

ITEM

OFFICE OF THE EXECUTIVE MAYOR: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT (SECTION 72) REPORT FOR 31 DECEMBER 2025.

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 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 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 2026 in terms of section 72 of Municipal Finance Management Act. Annexures are being attached which displays the West Rand District Municipality's financial and non-financial performance for the past six (6) months (1 July 2025 to 31 December 2025).

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. The Council take note of the 2025/2026 Mid-Year Budget and Performance Assessment of West Rand District Municipality
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.
3. That the Municipality continue with the adjustment budget process.
4. That the Mid-year performance assessment, and the recommendations contained therein be approved for preparation of an Adjustment budget for the 2025/2026 period and the revision of the 2025/26 SDBIP's accordingly.
5. That the revision of the SDBIP, as part of the Mid-Year Assessment be approved in line with the adjustment budget and the affected Performance Agreements of section 56/57 employees be amended accordingly.
6. That the 2025/2026 Mid-Year Performance Assessment be noted.
7. That the Mid-Year Performance Assessment submitted in terms of Section 72 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003 be noted for onward submission to National and Provincial Treasury.
8. 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



Mogale City
Local Municipality



WEST RAND
DISTRICT MUNICIPALITY

West Rand
District Municipality

Mid-Year Budget and Performance Assessment for the 2025/2026 Financial Year

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IN-YEAR BUDGET STATEMENT TABLES: QUARTER ENDED 31 DECEMBER 2025

The financial results for the QUARTER ENDED 31 DECEMBER 2025 are attached and consists of the following tables:

MBRR TABLES:

- 1) Table C2: Month 06 Budget Statement - Financial Performance (Revenue and Expenditure by Functional Classification)
- 2) Table C4: Month 06 Budget Statement – Financial Performance (Revenue and Expenditure)
- 3) Table C5: Month 06 Budget Statement – Capital Expenditure by vote, standard classification and funding
- 4) Table C6: Month 06 Budget Statement – Financial Position
- 5) Table C7: Month 06 Budget Statement – Cash Flow
- 6) Table SC3: Month 06 Budget Statement – Aged Debtors
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- 9) Table SC7: Month 06 Budget Statement – Transfer and grant expenditures
- 10) Table SC8: Month 06 Budget Statement – Councillor and staff benefits
- 11) Table 15: Councillors remuneration.
- 12) Table 16: Withdrawal Statement

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 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

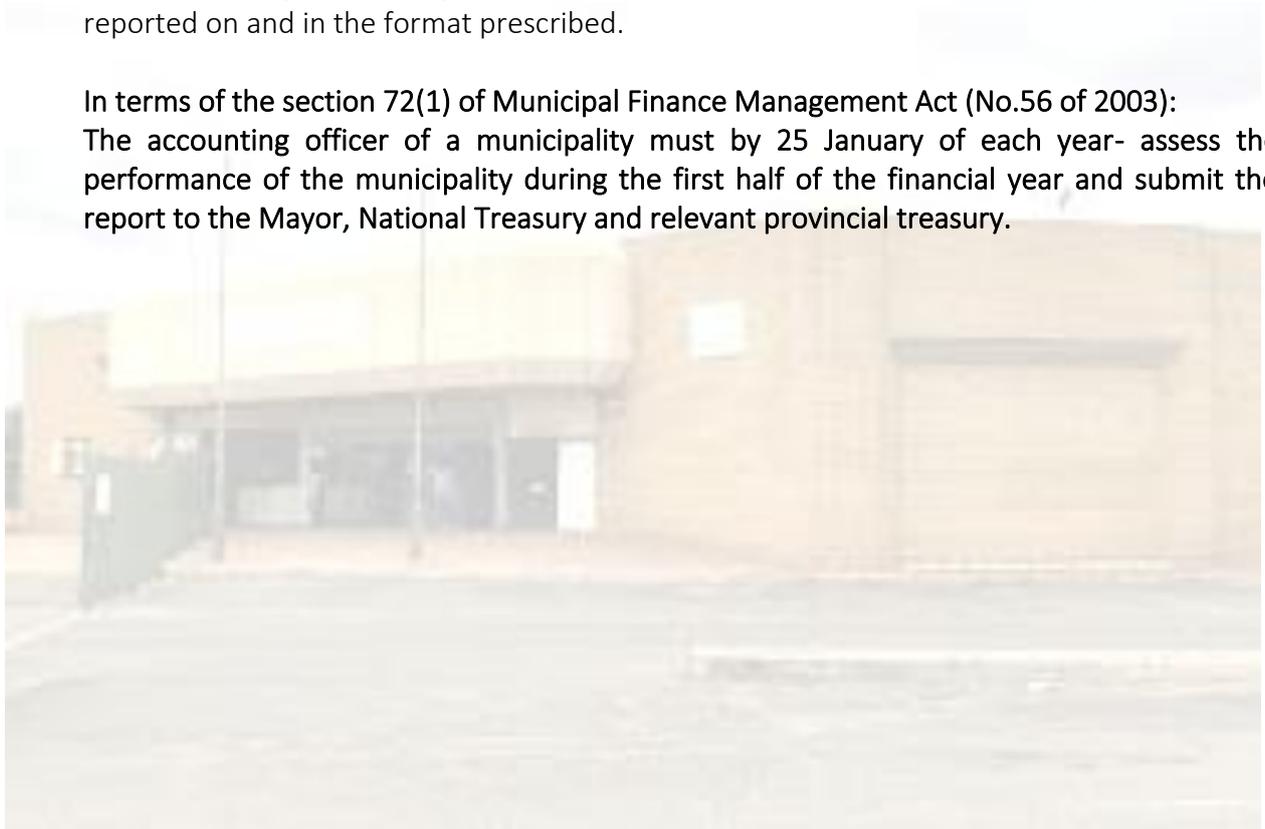
The application of sound financial management principles for the compilation of West Rand District Municipality financial plan is essential and critical to ensure that the municipality remains financially viable, and those sustainable municipal services are provided economically and equitably to all 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	2025/26 Original 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	376,108	204,324	54%	188,054
TOTAL REVENUE RECOGNISED	376,108	197,404	52%	188,054
TOTAL EXPENDITURE	(376,055)	(151,441)	(40%)	(188,028)
Operational expenditure	(371,910)	(151,044)	(41%)	(185,955)
Capital expenditure	(4,147)	(397)	(10%)	(2,073)
SURPLUS/(DEFICIT)- including capital expenditure	53	45,963		26
SURPLUS/(DEFICIT) - excluding capital expenditure	4,200	46,360		2,100

Note: Positive Revenue & Negative (Expenditure)

- 2.1.1 In the 2025/26 financial year the municipality has anticipated to raise a total revenue R376.1 million which is inclusive of operational and capital grants. The total revenue of **R197** million has been recognised (representing 52%) 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 2025/26 financial year that amounts to R376 million is inclusive of capital and operating expenditure.
- 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)

DC48 West Rand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 - Quarter 2

Vote Description	Ref	Budget Year 2025/26						
		Original Budget	Quarter 2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote	1							
Vote 1 - Corporate Governance		13,243	3,311	7,497	6,621	876	13%	13,243
Vote 2 - Municipal Manager & Support		21,597	4,966	11,245	10,799	446	4%	21,597
Vote 3 - Corporate Services		42,895	10,041	22,473	21,447	1,026	5%	42,895
Vote 4 - Budget & Treasury Office		30,722	7,503	15,978	15,361	617	4%	30,722
Vote 5 - Health & Social Development		55,373	12,942	28,876	27,687	1,189	4%	55,373
Vote 6 - Public safety		129,296	38,592	87,231	64,648	22,583	35%	129,296
Vote 7 - Regional planning & Economic Development		82,982	10,808	24,105	41,491	(17,386)	-42%	82,982
Total Revenue by Vote	2	376,108	88,164	197,404	188,054	9,350	5%	376,108
Expenditure by Vote	1							
Vote 1 - Corporate Governance		13,130	1,270	6,979	6,565	414	6%	13,130
Vote 2 - Municipal Manager & Support		21,414	11,612	15,725	10,707	5,018	47%	21,414
Vote 3 - Corporate Services		42,530	10,978	21,981	21,265	716	3%	42,530
Vote 4 - Budget & Treasury Office		30,460	4,788	12,595	15,230	(2,635)	-17%	30,460
Vote 5 - Health & Social Development		54,902	16,158	25,969	27,451	(1,482)	-5%	54,902
Vote 6 - Public safety		128,197	29,751	60,529	64,098	(3,569)	-6%	128,197
Vote 7 - Regional planning & Economic Development		82,277	3,482	7,265	41,138	(33,873)	-82%	82,277
Total Expenditure by Vote	2	372,910	78,039	151,044	124,303	(35,411)	-28%	372,910
Surplus/ (Deficit) for the year	2	3,198	10,124	46,360	63,751	(26,061)	0	3,198

