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Notice is hereby given, in terms of Section 19(b) of the Local Government: Municipal Systems Act, 32 of 2000 as amended, that a **SPECIAL MEETING** of the **MUNICIPAL COUNCIL** of Knysna Municipality will be held in the Council Chambers **on FRIDAY, 25 AUGUST 2023** at **11:00** to consider the business set forth in the attached agenda.

Kennis geskied hiermee as gevolg van Artikel 19(b) van die Plaaslike Regering : Munisipale Stelsels Wet, 32 van 2000, dat 'n **SPESIALE VERGADERING** van die **MUNISIPALE RAAD** van Knysna Munisipaliteit in die Munisipale Raadsaal op **VRYDAG, 25 AUGUSTUS 2023** om **11:00** gehou sal word ten einde sake soos uiteengesit in die aangehegte agenda te oorweeg.

Ibhunga lika**MASIPALA** waseKnysna Iazisa ngomthetho okwisolotya 19(b) wenkqubo mgaqo olawula oMasipala, 32 of 2000, njengoko utshintshiwe, **NGENTLANGANISO EKHETHEKILEYO** ye**BHUNGA** lika**MASIPALA** waseKnysna eyakubanjelwa **NGOLWESIHLANU, NGOMHLA WE 25 EYETHUPHA 2023** ngentsimbi ye **11:00** umba iyakuba lushishino oluchazwe kwi-agenda.

<u>CLLR MD SKOSANA</u>	<u>MR OP SEBOLA</u>
The Speaker	Municipal Manager
Die Speaker	Munisipale Bestuurder
Usomlomo	uManejala kaMasipala

<u>Date : 22 August 2023</u>

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6.1

SC01/08/23 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE FOR THE 2021/2022 FINANCIAL YEAR

REPORT FROM THE ACTING DIRECTOR : FINANCIAL SERVICES

PURPOSE OF THE REPORT

To present to Council the Unauthorised, Irregular, Fruitless and Wasteful expenditure disclosed in the final Annual Financial Statements (AFS) for the 2021/2022 Financial Year.

BACKGROUND

Section 32 of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) on unauthorised, irregular or fruitless and wasteful expenditure determines:

"(1) Without limiting liability in terms of the common law or other legislation—

(a) a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;

(b) the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);

(c) any political office-bearer or official of a municipality who deliberately or negligently committed, made or authorised an irregular expenditure, is liable for that expenditure; or

(d) any political office-bearer or official of a municipality who deliberately or negligently made or authorised a fruitless and wasteful expenditure is liable for that expenditure.

(2) A municipality must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure—

(a) in the case of unauthorised expenditure, is—
(i) authorised in an adjustments budget; or
(ii) certified by the municipal council, after investigation by a council committee, as irrecoverable and written off by the council; and

(b) in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.

(3) If the accounting officer becomes aware that the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, the accounting officer is not liable for any ensuing unauthorised, irregular or fruitless and wasteful expenditure provided that the accounting officer has informed the council, the mayor or the executive committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure.

(4) The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of—

(a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;

(b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and

(c) the steps that have been taken—
(i) to recover or rectify such expenditure; and
(ii) to prevent a recurrence of such expenditure.

(5) The writing off in terms of subsection (2) of any unauthorised, irregular or fruitless and wasteful expenditure as irrecoverable, is no excuse in criminal or disciplinary proceedings against a person charged with the commission of an offence or a breach of this Act relating to such unauthorised, irregular or fruitless and wasteful expenditure.

(6) The accounting officer must report to the South African Police Service all cases of alleged—

(a) irregular expenditure that constitute a criminal offence; and

(b) theft and fraud that occurred in the municipality.

(7) The council of a municipality must take all reasonable steps to ensure that all cases referred to in subsection (6) are reported to the South African Police Service if—

(a) the charge is against the accounting officer; or

(b) the accounting officer fails to comply with that subsection.

(8) The Minister, acting with the concurrence of the Cabinet member responsible for local government, may regulate the application of this section by regulation in terms of section 168.”

Regulation 74 of the Municipal Budget and Reporting Regulations (MBRR) on unauthorised, irregular or fruitless and wasteful expenditure determines:

"(1) A council committee contemplated in section 32(2)(a)(ii) of the Act to investigate the recoverability of any unauthorised, irregular or fruitless and wasteful expenditure must consider—

(a) the measures already taken to recover such expenditure;

(b) the cost of the measures already taken to recover such expenditure;

(c) the estimated cost and likely benefit of further measures that can be taken to recover such expenditure; and

(d) submit a motivation explaining its recommendation to the municipal council for a final decision.

(2) The municipal manager must provide all information required by the council committee referred to in sub-regulation (1), and any other information the council committee may require for the purpose of conducting a proper investigation."

DISCUSSION

As per the MFMA, unauthorised, irregular or fruitless and wasteful expenditure is defined as follows:

Unauthorised expenditure

"Any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with this Act."

Irregular Expenditure:

"(a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;

(b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;

(c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

(d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of ''unauthorised expenditure.''

Fruitless and wasteful expenditure:

"Expenditure that was made in vain and would have been avoided had reasonable care been exercised."

Unauthorised, irregular or fruitless and wasteful expenditure incurred in the 2021/2022 financial year disclosed in the final Annual Financial Statements are as follows:

(1)	Unauthorised expenditure:	R 22,341,345
(2)	Irregular Expenditure:	R 63,844,975
(3)	Fruitless and wasteful expenditure:	R 0

FINANCIAL IMPLICATIONS

The financial implications are contained in the Tables below.

Following Council resolution of this item, a detailed breakdown will be provided to the Municipal Public Accounts Committee (MPAC) for investigation.

Unauthorised Expenditure: 2021/2022									
Row Number	Vote Description	Actual Operating Expenditure Disclosed	Actual Capital Expenditure Disclosed	Actual Total Expenditure Disclosed	Budget Operating Expenditure Disclosed	Budget Capital Expenditure Disclosed	Budget Total Expenditure Disclosed	Variance Disclosed (D-G)	Unauthorised Expenditure
Column Reference	A	B	C	D	E	F	G	H	I
1	Community Services	271,173,155	8,612,496	279,785,651	271,767,423	13,336,530	285,103,953	-5,318,302	0
2	Corporate Services	57,832,953	4,838,343	62,671,296	65,507,219	2,727,453	68,234,672	-5,563,376	2,110,890
3	Electrical Services	311,251,088	21,766,903	333,017,991	310,897,337	21,683,332	332,580,669	437,322	437,322
4	Executive and Council	33,024,911	19,044	33,043,955	37,811,026	19,044	37,830,070	-4,786,115	0
5	Financial Services	70,633,382	316,842	70,950,224	75,287,900	317,750	75,605,650	-4,655,426	0
6	Planning and Development	24,589,819	589,220	25,179,039	28,506,639	652,532	29,159,171	-3,980,132	0
7	Technical Services	210,872,475	93,244,135	304,116,610	191,079,342	103,549,081	294,628,423	9,488,187	19,793,133
8	Housing Services	46,585,645	3,851,305	50,436,950	60,380,822	14,116,555	74,497,377	-24,060,427	0
9	**Total**	**1,025,963,428**	**133,238,288**	**1,159,201,716**	**1,041,237,708**	**156,402,277**	**1,197,639,985**	**-38,438,269**	**22,341,345**
10								**Total incurred in 2021/2022 =**	**22,341,345**

Irregular Expenditure: 2021/2022		
Row Number	**Description of Irregular Expenditure**	**Irregular Expenditure**
Column Reference	**A**	**B**
1	Top Structures Xolweni. Tender over-expenditure not approved by Council, as per SCM Policy	1,600,768
2	Irregular appointment of Director: Community Services, which was contrary to legislative requirements	1,072,532
3	Irregular appointment of Director: Integrated Human Settlements, with no Council approval	7,016
4	Jobbing tender. Electrical Department. Local content items purchased without being advertised for local content	905,407
5	Preference points system for evaluation of loan finance not included in render documents	6,335,851
6	Non-compliance with SCM Regulation 32 (Piggy-back contracts)	8,040,873
7	Non-compliance with SCM Regulation 29(2) (BAC composition)	15,885,466
8	Quotes - Incorrect bidding process	1,739,783
9	Non-compliance with CIDB	5,744,576
10	Non-compliance - Deviations	6,095,345
11	Invalid evidence accepted in support of bid	8,429,160
12	Non-compliance - Local content - PPR	248,734
13	Quotes - Declaration of Interest	32,317
14	Quotes - Deviations	7,025,118
15	Quotes - Municipal services accounts	67,800
16	Quotes - Payments not aligned with awards	118,217
17	Prohibited - In service of the state	58,926
18	Specifications drafted in a restricted manner and non-compliance with CIDB	437,086
19	**Total incurred in 2021/2022**	**63,844,975**

RELEVANT LEGISLATION

- Municipal Finance Management Act (No. 56 of 2003);
- Municipal Budget and Reporting Regulations; and
- Unauthorised, Irregular or Fruitless and Wasteful Expenditure Policy.

RECOMMENDATIONS OF THE MUNICIPAL MANAGER

[a] That the report on the Unauthorised, Irregular, Fruitless and Wasteful Expenditure for the 2021/2022 Financial Year, be noted;

[b] That the disclosed unauthorised expenditure of R 22,341,345 in the 2021/2022 financial year be noted;

[c] That the disclosed irregular expenditure of R 63,844,975 in the 2021/2022 financial year be noted;

[d] That the disclosed fruitless and wasteful expenditure of R 0 in the 2021/2022 financial year be noted; and

[e] That the Municipal Public Accounts Committee (MPAC) investigate the expenditure for [b] and [c] above and make appropriate recommendations to Council.

APPENDIX / ADDENDUM

Annexure A : Unauthorised, Irregular, Fruitless and Wasteful Expenditure notes as per the 2021/2022 Annual Financial Statements

File Number : 9/1/2/10
Execution : Acting Director : Financial Services

ANNEXURE "A"

Knysna Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022	2021

50. Unauthorised expenditure

Reconciliation of unauthorised expenditure		
Opening balance	28,595,977	10,903,852
Unauthorised expenditure current year	22,341,345	17,692,125
Unauthorised expenditure awaiting authorisation	**50,937,322**	**28,595,977**

The unauthorised expenditure relates to over expenditure of approved budgets per vote in total.

