recovered from the impaired investment (VBS) during the month of December 2024.

5.2.3. The municipality will remain with a surplus of R14 million after deducting unspent conditional grants and commitments. It will assist the municipality to sustain its normal operations for the remaining months before receiving a third trench of equitable share.

5.2.4. The municipality has not received all the grant as they were gazetted which will assist in running daily operations and honour commitments in the current financial year.

**5.3. TABLE 12: SHORT TERM INVESTMENT AND RESERVE FOR THE QUARTER ENDED 31 December 2024**

DC48 West Rand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q2

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commissi on Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>R thousands</b>														
<b>Municipality</b>														
FNB Call Account		N/A	Call account	Yes	Fixed					506	3	-	-	509
Standardbank Fixed Deposit		1 months	Fixed Deposit	Yes	Fixed					20,000	-	-	-	20,000
Standardbank Call Account		N/A	Call account	Yes	Fixed					4,579	406	(56,084)	97,944	46,844
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>									<b>25,086</b>	<b>408</b>	<b>(56,084)</b>	<b>97,944</b>	<b>67,354</b>

5.3.1. During the quarter ended 31 December 2024, withdrawals of R56 million were made from the Standard Bank and FNB Call Accounts for operational expenditure. The call account type is available on demand while ring-fencing conditional grants



## 6. FINANCIAL POSITION

### 6.1 TABLE 13: FINANCIAL POSITION FOR THE QUARTER ENDED 31 December 2024

DC48 West Rand - Table C6 Monthly Budget Statement - Financial Position - Q2

Description	Ref	2023/24	Budget year 2024/25		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1				
<b>ASSETS</b>					
<b>Current assets</b>					
Cash		2 948	18 526	373	18 526
Call investment deposits		6 668	–	67 354	–
Investment		–	–	–	–
Consumer debtors		4 100	4 431	12 825	4 431
Inventory		283	238	171	238
<b>Total current assets</b>		<b>13 998</b>	<b>23 195</b>	<b>80 723</b>	<b>23 195</b>
<b>Non current assets</b>					
Investment property		9 200	9 200	9 200	9 200
Property, plant and equipment		60 077	59 631	59 631	59 631
Biological		78	162	162	162
<b>Total non current assets</b>		<b>69 355</b>	<b>68 993</b>	<b>68 993</b>	<b>68 993</b>
<b>TOTAL ASSETS</b>		<b>83 354</b>	<b>92 188</b>	<b>149 716</b>	<b>92 188</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Unspent Conditional Grants		–	15 408	10 433	15 408
Transfers payables		33 034	–	–	–
Vat payable		1 706	1 977	1 706	1 977
Employee Benefit Obligation		2 448	–	2 448	–
Trade and other payables		66 533	100 058	87 928	100 058
Provisions		12 746	14 744	12 746	14 744
<b>Total current liabilities</b>		<b>116 466</b>	<b>132 187</b>	<b>115 261</b>	<b>132 187</b>
<b>Non current liabilities</b>					
Employee benefit obligation		50 428	–	50 428	–
Provisions		28 382	73 890	28 382	73 890
<b>Total non current liabilities</b>		<b>78 810</b>	<b>73 890</b>	<b>78 810</b>	<b>73 890</b>
<b>TOTAL LIABILITIES</b>		<b>195 276</b>	<b>206 077</b>	<b>194 071</b>	<b>206 077</b>
<b>NET ASSETS</b>	2	<b>(111 922)</b>	<b>(113 889)</b>	<b>(44 354)</b>	<b>206 077</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)		(111 922)	(113 889)	(44 354)	(113 889)
Reserves		–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>(111 922)</b>	<b>(113 889)</b>	<b>(44 354)</b>	<b>(113 889)</b>

The following table sets out consolidated financial performance indicators of the municipality:

Number	Description	Basis of calculation	YTD 2024/25
1	Current ratio	Current assets/ Current liabilities	0,70:1
2	Liquidity ratio	(Current assets – Inventory)/ Current liabilities	0,70:1
3	Working capital	Current assets – Current liabilities	(34,538) million

The **current ratio** is a financial ratio that measures whether or not the municipality has enough resources to pay its debts over the next 12 quarters. It compares the municipality’s current assets to its current liabilities with a standard norm of 1.5 and 3. The ratio of 0,70:1 shows that the municipality’s ability to meet its short term obligation for the reporting period is slightly below the norm. This ratio will vary from quarter to quarter and it expected to decrease due to nature of municipal revenue sources.