NB: mSCOA version 6.9

- 2.2.1 The overall performance as at end of December 2025 indicates that the municipality has realised a year-to-date surplus of R46,3 million as per income and expenditure summary by municipal function.
- 2.2.2 The function that contributes the largest year to date expenditure is Public Safety with a total of R64 million (40%) from the overall year to date expenditure due to employee related costs.
- 2.2.3 The Corporate Services function contributes 15% of the total year-to-date expenditure with over expenditure incurred on municipal services.
- 2.2.4 The Health and Social Services with the total year to date expenditure of R25,9 million contributes (17%) of the total year to date expenditure.
- 2.2.5 The functions with the lowest expenditure to date from the overall budget are the Regional Planning and Economic Development as well as Corporate Governance which constitutes of 5% respectively. The over expenditure to date on Corporate Governance is a result of the back payments made to councillors' remuneration as per councillors upper limit gazette.
- 2.2.6 The over expenditure on Municipal Manager & Support is mainly contributed by the back pay of the former Municipal Manager as per court judgement and employee related costs which will be considered during the adjustment budget.

- 2.2.7 The department that have reported over expenditure will be considered during the adjustment budget.
- 2.2.8 Finance Function contributes 8% of the total year-to-date.
- 2.2.9 The profitability ratio presented below, is at 23%. This indicates that the municipality's year to date financial performance is at a surplus as at 31 December 2025.

Description	Basis of calculation	% Profit/ (Deficit)
Profitability ratio	Surplus/ Total revenue	23%

2.3 Table 3: FINANCIAL PERFORMANCE REVENUE BY TYPE

This table shows income raised by the municipality for the quarter ended 31 December 2025

DC48 West Rand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Quarter 2

Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Quarter 2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Rental of facilities and equipment		2,094	3,620	925	1,721	1,810	(89)	-5%	3,620
Interest earned - external investments		6,312	7,804	520	1,325	3,902	(2,577)	-66%	7,804
Interest earned - outstanding debtors		353	–	118	198	–	198	–	–
Licences and permits		533	766	–	13	383	(370)	-97%	766
Transfers and subsidies		269,970	303,768	85,006	191,786	151,884	39,902	26%	303,768
Other revenue		405	42,955	1,496	2,262	21,478	(19,216)	-89%	42,955
Other Gains		–	12,707	–	–	6,354	(6,354)	-100%	12,707
Gains on disposal of PPE		–	1,488	–	–	744	(744)	-100%	1,488
Total Revenue (excluding capital transfers and contributions)		279,668	373,108	88,065	197,305	186,554	10,751	6%	373,108

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 quarter ended 31 December 2025 amounted to R197 million. The overall collection of total revenue was mainly contributed by the Equitable Share, sale of goods/rendering of services, rental of facilities and interest received from short term investments and conditional grants.
- 2.3.2 The 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 monthly as the funds are spent in line with the stipulated grant conditions.
- 2.3.3 The interest received was realised from Current and Non-Current Assets amounts to R1,3 million for the quarter ended December 2025. The collections are due to the equitable share tranches received during the month of July and December 2025, the funds are made available for withdrawal as and when required.
- 2.3.4 Grants are fully disclosed in Table 4. (SC6)
- 2.3.5 The breakdown of other revenue for the quarter ended December 2025 is made up from the following sources as presented on the table below:

Item Description	Quarterly Income	YTD Income
Sales of Goods and Rendering of Services: Fire Services	377,193	812,042
Building Plan Fees	39,967	108,327
Sale of tender documents	7,826	19,696
Health Clearance Certificates	74,718	163,192
Entrance Fees (Donaldson Dam)	12,391	19,409
Electricity recovery	147,094	276,798
Recoveries	3,350	11,274
Commission	18,582	36,814
Insurance refund	814,191	814,191
TOTAL	1,495,312	2,261,743

Table 4: GRANTS RECEIVED FOR THE QUARTER ENDED 30 DECEMBER 2025
The table for transfers and subsidies received by the municipality as at the quarter ended 31 December 2025

DC48 West Rand - Supporting Table SC6 Monthly Budget Statement - Transfers and Grant Receipts - M06 - Quarter 2

		Original Budget	Quarter 2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2							
Operating Transfers and Grants								
National Government:		254,091	83,516	189,971	127,046	62,926	50%	254,091
Local Government Equitable Share		53,050	17,485	18,631	26,525	(7,894)	-29.8%	53,050
RSC Levy Replacement		198,092	65,289	168,886	99,046	69,840	70.5%	198,092
Finance Management		1,300	–	1,300	650	650	100.0%	1,300
EPWP Incentive		1,649	742	1,154	825	329	40.0%	1,649
Provincial Government:		13,500	8,209	8,209	6,750	1,459	22%	13,500
Health Subsidy		13,500	8,209	8,209	6,750	1,459	21.6%	13,500
Other grant providers:		3,150	492	1,535	1,575	(40)	-3%	3,150
LG SETA		3,150	492	1,535	1,575	(40)	-2.6%	3,150
Total Operating Transfers and Grants	5	270,741	92,217	199,715	135,371	64,344	48%	270,741
Capital Transfers and Grants								
Provincial Government:		3,000	–	3,000	1,500	1,500	0	3,000
Fire Rescue Services (Capital)		3,000	–	3,000	1,500	1,500	100.0%	3,000
Capital Transfers and Grants								
National Government:		32,459	2,129	2,129	16,230	(14,101)	–	3,041
Neighbourhood Development Partnership		29,418	–	–	14,709	(14,709)	-100.0%	–
Rural Roads Asset Management Systems		3,041	2,129	2,129	1,521	608	40.0%	3,041
Total Capital Transfers and Grants	5	35,459	2,129	5,129	17,730	(12,601)		6,041
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	306,200	94,346	204,844	153,100	51,744	34%	276,782

The total year-to-date transfers and subsidies received for the 2025/26 financial year amount to **R204,8 million** which is made up of R199,7 million from operational and R5,1 million capital transfers. Grants still remain the main revenue contributor which is also an indication that the municipality is grant dependent while seeking other sources of revenue to maintain financial stability.

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

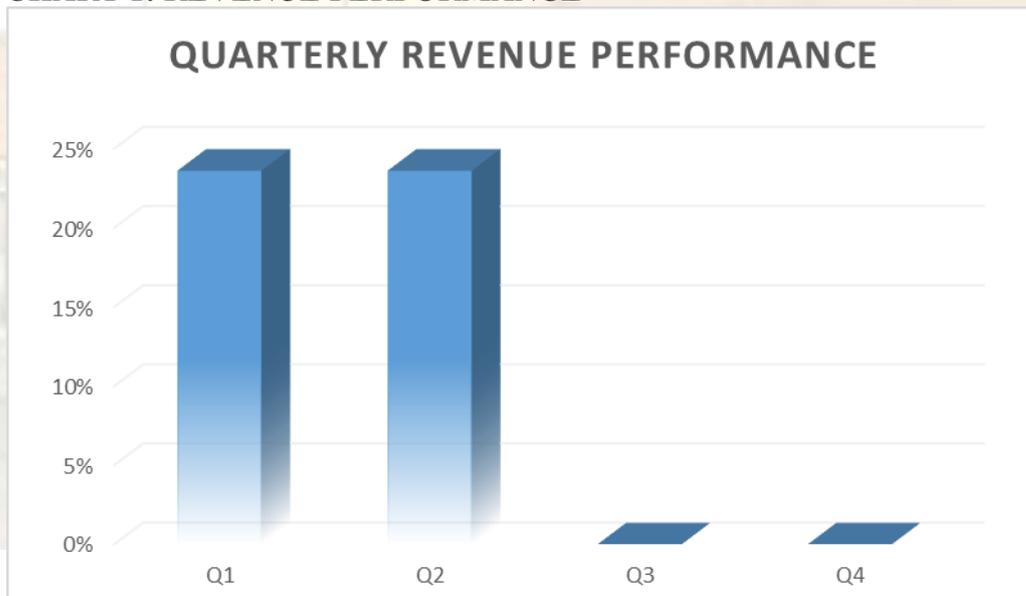
Grants for the month ended 31 December 2025

Grants	(A) Gazetted 2025/2026	(B) Roll-over 2025/2026	(C) Received per bank statement 2025/2026	(D) Spent to date 2025/2026	(E) Unspent 2025/2026 (B+C-D)	(F) % Spent to date 2025/2026 (D/C+B)
FMG	1 300 000.00	-	1 300 000.00	456 725.13	843 274.87	35%
EPWP	1 649 004.00	-	1 154 000.00	836 675.40	317 324.60	73%
Health subsidy	13 500 000.00	-	8 209 200.00	6 577 274.75	1 631 925.25	80%
Fire & Rescue Services Capital	3 000 000.00	-	3 000 000.00	99 000.00	2 901 000.00	3%
Rural Asset Management Grants	3 041 004.00	-	2 129 000.00	803 957.72	1 325 042.28	38%
Neighbourhood Development Partnership	29 418 000.00	-	-	-	-	0%
TOTAL "R"	51 908 008.00	-	15 792 200.00	8 773 633.00	7 018 567.00	

2.3.6.1 The above table depicts the gazetted and the year-to-date conditional grants movement. The grants that are fully received to date are FMG and the Fire grant. The expenditure incurred towards the FMG and Rural Roads Asset Management grant mainly constitutes of internship stipends.

