ANNUAL REPORT
2023/2024 FINANCIAL YEAR

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Acronyms

AG	Auditor General
CoGTA	Provincial Department of Cooperative Governance and Traditional Affairs
CWP	Community Works Programme
DCoG	National Department of Cooperative Governance
ICIP	Integrated Comprehensive Infrastructure Plan
IDP	Integrated Development Plan
IEP	Integrated Energy Plan
KPA	Key Performance Area
KPI	Key Performance Indicators
LEDP	Local Economic Development Plan
LED	Local Economic Development
mSCOA	Municipal Standard Chart of Accounts
MSA	Municipal Systems Act, Act 32 of 2000
MFMA	Municipal Finance Management Act, Act 56 of 2003
MDGs	Millennium Development Goals
NDP	National Development Plan
PMS	Performance Management System
SCM	Supply Chain Management
SDBIP	Service Delivery Budget and Implementation Plan
SMART	Specific, Measurable, Attainable, Realistic and Time-bound

Municipal Manager's Accountability Statement

Honourable Executive Mayor, Councillor MJ Malindi, it is with great pleasure that I present the Annual Report of Metsimaholo Local Municipality for the financial year ended on 30 June 2024.

In presenting this Annual Report, it is important to highlight that, section 121(3) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) read together with section 46 of the Municipal Systems Act, Act 32 of 2000 (MSA), prescribe the core contents of an Annual Report for a municipality. In preparation of this annual report, I have therefore considered these, and other legislative requirements and National Treasury Guidelines (MFMA Circular 63) regarding the preparation of a municipality's Annual Report.

Moreover, I have also considered the importance of reliability, usefulness and relevance of the annual financial statements and performance information contained herein as will be submitted to the Auditor-General on the 30th of August 2024 for auditing purposes.

The 2023/24 Annual Report serves as an authoritative record of the activities of the Metsimaholo Local Municipality for the period 01 July 2023 to 30 June 2024 in a manner that seeks to promote accountability to the community.

CHAPTER 1:
EXECUTIVE MAYOR'S FOREWORD & EXECUTIVE SUMMARY

1.1. Executive Mayor's Foreword

As we celebrate 30 Years of Freedom, it is with great pride and a deep sense of responsibility that I present the 2023/2024 Annual Report. This milestone is a powerful reminder of the sacrifices made by countless individuals who fought for the freedoms we enjoy today. It is a time for reflection, celebration, and renewed commitment to the values that have shaped our journey as a nation to a prosperity for all.

Over the past three decades, we have made remarkable strides in building a democratic society that upholds the principles of equality, justice, and human dignity. Our progress has been underpinned by the tireless efforts of those who came before us, as well as the collective will of our people to forge a better future for all. This annual report highlights the achievements and challenges of the past year and underscores our unwavering commitment to advancing the cause of freedom and development for every citizen.

The Annual Report not only serves as a comprehensive record of our achievements and challenges over the past year but also as a testament to our ongoing commitment to serving the needs of our communities selflessly with transparency, accountability, and dedication. Furthermore, the Report highlights many positives that exist in Metsimaholo and, if viewed collectively, should give our people a sense of hope and optimism that we are serious about achieving our vision, sooner rather than later. The Municipality has been persistent in its efforts to garner support from other levels of Government; we have continued to invest in the infrastructure needed to ensure Metsimaholo continues to provide appropriate services, facilities, business, and employment opportunities to meet the growing needs of our communities.

Our administration has focused on addressing the most pressing needs of our residents, including the enhancement of essential services, the improvement of infrastructure, and the promotion of economic opportunities for all. We have also prioritized environmental sustainability, recognizing that the well-being of our community is deeply intertwined with the health of our natural surroundings observing the environmental impact within the imbued of the law.

Despite the progress we have made, we are mindful of the challenges that lie ahead. Issues such as unemployment, social inequality, and the need for greater community cohesion remain at the

forefront of our agenda. We are committed to addressing these challenges with innovative solutions, guided by the principles of good governance and inclusivity.

This annual report provides a detailed overview of the work we have undertaken, highlighting both our successes and the areas where further efforts are needed. It reflects our commitment to accountability and transparency, ensuring that our residents are well-informed about the municipality's operations and plans.

As we look to the future, I am confident that with the continued support and collaboration of our residents, stakeholders, and partners, we can build a municipality that not only meets the needs of today but also prepares us for the challenges and opportunities of tomorrow.

In closing, I would like to express my heartfelt gratitude to the members of the municipal council, our dedicated staff, and all those who have contributed to our shared success over the past year. Your hard work and commitment are the driving forces behind our achievements, and I look forward to continuing this important work together in the years ahead.

Thank you

Hon. Cllr Jack Malindi
EXECUTIVE MAYOR

1.2. *Municipal Manager's Executive Summary*

The Annual Report for the 2023/2024 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, No. 32 of 2000 (as amended), Section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars, templates, and guidelines, in particular, MFMA Circular No. 63, issued in September 2012, added guidance to the preparation of this annual report, requiring all municipalities to report within the established framework and for such reports to be submitted to the Auditor General together with the Annual Financial Statements on or before the 31st of August each year.

This report records the performance and progress made by Metsimaholo Municipality in fulfilling its strategic objectives outlined in the Integrated Development Plan (IDP), and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the year under review.

It is with great pleasure to present in this report our municipality's performance in line with its 5 Key Performance Areas, namely:

- Basic Service Delivery
- Local Economic Development
- Financial Viability and Management
- Municipal Transformation and Institutional Development and
- Good Governance and Participation

While progress has been made in improving access to basic services such as water, sanitation, electricity, and waste management, there are still challenges that need to be addressed such as 'mushrooming' of informal settlements, financial constraints, revenue collection and human resource capacity. We are, however, committed as a municipality to strive, within limited resources at our disposal, to achieve the objectives regarding efficient and effective service delivery.

The low revenue collection does not only pose negative financial challenges for the municipality, but also results in an adverse cash flow position, which has a negative impact towards successful project implementation and quality service delivery.

The Municipality is making strides to ensure completion of current multi-year capital projects, namely, the upgrading and rehabilitation of the wastewater treatment plant(s) in Oranjeville and Refengkgotso, and the construction of our new cemetery in Amelia.

The Project Management Unit has since previous financial years introduced a service provider's monitoring tool that monitors our capital expenditure and performance, thus reinforcing performance monitoring on the completion of the above-mentioned multi-year projects, also taking into consideration acceleration of service delivery and value for money thereof.

An important achievement by the Council was the appointment of Municipal Manager and the Chief Financial Officer, to strategically steer the council's strategic objectives and promote administrative stability. Furthermore, The Municipal Council has adopted the new Municipal Staff Regulations with the quest to professionalize and cascade the performance management system to the lower levels of employees.

I wish to thank all employees, management and the Council for your commitment and hard work during the past financial year. It is a privilege to be part of an organization that is so determined to make our municipal area, which includes Sasolburg, Deneysville and Oranjeville, an inclusive, innovative, and inspired town.

Also, great appreciation and thank you to the community and stakeholders for their continued involvement and support in the Municipal affairs.

We shall continue to commit and accelerate the delivery of basic services to our communities.

I therefore affirm or assert that the 2023/2024 Annual Report is to the best of my knowledge, the true reflection of what the municipality has managed to do in the financial year under review.

Mr. FJ Motloung
Municipal Manager

1.3. Municipal Overview

Metsimaholo is a category B municipality as envisaged in section 155(1)(h) of the Constitution and thus has specific legislative powers and performs such duties and functions which are attributable to a local municipality by the constitution. The municipality is located within the Fezile Dabi District Municipality and covers an estimated area of 1 739 square kilometers. The major towns within the Metsimaholo area of jurisdiction include Sasolburg, Zamdela, Deneysville, Oranjeville, Viljoensdrif, and Coalbrook.

1.3.1. Overview of Sasolburg / Zamdela

The town owes its existence to the Petro-chemical industry. Its refinery is one of the only two viable coal-derived oil refineries in the world (the other is at Secunda in Mpumalanga). The town was established in the early 1950s to provide housing and facilities for SASOL (South African Coal and Oil Company) employees.

1.3.2. Deneysville / Refengkgotso

Named after Deneys Reitz, son of a former Free State president, Deneysville is a small rural village established on the banks of the Vaal Dam in 1939. The town is also known as the Highveld's inland sea and the yachting mecca for its landlocked neighbours. The biggest inland regatta in South Africa, 'Round the Island Race", is held on the dam annually, during February. With six yacht clubs, marinas, boat chandlers, boat builders and repair yards, Deneysville is the home of yachting enthusiasts. (Source: www.freestatetourism.org)

1.3.3. Oranjeville / Metsimaholo

This town, situated on the banks of the Wilge River, was established during 1919 as a halfway stop for ox wagons between Heilbron, Frankfort and Vereeniging. The town was named after the Prins van Orange of Holland.

(Source: www.freestatetourism.org)

Table 1.1 - Quick Statistical Facts about Metsimaholo Local Municipality

Details	2016 Community Survey	% Change 2011 - 2016	2011 Census	% Change 2001 - 2011	2001 Census
Total population	163 564	10%	149 108	29%	115 955
Young (0-14)	23.74%	-10%	26.30%	-5%	27.70%
Working Age (15-64)	70.99%	2%	69.30%	0%	69.30%
Elderly (65+)	5.25%	19%	4.40%	19%	3.70%
Dependency ratio	51	15%	44.3	-3%	45.7
Sex ratio	109.6	1%	108.6	4%	104.4
Growth rate	2.10%	-16%	2.51%	55%	1.62%
Population density	95 persons/km2	9%	87 persons/km2	30%	67 persons/km2
Unemployment rate	n/a	n/a	32.10%	-13%	37%
Youth unemployment rate	n/a	n/a	41.60%	-13%	47.70%
No schooling aged 20+	9.30%	63%	5.70%	-47%	10.70%
Higher education aged 20+	9.80%	-21%	12.40%	49%	8.30%
Matric aged 20+	33.20%	11%	29.80%	34%	22.20%
Number of households	59 113	29%	45 757	42%	32 260
Average household size	2.80%	-10%	3.10%	-6%	3.30%
Female headed households	33.60%	3%	32.50%	2%	32.00%
Formal dwellings	87.50%	4%	83.90%	32%	63.60%
Housing owned/paying off	73.60%	28%	57.30%	33%	43.20%
Flush toilet connected to sewerage	74.10%	-3%	76.00%	10%	69.00%
Weekly refuse removal	78.30%	-1%	78.90%	29%	61.10%
Piped water inside dwelling	95.50%	33%	71.70%	66%	43.20%
Electricity for lighting	85.50%	-1%	86.40%	11%	77.70%

Source: Stats SA: CS 2016

CHAPTER 2: GOVERNANCE

2.1. Component A – Governance Structures

2.1.1. Political Governance Structure

The political structure of the municipality is made up of the entire municipal Council consisting of 23 Ward Councilors and 23 PR Councillors. The Executive Mayor, the Speaker, and the Council Whip are elected by Councilors, and the Mayoral Committee appointed by the Executive Mayor. The Council has executive and legislative authority over the affairs of the municipality. To this effect, the Council has the ultimate decision-making powers over the affairs of the municipality. The Executive Mayor is the link between the Council and Administration and is accountable for ongoing monitoring and for tabling reports to the Council.