Budget Comparison by Municipal Vote in total	2022 (Actual)	2022 (Budget)	2022 (Variance)	2022 (Unauthorised)
Community services	279,785,651	285,103,953	(5,318,302)	-
Corporate services	62,671,296	68,234,672	(5,563,376)	-
Electrical services	333,017,991	332,580,669	437,322	437,321
Executive and Council	33,043,955	37,830,070	(4,786,115)	-
Financial services	70,950,224	75,605,650	(4,655,426)	-
Planning and development	25,179,039	29,159,171	(3,980,132)	-
Technical services	304,116,610	294,628,423	9,488,187	9,488,187
Housing services	50,436,950	74,497,377	(10,672,124)	-
	1,159,201,716	**1,197,639,985**	**(25,049,966)**	**9,925,508**

Budget Comparison by Municipal Vote - Operating Expenditure	2022 (Actual)	2022 (Budget)	2022 (Variance)	2022 (Unauthorised)
Community services	271,173,155	271,767,423	(594,268)	-
Corporate services	57,832,953	65,507,219	(7,674,266)	-
Electrical services	311,251,088	310,897,337	353,751	353,751
Executive and Council	33,024,911	37,811,026	(4,786,115)	-
Financial services	70,633,382	75,287,900	(4,654,518)	-
Planning and development	24,589,819	28,506,639	(3,916,820)	-
Technical services	210,872,475	191,079,342	19,793,133	19,793,133
Housing services	46,585,645	60,380,822	(13,795,177)	-
	1,025,963,428	**1,041,237,708**	**(15,274,280)**	**20,146,884**

Budget Comparison by Municipal Vote - Capital Expenditure	2022 (Actual)	2022 (Budget)	2022 (Variance)	2022 (Unauthorised)
Community services	8,612,496	13,336,530	(4,724,034)	-
Corporate services	4,838,343	2,727,453	2,110,890	2,110,890
Electrical services	21,766,903	21,683,332	83,571	83,571
Executive and Council	19,044	19,044	-	-
Financial services	316,842	317,750	(908)	-
Planning and development	589,220	652,532	(63,312)	-
Technical services	93,244,135	103,549,081	(10,304,946)	-
Housing Services	3,851,305	14,116,555	(10,265,250)	-
	133,238,288	**156,402,277**	**(23,163,989)**	**2,194,461**

The above unauthorised expenditure relating operating expenditure mainly relates to the increase of debt impairment as a result in the increase of receivables.

Depreciation was under budgeted on corporate services.

All of the above unauthorised expenditure has to do with non-cash transactions.

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
30 November 2022

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Knysna Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

51. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure	2022	2021
Opening balance	119,231	87,818
Fruitless and wasteful expenditure - current year	-	32,340
Amount recovered - long service awards	(3,710)	(927)
Fruitless and wasteful expenditure awaiting investigation	**115,521**	**119,231**

A full investigation was conducted by MPAC. After having considered the report on the investigation, MPAC resolved and made recommendation to council. Council resolved on the matters of fruitless and wasteful expenditure. The accounting officer was instructed to ensure consequence management.

Details of current year fruitless and wasteful expenditure	2022	2021
Interest paid on outstanding account - On The Estuary	-	32,340

52. Irregular expenditure

Reconciliation of irregular expenditure	2022	2021
Opening balance	60,678,087	56,855,257
Irregular expenditure written off by council	-	(63,877,213)
Add: Irregular Expenditure - current year	63,844,975	67,700,043
	124,523,062	**60,678,087**

Details of irregular expenditure – current year	2022	2021
T4/2019/2020 - Top Structures Xolweni. Tender over expenditure not approved by Council as per SCM Policy	1,600,768	-
Deviation not justified	-	291,072
Non-compliance with Upper Limit Notice (Exceeding Upper Limit Thresholds)	-	295,552
Irregular Appointment of Director Community Services, the appointment was contrary to legislative requirements	1,072,532	-
Irregular appointment of Director: Integrated Human Settlements without Council approval	7,016	765,432
T18/2021/2022 - Jobbing tender: Electrical department - Local content items purchased without being advertised for local content.	905,407	-
Preferred bidder as per BAC minutes not appointed	-	19,726
Local content % not recalculated (imported content not exempted by DTI)	-	161,387
Preference points system for evaluation of loan finance not included in tender documents	6,335,851	5,038,999
Non-compliance with SCM Regulation 32 - "Piggy-back" contracts	8,040,873	14,549,033
Non-compliance with SCM regulation 29(2) - BAC composition	15,885,466	46,578,842
Quotes - Incorrect bidding process	1,739,783	-
CIDB Act non-compliance	5,744,576	-
Deviation non-compliance	6,095,345	-
Invalid evidence accepted in support of bid	8,429,160	-
Local content PPR Non-compliance	248,734	-
PPPFA Tenders - Evaluations of bids not conducted in line with PPFA	-	-
Quotes - Declaration of interest	32,317	-
Quotes - Deviations	7,025,118	-
Quotes - Municipal services account	67,800	-
Quotes - Payments not aligned with the awards	118,217	-
Prohibited in service of the state	58,926	-
Specifications drafted in a restricted manner and 2CIDB Act non-compliance	437,086	-
	63,844,975	**67,700,043**

AUDITOR-GENERAL SOUTH AFRICA
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30 November 2022

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Notes to the Annual Financial Statements

	2022	2021

52. Irregular expenditure (continued)
Details of additional irregular expenditure as a result of AGSA interpretation

Contracts used from other organs of state in terms of SCM Regulation 32 was classified as irregular expenditure during the audit process by AGSA. In MFMA Circular 96 dated 24 July 2019 the National Treasury made the ruling that a municipality may only piggy-back on the unused portion of the contract awarded by the organs of state. Therefore, actual expenditure incurred by the municipality based on the piggy-back awards will continue to be recognised as irregular expenditure until the contract/s period/s have expired.

SCM Regulation 29(2) requires that a Bid Adjudication Committee (BAC) must consist of at least four senior managers which must include a senior supply chain management practitioner. However, the Auditor-General's interpretation of Regulation 29(2) is that a BAC must consist of four senior managers (directors) plus a senior supply chain management practitioner. Therefore, all awards made by the BAC with four senior managers that included the senior supply chain management practitioner, was deemed to be irregular expenditure.

53. Material losses

	2022	2021
Electricity distribution losses		
Units purchased (Mwh)	169,981	171,456
Units Sold (Mwh)	154,691	152,028
Units lost during distribution (Mwh)	15,290	19,428
Percentage lost during distribution	9.00 %	11.33 %
Water distribution losses		
Mega litres purified	4,624	4,160
Mega litres lost during distribution	1,257	1,851
	27.18 %	44.50 %

There is no possibility of recovering any of the material losses.

The current year water loss is not comparable to the prior year due to a change in measurement of the performance indicator.
The equation changed as follows:
2022: (Water purified - water **consumed**)/water purified
2021: (Water purified - water **sold**)/Water purified

54. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government MFMA 125 (1) - SALGA contributions

	2022	2021
Opening balance	273,627	273,627
Current year subscription / fee	2,986,468	3,031,660
Amount paid - current year	(2,986,468)	(3,031,660)
	273,627	**273,627**

Audit fees - MFMA 125 (1)

	2022	2021
Current year subscription / fee	6,026,356	4,975,034
Amount paid - current year	(6,026,356)	(4,975,034)
	-	-

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
30 November 2022

6.2

SC02/08/23 ROLL-OVER ADJUSTMENTS BUDGET – 2023/2024 (AUGUST 2023)

REPORT FROM THE ACTING DIRECTOR : FINANCIAL SERVICES

PURPOSE OF THE REPORT

To present to the Municipal Council the August 2023 Roll-Over Adjustments Budget Report for the 2023/2024 financial year for consideration.

BACKGROUND

Section 28(1) of the Municipal Finance Management Act (MFMA) determines that a municipality may revise an approved annual budget through an adjustments budget.

Section 28(2)(e) of the MFMA determines that an adjustments budget may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council.

Regulation 23(5) of the Municipal Budget and Reporting Regulations (MBRR) determines that an adjustments budget referred to in Section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.

DISCUSSION

Based on the above-mentioned legislative requirements, the roll-over of unspent funds for capital expenditure, and the corresponding effect on revenue, necessitates an Adjustments Budget for the 2023/2024 financial year, which still remains fully funded.

FINANCIAL IMPLICATIONS

The financial implications are detailed in the Roll-Over Adjustments Budget Report for the 2023/2024 financial year, attached as Annexure A.

RELEVANT LEGISLATION

Section 28 of the Municipal Finance Management Act (No. 56 of 2003); and
Regulation 23 of the Municipal Budget and Reporting Regulations.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

[a] That the report on the Roll-Over Adjustments Budget for 2023/2024 (August 2023), be noted;

[b] That it be noted that the total revenue of R 1,242,777,931 (capital grants included) approved by Council in May 2023 remains unchanged;

[c] That Council notes that the total operating expenditure of R 1,155,798,358 approved by Council in May 2023 remains unchanged;

[d] That Council notes that the surplus for the year (capital grants included) of R 86,979,573 approved by Council in May 2023 remains unchanged;

[e] That the total capital expenditure budget of R 110,738,609 approved by Council in May 2023 be increased by R 2,793,942 to R 113,532,551 for the 2023/2024 financial year, as presented in Table 4 of the August 2023 Roll-Over Adjustments Budget Report;

[f] That the capital expenditure budget of R 113,532,551 be funded from the following revenue sources, as presented in Table 5 of the August 2023 Roll-Over Adjustments Budget Report –

(i) National Government Grants (R 82,683,609);
(ii) Provincial Government Grants (R 0);
(iii) Garden Route District Municipality Grants (R 0);
(iv) Borrowings (R 22,847,544); and
(v) Internally Generate Funds (R 8,001,398);

[g] That the Capital Line Item Budget per Directorate, Department and per Capital Project, as contained in Appendix 1 of the August 2023 Roll-Over Adjustments Budget Report, be approved by Council;

[h] That the reasons for the committed capital roll-overs, as contained in Appendix 2 of the August 2023 Roll-Over Adjustments Budget Report, be approved by Council;

[i] That Council takes note that no taxes and tariffs are affected by the approval of this Roll-Over Adjustments Budget;

[j] That the Service Delivery Budget Implementation Plan (SDBIP) be adjusted accordingly;

[k] That Schedules B1 to B10, as contained in Appendix 3 of the August 2023 Roll-Over Adjustments Budget Report, be approved by Council;

[l] That the August 2023 Roll-Over Adjustments Budget Report for 2023/2024 be submitted to the National Treasury and the Western Cape Provincial Treasury; and

[m] That the August 2023 Roll-Over Adjustments Budget Report for 2023/2024 be published on the municipal website and relevant print media.