2.3.6.2 The grants will be deposited into the municipality's bank account as per approved National Treasury's grant payment schedule.

CHART 1: REVENUE PERFORMANCE



The above chart represents the quarterly revenue % of the total revenue raised as at 31 December 2025

Table 5: FINANCIAL PERFORMANCE EXPENDITURE BY TYPE**This table shows expenditure incurred by the municipality for the quarter ended 31 December 2025**

DC48 West Rand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Quarter 2

Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Quarter 2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Expenditure By Type									
Employee related costs		214,867	248,301	58,855	115,746	124,151	(8,405)	-7%	248,301
Remuneration of councillors		13,282	15,446	1,244	6,928	7,723	(795)	-10%	15,446
Debt impairment		536	(1,949)	-	-	(975)	975	-100%	(1,949)
Depreciation & asset impairment		5,349	6,878	1,447	1,960	3,439	(1,479)	-43%	6,878
Interest cost and penalties		8,851	12,773	254	440	6,387	(5,947)	-93%	12,773
Other materials			638	115	286	319	(33)	-10%	638
Contracted services		74,084	39,606	1,102	2,678	19,803	(17,125)	-86%	39,606
Transfers and subsidies		12,242	12,131	5,990	5,990	6,066	(75)	-1%	12,131
Operational expenditure		27,325	38,086	9,032	17,018	19,043	(2,025)	-11%	38,086
Total Expenditure		356,535	371,910	78,039	151,046	123,970	(34,909)	-28%	371,910

2.3.7 The total year to date operating expenditure amounts to **R151 million** which represents 41% of the total operational budget.

2.3.8 The total employee related costs excluding councillors' remuneration is 77% of the total expenditure incurred as at end of December 2025. The major portion of equitable share is utilised for employee costs due to limited revenue streams in the municipality.

2.3.9 During the previous reporting periods the municipality had challenges with the interface between Munsoft and Payday, however this has since been resolved which resulted in the variances on the line-item Remuneration of councillors. The reduction on the reporting quarter was due to the reclassification with no impact on the year to date actual or expenditure incurred

2.3.10 The amount spent on contracted services and other operational expenditure for the quarter are listed are listed below. *(Excluding VAT)*

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

Item Description	Quarterly Expenditure	YTD Expenditure
Security Services	695,842	1,739,605
Burial Services	78,750	122,500
Maintenance of vehicles	97,849	114,980
Business and Advisory: Accounting and Auditing	-	6,818
Business and Advisory: Actuaries	-	19,900
Business and Advisory: Audit Committee	181,834	215,116
Legal Advice and Litigation	-	70,942
Maintenance of building	-	15,000
Maintenance of equipment	48,033	372,923
TOTAL CONTRACTED SERVICES (Excl. VAT)	1,102,308	2,677,784

The breakdown of other expenditure for the quarter ended 31 December 2025 is made up of the following sources presented below:

Item Description	Quarterly Expenditure	YTD Expenditure
Bank charges	7,997	14,586
Advertising Publicity and Marketing	59,727	88,398
Communication (Telephone & Cellular)	209,072	457,747
Software licenses	1,201,324	3,628,689
External Audit Fees	3,167,211	3,167,211
Learnership and internships	492,480	960,480
Vehicle License and Registrations	32,148	47,792
Municipal Services	2,640,892	3,884,529
Skills Development Fund Levy	487,009	1,007,729
Insurance excess payments	34,783	36,956
Insurance Premium	40,095	2,621,566
Vehicle Tracking	17,512	21,890
HIV/AIDS operational projects	424,199	546,937
Travel and subsistence	31,300	39,300
Wet Fuel	180,000	480,000
Professional Bodies and memberships	6,425	13,704
TOTAL OTHER EXPENDITURE (Excl. VAT)	9,032,174	17,017,514

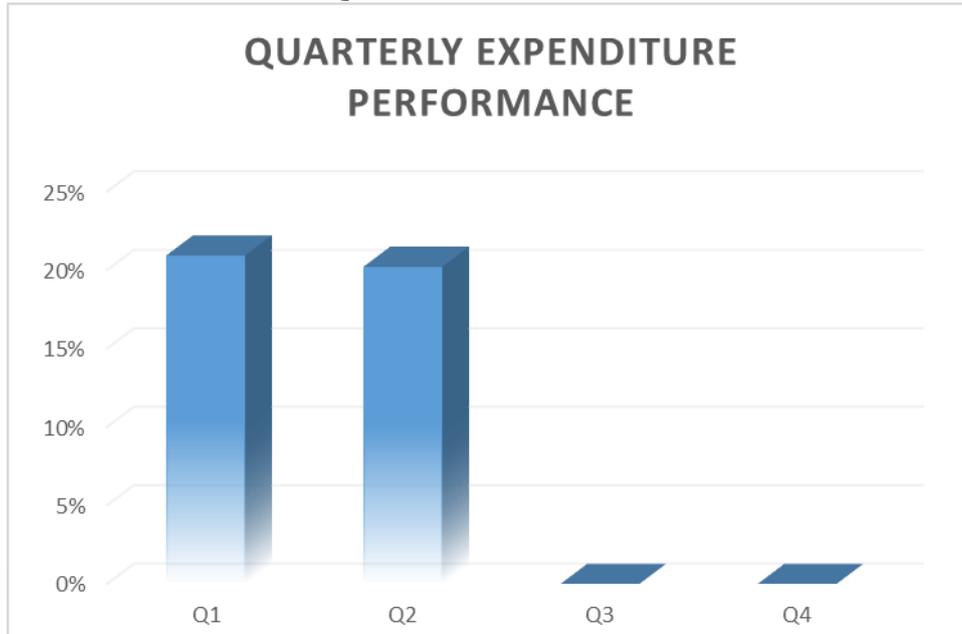
The breakdown of Donaldson Dam expenditure for the month ended 31 December 2025 is made up of the following sources presented below:

Item Description	Quarterly Expenditure	YTD Expenditure
Employee Cost	136,194	326,569
Security Services	240,066	480,132
TOTAL EXPENDITURE	403,260	806,701

The breakdown of Merafong flora expenditure for the quarter ended 31 December 2025 is made up of the following sources presented below:

Item Description	Quarterly expenditure	YTD Expenditure
Employee Cost	284,993	578,106
Security Services	240,066	480,132
TOTAL EXPENDITURE	525,059	1,058,238

Chart 2: EXPENDITURE QUARTERLY PERFORMANCE



The above chart represents the quarterly expenditure as a % of the total expenditure as at the 31 December 2025.

3 DEBTORS AND CREDITORS

3.1 TABLE 6: DEBTORS AGE ANALYSIS – QUARTER ENDED 31 DECEMBER 2025

DC48 West Rand - Supporting Table SC4 Budget Monthly Statement - aged debtors - M06 - Quarter 2

	NT Code	Budget Year 2025/26									Total over 90 days	Actual Bad Debts Written Off against	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			
R thousands													
Debtors Age Analysis By Income Source													
Other	1900	500	214	161	169	108	131	1 085	3 810	6 178	5 302	-	10 702
Total By Income Source	2000	500	214	161	169	108	131	1 085	3 810	6 178	5 302	-	10 702
107656.6 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	-	-	-	-	-	-	-	5 400	5 400	5 400	-	5 400
Commercial	2300	500	214	161	169	108	131	1 085	3 810	6 178	5 302	-	5 302
Total By Customer Group	2600	500	214	161	169	108	131	1 085	9 210	11 578	10 702	-	10 702

3.1.1 Debtors who are 90 days and older for WRDM is **R5 million** as at 31 December 2025. 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 persist, below is a detailed aging analysis per debtor.