2.1.2. Municipal Council

On the 1st of November 2021 elections saw an increase in the number of councillors, due to the demarcation of some of the wards. As a result, the Council's composition increased from forty-two (42) councilors to forty-six (46) councilors from seven (7) political parties. The Executive Mayor and the Speaker also form part of this council and are both full-time political office-bearers. As of 30 June 2022, the composition of the Council was as follows:

Table 2.1 - Political governance structure

Composition of the Municipal Council	
Name of Political Party	**Number of Councillor / Seats**
African Independent Congress (AIC)	1 (One)
African National Congress (ANC)	16 (Sixteen)
African Transformation Movement (ATM)	1 (One)
Democratic Alliance (DA)	12 (Twelve)
Economic Freedom Fighters (EFF)	12 (Twelve)
Freedom Front Plus (FF+)	3 (Three)
Metsimaholo Community Association (MCA)	1 (One)
Total	**46**

2.1.3. Political Office Bearers and Mayoral Committee

For the reporting period under review, the Political Officer Bearers and the Mayoral Committee were as follows below:

Table 2.2 - Structure of Political Officer Bearers and Mayoral Committee

Political Office Bearers	
Executive Mayor	Cllr Z J Zwane (3 Dec 2021 to 6 Oct 2023)
Executive Mayor	Cllr MJ Malindi (19 Oct 2023 to date)
Speaker	Cllr L Fisher (22 Nov 2021 to date)
Council Whip	Cllr F Mosokweni (22 Nov 2021 to date)

Mayoral Committee	
Portfolio Responsible for	**Name**
Corporate Services	Cllr J M Makhema (17 Jan 2022 to 28 Sep 2023) Cllr MS Motjeane (6 Oct 2023 to date)
Spatial Planning and Human Settlement	Cllr M T Mbana (17 Jan 2022 to 6 Oct 2023) Cllr L Makhefu (6 Oct 2023 to 14 Jun 2024, reshuffled) Cllr M Nkheloane (14 Jun 2024 to date)
Social Services and Special Programs	Cllr R Meyer (17 Jan 2022 to 6 Oct 2023) Cllr DA Mofokeng (6 Oct 2023 to date)
Finance and IDP	Cllr J J Barnard (17 Jan 2022 to 6 Oct 2023) Cllr SL Tshongwe (6 Oct 2023 to 21 May 2024 {passed on) Cllr LA Makhefu (14 Jun 2024 to date)
Public Safety and Transport	Cllr FJ van der Merwe (17 Jan 2022 to 6 Oct 2023) Cllr LL Nhlapo (6 Oct 2023 to date)
Municipal Infrastructure and Technical Services	Cllr TK Rankoe (17 Jan 2022 to 6 Oct 2023) Cllr MS Poho (6 Oct 2023 to date)
Roads and Electricity	Cllr L Day (1 Jul 2023 to 6 Oct 2023)
Waste Management	Cllr JM Masiteng (6 Oct 2023 to date)
Parks and Recreational Facilities	Cllr SM Mofokeng (6 Oct 2023 to date)
Local Economic Development	Cllr JL Tsotetsi (6 Oct 2023 to date)

2.1.4. Decision-Making

Table 2.3 - Key council resolutions taken:

Type of Council Meeting	Date of Meeting	Matter(s) tabled	Resolution Number	Status as at 30 June 2023
Ordinary Council	31 Aug 2023	2023/2024 IDP and Budget Process Plan and Time Schedule	5	Approved by Council on 31 August 2023
Special Council	19 Oct 2023	100 Days Plan of the Executive Mayor	6.1	Approved by Council on 19 Oct 2023
Special Council	19 Oct 2023	2022/23 Third Quarter Performance Assessment/Appraisal Report	11	Approved by Council on 19 Oct 2023
Special Council	19 Oct 2023	Annual Review of Performance Management and Development System (PMDS) Policy Framework	12	Approved by Council on 19 Oct 2023
Ordinary Council	8 Dec 2023	Audit and Performance Committee report	10.1	Approved by Council on 8 Dec 2023
Ordinary Council	8 Dec 2023	ToR of Mayoral Committee	12	Approved by Council on 8 Dec 2023
Ordinary Council	08 Dec 2023	Implementation of the Code of Conduct for municipal Councillors Regulation 2023	16	Approved by Council on 08 December 2023
Ordinary Council	08 Dec 2023	Advertisement for the post of the MM	26	Approved by Council on 08 December 2023
Ordinary Council	08 Dec 2023	Declaration of a vacancy for the post of the Chief Financial Officer and advertisement of the post	28	Approved by Council on 08 December 2023
Special Council	28 Feb 2024	MTREF: Adjustment Budget for 2023/2024 financial year	6	Approved by Council on 28 Feb 2024
Special Council	28 Feb 2024	Report on the Adjusted 2023/24 Service Delivery Budget and Implementation Plan (SDBIP)	7	Approved by Council on 28 Feb 2024
Ordinary Council	27 Mar 2024	Draft Oversight report on the 2022/2023 financial year	10.1	Approved by Council on 27 Mar 2024
Ordinary Council	27 Mar 2024	Municipal Public Accounts Committee Annual Work Plan for 2024/2025 financial year	10.2	Approved by Council on 27 Mar 2024
Ordinary Council	27 Mar 2024	Appointment of Audit and Performance committee members and to revise the committee's remuneration	10.3	Approved by Council on 27 Mar 2024
Ordinary Council	27 Mar 2024	Draft 2024/2025 Reviewed Integrated Development Plan (IDP) for Metsimaholo Local Municipality	11	Tabled at Council on 27 Mar 2024
Ordinary Council	27 Mar 2024	2024/2025 Medium Term Revenue and Expenditure Framework Budget	12	Tabled at Council on 27 Mar 2024
Ordinary Council	27 Mar 2024	2024/2025 Budget Public Participation Schedule	13	Approved by Council on 27 Mar 2024
Ordinary Council	27 Mar 2024	Annual Report for the 2022/2023 financial year ending 30 June	14	Approved by Council on 27 Mar 2024

Type of Council Meeting	Date of Meeting	Matter(s) tabled	Resolution Number	Status as at 30 June 2023
		2023		
Ordinary Council	27 Mar 2024	ToR for the Budget Steering Committee	15	Approved by Council on 27 Mar 2024
Ordinary Council	27 Mar 2024	ToR for the Revenue and Debt Steering Committee	16	Approved by Council on 27 Mar 2024
Ordinary Council	27 Mar 2024	Appointment of the MM	19	Approved by Council on 27 Mar 2024
Ordinary Council	27 Mar 2024	Appointment of the CFO	20	Approved by Council on 27 Mar 2024
Ordinary Council	29 Apr 2024	Review Disaster Management Plan – 2023 20	38	Approved by Council on 29 Apr 2024
Ordinary Council	29 Apr 2024	Approval of 2024/2025 Financial year MIG implementation plan	42	Approved by Council on 29 Apr 2024
Special Council	31 May 2024	2024/25 IDP	15	Approved by Council on 31 May 2024
Special Council	31 May 2024	MTREF Budget 23/24, 24/25, 25/26	16	Approved by Council on 31 May 2024
Special Council	14 June 2024	Budget related policies	7	Approved by Council on 14 June 2024
Ordinary Council	3 Jul 2024	Reviewed Audit and Performance Committee Charter	11.1	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Risk Management Policy	12.1	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Risk Management Strategy	12.2	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Risk Management Framework	12.3	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Ethics Policy	13	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Anti-Fraud and Corruption Strategy	14	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Report on the combined Assurance Policy Framework	15	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Draft Consequence Management Policy- Review	16	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Draft Compliance Management Policy – Review	17	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	MFMA Circular 63: Guidelines on the compilation of the Annual Report	18	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Annual Review of Performance Management and Development Policy	19	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Proposed Schedule of dates of meetings for the period June 2024 to July 2025: 2024/25 Financial Year	20	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Performance report Quarters 1 & 2 2023/2024 Financial Year 01 July 2023 – 31 December 2023	20.1	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Performance report Quarter 3 2023/2024 Financial Year 01 January 2024 – 31 March 2024	20.2	Approved by Council on 3 Jul 2024
Ordinary Council	3 Jul 2024	Authorised Signatories on Municipality's Bank Account(s)	20.3	Approved by Council on 3 Jul 2024

2.1.5. Administrative Governance Structure

As legislatively prescribed, the administrative structure of the municipality is headed by the Municipal Manager. As at the end of the reporting period under review, the administrative structure of the municipality consisted of the following administrative departments:

- The Office of the Municipal Manager
- Finance Department
- Infrastructure and Technical Services
- Social Services
- Organizational Development and Corporate Services
- Economic Development, Marketing & Tourism, Housing & Uban Planning

As the Accounting Officer, the Municipal Manager accounts to the Council for all the administrative issues of the municipality, including implementation of Council resolutions. The post for Director Organizational Development and Corporate Services became vacant with effect from 01 April 2024 when the previous incumbent was appointed as the municipal manager.

The table below outlines the macro-administrative assembly of the municipality as at the end of the reporting period under review.

Table 2.4 - Administrative Governance Structure

Position	Incumbent	Full time / Acting
Municipal Manager	Advocate LMA Mofokeng (01 June 2022 to 29 November 2023) FJ Motloung (Acting: 06 July 2023 to 31 March 2024) FJ Motloung (01 April 2024 to date)	Full Time Acting Full time
Chief Financial Officer	Mr. HI Lebusa (01 August 2022 to 08 December 2023) Mr CC Scheepers (Acting: 06 July 2023 to 31 March 2024) Ms FV Mareka (01 April 2024 to date)	Full time Acting Full Time
Director: Infrastructure and Technical Services	Mr. DL Ramabitsa (01 August 2022 to date)	Full Time
Director: Organisational Development and Corporate Service	Mr. FJ Motloung (01 March 2023 to 31 March 2024) Mr. ME Sediane (Acting: 10 July 2023 to date)	Full Time Acting
Director: Social Services	Mr. SJ Mokoena (01 December 2020 to date)	Full Time
Director: Economic Development, Marketing & Tourism, Housing & Uban Planning	Ms MK Tlhapane (01 August 2022 to date)	Full Time

2.2. Component B: Intergovernmental Relations (IGR)

Intergovernmental relations in the municipality were mostly facilitated by the three interrelated structures during the period under review, *viz* – The District Coordinating Forum, The Speakers Forum, and Technical Intergovernmental Relations Forum.

The responsibilities and activities of these forums were as follows during the reporting period under review:

Table 2.5 – IGR Structures

Name of the IGR Structure	Conveners	Core Responsibilities
The District Coordinating Forum	Executive Mayors within the district	Promotion and facilitation of intergovernmental relations within the district.
The Speakers Forum	Speakers within the district	Sharing ideas and integration of municipal programs.
Technical Intergovernmental Relations Forum	Municipal Managers within the district	Promotion of Intergovernmental Relations within the district and other departments sectors at the higher spheres of government.
OTHER IGR STRUCTURES		

The table below shows a summary of information for intergovernmental meetings that were attended during the reporting period under review through the above IGR structures.

Table 2.6 - Details of IGR Structures meetings held (to be updated)

The District Forums			
Meeting	**Date**	**Venue**	**Attended? (Yes / No)**
District Coordination Forum (DCF) meeting	25 March 2024	Fezile Dabi District Municipality (Council Chamber)	Yes
	04 June 2024	Fezile Dabi District Municipality (Council Chamber)	Yes
Speakers Forum	15 September 2023	Frankfort, Mafube Local Municipality	Yes
	08 March 2024 (no quorum)	Parys, Ngwathe Local Municipality	Yes

Technical IGR Meetings	15 August 2023	Fezile Dabi District Municipality (Council Chamber)	Yes
	20 March2024	Fezile Dabi District Municipality (Council Chamber)	Yes
	07 May 2024	Moqhaka Local Municipality (1st Floor Committee Room)	Yes
Other IGR Structures			
Meeting	**Date**	**Venue**	**Attended? (Yes / No)**
District Communicators Forum	22 September 2023	Moqhaka Municipal Office - Kroonstad	Yes
	12 December 2023	Virtual Meeting	Yes
	14 March 2024	Town Hall - Frankfort	Yes
	27 June 2024	Library - Parys	Yes

2.3. Component C: Public Accountability & Participation

2.3.1. Public Meetings

A municipality is required to establish and organize its administration to facilitate a culture of accountability amongst its staff. This will enable the municipality to conform to norms and standards that are required for the Public Service and to also adhere to principles of Batho Pele. However, Section 16 (1) of the Local Government Municipal Systems Act 32 of 2000 states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18(1) (d) of the same Act requires a municipality to supply its community with information concerning municipal governance, management and development.

