

DATE: 02 OCTOBER 2024

REPORT TO: CORPORATE SERVICES PORTFOLIO COMMITTEE

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**1. ITEM NUMBER: CRSPC 10/10/24**

**2. SUBJECT**

**CORPORATE SERVICES DIRECTORATE: AUGUST 2024 FINANCIAL MONITORING REPORT**

**ONDERWERP**

**DIREKTORAAT KORPORATIEWE DIENSTE: VERSLAG OOR FINANSIËLE MONITERING VIR AUGUSTUS 2024**

**ISIHLOKO**

**ICANDELO LEENKONZO ZEZIKO: INGXELO ENGOKUBEK'ILISO KWIZIMALI KWEYETHUPHA 2024**

**LSU R0921**

**3. DELEGATED AUTHORITY**

In terms of delegation

This report is FOR NOTING BY

- Committee name : Corporate Services Portfolio Committee**
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

#### 4. DISCUSSION

This is a monthly financial monitoring report reflecting the progress made on the implementation of the 2024/25 Capital and Operating Budgets for the Corporate Services Directorate. The information contained in this report is based on the Budget, approved by Council in May 2024, and the actual expenditure as at August 2024 reflected in SAP.

The monitoring and reviewing of the 2024/25 Capital and Operating Budgets for the Corporate Services Directorate is an ongoing process. Financial management reports are tabled at the monthly management committee meeting for the Corporate Services Directorate. Financial management reports are also submitted monthly to the Executive Director: Corporate Services, Directors and their financial support staff.

In addition to these, monthly management reports are provided to all Directors and their support staff, highlighting significant variances with a view to them taking the necessary remedial actions, where required. This entails adjusting their budgets, reallocate expenditure correctly or fast tracking their implementation plans. These actions are necessitated for compliance with legislative requirements, Council policies & procedures and ensuring good governance.

#### Capital Budget

This Directorate's approved 2024/25 Capital Budget amounts to R456.9 million.

Current Budget	YTD Planned Spend	YTD Actual Spend	Commitments	% YTD Spend vs YTD Planned Spend	% YTD Spend vs Current Budget	% YTD Spend + Commitments vs Current Budget
(R m)	(R m)	(R m)	(R m)			
456.9	63.8	74.4	214.1	116.6%	16.3%	63.1%

The table above reflects the Directorate's implementation rate achieved compared to the year-to-date planned spend at 116.6%. The implementation rate, compared to the total budget is 16.3% for the period ending 31 August 2024, excluding commitments.

When commitments are taken into account, the overall performance improves to 63.1% for the Directorate. The value of the commitments placed for the period ending 31 August 2024 amounts to R214.1 million.

#### Reason for variance:

The positive variance reflects on various projects, which are ahead of planned spend as a result of vendors being able to deliver stock earlier than anticipated.

#### Remedial or corrective steps:

Further orders will be placed in September 2024.

The Top 100 Priority Projects for the City is also managed via the Project Portfolio Management (PPM) Operational Dashboard. This Directorate has the following projects as part of the Top 100 Projects for the City:

- Records & document management software R15.1 million
- Finance and Operational Core Software R18.3 million
- Records & document management software R18.9 million
- LAN Switch Replacement Program FY25 R18.9 million
- Vendor Management System R22.0 million
- Fleet Replacement FY25 R25.5 million
- ERP Annual Capacity Growth FY25 R27.0 million
- BIP Replacements R29.5 million
- Plant Replacement FY25 R31.0 million
- Fleet Replacement FY25 R111.5 million

The 2024/25 Current Capital Budget summary per Department is attached as Annexure A to this report.

**Operating Budget**

**Departmental Summary - Controllable Primary Expenditure**

This Directorate’s approved 2024/25 Operating Budget amounts to 3 596.2 million.

Current Budget (R m)	YTD Planned Spend (R m)	YTD Actual Spend (R m)	% YTD Spend vs YTD Planned Spend	% YTD Spend vs Current Budget
3 596.2	617.3	592.8	96.0%	16.5%

The table above reflects the Directorate’s implementation rate achieved compared to the year-to-date planned spend at 96.0%. The total implementation rate achieved is of 16.5% for the period ending 31 August 2024.

**The variance is a combination of over/under-expenditure:**

Immaterial Variance

**Remedial or corrective steps:**

The directorate has 273 vacancies at various stages of the R&S process; 74 posts were filled while 31 positions were terminated since the beginning of the financial year.

The 2024/25 Departmental summary is attached as Annexure B to this report.

### Departmental Summary – Training Budget

This Directorate's approved 2024/25 Training Budget, excluding the Corporate Training provision, amounts to R24.4 million.

The budget for the Corporate Training provision amounts to R30.0 million and the actual implementation rate is 79.5%.