**Liquidity ratios** attempt to measure the municipality's ability to pay off its short-term debt obligations. This is done by comparing the municipality's most liquid assets (or, those that can be easily converted to cash), to its short-term liabilities. The ratio of 0,70:1 shows that the municipality will partially be able to meet its current obligations within the period of one quarter.

**Working Capital** is a measure of both the municipality's efficiency and its short-term financial health. Working capital is calculated as: Working Capital = Current Assets - Current Liabilities.

## 7. The key summary of the financial risks associated with the financial performance to date

- a. The current ratio is at 0,70:1 which is below the standard norm of 1.5 and 3.
- b. The salary bill for the month is at 68% of the total expenditure which higher than the standard norm of 25% to 45% of the total expenditure
- c. Long outstanding debtors.
- d. The annual inflation increase is 4.9% against the equitable share annual increase of 2.3%
- e. Limited revenue streams to change financial the status of the unfunded budget to funded budget.

## 8. STAFF EXPENDITURE REPORT

The staff expenditure report is submitted in terms of section 66 of the Municipal Finance Management Act, which states that the accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely-

- (a) Salaries and wages;
- (b) Contributions for pensions and medical aid;
- (c) Travel, motor car, accommodation, subsistence and other allowances;
- (d) Housing benefits and allowances;
- (e) Overtime payments;
- (f) Any other type of benefit or allowance related to staff



a. KEY DATA: HUMAN RESOURCES

Details	Annual Budget	YTD 2024/2025
Employee costs as % of total expenditure	65%	79%
Number of permanent employees	362	341
Number of temporary employees	50	18

b. TABLE 14: COUNCILLORS AND STAFF BENEFITS

DC48 West Rand - Supporting Table SC8 Monthly Budget Statement - Councillor and Staff Benefits - Q2

Summary of Employee and Councillor remuneration	Ref	Budget year 2024/25						
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
	1	B						D
<b>Councillors (Political Office Bearers plus Other)</b>								
Basic Salaries and Wages		11 120	866	5 212	5 560	(348)	-6%	11 120
Motor Vehicle Allowance		2 138	184	918	1 069	(151)	-14%	2 138
Cellphone Allowance		1 551	30	149	776	(627)	-81%	1 551
<b>Sub Total - Councillors</b>		<b>14 809</b>	<b>1 080</b>	<b>6 279</b>	<b>7 405</b>	<b>(1 126)</b>	<b>-15%</b>	<b>14 809</b>
% increase	4							
<b>Senior Managers of the Municipality</b>								
Basic Salaries and Wages	3	7 488	503	3 018	3 744	(726)	-19%	7 488
Motor Vehicle Allowance		798	-	-	399	(399)	-100%	
Other benefits and allowances		477	-	2	239	(237)	-99%	477
<b>Sub Total - Senior Managers of Municipality</b>		<b>8 763</b>	<b>503</b>	<b>3 020</b>	<b>4 381</b>	<b>(1 362)</b>	<b>-31%</b>	<b>7 965</b>
% increase	4	26.4%						14.9%
<b>Other Municipal Staff</b>								
Basic Salaries and Wages		150 085	13 373	72 589	75 043	(2 454)	-3%	150 085
Pension and UIF Contributions		30 698	2 208	13 046	15 349	(2 303)	-15%	30 698
Medical Aid Contributions		13 696	1 120	5 648	6 848	(1 200)	-18%	13 696
Overtime		9 072	392	3 526	4 536	(1 010)	-22%	9 072
Performance Bonus		10 404	358	6 345	5 202	1 143	22%	10 404
Motor Vehicle Allowance		11 004	571	7 402	5 502	1 900	35%	11 004
Cellphone Allowance		17	1	6	8	(2)	-28%	17
Housing Allowances		1 232	61	404	616	(212)	-34%	1 232
Other benefits and allowances		3 481	50	367	1 740	(1 373)	-79%	3 481
Payments in lieu of leave		4	39	177	2	175	8576%	4
<b>Sub Total - Other Municipal Staff</b>		<b>229 691</b>	<b>18 173</b>	<b>109 510</b>	<b>114 846</b>	<b>(5 336)</b>	<b>-5%</b>	<b>229 691</b>
% increase	4	13.5%						13.5%
<b>Total Parent Municipality</b>		<b>253 263</b>	<b>19 756</b>	<b>118 809</b>	<b>126 631</b>	<b>(7 823)</b>	<b>-6%</b>	<b>252 465</b>