During the period under review, the political leadership (Executive Mayor and MAYCO members) embarked on a coordinated ward-based public consultation meetings in all 23 wards of the municipality to establish service delivery aspirations from the broader community. The table 2.7 below provides in detail meetings held during this reporting period.

2.3.2. IDP Alignment and Participation

The municipality managed to hold intensive public participation in all key planning and reporting procedures. The municipality relies on public contributions to inform critical decisions involving the Integrated Development Plans, Budgets, Service Delivery and Budget Implementation Plan (SDBIP).

The Public Participation Meetings were planned and held as follows:

Table 2.7 - IDP Public Participation Meetings held:

Ward	Date	Time	Venue	Ward Councillor		PROGRESS
WEEK 1						
Ward 8 Ward 14 Ward 15 Ward 16 Ward 17	11/09/2023 **Monday**	18h00	Municipal Council Foyer 2nd Floor Finance Building	Cllr L Nhlapho Cllr FJ v/d Merwe Cllr LJ Van Heerden Cllr JJ Barnard Cllr TK Rankoe	EXECUTIVE MAYOR ALL MMCs	Achieved (11/09/2023)
Ward 14 Ward 18 Ward 22 (Vaal Park)	12/09/2023 **Tuesday**	18h00	Vaalpark Primary School	Cllr FJ v/d Merwe Cllr L Day Cllr R Meyer	EXECUTIVE MAYOR ALL MMCs	Achieved 12/09/2023)
Ward 3 Ward 4 Ward 20	13/09/2023 **Wednesday**	17h00	Refengkgotso Community Hall	Cllr MS Poho Cllr T Soetsang Cllr L Fisher	EXECUTIVE MAYOR ALL MMCs	Achieved (13/09/2023)
Ward 8 Ward 9 Ward 10	14/09/2023 **Thursday**	17h00	Zamdela art center	Cllr LW Nhlapo Cllr ME Mqwathi Cllr NM Mtshali	EXECUTIVE MAYOR ALL MMCs	Achieved (14/09/2023)
WEEK 2						
Ward 11 Ward 12	18/09/2023 **Monday**	17h00	Zamdela Community Hall	Cllr DV Rani Cllr LA Makhefu	EXECUTIVE MAYOR ALL MMCs	Achieved (18/09/2023)
Ward 5	19/09/2023 **Tuesday**	18h00	Metsimaholo Community Hall	Cllr SM Mofokeng	EXECUTIVE MAYOR ALL MMCs	Achieved (19/09/2023)
Ward 4 Ward 20	20/09/2023 **Wednesday**	18h00	Deneysville Primary School	Cllr TL Soetsang Cllr L Fisher	EXECUTIVE MAYOR ALL MMCs	Achieved (20/09/2023)
WEEK 3						
Ward 7 Ward 13	21/09/2023 **Thursday**	17h00	Sakubusha Secondary School	Cllr P Mahlaela Cllr FD Mosokweni	EXECUTIVE MAYOR ALL MMCs	Achieved (21/09/2023)

Ward 5	26/09/2023 **Tuesday**	18h00	Oranjeville Primary School	Cllr SM Mofokeng	EXECUTIVE MAYOR ALL MMCs	Achieved (26/09/2023)
Ward 6 Ward 13 Ward 19 Ward 21	27/09/2023 **Wednesday**	17h00	Multipurpose Sports Centre	Cllr M Nkheloane Cllr FD Mosokweni Cllr L Mthetho Cllr TG Sehaole	EXECUTIVE MAYOR ALL MMCs	Held Successfully (27/09/2023)
Ward 23 Ward 19	28/09/2023 **Thursday**	17h00	Bekezela Secondary School	Cllr MB Mozolo Cllr L Mthetho	EXECUTIVE MAYOR ALL MMCs	Achieved (24/01/2024)
WEEK 4						
Ward 1 (Phase 3& 4)	02/10/2023 **Monday**	17h00	Open Space: Zakwe	Cllr MJ Radebe	EXECUTIVE MAYOR ALL MMCs	Achieved (02/10/2023)
Ward 2 Ward 7	03/10/2023 **Tuesday**	17h00	Lehutso Primary School	Cllr M Molawa Cllr P Mahlaela	EXECUTIVE MAYOR ALL MMCs	Achieved (26/10/2023)
Ward	**Date**	**Time**	**Venue**	**Ward Councillor**		**PROGRESS**
Ward 10	04/10/2023 **Wednesday**	17h00	Saratoga	Cllr NM Mtshali	EXECUTIVE MAYOR ALL MMCs	Achieved (05/10/2023)
Ward 23 Mooidraai	05/10/2023 **Thursday**	17h00	Huising (Plot 44)	Cllr MB Mozolo	EXECUTIVE MAYOR ALL MMCs	Achieved (23/01/2024)
WEEK 5						
Ward 9	09/10/2023 **Monday**	17h00	Thembalethu Hall	Cllr ME Mqwathi	EXECUTIVE MAYOR ALL MMCs	N/A
Ward 4(Mbeki) Ward 20	10/10/2023 **Tuesday**	17h00	Ntai Mokoena Library	Cllr TL Soetsang Cllr L Fisher	EXECUTIVE MAYOR ALL MMCs	Achieved (24/01/2024))
Ward 1 (Phase 5)	11/10/2023 **Wednesday**	17h00	Kopanelang Thuto Primary School	Cllr MJ Radebe	EXECUTIVE MAYOR ALL MMCs	Achieved (11/10/2023)
Business, Farmers, NPOs & Religious Groups	12/10/2023 **Thursday**	09h00	Harry Gwala multi-Purpose Sports Centre	ALL Councillor	EXECUTIVE MAYOR ALL COUNCILLOR	Achieved (12/10/2023)

2.4. Component D: Corporate Governance

2.4.1. Risk Management

Risk Management is a tool used in support of planning and decision-making processes for service delivery with the legislative imperatives set out in Sections 62 and 78 of the MFMA. According to Section 62 of the MFMA, the municipality must maintain an effective, efficient, and transparent system of financial and risk management. This therefore means that risk management is an integral part of the internal processes of a municipality.

Metsimaholo Local Municipality places high importance on positioning risk management as a central part of service delivery improvement. Such importance is further emphasized with the various legislative instruments which make up the legal framework for risk management in the Public Sector. From the municipality's point of view, risk management is a logical and systematic process of establishing the context, identifying, analyzing, evaluating, treating, monitoring, and communicating risks associated with any activity, function or process, in a way that enables the municipality to minimize losses and maximize opportunities.

During the period under review, the following risk management related activities were performed:

Table 2.8 - Risk Management Activities Performed during 2023/24

Activity / Function	Date Completed
Review of Risk Management Committee (RMC) Charter	28 June 2023
Review of Risk Management (RM) Policy and Strategy	19 October 2023
Quarterly Risk Assessment reports	11 September 2023 (Q1) 06 December 2023 (Q2) 12 March 2024 (Q3) 11 June 2024 (Q4)
Risk Management Implementation Plan report	11 September 2023
Risk Management Maturity model	21 July 2023

Over the period under review, risk management trends and components within the municipality indicate an overlap with those of internal auditing, compliance management, performance management, project management, financial management, organizational

development & change management, customer care and communication; it therefore requires incremental inclusion in current and future planning of the entire organization.

The following were the identified top risks that the municipality faced during 2023/24.

Table 2.9 - Top risks in 2023/24

Top Risks in 2023/24 financial year	
No	**Risk Description**
1	**Increased unauthorised, irregular, fruitless and wasteful expenditure**
2	**Inadequate cash flow**
3	**Inability to timeously and adequately recover from Major Business Interruptions and adverse Circumstances (i.e. Disasters, Loadshedding, etc.)**
4	**Poor cash management (possible loss of revenue)**
5	**Aging infrastructure (Electricity, Water, Stormwater and Sewer Networks)**
6	**Damage to municipal property and possible loss of life (Cable theft)**
7	**Inadequate performance management (individual & organizational)**
8	**Failure to develop and/or maintain positive relationships with the community**
9	**Failure to comply with legislative and other regulatory requirements**
10	**Lack of economic growth and high unemployment rate**

2.4.2. Anti-Fraud and Corruption

During the period under review, the municipality continued to monitor the implementation of anti-fraud strategies to combat fraud and corruption. The Council has since approved the use of the National Anti-Corruption Hotline number **0800 701 701** to report all cases of fraud and corruption which relates to the Metsimaholo Local Municipality.

The table below lists anti-fraud and anti-corruption plans / strategies that were adopted by Council which serves as guiding principles to deal with any fraud or corruption related activities.

Table 2.10 - Fraud Prevention Plan

Name of plan / strategy	Date Approved by Council
Anti-Fraud & Corruption Strategy	19 October 2023

2.4.3. Investigations conducted

The table below provides a list of all different types of investigations which the municipality embarked on during the year under review.

Table 2.11- Investigations conducted

No of investigations conducted	Type of investigation	Status/Outcome as at 30 June 2022

2.4.4. Supply Chain Management

Although not sufficiently staffed in line with the approved Organisational structure, the Supply Chain Management unit has appropriately skilled personnel. The municipality managed to appoint the head of the unit, which is the Supply Chain Manager.

The table below provides an overview of the staffing capacity within the unit.

Table 2.12 - Supply Chain Management Staff Compliment

Designation	Number of available positions	Number of positions filled	Number of vacancies
Manager	1	1	0
Secretary	1	0	1
Supply Chain Practitioner	2	1	1
Supply Chain Clerk (Buyer)	4	3	1
Supply Chain Administration Clerk	1	0	1
Stock Controller	1	1	0
Store Attendant	1	1	0
Asset Registry (Disposal)	1	1	0
Total	**12**	**8**	**4**

The composition of the bid committees was also in accordance with the provisions of the Supply Chain Management Regulations, 2005. The Supply Chain Management function is a supportive strategy, and the objective is to manage procurement and provisioning processes to eliminate non-value-added cost, infrastructure, time and activities to improve service delivery.

The table below provides an overview of the number of procurements within specified thresholds for the period under review:

Table 2.13 - Tenders / Bids Awarded (Excluding as and when required tenders) in 2023/24

Procurement Range: >R 300 000 & long-term contract		
Period	**Number of Tenders Awarded**	**Total Awarded Amount**
First Quarter	0	0
Second Quarter	2	R 25 844 341.00
Third Quarter	0	0
Fourth Quarter	6	R 42 882 397.77
Sub-Total	**8**	**R 68 726 738.77**
Procurement Range: R 30 001 - R 300 000		
Period	**Number of Tenders Awarded**	**Total Awarded Amount**
1st Quarter	12	R 376 085.61
2nd Quarter	11	R 940 373.24
3rd Quarter	7	R 423 653.52
4th Quarter	12	R 997 826.94
Sub-Total	**42**	**R 2 737 939.31**

Supply Chain Management Activities are conducted were conducted within the framework of the approved supply chain management policy, which is in line with the MFMA Supply Chain Management Regulation and Preferential Procurement Policy Framework Regulations of 2011.

Table 2.14 – Supply Chain Management Policy

Name of Policy	Date Approved by Council
Supply Chain Management Policy	14 June 2024

The municipality has also entered in contracts for the supply of goods and / or services on an “as-and-when required” basis during the period under review. This means that these contracts have no precise price and because a service requirement for such goods and / or service is determined as and when a need arises from the municipality and subsequently procurement occurs based on the scale of the evaluated requirement. The details of such contracts as follows:

Table 2.15 - Contracts procured on an "As-and-When Required" basis

Commodities	
Period	**Number of Tenders Awarded**
1st Quarter	0
2nd Quarter	0
3rd Quarter	3
4th Quarter	1
Sub-Total	**4**
Professional Services	
Period	**Number of Tenders Awarded**
1st Quarter	0
2nd Quarter	0
3rd Quarter	0
4th Quarter	0
Sub-Total	**0**
Equipment Rental/Lease Services	
Period	**Number of Tenders Awarded**
1st Quarter	0
2nd Quarter	1
3rd Quarter	0
4th Quarter	0
Sub-Total	**1**
Other Services	
Period	**Number of Tenders Awarded**
1st Quarter	0
2nd Quarter	0
3rd Quarter	1
4th Quarter	1
Sub-Total	**2**

2.4.5. By-laws

No new By-laws were promulgated during the 2023/24 financial year.