<b>Current Budget (R m)</b>	<b>YTD Planned Spend (R m)</b>	<b>YTD Actual Spend (R m)</b>	<b>% YTD Spend vs YTD Planned Spend</b>	<b>% YTD Spend vs Current Budget</b>
24.4	1.4	0.5	39.7%	2.2%

The table above reflects the Directorate's implementation rate achieved compared to the year-to-date planned spend at 39.7%. The total implementation rate achieved is 2.2% for the period ending 31 August 2024.

Departments are managing their budgets against their approved Workplace Skills Plan (WSP) to ensure maximum spend within their areas of control. Further opportunities are currently being investigated to maximize our projected spend.

The 2024/25 Departmental summary is attached as Annexure C to this report.

### Departmental Summary - Repairs and Maintenance

This Directorate's approved 2024/25 Repairs and Maintenance Budget amounts to R574.5 million.

<b>Current Budget (R m)</b>	<b>YTD Planned Spend (R m)</b>	<b>YTD Actual Spend (R m)</b>	<b>% YTD Spend vs YTD Planned Spend</b>	<b>% YTD Spend vs Current Budget</b>
574.5	52.9	50.5	95.6%	8.8%

The table above reflects the Directorate's implementation rate achieved compared to the year-to-date planned spend at 95.6%. The total implementation rate achieved is 8.8% for the period ending 31 August 2024.

Only the Information Systems and Technology (IS&T), Facilities Management and Fleet Management departments have a planned maintenance programme in place.

The remainder of the Departments within the Directorate does not have planned maintenance programmes and hence their maintenance expenditure is of a reactive/unplanned nature.

The 2024/25 Departmental Repairs & Maintenance summary is attached as Annexure D to this report.

4.1. Financial Implications

- None  Opex  Capex
- Capex: New Projects
- Capex: Existing projects requiring additional funding
- Capex: Existing projects with no additional funding requirements

4.2. Policy and Strategy  Yes  No

4.3. Legislative Vetting  Yes  No

4.4. Legal Implications  Yes  No

4.5. Staff Implications  Yes  No

4.6. Risk Implications  Yes The risks for approving and/or not approving the recommendations are listed below:

No Report is for decision and has no risk implications.

No Report is for noting only and has no risk implications.

4.7. POPIA Compliance  Yes It is confirmed that this report and the content of the annexures have been checked and considered for POPIA compliance.

## 5. RECOMMENDATIONS

It is **RECOMMENDED** that the contents of the report be **NOTED**.

### AANBEVELING

Daar word **AANBEVEEL** dat daar van die inhoud van die verslag **KENNIS GENEEM WORD**.

### IZINDULULO

KUNDULULWE ukuba **MAKUQWALASELWE** okuqulathwe kwingxelo.

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### ANNEXURES

Annexure	Filename
<b>ANNEXURE A:</b>	<b>2024_25 Capex DeptSum - August 2024</b>
<b>ANNEXURE B:</b>	<b>2024_25 Opex DeptSum - August 2024</b>
<b>ANNEXURE C:</b>	<b>2024_25 Training DeptSum - August 2024</b>
<b>ANNEXURE D:</b>	<b>2024_25 R+M DeptSum - August 2024</b>

### FOR FURTHER DETAILS CONTACT

NAME	Wallied Taliep	CONTACT NUMBER	021 400 9880
E-MAIL ADDRESS	<a href="mailto:Wallied.Taliep@capetown.gov.za">Wallied.Taliep@capetown.gov.za</a>		
DIRECTORATE	Corporate Services	FILE REF NO	

## Approval Form

Supported for inclusion on the agenda



### AUGUST 2024 FINANCIAL MONITORING REPORT

**Report Reference:** 526677  
**Meeting:** Section 79 Portfolio Committee - Corporate Services  
**Meeting Date:** 02.10.2024  
**Meeting Venue:** Meeting Room 2 6th Floor Podium  
  
**Contact Person:** Wallied Taliep  
**Contact Telephone:** 0214009880  
**Contact Email:** WALLIED.TALIEP@CAPETOWN.GOV.ZA

Item	Section	Approver	Approval	Approved Date	Approver Comments
01	Author	WALLIED TALIEP	Approved	16.09.2024 12:56:40	
02	Director/Directorate Support Manager/Chief	WALLIED TALIEP	Approved	16.09.2024 12:57:43	
03	Executive Director	ERNEST SASS	Approved	16.09.2024 14:21:36	
04	Legal Compliance	Jason Sam Liebenberg	Approved with Comments	17.09.2024 08:14:49	For information.