3.1.2 The municipality has handed over the overdue accounts to an external debt collector in order to recover the amounts owed to the district.

3.2 TABLE 7: CREDITORS AGE ANALYSIS – QUARTER ENDED 31 DECEMBER 2025

DC48 West Rand - Supporting Table SC4 Budget Monthly Statement - aged creditors - M06 - Quarter 2

Description R thousands	Budget Year 2025/26									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	
Creditors Age Analysis By Customer Type										
Trade Creditors	-	716	508	2 083	11 665	-	-	-	-	14 972
Auditor General	-	165	-	1 764	-	-	-	-	-	1 929
Other	-	28 019	-	-	-	-	-	-	30 444	58 463
Total By Customer Type	-	28 901	508	3 846	11 665	-	-	-	30 444	75 364

3.2.1 The municipality is currently owing the suppliers a total amount of **R16,9 million** as at 31 December 2025. 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 R58 million includes Human Settlement Grant amounting to R30 million which has been rolled forward from previous financial years and the accumulated amount of leave payable to its employees which amounts to R28 million.

3.2.3 The district has finally effected the credit notes from Rand West City LM due to the signed offset agreement between the two municipalities. The impact of this settlement agreement has significantly reduced the balance owed to the Rand West City LM due to the correction of interest incorrectly levied to the utility account.

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 SALGA.

3.2.5 To date the municipality has managed to settle the outstanding debt with the Department of Labour.

3.2.6 The creditors from the above table have an impact on the Statement of Financial Position hence the overall negative net community wealth and low current ratio.

The breakdown of the creditors' age analysis by customer balance for the quarter ended 31 December 2025 is made up as follows:

Creditor Code 202412	Creditor Name	Description of services rendered	0days	30days	60days	90days	120days	Total
00437	Auditor General South Africa	Auditing	-	165,327	-	1,763,709	-	1,929,037
07582	Barend Holdings	Transport services	-	18,750	-	-	-	18,750
03287	Bhango Business Enterpris CC	Catering	-	2,243	-	-	-	2,243
80089	Lizel Venter	Legal services	-	-	-	-	587,030	587,030
99348	Mabotwane Security Services Cc	Security Services	-	-	-	-	177,821	177,821
2077	Nozuko Nxusani Incorporated	Legal Services	-	-	-	-	570,025	570,025
6857	Rand West C L M (Donaldson)	Municipal Services	-	36,603	36,723	35,480	3,356,549	3,465,355
99902	Rand West City Local Municipal	Municipal Services	-	455,285	471,169	2,047,144	2,114,294	5,087,892
13852	Salga	Membership fees	-	-	-	-	4,859,061	4,859,061
00163	Telkom SA Limited	Telecommunication s	-	3,767	-	-	-	3,767
07381	Uzakahle Holdings	Catering	-	199,767	-	-	-	199,767
Total			-	881,741	507,892	3,846,333	11,664,780	16,900,747



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

Creditors (other accrual)	Amount
Leave payable (days not taken)	28,018,840
Human Settlement Grant	30,444,044
Financial Management Grant (Unspent)	843,275
Health Subsidy	1,631,925
Fire Services Capital Grant (Unspent)	2,901,000
Expanded Public Works Programme Integrated Grant (Unspent)	317,325
Rural Asset Management Grant	1,325,042
Total	65,418,450

3.2.8 The municipality has a leave payable balance of R28 million as at 31 December 2025 due to accumulated leave accrued to employees in terms of the main collective agreement. The accumulated leave payable is limited to 48 days per employee and in order to remedy the financial implication the municipality's employees are encouraged to take annual leave.

3.2.9 In the prior financial year, the municipality had entered in a payment arrangement with Department of labour to settle the outstanding amount and through the application of the municipality's cost containment measures the municipality has managed to settle outstanding debt.

4 CAPITAL EXPENDITURE, REPAIRS AND MAINTENANCE EXPENDITURE

4.1. Table 8: Repairs and Maintenance Expenditure (RME) for the quarter ended 31 December 2025

Repairs and Maintenance as per department	Description	2025/26 Original budget	Quarterly Expenditure	Year to date actual	YTD budget
Public Safety	Fire Vehicles	760,347	97,849	114,980	380,174
Finance	Pool Vehicles	156,450	-	-	78,225
Corporate Services	Computer Equipment	177,310	48,033	372,923	88,655
Corporate Services	Municipal Properties	3,889,347	-	15,000	1,944,674
Total Repairs and Maintenance		4,983,454	145,882	502,903	2,491,727

4.1.1 The Repairs and Maintenance expenditure incurred for the year-to-date actual expenditure is R502 thousand against approved budget of R2 million.

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

4.1.3 The municipality is intending to repair municipal properties, which can be more costly using the same budget allocation. The procurement process for repairs and maintenance of the municipal properties has not yet been concluded.

4.2. SUMMARY OF CAPITAL BUDGET

Table 9: CAPITAL BUDGET PERFORMANCE FOR THE QUARTER ENDED 31 DECEMBER 2025

	2025/26 Approved Original Budget R	Actual spend to date (in R and as a % of the Approved Budget)		Pro rata Original Budget to date R
		R	%	
EXPENDITURE (Excl. VAT)	3,606,087	396,814	11%	1,803,043
VAT @ 15%	540,913	44,673	9%	270,456
EXPENDITURE (Incl. VAT)	4,147,000	441,490	11%	2,073,500

The VAT amount is only calculated on R297,814

4.2.1. The table below represents the capital expenditure as at 31 December 2025 per functional classification and funding:

DC48 West Rand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - Quarter 2

Vote Description	Ref	Budget year 2025/26						
		Original Budget	Quarter 2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1							
Capital Expenditure - Functional Classification								
<i>Governance and administration</i>		1 147	–	298	574	(276)	-48%	1 147
Finance and administration		1 147	–	298	574	(276)	-48%	1 147
<i>Community and public safety</i>		3 000	99	99	1 500	(1 401)	-93%	3 000
Public safety		3 000	99	99	1 500	(1 401)	-93%	3 000
Total Capital Expenditure - Functional Classification	3	4 147	99	397	2 074	(1 677)	-81%	4 147
Funded by:								
Provincial Government		3 000	99	99	1 500	(1 401)	-93%	3 000
Transfers recognised - capital		3 000	99	99	1 500	(1 401)	-93%	3 000
Internally generated funds		1 147	–	298	574	(276)	-48%	1 147
Total Capital Funding		4 147	99	397	2 074	(1 677)	-81%	4 147

4.2.2. The municipality has a total original budget of R4,1 million for capital expenditure with the year-to-date expenditure of R397 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 are funded by own revenue generated. The computer equipment that was acquired as capital assets are capitalised as municipal assets.

CASH FLOW POSITION

4.3. TABLE 10: CASH FLOW – QUARTER ENDED 31 DECEMBER 2025

DC48 West Rand - Table C7 Monthly Budget Statement - Cashflow - M06 - Quarter 2

R thousands	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts		359,000	361,914	84,395	211,734	180,957	30,777		361,914
Other revenue		5,229	47,342	1,451	5,665	23,671	(18,006)	-76%	47,342
Government - operating	1	269,970	303,768	82,774	201,744	151,884	49,860	33%	303,768
Government - capital	1	77,488	3,000	–	3,000	1,500	1,500	100%	3,000
Interest		6,312	7,804	171	1,325	3,902	(2,577)	-66%	7,804
Payments		(355,327)	(367,917)	(32,388)	(161,543)	(183,959)	22,416	-12%	(355,144)
Suppliers and employees		(334,233)	(342,076)	(32,388)	(161,543)	(171,038)	9,495	-6%	(342,076)
Finance charges		(8,851)	(12,773)	–	–	(6,387)	6,387	-100%	–
Transfers and Grants		(12,242)	(13,068)	–	–	(6,534)	6,534	-100%	(13,068)
ACTIVITIES		3,673	(6,003)	52,008	50,191	(3,002)	53,193		6,770
Payments									
Capital assets		(5,796)	(4,147)	–	(342)	(2,074)	1,731	-83%	(4,147)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(5,796)	(4,147)	–	(342)	(2,074)	1,731	(0)	(4,147)
NET INCREASE/ (DECREASE) IN CASH HELD		(2,123)	(10,150)	52,008	49,849				(10,150)
Cash/cash equivalents at beginning:	2	18,526	16,403	4,826	4,826				16,403
Cash/cash equivalents at month/year end:	2	16,403	6,253		54,674				6,253