2.4.6. Publication of Information on the Municipality's Websites

Section 21A of the Municipal Systems Act requires that all documents that must be made public by a municipality in terms of a requirement of this Act, the Municipal Finance Management Act or other applicable legislation, must be conveyed to the local community: -

a) by displaying the documents at the municipality's head and satellite offices and libraries.
b) by displaying the documents on the municipality's official website, if the municipality has a website as envisaged by section 21B; and
c) by notifying the local community, in accordance with section 21, of the place, including the website address, where detailed particulars concerning the documents can be obtained.

Furthermore, section 21B (3) states that the Municipal Manager must maintain and regularly update the municipality's official website, if in existence, or provide the relevant information as required by subsection (2).

Pursuant to the foregoing legislative provisions, the municipality's website was functional and accessible throughout the period under review and the table below provides details of important information that was publicized on the website.

Table 2.16 - Publication of information on municipal website

Documents to be published on the municipality's website	PUBLISHED (YES/NO)
Budget	
Draft Budget	**YES**
Approved Annual Budget and quality certificate	**YES**
Adjustment budget and quality certificate	**YES**
Annual Reports	
Annual Report	**YES**
Oversight report	**YES**
Quarterly Reports	
Financial Reports	**YES**
Supply Chain Management Reports	

SCM Quarterly Reports	**YES**
Tender and 7 Days Advertisement	**YES**
Tender Opening Register	**YES**
Awarded Tenders	**YES**
Budget Related Policies	
Asset Management Policy	**YES**
Bad Debts Write Off Policy	**YES**
Borrowings Policy	**YES**
Budget Policy	**YES**
Cash Management Policy	**YES**
Credit Control Debt Collection and Customer Care Policy	**YES**
Indigent Policy	**YES**
Property Rates Policy	**YES**
Rates Policy	**YES**
Unauthorized, Irregular, Fruitless and Wasteful Expenditure	**YES**
Virement Policy	**YES**
Revised SCM Policy	**YES**
Risk Management Policy	**YES**
Financial Statements	
AFS	**YES**
Mid-Year budget and performance assessment Reports	
Mid-Year Budget & Performance Assessment Report	**YES**
Performance Management Reports	
Performance Agreements of Section 56/57 Appointments	**YES**

2.4.7. Public Satisfaction on Municipal Services

No public satisfaction survey was conducted during the period under review.

2.4.8. Municipal Oversight Committees

Municipal Public Accounts Committee (MPAC) and the Audit and Performance Committee are the two committees responsible for the exercise of oversight over the executive functionaries of the council; ensure good governance in the municipality. These committees are also responsible for advising the council, the political office-bearers, the accounting

officer, and the management of the municipality on various matters dealt with under their responsibilities.

During the period under review, the respective committees have discharged their responsibilities as outlined in Table 2.17 below, in accordance with their terms of reference:

Table 2.17 - Activities performed by the MPAC:

Municipal Public Accounts Committee	
Matters considered in 2021/22	**Date**
Ordinary MPAC meeting	24 July 2023 2 August 2023 February 2024 14 March 2024
Project Oversight visit.	8 March 2024
Oversight report on 2022/23 Annual Report	19 March 2024
MPAC workshop	18 April 2024

Table 2.18 - Activities performed by the Audit & Performance Committee

Audit & Performance Committee	
Matters considered in 2022/23	**Date**
Draft Annual Financial Statement – 2022/23	28 August 2023
Draft Annual Report – 2022/23	28 August 2023
Internal Audit Charter	25 June 2024
Audit and Performance Audit Committee Charter	25 June 2024
Internal Audit Annual Plan – 2024/25	25 June 2024
Audit Engagement Letter and Audit Strategy – 2022/23	19 September 2023
Auditor General – 2022/23 Draft Audit Report	28 November 2023

CHAPTER 3:

Service Delivery Performance (Performance Report Part I)

3.1. Component A: Introduction to Performance Report

This chapter focuses on reporting on service delivery on a service-by-service in line with the approved IDP and SDBIP of the municipality for the 2023/24 financial year. This chapter therefore aims to demonstrating what has been achieved by the Municipality and what remains outstanding as initially planned in terms of the municipality's IDP.

3.2. Component B: Overview of the relevant progress achieved on the relevant outcomes for Local Government as required by National and Provincial Spheres

3.2.1. Water Services

Table 3.3 – Water Services Capital Expenditure

Capital Expenditure 2023/24: Water Services				R' 000
Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Water Network	500	500	0	0%
Water Network (WSIG Grant)	10 000	17 339	16 547	106%
Vehicles	0	300	0	0%
Upgrading water pump station (MIG)	11 443	11 443	9 014	79%
Plant and equipment	200	200	0	0%
Water pipes (MIG)	11 497	54	47	87%
Water meters	500	500	0	0%
Water pumps	500	500	0	0%
Fencing: Deneysville and Oranjeville	400	400	0	0%
Total	**35 040**	**31 236**	**25 608**	**82%**

Table 3.4 – Water Services Financial Performance

Financial Performance – Water Services Financial Performance 2023/24: Water Services R'000				
Details	**2023/24**	**2022/23 Actual**	**2021/22 Actual**	**% Variance**
Total Operational Revenue	**607 072**	**518 616**	**500 977**	85%
Employees	23 039	20 815	18 767	90%
Repairs and Maintenance	1 362	2 823	5 539	207%
Other	266 113	243 542	210 939	92%
Total Operational Expenditure	**290 514**	**267 180**	**235 245**	**92 %**
Net Operational Expenditure	**316 558**	**251 436**	**265 732**	**79%**

3.2.2.Sanitation Services

Table 3.6 - Sanitation Services Financial Performance

Financial Performance 2023/24: Sanitation Services				R'000
Details	**2023/24 Actual**	**2022/23 Actual**	**2021/22 Actual**	**% Variance**
Total Operational Revenue	**92 396**	**166 200**	**185 143**	180%
Employees	13 074	11 851	R11 642	98%
Repairs and Maintenance	25 031	23 703	R29 866	95%
Other	15 842	13 639	R9 270	86%
Total Operational Expenditure	**53 947**	**49 193**	R50 778	91%
Net Operational Expenditure	**38 449**	**117 007**	**R134 365**	304%

Table 3.7 - Sanitation Services Capital Expenditure

Capital Expenditure 2023/24 Sanitation Services R'000					
Capital Projects		2023/234			
		Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Sewer network (MIG)		9 574	8 957	7 601	106%
Plant and equipment		750	750	0	0%
Wastewater Treatment (RBIG)		9 000	0	0	0%
Wastewater Treatment (WSIG)		10 617	10 617	4 317	28%
Infill stands`		550	550	0	0%
Infrastructure security measure		1 000	1 000	325	33%
Total All		**31 491**	**21 874**	**12 243**	**56%**

Table 3.9 - Electricity Services Financial Performance

Financial Performance 2023/24: Electricity Services R'000				
Details	2023/24	2022/23 Actual	2021/22 Actual	% Variance
Total Operational Revenue	**422 274**	**367 425**	**R375 250**	**87%**
Employees	27 041	24 170	R22 595	89%
Repairs and Maintenance	9 280	14 892	R12 941	160%
Other	349 451	355 852	R368 280	102%
Total Operational Expenditure	**385 772**	**394 914**	**R403 816**	**102%**
Net Operational Expenditure	**36 502**	**(27 489)**	**(R28 566)**	**(75%)**

Table 3.10 - Electricity Service Capital Expenditure

Capital Expenditure 2023/24: Electricity Services R'000				
Capital Projects	2023/24			
	Budget	Adjustment budget	Actual Expenditure	% Variance from adjustment budget
Electrical Network (DoE)	29 780	29 780	21 121	71%
Electrical infrastructure (own funding)	4 000	4 000	0	0%
Plant + equipment	13 250	13 250	1 896	14%
Total All	**47 030**	**47 030**	**23 017**	**49%**

3.2.4.Roads

Table 3.13 - Roads Infrastructure Capital Expenditure

Capital Expenditure 2023/2024: Roads Services				R'000
Capital Projects	**2023/24**			
	Budget	**Adjustment budget**	**Actual Expenditure**	**% Variance from adjustment budget**
Zamdela Roads (Paved) MIG	12 500	12 500	12 092	97%
Gortin paved roads	11 968	11 968	10 405	87%
Resealing of roads	19 500	19 500	0	0%
Gravel Road	4 500	4 500	0	0%
Total	**48 468**	**48 468**	**22 497**	**46%**

3.2.5.Waste Management

Table 3.16 - Waste Management Services Financial Performance

Details	2023/24	2022/23 Actual	2021/22 Actual	% Variance
Total Operational Revenue	**64 299**	**71 330**	**66 042**	**111%**
Employees	36 123	35 568	34 842	**98%**
Repairs and Maintenance	4 154	5 747	5 540	**138%**
Other	26 653	7 090	12 661	**127%**
Total Operational Expenditure	**66 930**	**48 405**	**53 043**	**72%**
Net Operational Expenditure	**(2 631)**	**22 925**	**12 999**	**(871%)**

Table 3.17 - Waste Management Services Capital Expenditure

Capital Expenditure 2023/24: Waste Management Services R'000				
Capital Projects	**2022/23**			
	Budget	**Adjustment budget**	**Actual Expenditure**	**% Variance from adjustment budget**
Vehicles	1 000	1 000	0	0%
Total All	**1 000**	**1 000**	**0**	**0%**

3.2.6.Cemeteries

Table 3.19 - Cemeteries Financial Performance

Details	Actual 2023/24 R 000	Actual 2022/23 R 000	% Variance
Total Operational Revenue	8 686	4 336	50%
Expenditure:			
Employees	1 026	1 196	117%
Repairs and Maintenance			
Other	29	29	100%
Total Operational Expenditure	**1 055**	**1 225**	**116%**
Net Operational Expenditure	**7 631**	**3 111**	**41%**

Table 3.20 - Cemeteries Capital Expenditure

Capital Expenditure 2023/24: : Cemeteries R'000				
Capital Projects	**2023/24**			
	Budget	**Adjustment budget**	**Actual Expenditure**	**% Variance from adjustment budget**
Plant & Equipment	0	0	0	0%
Synapsis Software	0	0	0	0%
Upgrading cemetery (MIG)	0	0	0	0
Fence	0	0	0	0%
Total All	**0**	**0**	**0**	**0**

3.2.7.Traffic Police Services

Table 3.22 - Traffic Police Service Financial Performance

Financial Performance 2023/24: Traffic Police			**R'000**
Details	**2023/24**	**2022/23**	**%**
	Actual	**Actual**	**Variance**
Total Operational Revenue	451	431	95%
Employees	14 917	15 369	103%
Repairs and Maintenance	563	740	131%
Other	567	988	174%
Total Operational Expenditure	**16 047**	**17 097**	**107%**
Net Operational Expenditure	**(15 596)**	**(12 789)**	**82%**

Table 3.23 - Traffic Police Service Capital Expenditure

Capital Expenditure 2023/24: Traffic Police Service R'000				
Capital Projects	**2023/24**			
	Budget	**Adjustment budget**	**Actual Expenditure**	**% Variance from adjustment budget**
Plant & Equipment	650	500	0	0%
Total All	650	500	**0**	**0%**

3.2.8.Fire Services

Table 3.24 - Fire Services Financial Performance

Financial Performance 2022/23: Fire Services R'000				
Details	**2023/24**	**2022/23**	**2021/22**	**%**
	Actual	**Actual**	**Actual**	**Variance**
Total Operational Revenue	670	876	1 286	130%
Employees	27 364	26 083	24 355	95%
Repairs and Maintenance	27	830	652	79%
Other	1 997	862	605	43%
Total Operational Expenditure	**29 388**	**27 775**	**26 612**	**94%**
Net Operational Expenditure	**(28 718)**	**(26 899)**	**(24 344)**	**94%**