APPENDIX / ADDENDUM

Annexure A : Roll-Over Adjustments Budget Report (August 2023)
[Appendix 3: Municipal Budget and Reporting Regulations B- Schedules will be circulated separately]

File Number : 9/1/2/10
Execution : Acting Director : Financial Services

ANNEXURE A

KNYSNA
Municipality Munisipaliteit uMasipala

inclusive II innovative II inspired

Roll-Over Adjustments Budget Report

(Section 28 of the MFMA)

August 2023

QUALITY CERTIFICATE

I, Mr Ombali Sebola, the Municipal Manager of Knysna Municipality hereby certify that the August 2023 Roll-Over Adjustments Budget has been prepared in accordance with the Municipal Finance Management Act (No. 56 of 2003) and Regulations made under that Act, and that the Adjustments Budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

OMBALI SEBOLA
MUNICIPAL MANAGER

21 August 2023

To the Speaker

Section 28(1) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) determines that a municipality may revise an approved annual budget through an adjustments budget.

Section 28(2)(e) of the MFMA determines that an adjustments budget may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council.

Section 28(4) of the MFMA determines that only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing and frequency.

Regulation 23(5) of the Municipal Budget and Reporting Regulations (MBRR) determines that an adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.

In accordance with the above, I herewith submit the August 2023 Adjustments Budget Report for the 2023/2024 financial year to be considered by Council.

CLLR AUBREY TSENGWA
EXECUTIVE MAYOR
21 August 2023

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1. INTRODUCTION

1.1 Section 28 of the MFMA determines that –

"(1) A municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget –

(a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

(b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

(c) May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

(d) May authorise the utilisation of projected savings in one vote towards spending under another vote;

(e) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;

(f) May correct any errors in the annual budget; and

(g) May provide for any other expenditure within a prescribed framework.

(3) An adjustments budget must be in a prescribed form **[Schedules B1 to B10, attached as Appendix 3 to the report]**.

(4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing and frequency.

(5) When an adjustments budget is tabled, it must be accompanied by –

(a) An explanation how the adjustments budget affects the annual budget;

(b) A motivation of any material changes to the annual budget;

(c) An explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and

(d) Any other supporting documentation that may be prescribed.

(6) Municipal tax and tariffs may not be increased during a financial year."

1.2 Regulation 23(5) of the MBRR determines that –

"An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate."

1.3 The budget has been evaluated and adjusted based on the above-mentioned legislative requirements.

2. EXECUTIVE SUMMARY

The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, except for funds relating to capital expenditure. Unspent capital expenditure funds from the previous financial year may be rolled-over into the new financial year subject to there being committed capital expenditure through tenders awarded and/or orders issued.

The roll-over of unspent funds for capital expenditure, and the corresponding effect on revenue, necessitates a Roll-Over Adjustments Budget for the 2023/2024 financial year, to be tabled for Council consideration.

3. HIGH LEVEL OPERATING ADJUSTMENTS BUDGET

3.1 Operating Revenue per Category

3.1.1 The high level adjustments budget summary of operating revenue per category is presented in Table 1 below.

Table 1 : High Level Summary of Operating Revenue per Category							
Row Number	Directorate	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24
Column Reference	A	B	C	D	E	F	G
1	Property Rates	258,519,581	258,427,088	-92,493	304,253,695	-	304,253,695
2	Service Charges: Electricity Revenue	334,298,958	309,994,847	-24,304,111	384,778,101	-	384,778,101
3	Service Charges: Water Revenue	77,566,954	78,274,221	707,267	84,388,754	-	84,388,754
4	Service Charges: Sanitation Revenue	29,310,910	29,240,130	-70,780	30,864,387	-	30,864,387
5	Service Charges: Refuse Revenue	27,831,817	28,465,924	634,107	30,029,458	-	30,029,458
6	Rental of Facilities and Equipment	6,588,929	5,886,078	-702,851	6,938,143	-	6,938,143
7	Interest Earned: External Investments	1,734,370	2,014,372	280,002	1,826,291	-	1,826,291
8	Interest Earned: Outstanding Debtors	28,114,235	30,016,359	1,902,124	20,483,663	-	20,483,663
9	Fines, Penalties and Forfeits	119,059,010	89,064,076	-29,994,934	99,090,019	-	99,090,019
10	Licences and Permits	1,698,285	1,449,129	-249,156	1,788,294	-	1,788,294
11	Agency Services	3,829,743	4,085,718	255,975	4,032,719	-	4,032,719
12	Transfers and Subsidies	134,673,734	156,873,340	22,199,606	150,239,391	-	150,239,391
13	Other Revenue	54,555,512	14,147,495	-40,408,017	45,381,407	-	45,381,407
14	Gains on Disposal of PPE	2,104,759	2,166,555	61,796	500,000	-	500,000
15	Sub-Total	1,079,886,797	1,010,105,332	-69,781,465	1,164,594,322	-	1,164,594,322
16	Transfers and Subsidies: Capital	46,307,174	34,245,538	-12,061,636	78,183,609	-	78,183,609
17	Grand Total	1,126,193,971	1,044,350,870	-81,843,101	1,242,777,931	-	1,242,777,931

3.1.2 Total revenue (Row 17) of R 1.2 billion remains unchanged in this Roll-Over Adjustments Budget.

3.1.3 The significant variance of R 81.8 million (Row 17) for the 2022/2023 financial year is subject to change as a result of the processing of year-end journals in terms of the GRAP Accounting Standards for accrual accounting.

3.2 OPERATING EXPENDITURE PER CATEGORY

3.2.1 The high level adjustments budget summary of operating expenditure per category is presented in Table 2 below.

Table 2 : High Level Summary of Operating Expenditure per Category							
Row Number	Directorate	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24
Column Reference	A	B	C	D	E	F	G
1	Employee Related Costs	289,715,808	287,863,867	1,851,941	305,558,192	-	305,558,192
2	Remuneration of Councillors	9,749,165	9,787,112	-37,947	10,081,756	-	10,081,756
3	Debt Impairment	144,850,952	55,600,952	89,250,000	151,513,820	-	151,513,820
4	Depreciation & Asset Impairment	43,687,538	43,687,563	-25	49,118,855	-	49,118,855
5	Finance Charges	28,346,140	28,427,635	-81,495	31,848,485	-	31,848,485
6	Bulk Purchases	256,505,491	208,704,249	47,801,242	293,304,290	-	293,304,290
7	Other Materials	46,475,724	51,988,218	-5,512,494	54,053,315	-	54,053,315
8	Contracted Services	190,035,645	167,702,228	22,333,417	185,406,105	-	185,406,105
9	Transfers and Subsidies	3,145,124	1,668,952	1,476,172	1,457,448	-	1,457,448
10	Other Expenditure	67,324,634	60,141,932	7,182,702	73,456,092	-	73,456,092
11	Loss on Disposal of PPE	-	1,221,132	-1,221,132	-	-	-
12	Grand Total	1,079,836,221	916,793,840	163,042,381	1,155,798,358	-	1,155,798,358

3.2.2 Total operating expenditure (Row 12) of R 1.2 billion remains unchanged in this Roll-Over Adjustments Budget.

3.2.3 The significant variance of R 163 million (Row 12) for the 2022/2023 financial year is subject to change as a result of the processing of year-end journals in terms of the GRAP Accounting Standards for accrual accounting.

3.3 OPERATING REVENUE AND EXPENDITURE SUMMARY

3.3.1 The high level adjustments budget summary of operating revenue and expenditure is presented in Table 3 below.

Table 3 : High Level Summary of Operating Revenue and Expenditure

Row Number	Directorate	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24
Column Reference	A	B	C	D	E	F	G
1	Total Operating Revenue	1,079,886,797	1,010,105,332	-69,781,465	1,164,594,322	-	1,164,594,322
2	Total Operating Expenditure	1,079,836,221	916,793,840	163,042,381	1,155,798,358	-	1,155,798,358
3	Operating Surplus / (Deficit)	50,576	93,311,492	93,260,916	8,795,964	-	8,795,964
4	Capital Grants	46,307,174	34,245,538	-12,061,636	78,183,609	-	78,183,609
5	Surplus / (Deficit) for the Year	46,357,750	127,557,030	81,199,280	86,979,573	-	86,979,573

3.3.2 The budgeted operating surplus (capital grants excluded) (Row 3) of R 8.8 million remains unchanged in this Roll-Over Adjustments Budget. This represents a fully funded adjustments budget.

3.3.3 The budgeted surplus for the year (capital grants included) (Row 5) of R 87 million remains unchanged in this Roll-Over Adjustments Budget.

3.3.4 The Municipality is currently in the process of preparing the Annual Financial Statements (AFS) for the 2022/2023 financial year, which is due for submission to the Auditor-General of South Africa by 31 August 2023. The actual figures contained in the tables above are therefore provisional and subject to change once all year-end processes have been finalised.

4. HIGH LEVEL CAPITAL ADJUSTMENTS BUDGET

4.1 CAPITAL BUDGET PER DIRECTORATE

4.1.1 The high level adjustments budget of capital expenditure per directorate is presented in Table 4 below.

Table 4 : High Level Capital Budget per Directorate

Row Number	Directorate	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24
Column Reference	A	B	C	D	E	F	G
1	Executive and Council	11,955	11,955	0	-	-	-
2	Corporate Services	3,078,596	1,186,781	1,891,815	200,000	249,739	449,739
3	Financial Services	4,000	362,526	- 358,526	-	-	-
4	Planning and Development	216,631	200,417	16,214	5,000	-	5,000
5	Community Services	10,967,534	9,016,380	1,951,154	11,879,910	1,280,000	13,159,910
6	Electrical Services	23,214,624	20,130,091	3,084,533	47,747,000	603,924	48,350,924
7	Technical Services	68,658,441	59,485,056	9,173,385	50,906,699	660,279	51,566,978
8	Integrated Human Settlements	7,005,445	1,504,713	5,500,732	-	-	-
9	Grand Total	113,157,226	91,897,919	21,259,307	110,738,609	2,793,942	113,532,551

4.1.2 The budget for capital expenditure (Row 9) of R 110.7 million increases by R 2.8 million to R 113.5 million.

4.1.3 The roll-over total (Row 9) of R 2.8 million relates to capital projects funded from prior year borrowings and internally generated funds.