**Table 15: COUNCILLORS REMUNERATION**

MONTHLY COUNCILLOR								
requested to submit a completed schedule								
<b>DECLARATION: The Municipal Manager (or a delegate) is required to certify the correctness and accuracy of information provided in this report.</b>								
Municipal Name:	West Rand DM			Mun Code		DC48		
Municipal Grading	Grade 4			Financial Year:		2024/25		
Reporting Month:	December			Total Number of Councillors:		44		
Contact Person:	Sam Ramaele			Telephone:		011 411 5010		
E-Mail Address:	<a href="mailto:sramaele@wr-dm.gov.za">sramaele@wr-dm.gov.za</a>			Fax:				
Description	No. of Councillors	A. Basic salary	B. Cellphone and data allowances	C. Sitting allowances	D. Travelling expenses	E. Special risk insurance	F. Other benefits and allowances	F. Total monthly expenditure
<b>Municipal Councillors: Full-Time</b>								
Executive Mayor	1	59,728.18	3,917.00	-	19,909.40	-	-	83,554.58
Speaker	1	34,189.50	2,117.00	-	-	-	-	36,306.50
Member of Mayoral Committee	8	369,675.09	27,736.00	-	53,427.59	-	-	450,838.68
Chief Whips	1	59,728.17	3,917.00	-	-	-	-	63,645.17
Chairperson of Section 79 Committees	1	57,976.00	3,917.00	-	-	-	-	61,893.00
<b>Municipal Councillors: Part-Time</b>								
Councillors	33	182,716.91	83,944.00	73,129.00	44,104.06	-	-	383,893.97
<b>TOTAL</b>		<b>764,013.85</b>	<b>125,548.00</b>	<b>73,129.00</b>	<b>117,441.05</b>	<b>-</b>	<b>-</b>	<b>1,080,131.90</b>
<b>Comments:</b>								
Municipal Manager :	ME Koloi				Date:	12/31/2024		



**Table 17: WITHDRAWAL STATEMENT**  
**WITHDRAWAL STATEMENT FOR THE QUARTER ENDED 31 December 2024**

Primary bank account refers to any banks account as defined in terms of Section 8 of the MFMA.

	Consolidated	Bank 1	Bank 4	Primary Bank Account	Bank 2	Bank 3
Bank:		First National Bank (WRDM)	First National Bank - Call Account (WRDM)	Standard Bank (WRDM)	Standard Bank Fixed Investment (WRDM)	Standard Bank Call Account (WRDM)
Account number:		622777660872	62835844334	21307350	658833952	658833952
Bank reconciliation/s compiled and attached		Yes	-	Yes	-	-
Month:(End of Quarter)	December	December	December	December	December	December
Opening cash book balance at beginning of quarter	25,281,750	182,773	506,404	13,244	20,000,000	4,579,329
Add Receipts for quarter	232,472,626	141,233	3,269	133,978,593	-	98,349,531
Less Payments for quarter	-190,026,818	-371	-	-133,942,060	-	-56,084,387
<b>Closing cash book balance at end of quarter</b>	<b>67,727,557</b>	<b>323,636</b>	<b>509,673</b>	<b>49,776</b>	<b>20,000,000</b>	<b>46,844,473</b>
GL Account Balance						
Payments for the month	-190,026,818	-371	-	-133,942,060	-	-56,084,387
Recoveries from Employees / Suppliers (Amount to be entered as negative)	-	-	-	-	-	-
Non cash items (for the period)	-	-	-	-	-	-
Commitments (for the period)	-	-	-	-	-	-
Input VAT (for the period) (Amount to be entered as negative)	-	-	-	-	-	-
Accruals at end of month	-	-	-	-	-	-
Accruals at beginning of month (Amount to be entered as negative)	-	-	-	-	-	-
<b>Total</b>	<b>-190,026,818</b>	<b>-371</b>	<b>-</b>	<b>-133,942,060</b>	<b>-</b>	<b>-56,084,387</b>
Actual capital expenditure for the quarter	-	-	-	-	-	-
Actual operating expenditure for the quarter	-190,026,818	-371	-	-133,942,060	-	-56,084,387
Section 11(4) expenditure	-	-	-	-	-	-
<b>Total</b>	<b>-190,026,818</b>	<b>-371</b>	<b>-</b>	<b>-133,942,060</b>	<b>-</b>	<b>-56,084,387</b>