Table 3.25 - Fire Services Capital Expenditure

Capital Expenditure 2023/24: Fire Services R'000				
Capital Projects	**2023/24**			
	Budget	**Adjustment budget**	**Actual Expenditure**	**% Variance from adjustment budget**
Specialized Vehicles Finance lease	0	0	0	0%
Vehicles	0	0	0	0%
Plant & Equipment	0	0	0	0%
Total All	**0**	**0**	**0**	0%

3.2.9.Disaster Management

Table 3.26 - Disaster Management Financial Performance

Financial Performance 2023/24: Disaster Management R'000				
Details	**2023/24**	**2022/23**	**2021/22**	**%**
		Actual	**Actual**	**Variance**
Total Operational Revenue	0	0	0	0%
Expenditure:				
Employees	2 208	1 422	966	68%
Repairs and Maintenance	0	3	39	0%
Other	143	62	18	43%%
Total Operational Expenditure	**2 351**	**1 487**	**1 023**	**69%**
Net Operational Expenditure	**2 351**	**1 487**	**1 023**	**69%**

Table 3.27 - Disaster Management Capital Expenditure

Capital Expenditure 2023/24: Disaster Management R'000				
Capital Projects	**2023/24**			
	Budget	**Adjustment budget**	**Actual Expenditure**	**% Variance from adjustment budget**
Plant & Equipment	0	0	0	0%
Total	**0**	**0**	**0**	**0%**

3.2.10. Sports & Recreation

Table 3.28 - Sports & Recreation Financial Performance

Financial Performance 2023/24: Sports & Recreation R'000			
Details	**2023/24**	**2022/23**	**%**
	Actual	**Actual**	**Variance**
Total Operational Revenue	0	0	0%
Employees	0	0	0%
Repairs and Maintenance	0	0	0%
Other	0	0	0%
Total Operational Expenditure	0	0	0%
Net Operational Expenditure	0	0	0%

Table 3.29 - Sports & Recreation Capital Expenditure

Capital Expenditure 2023/24: Sports & Recreation				R'000
Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Refengkgotso stadium – new buildings	0	0	0	0%
Chairs/tables	0	0	0	0%
Total All	0	0	0	0%

3.2.11. Planning & Development

Table 3.31 - Planning Services Financial Performance

Financial Performance 2023/24: Planning Services R'000				
Details	2023/24 Actual	2022/23	2021/22	%
		Actual	Actual	Variance
Total Operational Revenue	794	819	806	103%
Expenditure:				
Employees	8 250	4 748	5 187	58%
Repairs and Maintenance	5	5	2	100%
Other	298	243	869	82%
Total Operational Expenditure	**8 553**	**4 996**	**6 058**	**58%**
Net Operational Expenditure	**(7 759)**	**(4 177)**	**(5 252)**	**54%**

Table 3.32 - Planning Services Capital Expenditure

Capital Expenditure 2023/24: Planning Services				R'000
Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Machinery and equipment	0	0	0	0%
Total All	0	0	0	0%

Table 3.33 - Local Economic Development Services Financial Performance

Financial Performance 2023/24: Local Economic Development R'000

Details	2023/24 Actual	2022/23	2022/22	%
		Actual	Actual	Variance
Total Operational Revenue	0	0	0	0%
Expenditure				
Employees	1 311	1 276	1 191	97%
Repairs and Maintenance	6	6	0	100%
Other	48	23	22	48%
Total Operational Expenditure	**1 365**	**1 305**	**1 213**	**96%**
Net Operational Expenditure	**1 365**	**1 305**	**1 213**	**96%**

Table 3.34 - Local Economic Development Services Capital Expenditure

Capital Expenditure 2023/24: Local Economic Development R'000				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Buildings	0	0	0	0%
Vehicles	0	0	0	0%
Plant and equipment	0	0	0	0%
Total All	0	0	0	0%

3.2.12. Free Basic Services & Indigent Support

Table 3.35 - Free Basic Services Structure

Description	2023/2024	2022/2023	%
			Variance
Property Rates (per month per household) indigent	R 50	R 50	100%
Sanitation/sewerage additional (per month per household) Indigent	100% Rebate	100% Rebate	-
Sanitation/sewerage (per month per household)	100% Rebate	100% Rebate	-
Water (per month per household)	Nil	Nil	-
Water (per month per household) Indigent	6 Kl	6 Kl	-
Electricity (per month per household)	Nil	Nil	-
Electricity (per month per household) indigent	50kWh	50kWh	-
Refuse Removal (per month per household)	100% Rebate	100% Rebate	-

3.2.13. Performance Analysis:

Free basic services are provided to indigent households according to the municipality's indigent policy.

This includes 6kl of water, 50kWh electricity, R50 subsidy on assessment rates, free sanitation and refuse removal per household per month.

A total of **7 362** households were recorded in the indigent register at the end of the 2023/2024 financial year.

3.3. Component C: Annual Performance Report against Pre-Determined Objectives

KPA 1: Basic Service Delivery & Infrastructure Development

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KEY PEFORMANCE AREA (KPA 1): BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
OFFICE/ DIRECTORATE: TECHNICAL SERVICES									
PRIORITY AREA/ PROGRAMME: WATER SERVICES									
PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
Ensure that the municipality broadly delivers service according to the strategic orientation based on key sector plans	1.1 Water Services Development Plan (WSDP) developed, annually reviewed and submitted to Council for approval	Draft WSDP in place	(WSDP) developed and submitted to Council for approval by 30 June 2024	Q1- Draft submitted to DWS for inputs Q2- Finalising the Draft Q3-4 submission to portfolio committee and Council	Approved WSDP & Council Resolution	0	Target Not Achieved	Delay on the sitting of both MAYCO & Council to approve the WSDP	Draft will serve in the next quarter, 2024/25 FY MAYCO and Council meetings
Ensure that the municipality broadly delivers service according to the strategic orientation based on key sector plans	1.2 Water and Sewer Master Plan developed	No Water and Sewer Master Plan developed	Water and Sewer Master Plan developed by 30 June 2024	Q3- Advertisement for service provider Q4 – Appointment of service provider	Approved Water and Sewer Master Plan	0	Target Not Achieved	No budget availed during the adjustments to implement the revised targets in Q3 & Q4.	1. Advertise for appointment of the PSP in 2024/25 FY Q2. 2. Submit request for funding during the 2024/25 budget adjustment preparations. 3. Continue to source funding from MISA, PT, COGTA and Sasol Firm for development of the W&S Master Plan.

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Ensure universal access to reliable and quality basic Municipal services by all communities	1.3 Number of Conventional water meters replaced with prepaid meters in all the identified areas.	No Conventional water meters replaced with prepaid meters	1000 Conventional water meters replaced with prepaid meters in all the identified areas by 30 June 2024	Q1 Meter Audit Replacement of Water metres Q2 Report to Portfolio for approval Q3- Advertisement for service provider Q4 – Appointment of service provider	Progress report	0	Target Not Achieved	No budget availed during the adjustments to implement the revised targets in Q3 & Q4. Currently the Audited meters database is not available hence there was a request for allocation of budget to conduct the study. Thorough Community Awareness Campaigns is needed before the replacement of conventional meters with the prepaid meters.	1. Advertise for appointment of the PSP in 2024/25 FY Q2. 2. Submit request for funding during the 2024/25 budget adjustment preparations.
Ensure universal access to reliable and quality basic Municipal services by all communities	1.4 Number of kms of obsolete asbestos/old water pipes replaced	10.065km of asbestos/old water pipes replaced	5 kms asbestos/old water pipes replaced by 30 June 2024	Replacement of water pipes in Q3 and 4	Q3- Advertisement for service providerQ4 – Appointment of service provider	0.21km (210m) asbestos/old water pipes replaced	Target Not Achieved	The project is planned for implementation in 2024/25 FY (September 2024) therefore SCM prioritised projects due for implementation in the current FY.	The appointment of the Professional Service Provider (Consulting Engineer) in 2024/25 FY Q1.
Ensure universal access to reliable and quality basic Municipal services by all communities	1.5 % Minimization of Water distribution losses	36.53% water distribution loss	Water distribution loss minimized to 30% by 30 June 2024	Quarterly minimization of water distribution losses to 30%	Progress Report	43% water distribution loss	Target Not Achieved	Illegal connections, unbilled water, tankering services, and delays in repairs of burst water pipes and leaks.	Municipality needs to undertake an audit to monitor illegal/bypassed connections as well as faulty meters for replacement with new meters. Attend to burst water pipes and leaks timeously. To also have mechanisms to monitor water usage by indigents.

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Ensure universal access to reliable and quality basic Municipal services by all communities	1.6 % Compliance with Blue Drop Water Quality accreditation system	63.35% compliance with Blue Drop Water Quality accreditation system Target not achieved	99% Compliance with Blue Drop Water Quality accreditation system by 30 June 2024	>99 % compliance with the blue drop system in all quarters	BDS Status Report	97.4% compliance with Blue Drop Water Quality accreditation system.	Target Not Achieved	1. Shortage of skilled, qualified and competent human capital as per Regulation 3630 - Classified Process Controllers.	1. Additional staff has been appointed - Laboratory Technician 2. Water quality monitoring programme to resume from 30/04/2024. 3. Introduce booster stations for chlorine in our systems to mitigate insufficient disinfection which has an impact on drinking water quality.
Ensure universal access to reliable and quality basic Municipal services by all communities	1.7 Number of new water connections to communal or public facilities (Circular 88 Indicators)	No new water connections Target not achieved	5 new water connections to communal (taps) or public facilities by 30 June 2024	Q1, 2, = 1 new water per quarter connection Q3 & 4 - 2 new water connections	Progress Report	15 new metered communal water taps installed	Target Achieved		
PRIORITY AREA/ PROGRAMME: SANITATION & WASTEWATER									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
Ensure universal access to reliable and quality basic Municipal services by all communities	1.9 Water and Sanitation Maintenance Plan developed and submitted to Council for approval	Water and Sanitation Maintenance Plan developed and approved 08 December 2022	Water and Sanitation Maintenance Plan developed and submitted to Council for approval by 30 June 2024	Q1 Water and Sanitation maintenance plan developed Q3-4 submission to Management Portfolio and Council	Approved WSMP & Council Resolution	0	Target Not Achieved	Delay on the sitting of both MAYCO & Council to approve the WSMP	Draft will serve in the next quarter, 2024/25 FY MAYCO and Council meetings
Ensure universal access to reliable and quality basic Municipal services by all communities	1.10. Number sewer of connections to consumer units installed (Circular 88 Indicators)		6037 sewer connections to consumer units installed. 2962 (Moodraai) 30 June 2024	Communication with HS on sewer connections	Communication letters with HS	0	Target Not Achieved	Delay in commencement of the project while awaiting the issuing of the construction permit by Department of Employment & Labour	Communicate officially to Department of Human Settlements on the progress of sewer connections to consumer units installed.