4.4. TABLE 11: FREE CASH FLOW ANALYSIS

Total Application of cash and investments:	Closing balance (R '000)
WRDM (FNB transactional account)	1
WRDM (Standard bank transactional accounts)	5
Call Account Investment – WRDM (Standard bank)	54,666
Call Account Investment – WRDM (FNB)	1
Standard bank Fixed Deposit Account	-
Total cash available	54,673
Unspent Conditional Grants	(7,019)
Total cash available before commitments	47,744
Total commitment by end of March	(71,079)
Outstanding commitments- Jan 2026	(22,842)
Outstanding commitments- Feb 2026	(20,746)
Outstanding commitments- Mar 2026	(27,941)
Cash flow surplus/(shortfall)	(23,335)

4.4.1. A summary of the cash flow statement for the quarter ended 31 December 2025 is reflected in the table above with the closing balance of R54,673 million with an estimated shortfall of R23 million after considering the commitments and unspent grant. It is crucial for the municipality to access overdraft facility which will be settled once the municipality receives its equitable share. This will assist in paying obligations within the legislated timelines and manage its cash flow effectively.

4.4.2. The additional table for cash flow analysis indicates the affordability status of the municipality and confirms that the municipality will not be self-sufficient in the foreseeable future since it is grant dependent. The municipality will not be able to meet all obligations in the month of March 2026.

4.5. TABLE 12: SHORT TERM INVESTMENT AND RESERVE FOR THE QUARTER ENDED 31 DECEMBER 2025

DC48 West Rand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 - Quarter 2

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
FNB Call Account		N/A	Call account	Yes	Fixed					1	0	-	-	1
Standardbank Fixed Deposit		1 month	Fixed Deposit	Yes	Fixed					-	-	-	-	-
Standardbank Call Account		N/A	Call account	Yes	Fixed					2,615	169	(3,315)	55,197	54,666
TOTAL INVESTMENTS AND INTEREST	2									2,616	169	(3,315)	55,197	54,667

4.5.1. During the quarter ended 31 December 2025, withdrawals of R3,3 million were made from the Standard Bank Call Account partly for operational expenditure and R55 million was re-invested into the Standard Bank Call Account. The call account type is available on demand while generating additional interest income from the equitable share.



6. FINANCIAL POSITION

6.1 TABLE 13: FINANCIAL POSITION FOR THE QUARTER ENDED 31 DECEMBER 2025

DC48 West Rand - Table C6 Monthly Budget Statement - Financial Position - M06 - Quarter 2

Description	Ref	2024/25	Budget year 2025/26		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands	1				
<u>ASSETS</u>					
Current assets					
Cash		4,834	–	7	–
Call investment deposits		–	2,555	54,667	2,555
Consumer debtors		4,669	11,302	11,617	11,302
Receivables from non-exchange transactions		1,398			–
Inventory		262	300	280	300
Total current assets		11,162	14,157	66,571	14,157
Non current assets					
Investment property		9,300	9,200	9,200	9,200
Property, plant and equipment		58,491	60,077	58,546	60,077
Biological		92	78	92	78
Total non current assets		67,883	69,355	67,838	69,355
TOTAL ASSETS		79,045	83,512	134,409	83,512
<u>LIABILITIES</u>					
Current liabilities					
Unspent Conditional Grants		1,398	–	7,019	–
Transfers payables		30,444	30,034	–	30,034
Vat payable		4,174	–	4,174	–
Employee Benefit Obligation		2,641	2,448	2,641	2,448
Trade and other payables		58,246	66,533	75,364	66,533
Provisions		6,849	12,746	6,849	12,746
Total current liabilities		103,753	111,761	96,047	111,761
Non current liabilities					
Employee benefit obligation		59,542	50,428	59,542	–
Provisions		20,254	28,382	20,254	28,382
Total non current liabilities		79,796	78,810	79,796	28,382
TOTAL LIABILITIES		183,549	190,571	175,843	140,143
NET ASSETS	2	(104,504)	(107,059)	(41,433)	140,143
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)		(104,504)	(107,059)	(41,433)	140,143
TOTAL COMMUNITY WEALTH/EQUITY	2	(104,504)	(107,059)	(41,433)	140,143

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

Number	Description	Basis of calculation	YTD 2025/26
1	Current ratio	Current assets/ Current liabilities	0.69:1
2	Liquidity ratio	(Current assets – Inventory)/ (Current liabilities – Provisions – Leave payable – Human Settlement Grant)	2.15:1
3	Working capital	Current assets – Current liabilities	(R 29,476 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 months. It compares the municipality's current assets to its current liabilities with a standard norm of 1.5 and 3. The ratio of 0.69:1 shows that the municipality will struggle to meet its short-term obligation for the next reporting period. This ratio varies from month to month, due to the 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 2.15:1 shows that the municipality will be in the position to meet its current obligations within the period of two month provided that the non-cash liabilities are excluded in the calculation.

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 2.68:1 which is within the standard norm of 1.5 and 3.
- b. The year-to-date salary bill is at 77% of the total expenditure which higher than the standard norm of 25% to 45% of the total expenditure
- c. Long outstanding debtors remains high due the cases referred to court and letter of demands issued
- d. The annual inflation increase is 4.5% against the equitable share annual increase of 2.3%
- e. There are limited revenue streams to turnaround the 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 2025/2026
Employee costs as % of total expenditure	84%	81%
Number of permanent employees	362	337
Number of temporary employees	50	16

b. TABLE 14: COUNCILLORS AND STAFF BENEFITS

DC48 West Rand - Supporting Table SC8 Monthly Budget Statement - Councillor and Staff Benefits - M06 - Quarter 2

Summary of Employee and Councillor remuneration	Ref	Budget year 2025/26						
		Original Budget	Quarter 2	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
	1	B						D
<u>Councillors (Political Office Bearers plus Other)</u>								
Basic Salaries and Wages		11 599	589	5 625	5 799	(174)	-3%	11 599
Other Benefits and Allowance		2 230	95	187	1 115	(928)	-83%	2 230
Cellphone Allowance		1 618	560	1 116	809	307	38%	1 618
Sub Total - Councillors		15 446	1 244	6 928	7 723	(795)	-10%	15 446
<u>Senior Managers of the Municipality</u>								
Basic Salaries and Wages	3	5 710	2 220	3 654	2 855	799	28%	5 710
Motor Vehicle Allowance		609	45	90	304	(214)	-70%	609
Other benefits and allowances		364	1	2	182	(180)	-99%	364
Sub Total - Senior Managers of Municipality		6 683	2 266	3 746	3 342	404	12%	6 683
<u>Other Municipal Staff</u>								
Basic Salaries and Wages		161 953	37 575	70 680	80 976	(10 296)	-13%	161 953
Pension and UIF Contributions		31 205	7 402	14 793	15 603	(810)	-5%	31 205
Medical Aid Contributions		13 922	3 511	7 038	6 961	77	1%	13 922
Overtime		9 222	2 088	4 380	4 611	(231)	-5%	9 222
Performance Bonus		10 576	2 034	7 014	5 288	1 726	33%	10 576
Motor Vehicle Allowance		11 186	3 116	6 230	5 593	637	11%	11 186
Cellphone Allowance		17	8	17	8	9	102%	17
Housing Allowances		-	170	349	-	349	-	-
Other benefits and allowances		3 538	598	1 042	1 769	(727)	-41%	3 538
Payments in lieu of leave		-	87	457	-	457	-	-
Sub Total - Other Municipal Staff		241 618	56 589	112 000	120 809	(8 809)	-7%	241 618
Total Parent Municipality		263 747	60 099	122 674	131 874	(9 200)	-7%	263 747