## 9. Adjustment Budget overview 2024/25

- 9.1 The municipality is anticipating to table adjustment budget to council by 28 February 2024 to revise under/over budgeted expenditure and revenue.
- 9.2 The adjustments on overall year to date revenue will be considered based on the amount collected from the past six months, though the municipality have limited revenue streams as it depends on grant and transfers with 90%. This might have a negative impact on adjustment budget status.
- 9.3 The employee related to date is a major expenditure with 72% of the total expenditure to date (excluding NDPG programmes) which is above the norm of 25% to 40%, however the projections are in line with year to date expenditure. The interest charged on employee benefit emanating from actuarial valuations will be included in the adjustments.
- 9.4 The second distribution recovered on impaired investment to be adjusted on revenue collected.
- 9.5 To consider adjustments on rental income due to the implementation of market related charges on residential accommodation that is occupied by municipal employees.
- 9.6 The repairs and maintenance on properties will be revised upwards due current state of the municipal building.

**9.7 MSCOA reporting**

The data strings misalignment and errors from the original budget will be corrected during the adjustment budget.

The mscoa advisor is providing mscoa trainings and data analysis report on a monthly basis. The municipality is currently comparing the errors from GPT report against transaction from the system.

**10. CONCLUSION**

Taking all of the above into account, it is recommended that an adjustment budget in terms of MFMA Section 28 for the 2024/25 MTREF should be considered and compiled for submission to the Municipal Council by 28 February 2025





**2024/25**  
**MID-YEAR**  
**NON-FINANCIAL**  
**PERFORMANCE**  
**REPORT**

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## **1. INTRODUCTION**

In complying with Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year.

A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury. Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.

The Mayor approved the Service Delivery and Budget Implementation Plan (SDBIP) for 2024/2025 in terms of Section 53(1)(c)(ii) of the MFMA, MFMA Circular No.13 and the Municipal Budget and Reporting Regulation which include the Municipality's key performance indicators (KPIs) for 2024/25. It is worth mentioning that the SDBIP 2024/25 was approved by Mayor on 24 June 2024.



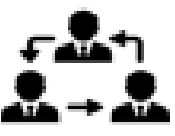


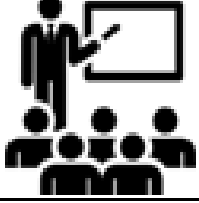








## **2. PURPOSE**

The purpose of this report is to outline the 2024/25 mid - year institutional performance of West Rand District Municipality. This report contains information which is based on the SDBIP formulated for the financial year 2024/25 service delivery performance assessment. The report was compiled using first and second quarter audited performance information.

## **3. OVERVIEW**

The Quarterly Performance Report contains information received from each department for the first quarter assessment of performance ending 30 September 2024 and focuses on the implementation of the SDBIP, in relation to regional outcomes defined in the Integrated Development Plan (IDP) of the municipality for the year under review.

This report reflects the actual performance of the municipality, measured against the indicators and performance targets of the IDP and SDBIP for 2023/2024. The report format reflects the District's Key Performance Indicators (KPI) by regional outcomes. Each regional outcome has a set of KPIs that the WRDM has used to ensure a more focused approach on the achievement of the development priorities. Below are the regional outcomes:

	Regional Outcome 1 <i>Basic Service Delivery Improvement</i>		Regional Outcome 2 <i>Accountable Municipal Administration</i>
	Regional Outcome 3 <i>Skilled, Capacitated, Competent and Motivated Workforce</i>		Regional Outcome 4 <i>Ethical Administration and Good Governance</i>
	Regional Outcome 5 <i>Safe Communities</i>		Regional Outcome 6 <i>Educated Communities</i>
	Regional Outcome 7 <i>Healthy Communities</i>		Regional Outcome 8 <i>Sustainable Environment</i>
	Regional Outcome 9 <i>Build Spatially Integrated Communities</i>		Regional Outcome 10 <i>Socially Cohesive Communities</i>
	Regional Outcome 11 <i>Reduced Unemployment</i>		Regional Outcome 12 <i>Economic Development</i>
	Regional Outcome 13 <i>Robust Financial Administration</i>		Regional Outcome 14 <i>Institutional Planning and Transformation</i>



## **ALIGNMENT OF THE KEY PERFORMANCE AREA WITH THE WEST RAND REGIONAL OUTCOMES**

<b>KEY PERFORMANCE AREA</b>	<b>WEST RAND REGIONAL OUTCOMES</b>
<b>KPA 1:</b>	<b>Outcomes 1/5/6/7/10</b>
<b>1. Basic Services Delivery and Infrastructure Development</b>	<b>1. Basic Service Delivery Improvement</b>
	<b>5. Safe Communities</b>
	<b>6. Educated Communities</b>
	<b>7. Healthy Communities</b>
	<b>10. Socially Cohesive Communities</b>
<b>KPA 2:</b>	<b>Outcomes 13</b>
<b>2. Municipal Financial Viability and Management</b>	<b>13. Robust financial administration</b>
<b>KPA 3:</b>	<b>Outcomes 11 &amp; 12</b>
<b>3. Local Economic Development</b>	<b>11. Reduced Unemployment</b>
	<b>12. Economic Development</b>
<b>KPA 4:</b>	<b>Outcome 3 &amp; 14 :</b>
<b>4. Municipal Institutional Development and Transformation</b>	<b>3. Skilled, Capacitated, Competent and Motivated Workforce</b>
	<b>14. Institutional planning and transformation</b>
<b>KPA 5:</b>	<b>Outcomes : 2 &amp; 4</b>
<b>5. Good Governance and Public Participation</b>	<b>2. Accountability Municipal Administration</b>
	<b>4. Ethical Administration and Good governance</b>
<b>KPA 6:</b>	<b>Outcomes : 8 &amp; 9</b>
<b>6. Spatial Rationale</b>	<b>8. Sustainable Environment</b>
	<b>9. Build Spatially Integrated Communities</b>

#### 4. VISION, MISSION AND CORE VALUES

##### VISION:

Integrating District Governance to achieve a better life for all.

##### MISSION:

To provide an integrated and excellent developmental district governance system in the West Rand.

##### SLOGAN:

**Green** is the new **Gold**

##### CORE VALUES

- ✚ Service excellence;
- ✚ Pride;
- ✚ Integrity;
- ✚ Responsibility;
- ✚ Transparency;
- ✚ Accountability;
- ✚ Innovation; and
- ✚ Teamwork

#### 5. LEGISLATIVE FRAMEWORK

Section 72 (1) of the MFMA requires the accounting officer to prepare and submit a report on the performance of the municipality during the first half of the financial year. The report must be submitted to the Mayor, National Treasury as well as the relevant Provincial Treasury. As with all other reports this is a crucial report for the Council to consider Mid – year performance and what adjustments should be made if necessary.

In terms of Section 72 (1) of the MFMA, the accounting officer of a Municipality must by 25 January of each year;

- (a) assess the performance of the municipality during the first half of the financial year, taking into account-
  - (i) the monthly statements referred to in section 71 for the first half of the financial year;

- (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and the performance indicators set in the service delivery and budget implementation plan;
  - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
  - (iv) the performance of every municipal entity under the sole and shared control of the municipality, taking into account report in terms of section 88 from any such entity; and
- (b) submit a report on such assessment to-
    - (i) the Mayor of the municipality
    - (ii) the National Treasury; and
    - (iii) the relevant Provincial Treasury

Thereafter, the mayor must, in terms of Section 54 (1)-

- (a) consider the report
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustment budget;
- (d) issue any appropriate instructions to the accounting officer to ensure-
  - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
  - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) submit the report to the council by 31 January of each year.