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Ensure universal access to reliable and quality basic Municipal services by all communities	1.11 % of call outs responded to within 24 hours (Circular 88 Indicators)	53.25% of sanitation complaints were attended within 24-hour period	100% call outs responded to within 24 hours by 30 June 2024	100% call outs responded to within 24 hours in all quarters	Progress Report	54.61% call outs responded to within 24 hours.	Target Not Achieved	Lack of Human resources, materials, tools of the trade, plant and vehicles	1. Additional staff have been recruited while others not yet concluded. 2. Accelerate the procurement of budgeted maintenance vehicles in the current quarter.
Ensure universal access to reliable and quality basic Municipal services by all communities	1.12 % Compliance with Green Drop Quality accreditation system	Target not achieved	100% Compliance with Green Drop Quality accreditation system by 30 June 2024	>99 % compliance with the green drop system in all quarters	GDS Status Report	16.9685% compliance with Green Drop Quality accreditation system.	Target Not Achieved	1. Terminated contract for the upgrading of Oranjeville WWTW which led to old plant not being able to treat the sewage inflow causing spillages and non-compliant effluent quality.	1. Source funding for construction of Oranjeville WWTW. 2. Finalise the appointment of permanent Process Controllers in the next quarter. 3. Effluent quality monitoring to resumed
Ensure universal access to reliable and quality basic Municipal services by all communities	1.13 Number of reports on maintenance of water and sanitation infrastructure compiled	4 reports compiled	4 reports on maintenance of water and sanitation infrastructure compiled by 30 June 2024	1 report on maintenance of water and sanitation infrastructure compiled quarterly	Progress Reports	4 reports compiled on maintenance of water and sanitation infrastructure	Target Achieved		
PRIORITY AREA/PROGRAMME: ELECTRICITY & ENERGY SERVICES									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
Ensure that the municipality broadly delivers service according to the strategic orientation based on key sector plans	1.14 Integrated Energy Plans (IEP) developed, annually reviewed, and submitted to Council for approval	No INEP developed	INEP developed, annually reviewed and submitted to Council for approval by 30 June 2024	Q1 Draft IEP developed Q 2- Snr Mngt submission Q3-4 Advert & appointment of service provider for IEP	Advert and appointment letter	0	Target Not Achieved	Not budgeted & Slow progress during early months	Fast track the completion of Electrical Panel of Consultant

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Ensure universal access to reliable and quality basic Municipal services by all communities	1.15 Number of households Electricity connections installed (Circular 88 Indicators)	1300 HHs connections complete	400 Electricity House connections installed in Themba Kubheka by 30 June 2024	Q1- Procurement Q2- Adjudication and appointment Q3- work commences Q4- Work completed	Reports	742 HHs have been connected in Themba Kubekha	Target Achieved		
Ensure universal access to reliable and quality basic Municipal services by all communities	1.16 % of electricity distribution losses minimized	26.35% electricity distribution loss	% of electricity distribution losses minimized to 20% by 30 June 2024	Quarterly minimization of electricity distribution losses to 20%	Reports	29% electricity distribution losses	Target Not Achieved	Illegal and bypassing of electricity meters. Delays in replacement of dysfunctional meters.	Municipality needs to undertake an audit to monitor illegal/bypassed connections as well as replace faulty/dysfunctional meters..
Ensure universal access to reliable and quality basic Municipal services by all communities	1.17 Number of High mast lights erected	New KPI	5 High Mast Lights Erected/ Installed (Sasolburg & Vaalpark) by 30 June 2024	In Q 2, Erection/ Installation of High Mast Lights in Sasolburg & Vaalpark Q3 & Q4, advertisement & appointment of service provider	Reports	0	Target Not Achieved	Slow progress during early months	Fast Track SCM process
Ensure universal access to reliable and quality basic Municipal services by all communities	1.18 Number of reports on maintenance of electricity infrastructure compiled	4 reports compiled	4 reports on maintenance Electricity infrastructure compiled by 30 June 2024	1 report on maintenance of electricity compiled quarterly	Progress Reports	4	Target Achieved		
PRIORITY AREA/PROGRAMME: ROADS AND STORMWATER SERVICES									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
Ensure universal access to reliable and quality basic Municipal services by all communities	1.19 Number of m² of roads resealed/ repaired	5km roads resealed/repaired	7000m² of roads resealed/ repaired by 30 June 2024	Q1: 1 km of new road built Q3 & Q4: Advert and appointment Q4- 7000m² of new roads resealed /repaired	Progress Report	0m²	Target Not Achieved	Late advertisement of the three resealing bids. The bids closed on 28 June 2024.	Fasttrack the appointment of the service providers and completion of the project in next quarter.

Ensure universal access to reliable and quality basic Municipal services by all communities	1.20 Number of kms gravel roads graded (Circular 88 Indicators)	18.808km of gravel roads were graded/maintained in all towns (target not achieved)	20 kms gravel roads graded by 30 June 2024	Q1- 4: 5kms gravel roads graded quarterly	Progress Reports	54.86km of gravel roads graded	Target Achieved		
Ensure universal access to reliable and quality basic Municipal services by all communities	1.21 Number of Potholes repaired (NEW)	8186m² potholes repaired	4 500m² of Potholes repaired by 30 June 2024	Q1 – Q4: 1125m² of Potholes repaired in all quarters	Progress Reports	10 499.92m² of Potholes repaired	Target Achieved		
Ensure universal access to reliable and quality basic Municipal services by all communities	1.22 Number of reports on maintenance of roads and stormwater drainage system infrastructure compiled	4 reports compiled	4 reports on maintenance of roads and stormwater drainage system infrastructure compiled by 30 June 2024	Q1-3 1 km of storm water drainage constructed Q4- 2 kms of storm water drainage constructed	Reports	4 reports compiled on maintenance of roads and stormwater drainage system infrastructure	Target Achieved		
PRIORITY AREA/PROGRAMME: PROJECT MANAGEMENT UNIT									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
Ensure universal access to reliable and quality basic Municipal services by all communities	1.23 Number of New CapitalProjects for which funding is approved source (MIG, DoE, DWS,INEP)	3 New Capital Projects	3 New Capital Projects for which funding is sourced (MIG, DoE, DWS, INEP) by 30 June 2024	Preparation of business plans for funding of 3 registered projects in quarter 4	Submission of Business Plans & approval from Sector Depts.	3 Projects approved INEP: 2 projects MIG: 1 project	Target Achieved		
Ensure universal access to reliable and quality basic Municipal services by all communities	1.24 % in spending of Grants as per DoRA requirements	MIG - 100% RBIG - 86% INEP - 100% WSIG - 90% Annual 94%	100% in spending of Grants as per DoRA requirements by 30 June 2024	Accumulated scale spending grants as required in all quarters	Progress Reports	100% spending of Grants as per DoRA requirements	Target Achieved		
Ensure universal access to reliable and quality basic Municipal services by all communities	1.25 Number of kms of new municipal roads built Circular 88 Indicators)	4.433km new municipal roads built (target not achieved)	4km new municipal roads built by 30 June 2024	Q1-Q2: Earthwork to be completed on 2km each. Q3 – Q4: Completion of the road	Progress Reports	4.0376km of new municipal roads were built in wards 1 & 8	Target Achieved		

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Ensure universal access to reliable and quality basic Municipal services by all communities	1.26 Number of kilometres of storm water drainage constructed	4.433km kilometres of storm water drainage constructed (target not achieved)	4 km kilometres of storm water drainage constructed by 30 June 2024	Q1-3: 1 km of storm water drainage constructed Q4: 2 kms of storm water drainage constructed	Progress Reports	4.0376km of new storm water drainage were constructed in wards 1 & 8	Target Achieved		
Ensure universal access to reliable and quality basic Municipal services by all communities	1.27 Number of progress reports submitted on monitoring of all Capital Projects submitted to Council		4 progress reports submitted on monitoring of all Capital Projects submitted to Council by 30 June 2024	1 report on monitoring of projects compiled and submitted to Management and Council per quarter	Progress Reports & Council Resolution	3 progress reports on monitoring of all Capital Projects submitted to Council	Target Not Achieved	Delay in sitting of both the MAYCO and Ordinary Council to discuss the report.	The report is scheduled to serve in the next quarter, 2024/25 FY MAYCO and Council meetings
Ensure universal access to reliable and quality basic Municipal services by all communities	1.28 Number of Business Plans developed and submitted to (MIG, DoE, DWS, INEP)		3 Business Plans developed and submitted by 30 June 2024	Q3- Business Plans submitted for funding in Q3	Approved Business Plans	3 Business Plans developed, submitted and approved for funding by INEP & MIG	Target Achieved		
Ensure universal access to reliable and quality basic Municipal services by all communities	1.29 (i) % of comments within 10 working days on building plans to be approved (specified period of time) (30 days <500m²)	New KPI	100 % of approved building plans within specified period of time (30 days <500m² by 30 June 2024	100% of technical comments made on the submitted building plans <500m² within 10 working days of receipt from LED.	Report on Comments made/Comment Register	79.75% of technical comments made on the submitted building plans	Target Not Achieved	Monitoring of work done was not properly recorded during Q1 as there was no dedicated personnel appointed also resulting in comments not being provided in 10 days due to human resource constraints.	Incumbent (Senior Engineering Assistant: Design & Planning) appointed from 01 October 2023.
Ensure universal access to reliable and quality basic Municipal services by all communities	1.29 (ii) % of comments within 20 working days on building plans to be approved (specified period of time) (60 days >500m²)	New	100 % of approved building plans comments within specified period of time (60 days>500 m²)	100% of technical comments made on the submitted building plans >500m² within 10 working days of receipt from LED.	Report on Comments made/Comment Register	79.25% of technical comments made on the submitted building plans	Target Not Achieved	Monitoring of work done was not properly recorded during Q1 as there was no dedicated personnel appointed also resulting in comments not being provided in 10 days due to human resource constraints.	Incumbent (Senior Engineering Assistant: Design & Planning) appointed from 01 October 2023.

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Financial management	1.30 % of OPEX Allocation/Budgeted spent	New	100% of allocated OPEX Budget spent by 30 June 2024	Q 3 Reports of allocated OPEX Budget spending reflecting 75% expenditure Q4 Reports of allocated OPEX Budget spending reflecting 100% expenditure	Expenditure Report	90% OPEX Budget spent	Target Not Achieved	Lack of spending against budgeted items	Need to improve on internal processes to meet needs budgeted for
Financial management	1.31 % of CAPEX Allocation/ Budgeted spent	New	100% of allocated CAPEX Budget spent by 30 June 2024	Q 3 Reports of allocated CAPEX Budget spending reflecting 75% expenditure Q4 Reports of allocated CAPEX Budget spending reflecting 100% expenditure	Expenditure Report	100% CAPEX Budget spent	Target Achieved		
Facilitation and Coordination of Staff Establishment	1.32 % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment	New	75% of total staff compliment/ establishment maintained by 30 June 2024	Reports on total staff compliment/ establishment maintained in Q2 and Q4	Vacancy Rate Status Report	42% vacancy rate	Target Not Achieved	HR has not processed requested filling of identified critical posts due to budget constraints	HR to be engaged on progress on processing the submitted identified critical posts to be advertised for filling
Demand Management Plan	1.33 Number of Procurement Plan compiled and submitted to SCM	New	1 Procurement Plan compiled and submitted to SCM by 30 June 2024	1 Procurement Plan compiled and submitted to SCM by Q1 for 2023/24 & Q4 – 1 for 2024/25	Approved Procurement Plan	1 Procurement Plan compiled and submitted	Target Achieved		
Contract Management	1.34 100% of performance Evaluation on contracted services as per Contract Management s116 on monthly basis and reported on quarterly basis	New	100% of performance Evaluation on contracted services as per Contract and Contract	performance Evaluation on contracted services as per Contract register in all Quarters	Evaluation report and register	100% of performance Evaluation on contracted services	Target Achieved		

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OFFICE/DIRECTORATE: SOCIAL SERVICES									
PRIORITY AREA/PROGRAMME: HEALTH & CLEANHEALTH & CLEANSING (WASTE MANAGEMENT)									
PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To Build Environmental Sustainability and Resilience	1.35 Integrated Waste Management Plan (IWMP) developed, annually reviewed and submitted to Council for approval	No IWMP	Develop IWMP and summit to Council for approval by 30 June 2024	WMP submitted to Council in Q4	IWMP submitted to Council in Quarter 1	0	Target Not Achieved	Awaiting confirmation of Policy workshop to submit to enable submission to Council for approval	Awaiting Policy workshop to submit to enable submission to Council for approval
To ensure universal access to reliable and quality Basic Service by all Communities	1.36 Number of household areas provided with weekly waste collection services	New	23 households' areas provided with weekly waste collection services	23 households' areas provided with weekly waste collection services in all quarters	Progress report	23 households' areas provided with weekly waste collection services	Target Achieved		
To Build Environmental Sustainability and Resilience	1.37 Number of illegal dumping sites removed	20 illegal dumping sites removed (target not achieved)	48 illegal dumping sites removed by 30 June 2024	Q1-Q4 12 illegal dumping sites removed	Progress Report	48 illegal dumping sites removed	Target Achieved		
To Build Environmental Sustainability and Resilience	1.38 Number of Waste management Awareness programmes conducted	4 Waste management Awareness programmes conducted	4 Waste management Awareness programmes conducted by 30 June 2024	1 waste management awareness programme conducted quarterly	Attendance registers	5 Waste management Awareness Programmes conducted	Target Achieved		
To Build Environmental Sustainability and Resilience	1.39 Number of Landfill site(s) established, licenced & operational in Sasolburg	New	1 Landfill site(s) established, licenced & operational in Sasolburg	1 Landfill site(s) established, licenced & operational in Sasolburg	Progress Report on establishment of Landfill site	0	Target Not Achieved	Municipality in the process to establish new landfill site to ensure compliance to NEM. Delay due to protected process in acquiring suitable land.	Municipality addressing non-compliance issues Urban Planning and Asset Management divisions have been engaged to assist in identification of suitable land from available municipal land.