4.1.4 The roll-over capital budget adjustments contained in Table 4 above are detailed, with appropriate reasons, in Appendix 2 of the report.

4.2 CAPITAL BUDGET PER FUNDING SOURCE

4.2.1 The high level adjustments budget of capital expenditure per funding source is presented in Table 5 below.

Table 5 : High Level Capital Budget per Funding Source							
Row Number	Funding Source	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24
Column Reference	A	B	C	D	E	F	G
1	National Government Grants	38,294,174	35,761,610	2,532,564	82,683,609	-	82,683,609
2	Provincial Government Grants	7,893,000	2,086,840	5,806,160	-	-	-
3	Borrowings	61,640,038	50,049,284	11,590,754	20,505,000	2,342,544	22,847,544
4	Internally Generated Funds	5,210,014	4,000,185	1,209,829	7,550,000	451,398	8,001,398
5	Garden Route District Municipality Grants	120,000	-	120,000	-	-	-
6	Grand Total	113,157,226	91,897,919	21,259,307	110,738,609	2,793,942	113,532,551

4.2.2 The roll-over capital budget adjustments contained in Table 5 above are detailed, with appropriate reasons, in Appendix 2 of the report.

4.3 CAPITAL BUDGET PER DIRECTORATE, DEPARTMENT AND PER CAPITAL PROJECT

4.3.1 The roll-over capital expenditure budget per Directorate, Department and per Capital Project is detailed in Appendix I of the report.

4.4 CAPITAL BUDGET SUMMARY

4.4.1 Historically, the Municipality did not achieve full spending of the capital budget allocation. It is therefore essential for each Directorate to closely monitor the progress of their respective capital projects; ensure timeous spending; ensure that expenditure is in accordance with the capital expenditure budget; and to ensure that spending is in accordance with the approved Service Delivery and Budget Implementation Plan (SDBIP).

4.4.2 The Municipality is currently in the process of preparing the Annual Financial Statements (AFS) for the 2022/2023 financial year, which is due for submission to the Auditor-General of South Africa by 31 August 2023. The actual figures contained in the tables above are therefore provisional and subject to change once all year-end processes have been finalised.

5. RECOMMENDATIONS

It is recommended that –

5.1 Council notes that the total revenue of R 1,242,777,931 (capital grants included) approved by Council in May 2023 remains unchanged.

5.2 Council notes that the total operating expenditure of R 1,155,798,358 approved by Council in May 2023 remains unchanged.

5.3 Council notes that the surplus for the year (capital grants included) of R 86,979,573 approved by Council in May 2023 remains unchanged.

5.4 The total capital expenditure budget of R 110,738,609 approved by Council in May 2023 be increased by R 2,793,942 to R 113,532,551 for the 2023/2024 financial year, as presented in Table 4 of the August 2023 Roll-Over Adjustments Budget Report.

5.5 The capital expenditure budget of R 113,532,551 be funded from the following revenue sources, as presented in Table 5 of the August 2023 Roll-Over Adjustments Budget Report –

5.5.1 National Government Grants (R 82,683,609);

5.5.2 Provincial Government Grants (R 0);

5.5.3 Garden Route District Municipality Grants (R 0);

5.5.4 Borrowings (R 22,847,544); and

5.5.5 Internally Generate Funds (R 8,001,398).

5.6 The Capital Line Item Budget per Directorate, Department and per Capital Project, as contained in Appendix 1 of the August 2023 Roll-Over Adjustments Budget Report, be approved by Council.

5.7 The reasons for the committed capital roll-overs, as contained in Appendix 2 of the August 2023 Roll-Over Adjustments Budget Report, be approved by Council.

5.8 Council takes note that no taxes and tariffs are affected by the approval of this Roll-Over Adjustments Budget.

5.9 The Service Delivery Budget Implementation Plan (SDBIP) be adjusted accordingly.

5.10 Schedules B1 to B10, as contained in Appendix 3 of the August 2023 Roll-Over Adjustments Budget Report, be approved by Council.

5.11 The August 2023 Roll-Over Adjustments Budget Report for 2023/2024 be submitted to the National Treasury and the Western Cape Provincial Treasury.

5.12 The August 2023 Roll-Over Adjustments Budget Report for 2023/2024 be published on the municipal website and relevant print media.

6. APPENDICES

Appendix 1: Capital Line Item Budget per Directorate, Department and per Capital Project;
Appendix 2: Capital Roll-Over Adjustments Budget with reasons; and
Appendix 3: Municipal Budget and Reporting Regulations: B Schedules.

7. TABLES

Table 1: High Level Summary of Revenue per Category;
Table 2: High Level Summary of Operating Expenditure per Category;
Table 3: High Level Summary of Operating Revenue and Expenditure;
Table 4: High Level Capital Budget per Directorate; and
Table 5: High Level Capital Budget per Funding Source.

APPENDIX 1:

Capital Line Item Budget per Directorate, Department and per Capital Project

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
1	1.1 - Council General Expenses	9/107-20-68	Program Office Equipment - Whole of Municipality - 283185200	Internally Generated Funds	11,955	11,955	0	-	-	-	All
2	1.3 - Communication	9/145-2-2	New Vehicle	Internally Generated Funds	-	-	-	-	-	-	All
3	Total: Executive and Council =				11,955	11,955	0	-	-	-	
4	2.1 - Director: Corporate	9/101-39-39	Furniture and Office Equipment	Internally Generated Funds	70,000	83,842	- 13,842	-	-	-	All
5	2.1 - Director: Corporate	9/101-58-58	Upgrade of Municipal buildings	Borrowings	-	-	-	-	-	-	All
6	2.1 - Director: Corporate	9/101-61-61	Installation of Wheelchair lift	Borrowings	-	-	-	-	-	-	All
7	2.1 - Director: Corporate	9/101-62-62	New airconditioners	Internally Generated Funds	60,169	60,170	- 1	-	-	-	All
8	2.1 - Director: Corporate	9/101-63-63	New Fencing 14 Church Street, 42 Old Toll Road, Milkwood Flats, Protea Flats, West View Court, 3 Clyde Street	Borrowings	700,000	560,050	139,950	-	-	-	All
9	2.1 - Director: Corporate	9/101-64-64	Replace abestos roofs - municipal offices - Clyde Street, Sedgefield, Khayalethu	Borrowings	171,664	80,000	91,664	-	-	-	All
10	2.1 - Director: Corporate	9/101-71-71	Ward 11 Office	Borrowings	-	-	-	-	-	-	11
11	2.1 - Director: Corporate	9/101-72-72	Window Blinds for Municipal Offices	Internally Generated Funds	20,000	4,500	15,500	-	-	-	All
12	2.1 - Director: Corporate	9/101-73-73	Program Tools Equipment	Internally Generated Funds	-	18,700	- 18,700	-	-	-	All
13	2.1 - Director: Corporate	9/102-10-10	Program Tools Equipment	Internally Generated Funds	34,893	34,893	- 0	-	-	-	All
14	2.9 - Information Technology	9/106-20-20	Computer Equipment	Internally Generated Funds	23,534	23,534	- 0	100,000	-	100,000	All
15	2.9 - Information Technology	9/106-23-23	Data Centre Upgrade	Internally Generated Funds	300,000	50,261	249,739	-	249,739	249,739	All
16	2.9 - Information Technology	9/106-24-24	New Server and Switches	Borrowings	1,408,336	-	1,408,336	-	-	-	All
17	2.9 - Information Technology	9/106-6-8	Program Computer Equipment	Internally Generated Funds	138,000	134,041	3,959	-	-	-	All
18	2.9 - Information Technology	9/106-6-9	Program Computer Equipment	Internally Generated Funds	152,000	136,790	15,210	100,000	-	100,000	All
19	Total: Corporate Services =				3,078,596	1,186,781	1,891,816	200,000	249,739	449,739	

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
20	3.1 - Director: Finance	9/101-2-16	Program Office Furniture - Whole of Municipality - 286285259	Internally Generated Funds	-	-	-	-	-	-	All
21	3.1 - Director: Finance	9/101-53-53	Program Office Furniture	Internally Generated Funds	4,000	3,391	609	-	-	-	All
22	3.1 - Director: Finance	9/101-65-65	Buildings Upgrade (Filing space)	Borrowings	-	-	-	-	-	-	All
23	3.1 - Director: Finance	9/101-74-74	New LDV	Borrowings	-	359,135	- 359,135	-	-	-	All
24				**Total: Financial Services =**	**4,000**	**362,526**	**- 358,526**	**-**	**-**	**-**	
25	5.5 - Director: Planning Planning	9/101-66-66	A0 scanner coppier and printer	Internally Generated Funds	189,681	189,681	- 0	-	-	-	All
26	5.5 - Director: Planning Planning	9/101-67-67	Office Furniture	Internally Generated Funds	12,275	-	12,275	-	-	-	All
27	5.2 - Environmental Management	9/183-2-2	Assets: Non-current Assets - Biological Assets - Cost - Consumable - Mature - Forests and Plantations - Acquisitions	Borrowings	-	-	-	5,000	-	5,000	All
28	5.2 - Environmental Management	9/183-3-3	Tools and Equipment	Internally Generated Funds	14,675	10,735	3,940	-	-	-	All
29				**Total: Planning and Development =**	**216,631**	**200,417**	**16,214**	**5,000**	**-**	**5,000**	
30	6.1 - Cemetery	9/124-11-11	Cemetery Windheuwel	Internally Generated Funds	-	-	-	-	-	-	All
31	6.1 - Cemetery	9/124-12-12	Mini Hydraulic Excavator - veh	Borrowings	-	-	-	-	-	-	All
32	6.1 - Cemetery	9/124-13-13	Cemetery Windheuwel	Borrowings	600,000	516,418	83,582	-	-	-	All
33	6.1 - Cemetery	9/124-14-14	Cemetery Fencing	Borrowings	-	-	-	800,000	-	800,000	All
34	6.11 - Safety Traffic Department	9/121-10-10	New Motor Vehicles (Sedans)	Borrowings	253,500	-	253,500	-	-	-	All
35	6.11 - Safety Traffic Department	9/121-11-11	Breatherlizer Sets	Internally Generated Funds	50,000	22,960	27,040	-	-	-	All
36	6.11 - Safety Traffic Department	9/121-12-12	Replacement of Fence-Driving Testing Station	Internally Generated Funds	-	-	-	-	-	-	All
37	6.11 - Safety Traffic Department	9/121-13-13	Motor Cycle Testing Equipment	Internally Generated Funds	100,000	-	100,000	-	-	-	All
38	6.12 - Sports Fields	9/116-40-40	MIG: 285770 Upgrade Sportsfield PH2 (Bongani)	National Government Grant	-	-	-	7,179,910	-	7,179,910	7
39	6.12 - Sports Fields	9/116-41-41	MIG: 285767 - (Rheenendal) Upgrade Sportsground Ph2: Rugby/Soccer Field Athletics Track	National Government Grant	-	-	-	-	-	-	5
40	6.14 - Cleansing Refuse Removal Services	9/113-22-22	Transport Assets	Internally Generated Funds	-	-	-	-	-	-	All