## **6. STATUS OF PERFORMANCE INFORMATION AGAINST INDICATORS AND TARGETS**

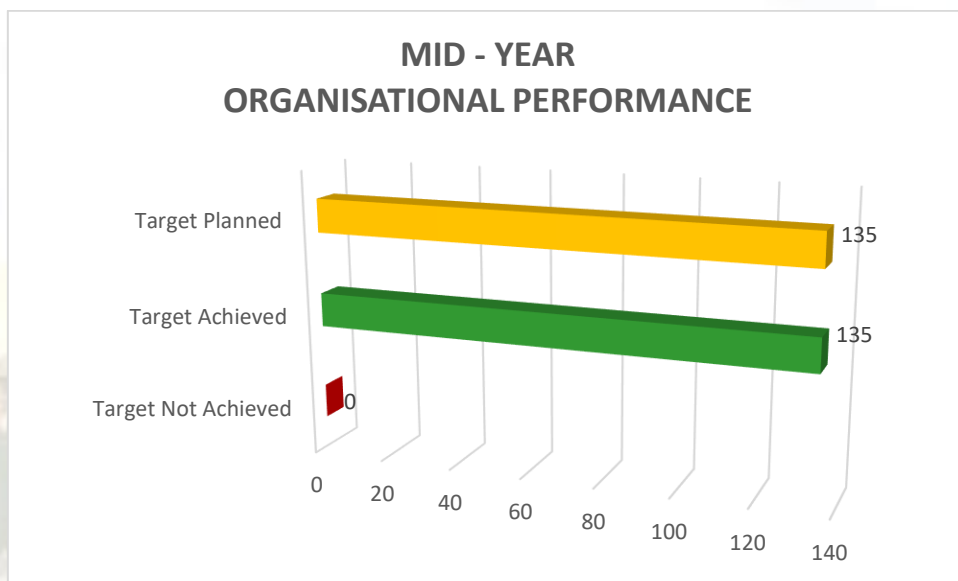
The Executive Mayor, approved the 2024/25 SDBIP on 24 June 2025, which includes key performance indicators and targets for the financial year under review.

In order to comply with MFMA Section 72 and the Municipal Budget and Reporting Regulations (Regulation 33 – 35) the Division, Regional Planning and Performance Management performed a mid-year (term) assessment, which consolidated Quarter one (1) and two (2) of the 2024/25 financial year into a mid-year (term) assessment report.

The approved SDBIP for the 2024/25 financial year comprised of 161 performance indicators. Of the 161 indicators on the approved SDBIP, a total of 135 performance indicators were due for reporting at the end of midterm of the 2024/25 financial year.

At this stage, the information used to develop the report or the reported actual performance against the targets are quarter 1 and quarter 2 that only quarter 1 is internally audited. Performance on these 135 indicators were recorded as follows:

All the targets were achieved and that translated to 100% achievement.



Based on the table above the municipality's performance has improved as compared to the previous year.

Detailed below, are the achievement for the first half of the financial year ending 31 December 2024, which measures the various departments in alignment with the fourteen regional outcomes as well as overall performance of the municipality.

<b>REGIONAL OUTCOMES</b>	<b>PLANNED TARGETS FOR MID-YEAR</b>	<b>ACHIEVED TARGETS FOR MID-YEAR</b>	<b>NOT ACHIEVED TARGETS FOR MID-YEAR</b>
Regional Outcome 1: Basic Service Delivery Improvement	<b>4</b>	4	0
Regional Outcome 2: Accountable Municipal Administration	<b>5</b>	5	0
Regional Outcome 3: Skilled, capacitated, competent and motivated workplace	<b>9</b>	9	0
Regional Outcome 4: Ethical administration and good governance	<b>10</b>	10	0
Regional Outcome 5: Safe Communities	<b>29</b>	29	0
Regional Outcome 6: Educated Communities	<b>4</b>	4	0
Regional Outcome 7: Healthy Communities	<b>18</b>	18	0
Regional Outcome 8: Sustainable Environment	<b>7</b>	7	0
Regional Outcome 9: Build Spatially Integrated Communities	<b>4</b>	4	0
Regional Outcome 10: Social Cohesive Communities	<b>4</b>	4	0
Regional Outcome 11: Reduce Unemployment	<b>3</b>	3	0
Regional Outcome 12: Economic Development	<b>6</b>	6	0
Regional Outcome 13: Robust Financial Administration	<b>17</b>	17	0
Regional Outcome 14: Institutional Planning and Transformation	<b>15</b>	15	0
<b>TOTAL</b>	<b>135</b>	<b>135</b>	<b>0</b>