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PRIORITY AREA/PROGRAMME: PARKS & RECREATION (INCL. CEMETERIES)									
PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	Key Performance Indicator	2022/23 Baseline	Annual Target	Explanation of Target	Portfolio of Evidence	Actual Performance	Target achieved/ not achieved	Reasons for Deviations	Corrective Measures Taken/ to be taken
To promote and ensure social cohesion	1.40 Number of Sports & Recreational Parks developed	New	1 Sports & Recreational Parks developed by 30 June 2024	Q3 - minutes of meeting (incl. invite & attendance register) Q4 - report on the establishment (incl. pics), if target not met challenges and remedial actions will be reflected in report.	Progress Report	0	Target Not Achieved	Municipality does not have own funding, and sponsorship could not be secured.	Municipality will continue to engage potential sponsors such as Sasol.
To promote and ensure social cohesion	1.41 Number of reports on maintenance and management of community facilities (Halls, MPCC, Parks, Sports, Arts & Culture)	4 reports compiled	4 reports on maintenance and management of community facilities (Halls, MPCC, Parks, Sports, Arts & Culture) by 30 June 2024	1 Report on maintenance and management of community facilities compiled quarterly	Reports	4 Reports compiled on maintenance and management of community facilities	Target Achieved		
To Build Environmental Sustainability and Resilience	1.42 Number of reports on maintenance and management of cemetery yards	New	4 quarterly reports on maintenance and management of cemetery yards by 30 June 2024	Q1 – Q4 reports on maintenance and management of cemetery yards	Progress Report	4 Quarterly reports compiled on maintenance and management of cemetery yards	Target Achieved		
PRIORITY AREA/PROGRAMME: PUBLIC SAFETY (INCL. DISASTER MANAGEMENT, FIRE SERVICES, TRAFFIC MANAGEMENT & BY-LAW ENFORCEMENT)									

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PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To promote and ensure community safety and social protection	1.43 Review of Disaster Management Plan	Draft Reviewed Disaster Management Plan (target not achieved)	Disaster Management Plan reviewed by 30 June 2024	Q2 Disaster Management Plan reviewed to Senior Management Q3-4 submission to Management Portfolio and Council	Approved Disaster Management Plan and Council Resolution	0	Target Not Achieved	Disaster Management Plan was reviewed and processed through Portfolio and Senior Management, awaiting Policy workshop to enable tabling in Council	Awaiting Policy workshop to enable tabling in Council
To promote and ensure community safety and social protection	1.44 % of Disaster incidents within the Municipality attended as and when they occur	No disaster incidents were reported	100% of Disaster incidents within the Municipality attended as and when they occur	100% attendance to Disaster incidents in all quarters	Disaster register	100% Disaster incidents attended	Target Achieved		
To promote and ensure community safety and social protection	1.45 Number of Disaster Awareness Programmes conducted	9 Disaster Awareness Programmes conducted	2 Disaster Awareness Programmes conducted by 30 June 2024	1 Disaster Awareness Programmes conducted in Q2 and Q4	Attendance Register	10 Disaster Awareness Programmes held	Target Achieved	There were requests for Awareness Programmes as well as partnerships with other institutions of which support was given.	N/A
To promote and ensure community safety and social protection	1.46 Number of Disaster Management training provided to Volunteers	3 Disaster Management training provided to Volunteers	1 Disaster Management training provided to Volunteers by 30 June 2024	1 Disaster Management training provided to Volunteers in Qrt.4	Attendance Register	2 Disaster Management training	Target Achieved	There was a need to capacitate Volunteers from the two Wards	N/A
To promote and ensure community safety and social protection	1.47 % of Fire incidents attended as and when they occur	100% of Fire incidents attended as and when they occur	100% of Fire incidents attended as an when they occur by 30 June 2024	100% attendance to fire incidents in all quarters	Reports	100% Fire incidents attended	Target Achieved		

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To promote and ensure community safety and social protection	1.48 Number of Firefighting Awareness Programmes conducted	10 Awareness Programmes conducted	2 of Firefighting Awareness Programmes conducted by 30 June 2024	1 Firefighting Awareness Programmes conducted in Q2 and Q4	Reports and Attendance Register	17 Awareness Firefighting Programmes conducted	Target Achieved	There were requests for Awareness Programmes as well as partnerships with other institutions of which support was given.	N/A
To promote and ensure community safety and social protection	1.49 Number of traffic roadblocks conducted	25 Road traffic roadblocks conducted	24 traffic roadblocks conducted by 30 June 2024	6 traffic roadblocks conducted in all quarters	Report	34 Traffic Roadblocks conducted	Target Achieved	Visibility was increased during festive season	N/A
To promote and ensure community safety and social protection	1.50 Number of by-law enforcement operations conducted	19 by-law enforcement operations conducted	12 by-law enforcement operations conducted by 30 June 2024	3 by-law enforcement operations conducted quarterly (Q1- Q4)	Report	15 by-law enforcement operations	Target Achieved	Cleaning up the municipality by removing illegal placards increased operations together with new appointments	
Financial management	1.51 % of OPEX Allocation/ Budgeted spent	New	100% of allocated OPEX Budget spent by 30 June 2024	Q 3 - 4Reports of allocated OPEX Budget spending	Expenditure Report	91% OPEX Budget spent	Target Not Achieved	Lack of spending against budgeted items	Need to improve on internal processes to meet needs budgeted for
Demand Management	1.52 % of CAPEX Allocation/ Budgeted spent	New	100% of allocated CAPEX Budget spent by 30 June 2024	Q 3 - 4 Report on allocated CAPEX Budget spending	100 % of CAPEX allocated spending	11% CAPEX Budget spent	Target Not Achieved	Lack of spending against budgeted items due to slow SCM processes	Need to improve on internal processes to meet needs budgeted for
Demand Management	1.53 Number of Procurement Plan compiled and submitted to SCM	New	1 Number of Procurement Plan compiled and submitted to SCM by 30 June 2024	1 Procurement Plan compiled and submitted to SCM by Q 4	Procurement Plan	1 Procurement Plan compiled and submitted	Target Achieved		

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Facilitation and Coordination of Staff Establishment	1.54 % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment	New	75% of total staff compliment/ establishment maintained by 30 June 2024	Reports on total staff compliment/ establishment maintained in Q2 and Q4	Vacancy status report	45% vacancy rate	Target Not Achieved	Delay by HR to advertise identified critical funded posts	HR to be engaged in processing of submitted identified funded posts to be advertised for filling
Contract Management	1.55 100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on quarterly basis	New	100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on quarterly basis by 30 June 2024	Q1- Q 4100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on all quarterly	Assessment sheets/ Summary	100% performance Evaluation on contracted services	Target Achieved		

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KPA 2: Local Economic Development

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KEY PEFORMANCE AREA (KPA2): LOCAL ECONOMIC DEVELOPMENT									
OFFICE/DIRECTORATE: ECONOMIC DEVELOPMENT, MARKETING & TOURISM, HOUSING & URBAN PLANNING									
PRIORITY AREA/PROGRAMME: LOCAL ECONOMIC DEVELOPMENT									
PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
Local Economic Development	2.1 Number of LED strategy reviewed annually and submitted to council for approval		Annually reviewed LED strategy and submitted for council approval by 30 June 2024	Q2-Draft submitted to Portfolio Committee	Approved LED Strategy & Council Resolution	0	Target Not Achieved	The report did not serve at Council	The reviewed LED Strategy to serve at the next Council Meeting
Local Economic Development	2.2 Number of job opportunities created through EPWP initiatives		100 jobs opportunities created through EPWP initiatives by 30 June 2024	100 EPWP jobs created in quarter 4	Progress report from implementing agents/Dept to municipality	30 EPWP jobs created	Target Not Achieved	The system allocates number of participants according to available funds. The challenge is that appointed participants leave the programme for other job opportunities.	For the municipality to speedily replace participants when vacancies arise
Local Economic Development	2.3 Number of job opportunities created through CWP initiatives		1000 jobs opportunities created through CWP initiatives by 30 June 2024	1000 CWP jobs created quarter 4	Progress report from implementing agents/Depts to municipality	948 CWP jobs created	Target Not Achieved	Implementing agent is COGTA, municipality will improve on oversight to ensure performance.	COGTA to be engaged on non-achievement to develop an improvement plan

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Local Economic Development	2.4 Number of SMMEs/Corporative provided support through Provincial and National support programmes (Exhibitions)		2 Provincial & National Exhibitions attended by SMMEs/ corporative by 30 June 2024	1 Provincial & National Exhibitions attended by SMMEs/ Corporative in quarter 3 and 4	Reports and Attendance registers	3 Provincial Events held	Target Achieved		
Create Conducive Environment for Improving Local Economic Development	2.5 % Development of SMME database with identified needs compiled and approved by the departmental Head		100% Development of SMME database with identified needs compiled and approved by the departmental Head	100% development of SMME database /register with identified needs compiled	SMMEs' Database per sector needs	100% database developed and approved by Departmental Head	Target Achieved		
Create Conducive Environment for Improving Local Economic Development	2.6 Number of SMMEs/ corporative provided support through Incentive support scheme (Financial & Non-Financial)		20 SMMEs/ corporative provided support through Incentive support scheme by 30 June 2024	5 SMMEs/ Corporative provided support through Incentive support scheme (financial support) quarterly	Reports on SMME Register with identified needs.	60 SMMEs/ corporative provided support through Incentive support scheme	Target Achieved	Overachieved due to contractors' capacitation initiative	
Create Conducive Environment for Improving Local Economic Development	2.7 Number of Capital or SLPs projects Implemented within Municipality		1 Capital or SLP project Implemented within Municipality by 30 June 2024	1 Capital/SLP Project implemented by Qtr. 4	Reports	0	Target Not Achieved	Lack of monitoring of the project and consequence management has been initiated by the Departmental Head	Monthly meetings with Seriti New Vaal will be introduced in the new FY
Create Conducive Environment for Improving Local Economic Development	2.8 LED Forum meetings convened on quarterly basis		4 LED Forum meetings convened by 30 June 2024	Q1 – Q2: 1 LED Forum meetings convened Q3-Q4: LED Sector Engagements convened	Minutes of the meeting Invitation Attendance Register	4 Tourism meetings held	Target Achieved		
PRIORITY AREA/PROGRAMME: HOUSING & HUMAN SETTLEMENT									