TABLE 15: COUNCILLORS REMUNERATION

PUBLIC OFFICE-BE+B1:J21ARERS ACT, ACT NO. 20 of 1998								
MONTHLY COUNCILLOR REMUNERATION RETURN								
Every municipality in Gauteng province is requested to submit a completed schedule to the Gauteng Department of Cooperative Governance and Traditional Affairs by no later than 10 working days after the end of each month showing: <ol style="list-style-type: none"> 1. Municipal Information; 2. The salary of each municipal councillor (including allowances and benefits) on a monthly basis; and 3. Signatory to the report. NB: Adhere to the processes outlined in section 32 of the MFMA in instances of overpayment to any municipal councillor.								
The electronic return must be emailed to bothale.nkosi@gauteng.gov.za or Tel: 011 355 5762 and george.mpaneng@gauteng.gov.za or Tel: 011 355 5249.								
DECLARATION: The Municipal Manager (or a delegate) is required to certify the correctness and accuracy of information provided in this report.								
Municipal Name:	West Rand DM			Mun Code		DC48		
Municipal Grading	Grade 4			Financial Year:		2025/26		
Reporting Month:	December			Total Number of Councillors:		44		
Contact Person:	Sam Ramaele			Telephone:		011 411 5010		
E-Mail Address:	sramaele@wvrdm.gov.za			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
Municipal Councillors: Full-Time								
Executive Mayor	1	84,076.50	3,917.00	-	-	-	-	87,993.50
Speaker	1	27,111.93	2,117.00	-	-	-	9,037.32	38,266.25
Member of Mayoral Committee	8	268,547.25	21,702.00	-	78,857.83	-	-	369,107.08
Chief Whips	1	63,086.25	3,917.00	-	-	-	-	67,003.25
Chairperson of Section 79 Committees	1	61,208.17	3,917.00	-	-	-	-	65,125.17
Municipal Councillors: Part-Time								
Councillors	32	276,697.28	89,978.00	44,829.00	62,334.58	-	-	473,838.86
TOTAL		780,727.38	125,548.00	44,829.00	141,192.41	0	9,037.32	1,101,334.11
Comments:								
Municipal Manager :	ME Koloj				Date:	1/8/2026		

TABLE 16: WITHDRAWAL STATEMENT

MFMA - WITHDRAWAL FROM MUNICIPAL BANK ACCOUNTS
SECTION 11(4) & 74(1)

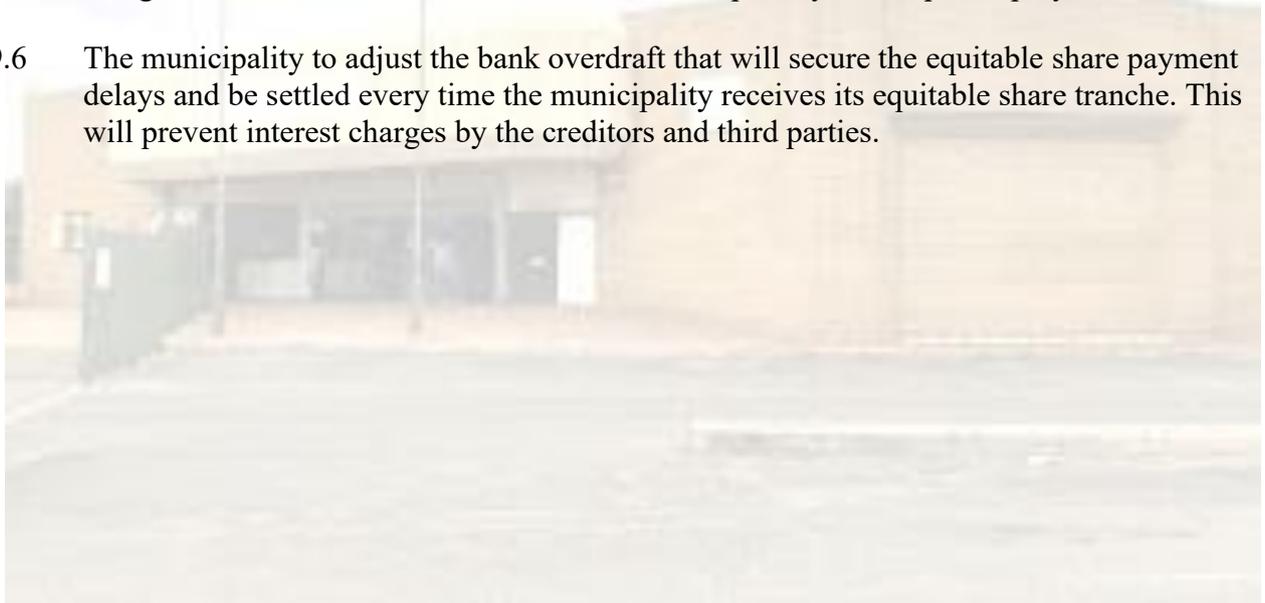
Name of Municipality:	West Rand District
Municipal Demarcation Code:	DC48
Responsible official:	West Rand District
Contact details	(011) 411 5052
Financial year	West Rand District
Quarter	West Rand District

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	27,146,143	524,539	987	2,417	-	26,618,200
Add Receipts for quarter	193,705,701	404,441	16	131,269,251	-	62,031,993
Less Payments for quarter	-166,177,961	-927,486	-	-131,266,207	-	-33,984,268
Closing cash book balance at end of quarter	54,673,883	1,495	1,003	5,460	-	54,665,925
GL Account Balance						
Payments for the month	-166,177,961	-927,486		-131,266,207	-	-33,984,268
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)	-	-		-	-	-
Total	-166,177,961	-927,486		-131,266,207	-	-33,984,268
Actual capital expenditure for the quarter	-	-		-	-	-
Actual operating expenditure for the quarter	-166,177,961	-927,486		-131,266,207	-	-33,984,268
Section 11(4) expenditure	-	-		-	-	-
Total	-166,177,961	-927,486		-131,266,207	-	-33,984,268

9. Adjustment Budget overview 2025/26

- 9.1 The municipality is anticipating to table adjustment budget to council by 28 February 2026 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 77% of the total expenditure to date (excluding councillors' remuneration) which is above the norm of 25% to 40%. 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 To adjust the mscoa data strings on Asset Management Module against balance sheet budgeting. This misalignment is misrepresenting the depreciation.
- 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 municipality to adjust the bank overdraft that will secure the equitable share payment delays and be settled every time the municipality receives its equitable share tranche. This will prevent interest charges by the creditors and third parties.





2025/2026
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 2025/26 Service Delivery and Budget Implementation Plan (SDBIP) was approved by the Executive Mayor on the 24th of June 2025, in line with Section 53(1)(c)(ii) of the MFMA, MFMA Circular No.13 and the Municipal Budget and Reporting Regulations.

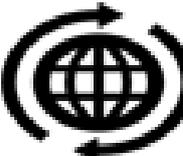
2. PURPOSE

The purpose of this report is to outline progress made by the West Rand District Municipality on the implementation of the SDBIP for the first half (mid-year period) of the financial year 2025/2026. The report was compiled using first and second quarter performance information.

3. OVERVIEW

The Mid-year Performance Report contains information received from each department for the first and second quarter assessment of performance ending 31 December 2025 and focuses on the implementation of the SDBIP, in relation to regional outcomes defined in the Integrated Development Plan (IDP) and the SDBIP of the municipality for the year under review.

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

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

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

KEY PERFORMANCE AREA	WEST RAND REGIONAL OUTCOMES
KPA 1:	Outcomes 1/5/6/7/10
	1. Basic Service Delivery Improvement

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

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)-

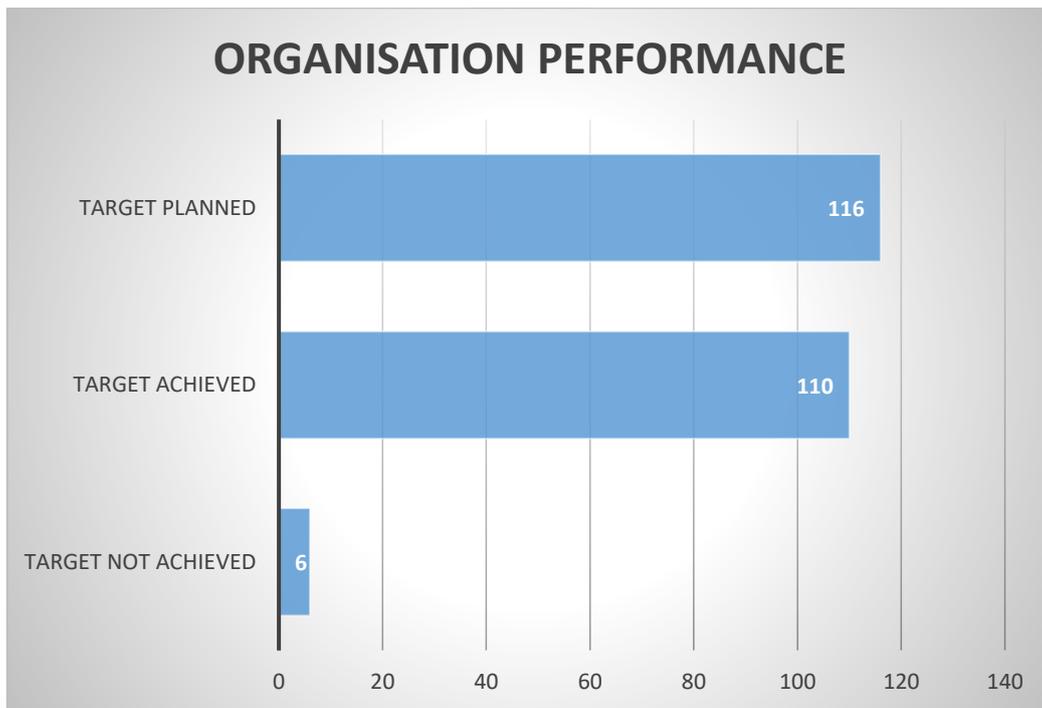
- (a) consider the report
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions 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