	<b>Annual Planned targets</b>	<b>Not applicable for Midterm</b>	<b>Mid – term Planned targets</b>	<b>Achieved</b>	<b>Not Achieved</b>	<b>Achievement % Performance Midterm</b>
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#### **BASIC SERVICES DELIVERY**

Outcome 1: Basic Service Delivery Improvement	4	0	4	4	0	100
Outcome 5: Safe Communities	32	3	29	29	0	100
Outcome 6: Educated Communities	4	0	4	4	0	100
Outcome 7: Healthy Communities	19	1	18	18	0	100
Outcome 10: Social Cohesive Communities	4	0	4	4	0	100
	<b>63</b>	<b>4</b>	<b>59</b>	<b>59</b>	<b>0</b>	<b>100</b>

#### **MUNICIPAL INSTITUTIONAL DEVELOPMENT & TRANSFORMATION**

Outcome 3: Skilled, capacitated, competent and motivated workplace	13	4	9	9	0	100
Outcome 14: Institutional Planning and Transformation	21	6	15	15	0	100
	<b>34</b>	<b>10</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>100</b>

#### **LOCAL ECONOMIC DEVELOPMENT**

Outcome 11: Reduce Unemployment	3	0	3	3	0	100
Outcome 12: Economic Development	6	0	6	6	0	100
	<b>9</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>100</b>

#### **MUNICIPAL FINANCE**

Outcome 13: Robust Financial Administration	25	8	17	17	1	100
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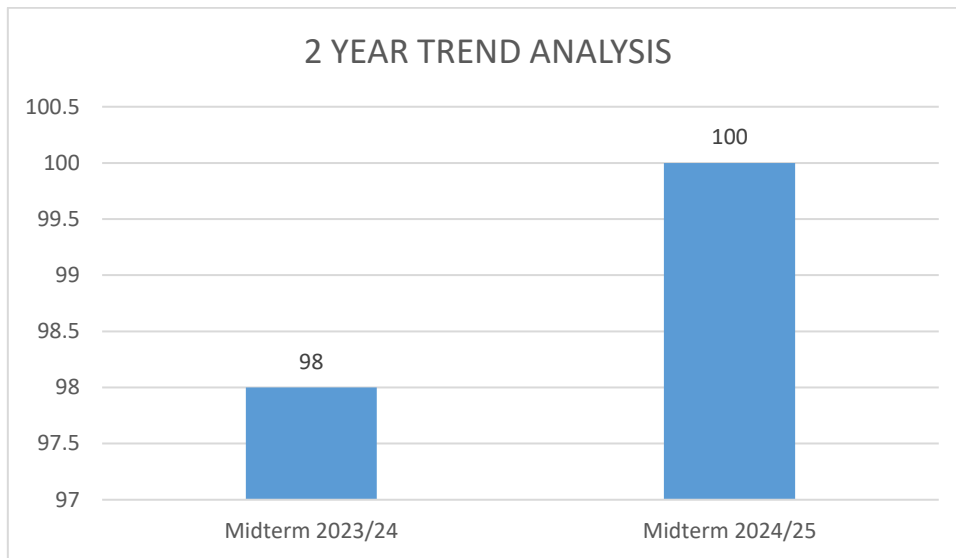
#### **GOOD GOVERNANCE & PUBLIC PARTICIPATION**

Outcome 2: Accountable Municipal Administration	5	0	5	5	0	100
Outcome 4: Ethical administration and good governance	12	2	10	10	0	100
	<b>17</b>	<b>2</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>100</b>

#### **INTERGRATED SPATIAL DEVELOPMENT FRAMEWORK**

Outcome 8: Sustainable Environment	7	0	7	7	0	100
Outcome 9: Build Spatially Integrated Communities	6	2	4	4	0	100
	<b>13</b>	<b>2</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>100</b>
<b>TOTAL</b>	<b>161</b>	<b>26</b>	<b>135</b>	<b>135</b>	<b>0</b>	<b>100</b>