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
41	6.14 - Cleansing Refuse Removal Services	9/113-28-28	Acquisition of Compactor Trucks (2)	Borrowings	4,967,702	4,967,691	11	-	-	-	All
42	6.14 - Cleansing Refuse Removal Services	9/113-29-29	New Front end Loader - Waste Facilities	Borrowings	-	-	-	1,400,000	-	1,400,000	All
43	6.14 - Cleansing Refuse Removal Services	9/113-30-30	Replacing bin lifting Equipment	Internally Generated Funds	-	-	-	-	-	-	All
44	6.15 - Transfer Station	9/114-19-19	Acquisition of Hooklift Truck	Borrowings	-	-	-	-	-	-	All
45	6.15 - Transfer Station	9/114-20-20	Acquisition of Trailer	Borrowings	-	-	-	-	-	-	All
46	6.17 - Museum & Heritage Building	9/196-1-1	Museum Upgrade	Internally Generated Funds	-	-	-	-	-	-	10
47	6.2 - Halls / Facilities	9/103-28-28	Halls	Borrowings	489,000	420,406	68,594	-	-	-	5
48	6.2 - Halls / Facilities	9/103-32-32	Furniture Equipment	Internally Generated Funds	53,089	21,189	31,900	-	-	-	All
49	6.3 - Public Toilets	9/109-10-10	Install turn style system at taxi rank	Internally Generated Funds	-	-	-	-	-	-	10
50	6.4 - Library	9/151-22-22	LIbrary Upgrade and refurbishment	Internally Generated Funds	-	-	-	-	-	-	10
51	6.6 - Parks Recreation	9/115-21-21	Transport Assets	Internally Generated Funds	-	-	-	-	-	-	All
52	6.6 - Parks Recreation	9/115-30-30	Small Plant Equipment	Internally Generated Funds	400,000	275,285	124,715	-	-	-	All
53	6.7 - Disaster Management and Social Services	9/155-2-2	PPE Disaster Relief	Internally Generated Funds	794,743	794,743	- 0	-	-	-	All
54	6.8 - Safety Fire Brigade Services	9/120-20-20	Construction of parking Bay	Borrowings	244,500	110,000	134,500	-	-	-	All
55	6.8 - Safety Fire Brigade Services	9/120-21-21	Establishment of fire stations - Rheenendal	Borrowings	-	-	-	1,000,000	-	1,000,000	5
56	6.8 - Safety Fire Brigade Services	9/120-22-22	Establishment of fire stations - Khayalethu	Borrowings	1,000,000	110,000	890,000	1,000,000	1,280,000	2,280,000	7
57	6.8 - Safety Fire Brigade Services	9/120-23-23	Replacement of fire engine CX 10515 CX 43651	Borrowings	1,240,000	1,211,392	28,608	-	-	-	All
58	6.8 - Safety Fire Brigade Services	9/120-24-24	Procurement of fire hose and pressure gauge meter kit	Internally Generated Funds	300,000	293,852	6,148	-	-	-	All
59	6.8 - Safety Fire Brigade Services	9/120-25-25	Procurement of portable handheld radio's	Internally Generated Funds	55,000	48,125	6,875	-	-	-	All
60	6.9 - Safety Law Enforcement	9/157-1-1	Machinery and Equipment	Internally Generated Funds	200,000	151,480	48,520	-	-	-	All

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
61	6.9 - Safety Law Enforcement	9/157-5-5	Trailer	Internally Generated Funds	-	-	-	-	-	-	All
62	6.9 - Safety Law Enforcement	9/157-6-6	Baboon deterrent equipment	Internally Generated Funds	100,000	72,840	27,160	500,000	-	500,000	9
63	6.9 - Safety Law Enforcement	9/157-7-7	CCTV camera Project - Safety Initiative	District Grant	120,000	-	120,000	-	-	-	All
64				**Total: Community Services =**	**10,967,534**	**9,016,380**	**1,951,154**	**11,879,910**	**1,280,000**	**13,159,910**	
65	7.3 - Electricity Distribution	9/104-100-125	Electrification of informal areas - Ward 7	Internally Generated Funds	-	-	-	-	-	-	7
66	7.3 - Electricity Distribution	9/104-101-126	Electrification of informal areas - Ward 8	Internally Generated Funds	-	-	-	-	-	-	8
67	7.3 - Electricity Distribution	9/104-105-131	Electrification of informal areas - Ward 4	Borrowings	1,671,037	1,025,122	645,915	-	200,787	200,787	4
68	7.3 - Electricity Distribution	9/104-107-133	Electrification of informal areas - Ward 8	Borrowings	524,255	508,048	16,207	-	-	-	8
69	7.3 - Electricity Distribution	9/104-110-136	Electrification of informal areas - Homlee	Borrowings	72,987	72,963	24	-	-	-	6
70	7.3 - Electricity Distribution	9/104-111-137	Electrification of informal areas - Homlee	Borrowings	1,306,647	993,249	313,398	-	112,830	112,830	11
71	7.3 - Electricity Distribution	9/104-112-138	Electrification of Formal Housing	Borrowings	2,000,000	1,818,165	181,835	500,000	-	500,000	All
72	7.3 - Electricity Distribution	9/104-114-114	Electrification of informal areas - Ward 1	Borrowings	400,000	400,000	-	-	-	-	1
73	7.3 - Electricity Distribution	9/104-115-115	Electrification of informal areas - Ward 3	Borrowings	400,000	-	400,000	-	-	-	3
74	7.3 - Electricity Distribution	9/104-119-119	Eastford 11KV Line to Concordia	Borrowings	-	-	-	-	-	-	8
75	7.3 - Electricity Distribution	9/104-120-120	Electrification of informal areas	Borrowings	400,000	-	400,000	-	62,619	62,619	All
76	7.3 - Electricity Distribution	9/104-123-123	8 ton crane Truck 20 m-t (Sedg): Vehicle Replacement	Borrowings	-	-	-	-	-	-	All
77	7.3 - Electricity Distribution	9/104-124-124	Salt River Control Plant Upgrade	Borrowings	-	-	-	-	-	-	All
78	7.3 - Electricity Distribution	9/104-128-128	Vehicle replacement CX39578 - NISSAN 2.7D	Internally Generated Funds	-	-	-	-	-	-	All
79	7.3 - Electricity Distribution	9/104-129-129	Vehicle replacement -Toyota Hilux 2.4D	Internally Generated Funds	-	-	-	-	-	-	All
80	7.3 - Electricity Distribution	9/104-130-130	Electrification of informal areas - Ward 6	Borrowings	1,050,000	576,812	473,188	-	227,688	227,688	6

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
81	7.3 - Electricity Distribution	9/104-141-141	Western Feeder 11kV line refurbishments	Borrowings	500,000	475,540	24,460	400,000	-	400,000	1
82	7.3 - Electricity Distribution	9/104-142-142	Eastern heads Feeder 11kV line refurbishments	Borrowings	-	-	-	-	-	-	9
83	7.3 - Electricity Distribution	9/104-143-143	Xolweni SS to Saw mill RMU replacement of OH to underground refurbishments	Borrowings	800,000	789,943	10,057	-	-	-	4
84	7.3 - Electricity Distribution	9/104-144-144	Groenvlei 11kv line replacement	Borrowings	-	-	-	400,000	-	400,000	2
85	7.3 - Electricity Distribution	9/104-145-145	EMI -Smart metering project	Borrowings	250,000	232,992	17,008	-	-	-	All
86	7.3 - Electricity Distribution	9/104-146-146	RMU Transformer	Borrowings	800,000	874,597	- 74,597	1,000,000	-	1,000,000	All
87	7.3 - Electricity Distribution	9/104-147-147	Electrification of informal areas - Bigai Heights - Ward 6	Borrowings	750,000	657,855	92,145	-	-	-	6
88	7.3 - Electricity Distribution	9/104-202-202	Electrification of Formal Houses (INEP) - Ward 3	National Government Grant	3,217,391	3,217,391	0	-	-	-	3
89	7.3 - Electricity Distribution	9/104-203-203	Electrification of Formal Houses (INEP) - Ward 7	National Government Grant	1,286,957	1,286,937	20	-	-	-	7
90	7.3 - Electricity Distribution	9/104-204-204	Electrification of Formal Houses (INEP) - Ward 4	National Government Grant	3,217,391	3,217,385	6	-	-	-	4
91	7.3 - Electricity Distribution	9/104-206-206	Electrification of Formal Houses (INEP) - Ward 1	National Government Grant	1,608,696	1,608,691	5	-	-	-	1
92	7.3 - Electricity Distribution	9/104-208-208	Electrification of informal areas	Borrowings	650,000	628,286	21,714	-	-	-	7
93	7.3 - Electricity Distribution	9/104-209-209	Vehicle replacement CX39578 - NISSAN 2.7D	Borrowings	380,000	-	380,000	-	-	-	All
94	7.3 - Electricity Distribution	9/104-210-210	Service sites: Electrification of informal areas-Ward 11	Borrowings	500,000	493,911	6,089	-	-	-	11
95	7.3 - Electricity Distribution	9/104-211-211	(INEP) Households Electr - Phelandaba Ward 4	National Government Grant	-	-	-	2,976,522	-	2,976,522	4
96	7.3 - Electricity Distribution	9/104-212-212	(INEP) Households Electr - Nkandla Ward 4	National Government Grant	-	-	-	2,895,652	-	2,895,652	4
97	7.3 - Electricity Distribution	9/104-213-213	(INEP) Households Electr - New Rest Ward 4	National Government Grant	-	-	-	2,413,043	-	2,413,043	4
98	7.3 - Electricity Distribution	9/104-214-214	(INEP) Households Electr - Robololo Ward 4	National Government Grant	-	-	-	2,815,652	-	2,815,652	4
99	7.3 - Electricity Distribution	9/104-215-215	(INEP) Households Electr - Qolweni Ward 4	National Government Grant	-	-	-	643,478	-	643,478	4
100	7.3 - Electricity Distribution	9/104-216-216	(INEP) Households Electr - June Valley Ward 6	National Government Grant	-	-	-	2,654,783	-	2,654,783	6