**ECS Officer:**

**CORPORATE SERVICES**

2024/25 CAPITAL BUDGET SUMMARY AS AT 31 AUGUST 2024

Key	↑	Above 90%	Above 16%	Above 95%
	→	Between 80% and 90%	Between 8% and 16%	Between 90% and 95%
	↓	Below 80%	Below 8%	Below 90%

Department	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Commitments	Actual Spend + Commitments	% YTD Actual Spend Compared to YTD Planned Spend	% YTD Actual Spend Compared to Current Budget	% YTD Actual Spend + Commitments compared to Current Budget	Reason/s for Variance	Proposed Remedial Action
Citizen Interface	10 428 322	125 000	209 270	84 270	1 031 245	1 240 515	↑ 167.4%	↓ 2.0%	↓ 11.9%	Some items have been delivered earlier than anticipated due to availability of stock.	Further orders have been place, awaiting delivery
Customer Relations	490 000	432 750	7 501	(425 249)	440 557	448 058	↓ 1.7%	↓ 1.5%	→ 91.4%	Orders have been placed, awaiting delivery which is taking longer than anticipated due to unavailability of stock from the vendor.	Further orders will be placed in September 2024.
Executive & Councillor Supprt Operations	1 796 828	0	80 576	80 576	303 566	384 143	↓ 0.0%	↓ 4.5%	↓ 21.4%	Some items have been delivered earlier than anticipated due to availability of stock.	Further orders have been place, awaiting delivery
Facilities Management	13 549 743	0	131 223	131 223	2 345 850	2 477 073	↓ 0.0%	↓ 1.0%	↓ 18.3%	Some items have been delivered earlier than anticipated due to availability of stock.	Further orders have been place, awaiting delivery
Human Resources	3 629 259	189 259	1 331 126	1 141 867	1 223 144	2 554 269	↑ 703.3%	↑ 36.7%	↓ 70.4%	Some items have been delivered earlier than anticipated due to availability of stock.	Further orders have been place, awaiting delivery
Information Systems & Technology	214 922 369	15 043 078	11 734 878	(3 308 200)	92 880 231	104 615 109	↓ 78.0%	↓ 5.5%	↓ 48.7%	This project is behind plan spend due an delay in receiving invoices from the vendor.	The project manager is following-up on the outstanding invoices.
Management: Corporate Services	5 355 000	0	654 478	654 478	0	654 478	↓ 0.0%	→ 12.2%	↓ 12.2%	Insurance provision to be utilised when an insurance claim is settled and the replacement asset must be procured.	None
<b>Grand Total</b>	<b>456 892 436</b>	<b>63 763 784</b>	<b>74 375 998</b>	<b>10 612 214</b>	<b>214 094 115</b>	<b>288 470 113</b>	↑ 116.6%	↑ 16.3%	↓ 63.1%		
<b>2023/24</b>	<b>635 739 464</b>	<b>16 561 374</b>	<b>27 462 763</b>	<b>10 901 389</b>	<b>310 808 909</b>	<b>338 271 672</b>	↑ 165.8%	↓ 4.3%	↓ 53.2%		



## CORPORATE SERVICES

Key	↑	Above 90%	Above 16%
	→	Between 80% and 90%	Between 8% and 16%
	↓	Below 80%	Below 8%

## 2024/25 OPERATING EXPENDITURE DEPARTMENTAL SUMMARY

(PRIMARY CONTROLLABLE EXPENDITURE) AS AT 31 AUGUST 2024 - CASH BACK ITEMS

Department	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	% YTD Actual Spend Compared to YTD Planned Spend	% YTD Actual Spend Compared to Current Budget
Citizen Interface	177 928 700	17 712 899	18 213 570	500 671	↑ 102.8%	→ 10.2%
Corporate Digital Governance	6 581 659	1 039 568	1 143 110	103 543	↑ 110.0%	↑ 17.4%
Customer Relations	126 130 776	18 515 948	16 808 641	(1 707 308)	↑ 90.8%	→ 13.3%
Executive & Councillor Supprt Operations	372 528 045	56 293 263	53 144 591	(3 148 672)	↑ 94.4%	→ 14.3%
Facilities Management	535 127 423	51 250 070	46 581 556	(4 668 513)	↑ 90.9%	→ 8.7%
Finance: CS	16 561 586	1 042 901	1 115 001	72 100	↑ 106.9%	↓ 6.7%
Fleet Management	304 674 058	44 458 252	42 527 867	(1 930 386)	↑ 95.7%	→ 14.0%
HR Business Partner: CS	5 851 304	575 614	578 194	2 580	↑ 100.4%	→ 9.9%
Human Resources	406 524 540	66 066 597	52 485 616	(13 580 981)	↓ 79.4%	→ 12.9%
Information Systems & Technology	1 589 301 011	356 004 120	355 964 663	(39 458)	↑ 100.0%	↑ 22.4%
Management: Corporate Services	33 080 614	1 212 950	1 055 522	(157 429)	→ 87.0%	↓ 3.2%
Project Management Office: CS	15 871 163	2 050 465	2 063 474	13 009	↑ 100.6%	→ 13.0%
Support Services: CS	5 995 239	1 086 848	1 084 654	(2 194)	↑ 99.8%	↑ 18.1%
<b>Grand Total</b>	<b>3 596 156 118</b>	<b>617 309 495</b>	<b>592 766 458</b>	<b>-24 543 037</b>	<b>↑ 96.0%</b>	<b>↑ 16.5%</b>