The Executive Mayor approved the 2025/2026 SDBIP on 24 June 2025, which includes performance targets to be met during the financial year under review. The approved SDBIP for the 2025/2026 financial year comprises 139 performance targets. Of the 139 targets on the approved SDBIP, a total of 116 performance targets were due for reporting at the end of midterm of the 2025/2026 financial year.

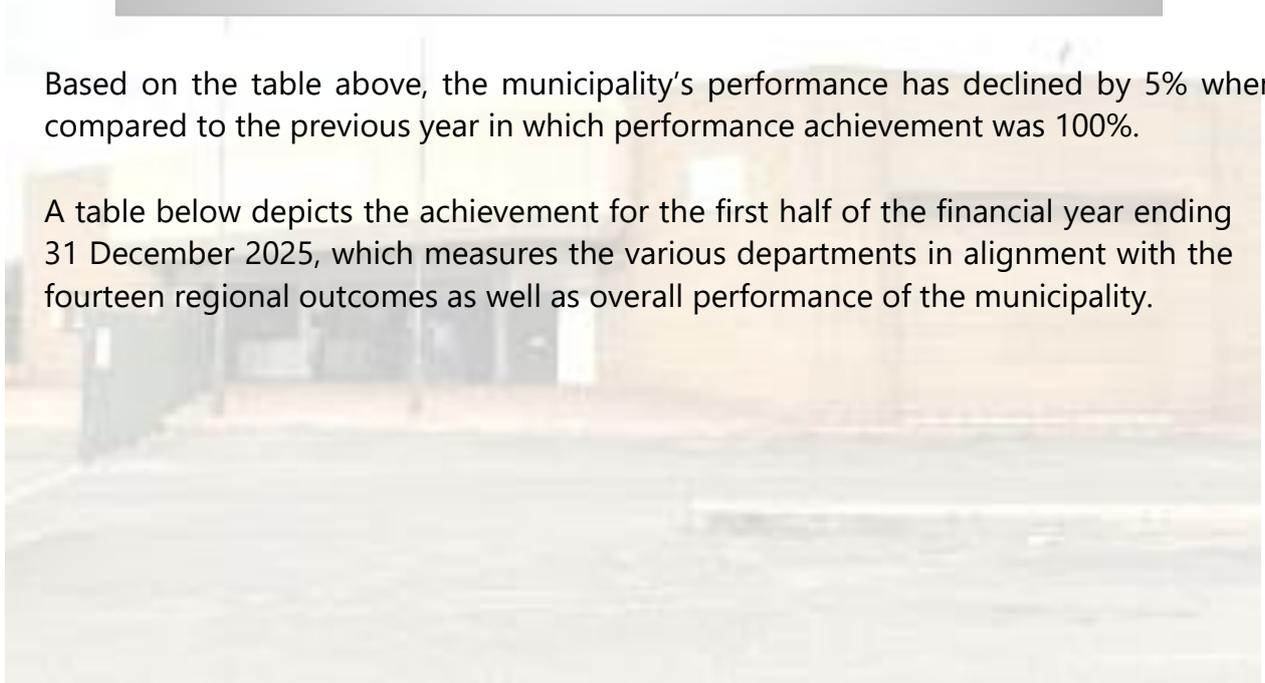
At this stage, the information used to develop the report or the reported actual performance against the targets are quarter 1 and quarter 2 and only quarter 1 has been audited internally. Performance on these 116 targets was recorded as follows:

110 targets were achieved translating to 95% achievement and 6 targets were not achieved (5%).



Based on the table above, the municipality's performance has declined by 5% when compared to the previous year in which performance achievement was 100%.

A table below depicts the achievement for the first half of the financial year ending 31 December 2025, which measures the various departments in alignment with the fourteen regional outcomes as well as overall performance of the municipality.



REGIONAL OUTCOMES	PLANNED TARGETS FOR MID-YEAR	ACHIEVED TARGETS FOR MID-YEAR	NOT ACHIEVED TARGETS FOR MID-YEAR	MID-YEAR ACHIEVEMENT %
Regional Outcome 1: Basic Service Delivery Improvement	4	4	0	100
Regional Outcome 2: Accountable Municipal Administration	5	5	0	100
Regional Outcome 3: Skilled, capacitated, competent and motivated workplace	7	6	1	86
Regional Outcome 4: Ethical administration and good governance	12	11	1	92
Regional Outcome 5: Safe Communities	18	17	1	94
Regional Outcome 6: Educated Communities	3	2	1	67
Regional Outcome 7: Healthy Communities	18	18	0	100
Regional Outcome 8: Sustainable Environment	4	4	0	100
Regional Outcome 9: Build Spatially Integrated Communities	4	4	0	100
Regional Outcome 10: Social Cohesive Communities	2	2	0	100
Regional Outcome 11: Reduce Unemployment	5	4	1	80
Regional Outcome 12: Economic Development	6	6	0	100
Regional Outcome 13: Robust Financial Administration	13	12	1	92
Regional Outcome 14: Institutional Planning and Transformation	15	15	0	100
TOTAL	116	110	6	95

7. 2025/2026 MID-YEAR PERFORMANCE SUMMARY AGAINST PERFORMANCE INDICATORS NOT ACHIEVED AND OVERACHIEVED

The 2025/2026 mid-year consist of 139 KPI's as depicted in the approved SDBIP. Of the 116 performance indicators with set targets, a total of fifteen (15) key performance indicators were over-achieved and six (6) was not achieved.

Non-achieved targets are highlighted in red
Over-achieved targets are highlighted in green

The table below presents the indicators with over-achieved and non-achieved targets:



NUMBE	DEPARTM ENTS	INDICATOR	EVIDENCE	PLANNE	ACTUA	REASONS FOR VARIANCE	MITIGTION MEASURE
1.	PUBLIC SAFETY	Number (400) of building inspections conducted in compliance with the National building Regulations & WRDM By-Laws	Quarterly Building Inspection Reports	200	249	Due to high demand for building inspections and registering of spaza shops as per the Provincial and National Call	N/A
2.		Percentage (80) of all fire and rescue calls responded to in 10 min in the Urban Areas of the West Rand	Q1-Q4 Statistical response reports	80	92	First responder principles	N/A
3.		Percentage (80) of all fire and rescue calls responded to within 20 min in the Rural Areas of the West Rand	Q1-Q4 Statistical response reports	80	95	First responder principles	N/A
3		Number (170) of Performance Agreements signed	Copies of signed performance agreements	170	116	54 staff members are awaiting guidance from their Unions on whether to sign or not	Consult with corporate services and support on how Unions could be engaged.
4	HEALTH AND	Number (40) of Performance Agreements signed	Copies of signed performance agreements	40	34	6 employees refused to sign PA citing unions advise	Consult with corporate services and support on how Unions could be engaged.