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
101	7.3 - Electricity Distribution	9/104-217-217	(INEP) Households Electr - Bigai Heights Ward 6	National Government Grant	-	-	-	1,608,696	-	1,608,696	6
102	7.3 - Electricity Distribution	9/104-218-218	(INEP) Households Electr - Kanonkop Ward 7	National Government Grant	-	-	-	2,091,349	-	2,091,349	7
103	7.3 - Electricity Distribution	9/104-219-219	(INEP) Households Electr - Dinangwe Ward 7	National Government Grant	-	-	-	2,895,652	-	2,895,652	7
104	7.3 - Electricity Distribution	9/104-220-220	(INEP) Households Electr - Edameni Ward 7	National Government Grant	-	-	-	3,056,522	-	3,056,522	7
105	7.3 - Electricity Distribution	9/104-221-221	(INEP) Households Electr - Katanga Ward 7	National Government Grant	-	-	-	2,734,783	-	2,734,783	7
106	7.3 - Electricity Distribution	9/104-222-222	(INEP) Households Electr - Mashakane Ward 8	National Government Grant	-	-	-	2,413,043	-	2,413,043	8
107	7.3 - Electricity Distribution	9/104-223-223	(INEP) Households Electr - Lingelihle Ward 8	National Government Grant	-	-	-	2,413,043	-	2,413,043	8
108	7.3 - Electricity Distribution	9/104-224-224	(INEP) Households Electr - Back of Thembelitsha Ward 8	National Government Grant	-	-	-	2,413,043	-	2,413,043	8
109	7.3 - Electricity Distribution	9/104-225-225	(INEP) Households Electr - Sakhimvana Ward 8	National Government Grant	-	-	-	804,348	-	804,348	8
110	7.3 - Electricity Distribution	9/104-226-226	(INEP) Households Electr - Riverside Ward 8	National Government Grant	-	-	-	2,413,043	-	2,413,043	8
111	7.3 - Electricity Distribution	9/104-227-227	(INEP) Households Electr - Happy Valley Ward 11	National Government Grant	-	-	-	804,348	-	804,348	11
112	7.3 - Electricity Distribution	9/104-228-228	Phatom pass 11kV line Upgrade	National Government Grant	-	-	-	1,500,000	-	1,500,000	All
113	7.3 - Electricity Distribution	9/104-229-229	Drone	National Government Grant	-	-	-	500,000	-	500,000	All
114	7.3 - Electricity Distribution	9/104-230-230	Salt Riverswitch gear Plant Upgrade	National Government Grant	-	-	-	2,500,000	-	2,500,000	10
115	7.3 - Electricity Distribution	9/104-62-69	Industrial area- Upgrade of network and cabling	National Government Grant	-	-	-	-	-	-	All
116	7.3 - Electricity Distribution	9/104-6-41	Asset replacements refurbishments - Whole of Municipality	Internally Generated Funds	1,080,000	1,062,388	17,612	-	-	-	All
117	7.3 - Electricity Distribution	9/104-71-88	Upgr Bulk Electr Infrastructure	National Government Grant	-	-	-	-	-	-	6
118	7.3 - Electricity Distribution	9/104-75-92	Transport Assets	Internally Generated Funds	-	-	-	-	-	-	All
119	7.3 - Electricity Distribution	9/104-77-94	MV Substations	Borrowings	-	-	-	400,000	-	400,000	All
120	7.3 - Electricity Distribution	9/104-93-118	Union Street Workshop Substation upgrade phase 3	Borrowings	349,263	189,816	159,447	-	-	-	10

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
121	7.3 - Electricity Distribution	9/104-94-119	Brenton Substation and MV Network	Borrowings	-	-	-	-	-	-	5
122	7.3 - Electricity Distribution	9/104-97-122	Electrification of informal areas - Ward 1	Internally Generated Funds	-	-	-	500,000	-	500,000	1
123	7.3 - Electricity Distribution	9/104-98-123	Electrification of informal areas - Ward 3	Internally Generated Funds	-	-	-	500,000	-	500,000	3
124	7.3 - Electricity Distribution	9/104-302-302	Solar/UPS/Street and traffic Light	Borrowings	-	-	-	500,000	-	500,000	All
125	7.3 - Electricity Distribution	9/104-303-303	Solar power plant installation	Borrowings	-	-	-	500,000	-	500,000	All
126	7.3 - Electricity Distribution	9/104-304-304	Street Lights	Internally Generated Funds	-	-	-	500,000	-	500,000	11
127	7.3 - Electricity Distribution	9/194-1-1	Vehicle Replacements	Borrowings	-	-	-	-	-	-	All
128				**Total: Electrical Services =**	**23,214,624**	**20,130,091**	**3,084,533**	**47,747,000**	**603,924**	**48,350,924**	
129	8.10 - Water Reticulation	9/119-100-100	Emergency Municipal Load-Shedding Relief Grant	Provincial Government Grant	2,400,000	2,086,840	313,160	-	-	-	All
130	8.10 - Water Reticulation	9/119-101-101	Bulk Water Supply - Karatara	Internally Generated Funds	-	-	-	400,000	-	400,000	2
131	8.10 - Water Reticulation	9/119-37-37	Vehicle Replacements	Internally Generated Funds	-	-	-	-	-	-	All
132	8.10 - Water Reticulation	9/119-46-46	Civil Contractor	Borrowings	-	-	-	450,000	-	450,000	3
133	8.10 - Water Reticulation	9/119-49-49	Capital Spares	Borrowings	2,000,000	625,840	1,374,160	1,500,000	-	1,500,000	All
134	8.10 - Water Reticulation	9/119-51-51	Distribution	Borrowings	1,250,000	877,934	372,066	-	-	-	10
135	8.10 - Water Reticulation	9/119-73-68	Hornlee Water Supply for informal Settlement	Borrowings	-	-	-	-	-	-	6
136	8.10 - Water Reticulation	9/119-73-73	Hornlee Water Supply for informal Settlement	Borrowings	-	-	-	300,000	-	300,000	All
137	8.10 - Water Reticulation	9/119-78-78	Water services infrastructure Grant	National Government Grant	-	-	-	2,956,522	-	2,956,522	All
138	8.10 - Water Reticulation	9/119-79-79	Veh Repl: CX 40142 NISSAN NP300	Internally Generated Funds	-	-	-	-	-	-	All
139	8.10 - Water Reticulation	9/119-82-82	Re-align Karawater pipeline	Borrowings	-	-	-	800,000	-	800,000	2
140	8.10 - Water Reticulation	9/119-83-83	Pipeline from PG Bison to Akkerkloof 600m. 150 mm pipeline to Tsitsitsi Street. Class 12	Borrowings	-	-	-	300,000	-	300,000	All

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
141	8.10 - Water Reticulation	9/119-85-85	Old Place Pipe replacement - Melkhoud, Old Toll Road, Camdeboo, Sand piper	Borrowings	-	-	-	750,000	-	750,000	10
142	8.10 - Water Reticulation	9/119-89-89	Buffalo bay replacement of pipeline(s)	Borrowings	250,000	231,240	18,760	750,000	-	750,000	5
143	8.10 - Water Reticulation	9/119-90-90	Tools and Equipment	Internally Generated Funds	-	-	-	-	-	-	All
144	8.10 - Water Reticulation	9/119-91-91	Drone	Internally Generated Funds	-	-	-	-	-	-	All
145	8.10 - Water Reticulation	9/119-92-92	Metal detector	Internally Generated Funds	-	-	-	-	-	-	All
146	8.10 - Water Reticulation	9/119-93-93	Leak detector	Internally Generated Funds	-	-	-	-	-	-	All
147	8.10 - Water Reticulation	9/119-94-94	New reservoir @ Noetzie	Borrowings	-	-	-	-	-	-	9
148	8.10 - Water Reticulation	9/119-95-95	Purchase of new 20mm Water Meters	Borrowings	750,000	295,505	454,495	-	-	-	All
149	8.10 - Water Reticulation	9/119-96-96	MCC replacement	Borrowings	450,000	405,095	44,905	-	-	-	9
150	8.10 - Water Reticulation	9/119-97-97	Loggers	Internally Generated Funds	-	-	-	-	-	-	All
151	8.10 - Water Reticulation	9/119-98-98	Standpipes	Internally Generated Funds	250,000	80,950	169,050	250,000	169,050	419,050	All
152	8.10 - Water Reticulation	9/119-99-99	Bulk Water Supply - Rheenendal	Internally Generated Funds	250,000	127,110	122,890	250,000	32,609	282,609	5
153	8.10 - Water Reticulation	9/119-304-304	Old Place Pipe replacement - Melkhoud, Old Toll Road, Camdeboo, Sand piper	Internally Generated Funds	-	-	-	1,500,000	-	1,500,000	10
154	8.2 - Director: Technical Services	9/101-33-33	New machinery and equipment	Internally Generated Funds	500,000	276,774	223,226	150,000	-	150,000	All
155	8.2 - Director: Technical Services	9/101-69-69	Program Office Furniture	Internally Generated Funds	46,000	9,996	36,004	-	-	-	All
156	8.2 - Director: Technical Services	9/101-83-83	Refurbishment of Infrastructure Services Office Facilities	Internally Generated Funds	-	-	-	-	-	-	All
157	8.4 - Roads, Sewerage/Water Drainage: Stormwater	9/117-19-19	Storm water minor improvements (All wards)	Internally Generated Funds	-	-	-	500,000	-	500,000	All
158	8.4 - Roads, Sewerage/Water Drainage: Stormwater	9/117-28-28	Storm water minor improvements (All wards)	Borrowings	250,000	232,095	17,905	-	-	-	All
159	8.4 - Roads, Sewerage/Water Drainage: Stormwater	9/117-32-32	Brenton Stormwater Project	Borrowings	154,304	40,409	113,895	250,000	20,127	270,127	All
160	8.4 - Roads, Sewerage/Water Drainage: Stormwater	9/117-36-36	Retaining Wall Knysna Heights - Stormwater	Borrowings	-	-	-	-	-	-	10