<b>2023/24</b>	<b>3 302 733 447</b>	<b>409 809 772</b>	<b>440 945 544</b>	<b>31 135 772</b>	<b>↑ 107.6%</b>	<b>→ 13.4%</b>
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Key	↑	Above 90%	Above 16%
	→	Between 80% and 90%	Between 8% and 16%
	↓	Below 80%	Below 8%

**CORPORATE SERVICES**

2024/25 TRAINING BUDGET - DEPARTMENTAL SUMMARY AS AT 31 AUGUST 2024

Department	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	% YTD Actual Spend Compared to YTD Planned Spend	% YTD Actual Spend Compared to Current Budget
Citizen Interface	682 718	29 312	54 788	25 475	↑ 186.9%	→ 8.0%
Corporate Digital Governance	17 546	0	0	0	↓ 0.0%	↓ 0.0%
Customer Relations	222 870	14 497	4 696	(9 800)	↓ 32.4%	↓ 2.1%
Executive & Councillor Supprt Operations	372 048	295 630	43 805	(251 826)	↓ 14.8%	→ 11.8%
Facilities Management	1 989 873	187 582	107 774	(79 807)	↓ 57.5%	↓ 5.4%
Finance	42 270	0	0	0	↓ 0.0%	↓ 0.0%
Fleet Management	377 724	74 195	46 373	(27 822)	↓ 62.5%	→ 12.3%
HR Business Partner: CS	213 043	41 358	36 584	(4 774)	→ 88.5%	↑ 17.2%
Human Resources	826 261	486 664	37 468	(449 195)	↓ 7.7%	↓ 4.5%
Information Systems & Technology	19 521 593	196 500	196 500	0	↑ 100.0%	↓ 1.0%
Management: Corporate Services	57 765	6 980	2 300	(4 680)	↓ 33.0%	↓ 4.0%
Project Management Office: CS	21 054	2 387	0	(2 387)	↓ 0.0%	↓ 0.0%
Support Services: CS	7 247	0	0	0	↓ 0.0%	↓ 0.0%
<b>Total</b>	<b>24 352 011</b>	<b>1 335 105</b>	<b>530 288</b>	<b>-804 817</b>	<b>↓ 39.7%</b>	<b>↓ 2.2%</b>

\* Excludes Corporate Budget Provisions

<b>2023/24</b>	<b>16 697 204</b>	<b>617 258</b>	<b>599 788</b>	<b>19 675</b>	<b>↑ 97.2%</b>	<b>↓ 3.6%</b>
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## CORPORATE SERVICES

Key	↑	Above 90%	Above 16%
	→	Between 80% and 90%	Between 8% and 16%
	↓	Below 80%	Below 8%

## 2024/25 REPAIRS AND MAINTENANCE - DEPARTMENTAL SUMMARY AS AT 31 AUGUST 2024

Department	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	% YTD Actual Spend Compared to YTD Planned Spend	% YTD Actual Spend Compared to Current Budget
Citizen Interface	3 619 727	11 716	-14 188	(25 903)	↓ -121.1%	↓ -0.4%
Customer Relations	103 026	0	173	173	↓ 0.0%	↓ 0.2%
Executive & Councillor Supprt Operations	3 845 175	340 615	323 558	(17 057)	↑ 95.0%	→ 8.4%
Facilities Management	268 847 272	11 886 674	8 044 133	(3 842 542)	↓ 67.7%	↓ 3.0%
Finance CS	1 375 109	0	0	0	↓ 0.0%	↓ 0.0%
Fleet Management	154 278 002	20 665 699	22 616 484	1 950 785	↑ 109.4%	→ 14.7%
Human Resources	1 994 500	140 868	19 550	(121 318)	↓ 13.9%	↓ 1.0%
Information Systems & Technology	138 775 470	19 813 003	19 549 719	(263 284)	↑ 98.7%	→ 14.1%
Management: Corporate Services	1 692 998	0	0	0	↓ 0.0%	↓ 0.0%
<b>Total</b>	<b>574 531 280</b>	<b>52 858 574</b>	<b>50 539 429</b>	<b>-2 319 146</b>	<b>↑ 95.6%</b>	<b>→ 8.8%</b>
<b>2023/24</b>	<b>553 077 661</b>	<b>47 079 549</b>	<b>41 465 422</b>	<b>(5 614 127)</b>	<b>→ 88.1%</b>	<b>↓ 7.5%</b>