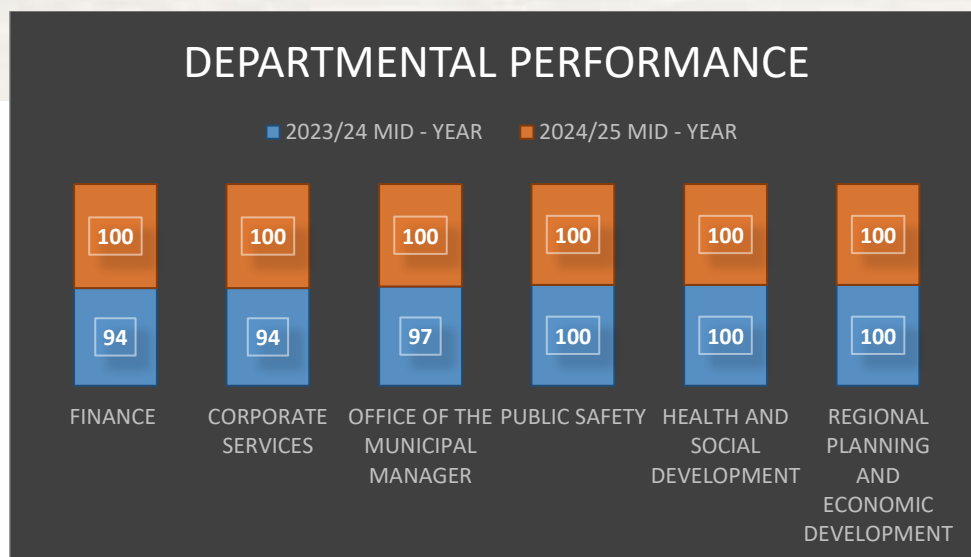
## 7. TREND ANALYSIS



According to the preceding graph, there was movement since the performance achievement was 2% higher than it was in the previous financial year.

## 8. DEPARTMENTAL PERFORMANCE PER OUTCOME

The municipality's performance is measured in line with the six (6) key performance areas of local government, which are service delivery, institutional planning and transformation, local economic development, financial viability; and good governance and public participation. Against this, below is a graph that outlines municipal performance as per municipal departments over the first half of the 2024/25 financial year ending 31 December 2024.



<b>DEPARTMENTS</b>	<b>REGIONAL OUTCOME</b>	<b>STATUS</b>
Regional Planning and Economic Development	1, 9, 11, 12	Maintained 100%
Health and Social Development	6, 7,8,10	Maintained 100%
Public safety	5	Maintained 100%
Finance	13	Improved by 6% from 94% to 100%
Corporate Services	3, 14	Improved by 6% from 94% to 100%
Office of the municipal manager	2,4,14	Improved by 3% from 97% to 100%

## **9. ADJUSTMENT CONSIDERATIONS**

A revised SDBIP will be submitted with the Adjustment Budget to Council by 28 February 2005 with the necessary motivation where key performance indicators require adjustment / amendments as a results of the Adjustment Budget.

## **10. SUMMARY**

Annexure A is the unaudited SDBIP report for the first half of the financial year 2024/25 ending 31 December 2024, which measures West Rand District Municipality overall performance per key performance areas. The report, furthermore, includes the performance actuals, variance and the corrective measures indicated for targets not achieved or overachieved.

## **11. RECOMMENDATIONS:**

- 11.1 That the 2024/25 Mid-Year Performance Assessment be noted
- 11.2 That the Mid-Year Performance Assessment submitted in terms of section 72 of Municipal Finance Management Act (Act 56 of 2003) be noted for onward submission to National and Provincial Treasury.
- 11.3 That the SDBIP be reviewed in line the adjustment budget.
- 11.4 That the Budget and SDBIP's be re-aligned to the organizational structure in terms of powers and functions in the 2024/25 financial year, to ensure improved high level reporting aligned to the budget;



11.5 That revision on the SDBIP's forming part of the Mid-Year Assessments (where applicable) be approved, and Performance Agreements of section 54/56 employees be amended accordingly.

**M.E KOLOI: MUNICIPAL MANAGER**

SIGNATURE:

DATE:

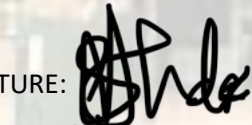


24/1/25

**ALD. D.S. THABE: EXECUTIVE MAYOR**

SIGNATURE:

DATE:



24/1/25