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
161	8.4 - Roads, Sewerage/Water Drainage: Stormwater	9/117-40-40	Upgrade Stormwater Infrastructure	Borrowings	52,000	23,193	28,807	-	-	-	All
162	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-100-100	Upgrade Gravel Roads Ward 4	Borrowings	3,182,609	3,148,060	34,549	200,000	34,548	234,548	4
163	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-102-102	Upgrade Gravel Roads Ward 7	Borrowings	4,982,609	4,421,170	561,439	200,000	220,536	420,536	7
164	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-103-103	Upgrade Gravel Roads Ward 8	Borrowings	1,806,522	1,709,297	97,225	200,000	85,026	285,026	8
165	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-107-107	Resealing of Streets	Borrowings	7,500,000	7,226,547	273,453	2,500,000	-	2,500,000	All
166	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-112-112	Cola Beach	Borrowings	300,000	581,854	- 281,854	-	-	-	All
167	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-113-113	George Rex Drive	Borrowings	100,000	86,957	13,043	-	-	-	10
168	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-115-115	Public Transport Facilities	National Government Grant	4,347,826	2,452,181	1,895,645	13,043,478	-	13,043,478	All
169	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-116-116	Road Safety Improvements	Borrowings	876,793	813,949	62,844	-	34,581	34,581	All
170	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-117-117	Sedgefield Mouth	Borrowings	-	-	-	-	-	-	1
171	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-119-119	New Vehicle: 1 Ton LDV	Internally Generated Funds	-	-	-	-	-	-	All
172	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-120-120	New Vehicle: 1.5 Ton LDV	Internally Generated Funds	-	-	-	-	-	-	All
173	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-121-121	Veh Repl - CX1741 (Digger Loader)	Borrowings	-	-	-	-	-	-	All
174	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-122-122	Vehicle Repl: Chevrolet Corsa	Internally Generated Funds	-	-	-	-	-	-	All
175	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-123-123	Vehicle Repl: NISSAN 2.7 D	Internally Generated Funds	-	-	-	-	-	-	All
176	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-124-124	Vehicle Repl: NISSAN NP300	Internally Generated Funds	-	-	-	-	-	-	All
177	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-130-130	MIG : Upgrade of Gravel Roads - Ph2 (Rheenendal)	National Government Grant	-	745,827	- 745,827	-	-	-	5
178	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-131-131	MIG : Upgrade of Gravel Roads - Ph2 (Northern Areas)	National Government Grant	6,894,786	8,929,425	- 2,034,639	633,880	-	633,880	All
179	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-132-132	MIG: Rehabilitation of Streets	National Government Grant	5,521,738	2,882,762	2,638,976	5,558,860	-	5,558,860	6
180	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-133-133	Pavement ripper	Internally Generated Funds	-	-	-	-	-	-	All

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
181	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-134-134	Rehabilitation of Streets	Borrowings	-	-	-	-	-	-	All
182	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-136-136	MIG 374126 : Surfacing of Gravel Roads - Ph1 (Northern Areas)	National Government Grant	3,967,135	3,901,997	65,138	-	-	-	All
183	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-137-137	Upgrade Roads - Bigai Heights - Ward 6	Borrowings	120,000	100,827	19,173	300,000	19,173	319,173	6
184	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-151-151	MIG 366321 : Surfacing of Gravel Roads - Karatara	National Government Grant	78,708	2,830,994	- 2,752,286	-	-	-	2
185	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-52-52	Vehicle Replacements	Internally Generated Funds	-	-	-	-	-	-	All
186	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-96-96	Upgrade Gray Street	Borrowings	145,000	19,685	125,315	-	-	-	10
187	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-99-99	Upgrade Gravel Roads Ward 3	Borrowings	32,608	32,370	238	200,000	238	200,238	3
188	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-303-303	Cola Beach	Internally Generated Funds	-	-	-	300,000	-	300,000	All
189	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-305-305	Upgrade Howard Street Ward 9	Internally Generated Funds	-	-	-	2,000,000	-	2,000,000	9
190	8.6 - Sewerage Purification Services	9/111-130-130	Replace Compressors @ Sedgefield WWTW	Borrowings	500,000	-	500,000	-	-	-	2
191	8.6 - Sewerage Purification Services	9/111-131-131	Replace and refubish dry bed filter media all WWTW	Borrowings	-	-	-	-	-	-	All
192	8.6 - Sewerage Purification Services	9/111-132-132	Odour control	Borrowings	600,000	297,807	302,193	-	-	-	All
193	8.7 - Sewerage Reticulation Services	9/112-25-17	Upgrade main sewer p/station and sewers	Borrowings	200,000	155,609	44,391	750,000	44,391	794,391	10
194	8.7 - Sewerage Reticulation Services	9/112-40-40	Reticulation	National Government Grant	7,813,125	4,559,669	3,253,456	10,763,959	-	10,763,959	2
195	8.7 - Sewerage Reticulation Services	9/112-59-59	MCC Replacement	Borrowings	1,350,000	1,159,357	190,643	750,000	-	750,000	All
196	8.7 - Sewerage Reticulation Services	9/112-60-60	Replacement of Pump, Valves and rails	Borrowings	650,000	521,836	128,164	750,000	-	750,000	All
197	8.7 - Sewerage Reticulation Services	9/112-65-65	Brenton on Lake to Belvedere Sewer Link	Borrowings	-	332,298	- 332,298	250,000	-	250,000	5
198	8.7 - Sewerage Reticulation Services	9/112-66-66	Increase storage capacity at Salt River Sewer Pumpstation feeding Welbedacht and Simola	Borrowings	-	-	-	-	-	-	All
199	8.7 - Sewerage Reticulation Services	9/112-67-67	Knysna Windheuwel WWTW	Borrowings	250,000	140,427	109,573	250,000	-	250,000	All
200	8.7 - Sewerage Reticulation Services	9/112-68-68	Rehabilitate Sewer Pipe Bridge in Khayalethu	Borrowings	100,000	86,957	13,043	-	-	-	7

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
201	8.7 - Sewerage Reticulation Services	9/112-69-69	Replace Bio-disc in Belvidere	Borrowings	800,000	786,240	13,760	-	-	-	5
202	8.7 - Sewerage Reticulation Services	9/112-72-72	Veh Repl: CX 12804 NISSAN NP 300 2.5D	Internally Generated Funds	-	-	-	-	-	-	All
203	8.7 - Sewerage Reticulation Services	9/112-73-73	MIG : Rehabilitation of Khayalethu Sewer Bridge	National Government Grant	-	-	-	-	-	-	7
204	8.7 - Sewerage Reticulation Services	9/112-74-74	MIG : Damsebos to Hlalani Bulk Sewer Link	National Government Grant	-	-	-	-	-	-	3
205	8.7 - Sewerage Reticulation Services	9/112-75-75	Chambers - outfall sewers	Borrowings	500,000	471,312	28,688	-	-	-	All
206	8.7 - Sewerage Reticulation Services	9/112-76-76	Roos Bolton - Sewer line	Borrowings	-	-	-	-	-	-	10
207	8.7 - Sewerage Reticulation Services	9/112-77-77	Jett Machine	Borrowings	-	-	-	-	-	-	All
208	8.9 - Water Purification Works	9/118-49-49	MIG149009 Ancillary Sedge WTW	National Government Grant	190,945	170,945	20,000	-	-	-	All
209	8.9 - Water Purification Works	9/118-55-55	Fencing and Secuity of Key Points	Borrowings	1,000,000	715,845	284,155	-	-	-	All
210	8.9 - Water Purification Works	9/118-56-56	Knysna Dam Phasing	Borrowings	1,500,000	1,303,347	196,653	500,000	-	500,000	All
211	8.9 - Water Purification Works	9/118-57-57	Retaining Wall Knysna Heights	Borrowings	196,257	174,086	22,171	250,000	-	250,000	9
212	8.9 - Water Purification Works	9/118-60-101	MIG 196404: Rehabilitate Akkerkloof Dam Wall	National Government Grant	149,476	124,538	24,938	-	-	-	All
213	8.9 - Water Purification Works	9/118-90-90	Refurbish Akkerkloof and Glebe Dam Tower	Borrowings	200,000	166,354	33,646	-	-	-	All
214	8.9 - Water Purification Works	9/118-91-91	Knysna WTW - refurbishment of building	Borrowings	200,000	-	200,000	150,000	-	150,000	All
215	8.9 - Water Purification Works	9/118-92-92	Buffalo Bay Upgrade WTW	Borrowings	-	-	-	250,000	-	250,000	5
216	8.9 - Water Purification Works	9/118-93-93	Replace and refurbish Sand filters all WTW	Borrowings	4,000,000	3,121,550	878,450	-	-	-	All
217				**Total : Infrastructure Services =**	**68,658,441**	**59,485,057**	**9,173,384**	**50,906,699**	**660,279**	**51,566,978**	
218	9.1 - Housing Administration	9/105-16-30	Knysna Vision (1393) UISP	Provincial Government Grant	3,200,000	-	3,200,000	-	-	-	3
219	9.1 - Housing Administration	9/105-27-27	Servicing of 30 erven on erf 4712 Hornlee	Internally Generated Funds	-	-	-	-	-	-	6
220	9.1 - Housing Administration	9/105-28-28	Sedgefield Infill - Informal Settlements Upgrading Partnership Grant	Provincial Government Grant	-	-	-	-	-	-	1