5.		Number (4000) of food premises inspections conducted to monitor the safety of food	Notice (Inspection Report / Notice / Final Notice) / Letters / Certificate of Acceptability on new premises	2000	2573	Due to joints blitz	N/A
6.		Number (120) of inspections conducted on funeral undertakers	Notice (Inspection Report / Notice / Final Notice) / Letters / Certificate of Acceptability on new premises	60	80	Due to renewal of certificates and exhumations	N/A
7.		Number (1200) of Health Surveillance of private premises inspections conducted to monitor Health compliance.	Notice (Inspection Report / Notice / Final Notice) / Letters / Health Certificates for new premises	600	664	Due to approval of building plans and Town planning comments and complaints	N/A
8.	HEALTH AND SOCIAL DEVELOPMENT	Number (160) of Government Institutions inspected in terms of National Norms and Standards	Notice (Inspection Report / Notice / Final Notice) / Letters / Health Certificates for new premises	80	90	Due to an outbreak that occurred in a school	N/A
9.		Number (720) of inspections conducted on Early Childhood Development Centres to monitor compliance	Notice (Inspection Report / Notice / Final Notice) / Letters / Health Certificates for new premises	360	361	Due to a build-up activity that was done in ECDCs	N/A
10.		Number (192) of chemical safety training sessions conducted	Attendance registers on sessions conducted	96	101	Due to high frequency/ number of spaza shops visited during the Tuesday's blitz operations. They were trained to safeguard the community	N/A

						against potential poisoning	
11.		Number (288) of water samples taken for analysis in line with SANS 241	Sample results	144	362	Due to collaborations with the local municipalities	N/A
12.		Number (160) of Food samples taken for Analysis	Sample results	80	150	Due to special events	N/A
13.		Number (180) of pest control inspections conducted on municipal buildings	Notice (Inspection Report / Notice / Final Notice)	90	110	Due to complaints received on ad hoc basis	N/A
14.		Number (8) of Gender awareness/ Education programmes coordinated	1. Programme 2. Attendance registers 3. Narrative report	4	9	Due to collaboration with other stakeholders during 16 days of Activism	N/A
15.		Number (4) of Youth Programmes coordinated	1. Programme 2. Attendance registers 3. Narrative report	2	3	Due to collaboration with other stakeholders during World AIDS Day buildup Activities	
16.		Number (4) of Atmospheric Emission Licenses issued	1. Received / confirmation application form 2. Signed/issued Atmospheric Emission License	2	3	More applications received	N/A
17.	CORPO RATE SERVICE	Number (4) of Local Labour Forum meetings held	1. Quarterly LLF Feedback report 2. Attendance registers	2	4	Due to matters of interest that had to be attended to	N/A

18.		Number (43) of Performance Agreements signed	Copies of signed performance agreements	43	31	The remaining staff members (11) are awaiting guidance from their Unions on whether to sign or not	EXCO to intervene in the matter
19.		Number (6) of Performance Agreements signed	Copies of signed performance agreements	6	0	Staff members are awaiting guidance from their Unions on whether to sign or not	EXCO to intervene in the matter
20.	REGIONAL PLANNING	Number (9) of Performance Agreements signed	Copies of signed performance agreements	9	0	Staff members are awaiting guidance from their Unions on whether to sign or not	EXCO to intervene in the matter
21.	FINANCE	Number (21) of Performance Agreements signed	Copies of signed performance agreements	21	3	Staff members are awaiting guidance from their Unions on whether to sign or not	EXCO to intervene in the matter

8. SUMMARY OF MIDTERM PERFORMANCE PER KEY PERFORMANCE AREA

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, spatial rationale, financial viability; and good governance and public participation.

Against this, below is a graph that outlines municipal performance per key performance for the first half of the 2025/2026 financial year (as at 31 December 2025).

Annual Planned targets	Not applicable for Midterm	Midterm Planned	Achieved	Not Achieved	Performance Achievement for Midterm
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BASIC SERVICES DELIVERY

Outcome 1: Basic Service Delivery Improvement	4	0	4	4	0	100
Outcome 5: Safe Communities	19	1	18	17	1	94
Outcome 6: Educated Communities	3	0	3	2	1	67
Outcome 7: Healthy Communities	19	1	18	18	0	100
Outcome 10: Social Cohesive Communities	2	0	2	2	0	100
	47	2	45	43	2	96

MUNICIPAL INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

Outcome 3: Skilled, capacitated, competent and motivated workplace	11	4	7	6	1	86
Outcome 14: Institutional Planning and Transformation	19	4	15	15	0	100
	30	8	22	21	1	95

LOCAL ECONOMIC DEVELOPMENT

Outcome 11: Reduce Unemployment	5	0	5	4	1	80
Outcome 12: Economic Development	6	0	6	6	0	100
	11	0	11	10	1	91

FINANCIAL VIABILITY AND MANAGEMENT

Outcome 13: Robust Financial Administration	22	9	13	12	1	92
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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	14	2	12	11	1	92
	19	2	17	16	1	94

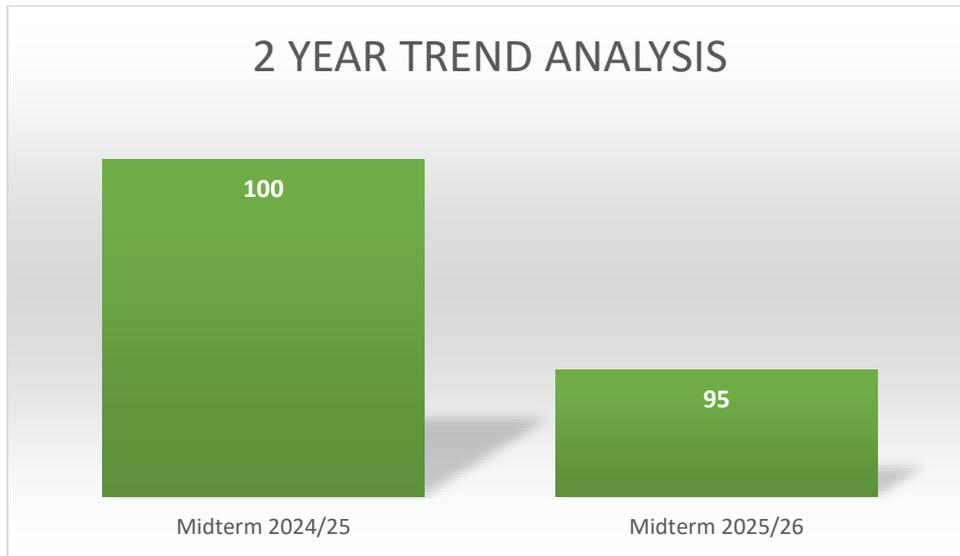
SPATIAL RATIONALE

Outcome 8: Sustainable Environment	4	0	4	4	0	100
Outcome 9: Build Spatially Integrated Communities	6	2	4	4	0	100
	10	2	8	8	0	100

TOTAL	139	23	116	110	6	95
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9. TREND ANALYSIS



The above graph depicts a regression in the current financial year’s performance which is at 95% and was 100% in the previous financial year.

10. COMPARISON OF DEPARTMENTAL PERFORMANCE PER OUTCOME FOR THE TWO FINANCIAL YEARS

DEPARTMENTS	REGIONAL OUTCOME	COMPARISON WITH 2024/2025 ACHIEVEMENTS
Regional Planning and Economic Development	1, 9, 11, 12	Regressed by 5% from 100% to 95%
Health and Social Development	6, 7,8,10	Regressed by 7% from 100% to 93%
Public safety	5	Regressed by 6% from 100% to 94%
Finance	13	Regressed by 8% from 100% to 92%
Corporate Services	3, 14	Regressed by 5% from 100% to 95%
Office of the municipal manager	2, 4,14	Improved by 5% from 95% to 100%
Internal audit	4	Its a new department and achieved 89%

11. ADJUSTMENT CONSIDERATIONS

A revision of the SDBIP will be conducted based on the provisions of the Adjustment Budget and the recommendations made by the Auditor General South Africa (AGSA) during the 2024/25 financial year audit. Subsequently, the SDBIP will be submitted for approval following the approval of the Adjustment Budget.

12. SUMMARY

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

Annexure A is the unaudited SDBIP report for the first half of the financial year 2025/2026 ending 31 December 2025, 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.

13. RECOMMENDATIONS

- 13.1 That The Council take note of the 2025/2026 Mid-Year Budget and Performance Assessment of West Rand District Municipality
- 13.2 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.
- 13.3 That the Municipality continue with the adjustment budget process
- 13.4 That the Mid-year performance assessment, and the recommendations contained therein be approved for preparation of an Adjustment budget for the 2025/2026 period and the revision of the 2025/26 SDBIP's accordingly.
- 13.5 That the revision of the SDBIP, as part of the Mid-Year Assessment be approved in line with the adjustment budget and the affected Performance Agreements of section 56/57 employees be amended accordingly.



M.E KOLOZI
MUNICIPAL MANAGER

DATE: 22/01/26



ALD. D.S THABE:
EXECUTIVE MAYOR

DATE: 23-01-26