Appendix 1 : Capital Budget per Directorate, Department and per Capital Project

Row Number	Directorate, Department	mSCOA	Project Description	Funding Source 2020-21	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Approved Budget 2023-24	Roll-Overs	Roll-Over Adjustments Budget 2023-24	Ward Allocation
Column Reference	A	B	C	D	E	F	G	H	I	J	M
221	9.1 - Housing Administration	9/105-29-29	Hornlee Infill - Informal Settlements Upgrading Partnership Grant	Provincial Government Grant	-	-	-	-	-	-	6
222	9.1 - Housing Administration	9/105-30-30	Service sites - Ward 6	Borrowings	-	-	-	-	-	-	6
223	9.1 - Housing Administration	9/105-40-40	Servicing of 30 erven on erf 4712 Hornlee	Borrowings	1,512,445	1,504,713	7,732	-	-	-	6
224	9.1 - Housing Administration	9/105-50-50	Hlalani UISP	Provincial Government Grant	720,000	-	720,000	-	-	-	3
225	9.1 - Housing Administration	9/105-51-51	Ethembeni UISP	Provincial Government Grant	720,000	-	720,000	-	-	-	4
226	9.1 - Housing Administration	9/105-52-52	Happy valley	Provincial Government Grant	396,000	-	396,000	-	-	-	3
227	9.1 - Housing Administration	9/105-53-53	Witlokasie	Provincial Government Grant	457,000	-	457,000	-	-	-	4
228				**Total: Integrated Human Settlements =**	**7,005,445**	**1,504,713**	**5,500,732**	**-**	**-**	**-**	
229				**Grand Total: Capital Expenditure Budget =**	**113,157,226**	**91,897,919**	**21,259,307**	**110,738,609**	**2,793,942**	**113,532,551**	

APPENDIX 2:

Capital Roll-Over Adjustments Budget with reasons

Appendix 2: Capital Roll-Over Adjustments Budget with Reasons										
Row Number	Directorate	Branch	mSCOA	Project Description	Funding Source	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Roll-Overs	Reasons for Roll-Over
Column Reference	A	B	C	D	E	F	G	H	I	J
1	Vote 2 - Corporate Services	2.9 - Information Technology	9/106-23-23	Data Centre Upgrade	Internally Generated Funds	300,000	50,261	249,739	249,739	Tender T40/2022-23 awarded to No Fear System service provider and the project is underway.
								Total: Corporate Services =	249,739	
2	Vote 6 - Community Services	6.8 - Safety Fire Brigade Services	9/120-22-22	Establishment of fire stations - Khayalethu	Borrowings	1,000,000	110,000	890,000	1,280,000	T66/2022-23 Tender Awarded amount is R909,420. Awarded to 6111 Consultants. on appeal ste. The rezoning issue caused the project to be completely delayed, necessitating the services of a town planner to solve the issue. Prices escalated. After lengthly battle the matter was reffered to Tribunal for a decision in order for the project to proceed. currently the fire engine are parked outside, exposing them to weather elements and shortening their lifespan.
								Total: Community Services =	1,280,000	
3	Vote 7 - Electrical Services	7.3 - Electricity Distribution	9/104-105-131	Electrification of informal areas - Ward 4	Borrowings	1,671,037	1,418,782	252,255	200,787	During the 2022/23 financial year, The Electrical department experienced challenges to conclude the formal electrification projects within the timeframe. The timeframe to execute the projects was extremely limited and this has resulted to the delay in the supply and delivery of the material such as the Pole-Mounted Transformers (PMT),Electrical cables and prepayment meters for the following projects 1. Electrification of Formal Housing 2. Electrification of informal Housing areas –Ward 4 3. Electrification of informal Housing areas –Hornlee (Ward 11) 4. Electrification of informal Housing areas 5. Electrification of informal Housing areas –Ward 6 All the aforementioned projects are at 80% complete and the only remainder of the work is to perform the installation of the transformers, termination of the cables to the houses as well as installation of prepaid meters. Initial T36 of 2019-20 was awared for Consultant tender to do groundwork. that is completed and construction work is under. T36 of 2021-22 tender awarded for the installation of Electrification.

Appendix 2: Capital Roll-Over Adjustments Budget with Reasons										
Row Number	Directorate	Branch	mSCOA	Project Description	Funding Source	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Roll-Overs	Reasons for Roll-Over
Column Reference	A	B	C	D	E	F	G	H	I	J
4	Vote 7 - Electrical Services	7.3 - Electricity Distribution	9/104-111-137	Electrification of informal areas - Hornlee	Borrowings	1,306,647	993,249	313,398	112,830	During the 2022/23 financial year, The Electrical department experienced challenges to conclude the formal electrification projects within the timeframe. The timeframe to execute the projects was extremely limited and this has resulted to the delay in the supply and delivery of the material such as the Pole-Mounted Transformers (PMT),Electrical cables and prepayment meters for the following projects 1. Electrification of Formal Housing 2. Electrification of informal Housing areas –Ward 4 3. Electrification of informal Housing areas –Hornlee (Ward 11) 4. Electrification of informal Housing areas 5. Electrification of informal Housing areas –Ward 6 All the aforementioned projects are at 80% complete and the only remainder of the work is to perform the installation of the transformers, termination of the cables to the houses as well as installation of prepaid meters. Initial T36 of 2019-20 was awared for Consultant tender to do groundwork. that is completed and construction work is under. T36 of 2021-22 tender awarded for the installation of Electrification.
5	Vote 7 - Electrical Services	7.3 - Electricity Distribution	9/104-120-120	Electrification of informal areas	Borrowings	400,000	316,426	83,574	62,619	During the 2022/23 financial year, The Electrical department experienced challenges to conclude the formal electrification projects within the timeframe. The timeframe to execute the projects was extremely limited and this has resulted to the delay in the supply and delivery of the material such as the Pole-Mounted Transformers (PMT),Electrical cables and prepayment meters for the following projects 1. Electrification of Formal Housing 2. Electrification of informal Housing areas –Ward 4 3. Electrification of informal Housing areas –Hornlee (Ward 11) 4. Electrification of informal Housing areas 5. Electrification of informal Housing areas –Ward 6 All the aforementioned projects are at 80% complete and the only remainder of the work is to perform the installation of the transformers, termination of the cables to the houses as well as installation of prepaid meters. Initial T36 of 2019-20 was awared for Consultant tender to do groundwork. that is completed and construction work is under. T36 of 2021-22 tender awarded for the installation of Electrification.

Appendix 2: Capital Roll-Over Adjustments Budget with Reasons

Row Number	Directorate	Branch	mSCOA	Project Description	Funding Source	Final Budget 2022-23	Actuals 2022-23	Variance 2022-23	Roll-Overs	Reasons for Roll-Over
Column Reference	A	B	C	D	E	F	G	H	I	J
6	Vote 7 - Electrical Services	7.3 - Electricity Distribution	9/104-130-130	Electrification of informal areas - Ward 6	Borrowings	1,050,000	768,615	281,385	227,688	During the 2022/23 financial year, The Electrical department experienced challenges to conclude the formal electrification projects within the timeframe. The timeframe to execute the projects was extremely limited and this has resulted to the delay in the supply and delivery of the material such as the Pole-Mounted Transformers (PMT),Electrical cables and prepayment meters for the following projects 1. Electrification of Formal Housing 2. Electrification of informal Housing areas –Ward 4 3. Electrification of informal Housing areas –Hornlee (Ward 11) 4. Electrification of informal Housing areas 5. Electrification of informal Housing areas –Ward 6 All the aforementioned projects are at 80% complete and the only remainder of the work is to perform the installation of the transformers, termination of the cables to the houses as well as installation of prepaid meters. Initial T36 of 2019-20 was awared for Consultant tender to do groundwork. that is completed and construction work is under. T36 of 2021-22 tender awarded for the installation of Electrification.
								Total: Electrical Services =	**603,924**	
7	Vote 8 - Technical Services	8.10 - Water Reticulation	9/119-98-98	Standpipes	Internally Generated Funds	250,000	80,950	169,050	169,050	Procured through RFQ process. Due to demand for stand pipes.
8	Vote 8 - Technical Services	8.10 - Water Reticulation	9/119-99-99	Bulk Water Supply - Rheenendal	Internally Generated Funds	250,000	127,110	122,890	32,609	T36/2019-20 Oustanding payment of the Professional Service Provider Payment Fees
9	Vote 8 - Technical Services	8.4 - Roads, Sewerage/Water Drainage: Stormwater	9/117-32-32	Brenton Stormwater Project	Borrowings	154,304	40,409	113,895	20,127	T36/2019-20 Oustanding payment of the Professional Service Provider Payment Fees
10	Vote 8 - Technical Services	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-100-100	Upgrade Gravel Roads Ward 4	Borrowings	3,182,609	3,148,060	34,549	34,548	T5/2021-22 awarded to Mantishe Constructions. Delays due to appeals logged resulted in long process to deal with the appeals.
11	Vote 8 - Technical Services	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-102-102	Upgrade Gravel Roads Ward 7	Borrowings	4,982,609	4,743,812	238,797	220,536	T5/2021-22 awarded to Mantishe Constructions. Delays due to appeals logged resulted in long process to deal with the appeals.
12	Vote 8 - Technical Services	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-103-103	Upgrade Gravel Roads Ward 8	Borrowings	1,806,522	1,709,297	97,225	85,026	T5/2021-22 awarded to Mantishe Constructions. Delays due to appeals logged resulted in long process to deal with the appeals.
13	Vote 8 - Technical Services	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-116-116	Road Safety Improvements	Borrowings	876,793	813,949	62,844	34,581	Procured through RFQ process. Due to demand for guadrails.
14	Vote 8 - Technical Services	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-137-137	Upgrade Roads - Bigai Heights - Ward 6	Borrowings	120,000	100,827	19,173	19,173	Procured through RFQ process. Due to demand for clearing of roads. Cleaning main holes and pavements.
15	Vote 8 - Technical Services	8.5 - Roads, Sewerage/Water Drainage: Streets	9/110-99-99	Upgrade Gravel Roads Ward 3	Borrowings	32,608	32,370	238	238	Award was subject to provide Health and Safety agent had to wait for that. 15% provision as a security due to the risk of the price being 18.8% lower than the cost of the value of the project T4/21
16	Vote 9 - Housing Services	8.7 - Sewerage Reticulation Services	9/112-25-17	Upgrade main Sewer Pump Station and sewers in the CBD	Borrowings	200,000	155,609	44,391	44,391	T36/2019-20 Oustanding payment of the Professional Service Provider Payment Fees
								Total: Technical Services =	**660,279**	
								Grand Total: Roll-Overs =	**2,793,942**	

APPENDIX 3:

Municipal Budget and Reporting Regulations: B-Schedules

7. **CONSIDERATION OF MOTIONS**

None

8. **CONSIDERATION OF QUESTIONS**

None

9. **CONSIDERATION OF MOTIONS OF EXIGENCY**

None

10. **IN COMMITTEE ITEMS**

None

11. **ADJOURNMENT**

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