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PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To promote Integrated and Sustainable Human Settlement and Increasing the supply of Housing opportunities	2.9 Integrated Human Settlement Plan (IHSP) developed and reviewed annually		Integrated Human Settlement Plan (IHSP) reviewed by 30 June 2024	Q4 submission of draft to Management and Council	Report and Council Resolution	1 Integrated Human Settlement Plan (IHSP) developed and reviewed by Council on 04 May 2023 (Three-year plan/valid for three years)	Target Achieved		
To promote Integrated and Sustainable Human Settlement and Increasing the supply of Housing opportunities	2.10 Application for Accreditation status for Housing Development (HAD)		Facilitate Accreditation status for Housing Development by 30 June 2024	Q2, Status Report on Accreditation, Business Plan, Accreditation Implementation Plan to council. Q4 – Status Report on Accreditation, Business Plan, Accreditation Implementation Plan and Funding Submission to Council	Status Report on Accreditation (Business Plan, AIP and Funding) to council	0	Target Not Achieved	Salga and Free State Human Settlements Department are assisting the Department to compile an Accreditation Business Plan	Fast track assistance by Salga and Free State Human Settlements Department to compile an Accreditation Business Plan
To promote Integrated and Sustainable Human Settlement and Increasing the supply of Housing opportunities	2.11 % of processed applications and building plans approved		100% of processed applications and building plans approved by 30 June 2024	Q1-Q4 100% of processed applications and building plans approved in all quarters	Register of land use applications/ building plans approved	100% % of processed applications and building plans approved	Target Achieved		

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To promote Integrated and Sustainable Human Settlement and Increasing the supply of Housing opportunities	2.12 % of newly acquired properties registered in Municipality's name		100% of newly acquired properties registered in Municipality's name by 30 June 2024	Q1-Prefeasibility study conducted Q2-Property evaluation studies conducted. Q3-Negotiations and deed of sale Q4-Transfer of properties to municipality	Letters to Departments/Entities approached	0%	Target Not Achieved	KPI was indicated as not SMART, and the function is being performed by the HDA	Reviewed new SDBIP with realistic targets
To promote Integrated and Sustainable Human Settlement and Increasing the supply of Housing opportunities	2.13 % of lease agreements (municipal owned land) finalised		100% of lease agreements (municipal Owned land) finalised	Qt 1 to Q 4 100% of lease agreements (municipal Owned land) finalised	Reports, Register and Council Resolution	30% of lease agreements finalised	Target Not Achieved	Delay in finalisation of leases due to verification processes	To fast track processes for timeous turnaround in finalising the lease agreements.
PRIORITY AREA/PROGRAMME: TOWN PLANNING									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To implement the projects that ensure the Spatial and Economic	2.14 Number of Land Use Schemes reviewed and approved by Council		Reviewed and approved LUMS by 30 June 2024	Q. 3 Public Participation Q.4-Tabling of the reviewed LUMS to Council	Report on LUMS Public Participation notice and minutes/report Approved Land Use Management Scheme and Council resolution	0	Target Not Achieved	Project delayed and will be fast tracked	Reviewed new SDBIP with realistic targets

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To implement the projects that ensure the Spatial and Economic Integration	2.15 Spatial Development Framework (SDF) and approved by Council		Compilation of Draft SDF and submitted to Council by 30 June 2024	Q2 Public Participation Q4 – SDF Draft to Council for approval	Advert & Appointment Letter Steercom appointment letters, report/minutes from meeting Project plan	0	Target Not Achieved	SCM took longer to finalise the appointment	Reviewed new SDBIP with realistic targets
To implement the projects that ensure the Spatial and Economic Integration	2.16 Number of informal Settlements formalized		Mooidraai informal settlement formalized by 30 June 2024	Q3 Progress Reports on formalization and council resolution -Q4 Progress Reports formalization (Proclamation) by 30 June 2024 as formal settlement	Reports on land development processed	0	Target Not Achieved	Applicant to submit outstanding information	All applications will be finalised and extensions of time for contracts are being finalised
To implement the projects that ensure the Spatial and Economic Integration	2.17 Building Control Policy developed, annually reviewed and approved by Council		Building Control Policy developed by 30 June 2024	Q3-4 Draft submitted to Management Portfolio and Council	Building Control Policy & Council Resolution	0	Target Not Achieved	Awaiting Councillor Policy workshop prior to taking it to the Council	The Policy (By-law) will serve in Council post the Councillor Policy workshop
To implement the projects that ensure the Spatial and Economic Integration	2.18 (i) % of building plans <500m ² approved within 30 days		100% of approved building plans within specified period of time (30 days <500m²) by 30 June 2024	100% of building plans approved within specified period of time: 30 days <500m² in all quarters	Progress Report Register	72% of building plans <500m ² approved within 30 days	Target Not Achieved	Internal comments were outstanding	Develop mechanisms to follow-up with internal departments to ensure timeous submission to avoid delays in comments

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To implement the projects that ensure the Spatial and Economic Integration	2.18 (ii) % of building plans >500m ² approved within 60 days		100% of approved building plans within specified period of time (60 days >500m²) by 30 June 2024	100% of building plans approved within specified period of time: 60 days >500m² in all quarters	Progress Report Register	76% of building plans >500m ² approved within 60 days	Target Not Achieved	Internal comments were outstanding	Develop mechanisms to follow-up with internal departments to ensure timeous submission to avoid delays in comments
PRIORITY AREA/PROGRAMME: TOURISM, MARKETING & HERITAGE									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
	2.19 Tourism Strategy developed and reviewed annually		Tourism Strategy reviewed by 30 June 2024	Q3-Review of the tourism draft strategy Q4 -Tabling of strategy in Council	Report and Council Resolution	0	Target Not Achieved	Reviewed Tourism Strategy recommended by Portfolio Committee 28 March 2024 for approval by Council, yet to serve in Council, awaiting Policy workshop prior to taking it to the Council	Administration to be engaged on Policy workshop
	2.20 Number of Marketing and advertising initiatives on Municipal owned tourism facilities (resorts, parks and tourism sites)		4 Marketing and advertising initiatives on Municipal owned tourism facilities (resorts, parks and tourism sites) by 30 June 2024	Reports on Marketing and advertising initiatives on Municipal owned tourism facilities in all quarters	Report	5 Marketing and advertising initiatives	Target Achieved		
	2.21 Number of Tourism promotional events organised annually		2-Tourism promotional events organised by 30 June 2024	Q2:1 Tourism promotional event organised. Q4: 1 Tourism promotional event organised	Reports	2 Tourism promotional event organised	Target Achieved		

	2.22 % Creation and maintenance of a tourism stakeholder database within the Metsimaholo jurisdiction		100% Creation and maintenance of a tourism stakeholder database within the Metsimaholo jurisdiction by 30 June 2024	Q1-Q4 Creation and maintenance of a tourism stakeholder database within the Metsimaholo jurisdiction	Database & Database Register	100% Creation and maintenance of a tourism stakeholder database within the Metsimaholo jurisdiction	Target Achieved		
	2.23 Number of Tourism Forum meetings convened		4 Tourism Forum Meetings convened by 30 June 2024	Tourism Forum Meetings convened in all quarters	Minutes and attendance Register	5 Tourism Forum Meetings convened	Target Achieved		
Financial management	2.24 % of OPEX Allocation/ Budgeted spent		100% of allocated OPEX Budget spent by 30 June 2024	Q3-4 Reports of allocated OPEX Budget spending	Expenditure Report	29% OPEX Budget spent	Target Not Achieved	Lack of spending against budgeted items	Need to improve on internal processes to meet needs budgeted for
Financial management	2.25 % of CAPEX Allocation/ Budgeted spent		100% of allocated CAPEX Budget spent by 30 June 2024	Q3-Q4 Reports of allocated CAPEX Budget spending	Expenditure Report	No Capex allocated	No Capex allocated		
Facilitation and Coordination of Staff Establishment	2.26 % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment		75% of total staff compliment/ establishment maintained by 30 June 2024	Reports on total staff compliment/ establishment maintained in Q2 and Q4	Vacancy Rate Status Report	47% vacancy rate	Target Not Achieved	HR has not facilitated the recruitment processes as requested through the recruitment requisitions forms submitted earlier in the year, resignations	Follow-up with HR regarding progress on the recruitment processes
Contract Management	2.27 100% of performance Evaluation on contracted services as per Contract Management s116 on monthly basis and reported on quarterly basis		100% of performance Evaluation on contracted services as per Contract and Contract register	Q1- Q 4100% of performance Evaluation on contracted services as per Contract and Contract Management in all quarters	Evaluation report and contract register	100% performance evaluations conducted	Target Achieved		
Demand Management Plan	2.28 Number of Procurement Plan compiled and submitted to SCM		1 Procurement Plan compiled and submitted to SCM by 30 June 2024	1 Procurement Plan compiled and submitted to SCM Q 4 for 2024/25	1 procurement plan submitted 13 May 2024	1 Procurement Plan compiled and submitted	Target Achieved		

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KPA 3: Financial Management & Viability

KEY PEFORMANCE AREA (KPA3): FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT									
OFFICE/DIRECTORATE: FINANCE									
PRIORITY AREA/PROGRAMME: INCOME/REVENUE MANAGEMENT									
PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	Key Performance Indicator	2022/23 Baseline	Annual Target	Explanation of Target	Portfolio of Evidence	Actual Performance	Target achieved / not achieved	Reasons for Deviations	Corrective Measures Taken/ to be taken
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.1 Revenue enhancement strategy developed, annually reviewed and submitted for council approval		Develop Revenue Enhancement Strategy and submit it for Council approval by 30 June 2024	Q2 Submit Draft Strategy to Strategic Workshop Q4 Submit Draft Strategy to Council for approval	Approved Revenue Enhancement strategy & Council Resolution	0	Target Not Achieved	The report was referred back for refining and aligning to the budget.	The Revenue Enhancement strategy to be redefined and aligned to the budget.
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.2 Review of Indigent Policy and approved by Council		Review of Indigent Policy and approved by Council by 30 June 2024	Review and approval of the Policy in quarter 4	Approved Indigent Policy & Council Resolution	1 Indigent policy reviewed and approved	Target Achieved		

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To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.3 % in improved annual consumer debtors' revenue collection rate		85% in improved annual consumer debtors' revenue collection rate by 30 June 2024	Q1-4 Maintaining 85% collection Rate in all quarters	Debt collection report & Schedule C	59.39% consumer debtors' revenue collection rate	Target Not Achieved	- Credit Control functions were not applied to all the towns. - Areas such as: 1. Refengkgotso 2. Metsimaholo electricity is supplied directly from Eskom, subsequently leading to challenges of disconnection because of non-payment of water bills	- The cash book is not finalised, and expenditure is busy with the process - Debt collection report and schedule will be finalised after the closure of the period
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.4 Number of Indigent Awareness & registration campaigns conducted		2 Indigent Awareness & registration campaigns conducted by 30 June 2024	Q1& Q4 Indigent Awareness & registration campaigns conducted by 30 June 2024	Register	- Campaign kick-started on the 14 Feb 2024 to 27 Feb 2024. - Registration of the new application on the system that was linked to Home Affairs, Depart Labour & SARS. - POE attached -	Target Achieved		

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To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.5 Review and Updating of Indigent Register.		100% of updating of Indigent Register by 30 June 2024	Q1- Q4: 100% on Quarterly updating of Indigent Register	Updated Indigent Register	0	Target Not Achieved	- The application for IGG received are not measured, monitored and assessed. Not following this process, the approval thereof, is not feasible. - Municipality does not have the system in place to check whether the information provided by the applicant is correct as we cannot do background check on the applicant.	- The process to register the application, assessment and approval is implemented. - Municipality must have the system that is linked to department of labour, Home Affairs and SARS to validate information provided by the applicant.
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.6 % of Bad Debt incurred and (irrecoverable) written off		Bad Debt (irrecoverable) written off by 30 June 2024	Bad Debt (irrecoverable) written off by 30 June 2024, Compiled in Quarter	Debt Management Report	- Indigent write-off for the approved indigent customers. - The write-off was done for the new customers approved for indigent clients.	Target Achieved		

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To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.7 Number of supplementary valuation roll compiled and approved by Council		1 supplementary valuation roll compiled and approved by Council by 30 June 2024	supplementary valuation roll compiled and approved by Council for Metsimaholo LM	Copy of valuation roll and Council Resolution	0	Target Not Achieved	- Supplementary valuation roll for 2023/2024 is not measurable in Quarter 4. - The process to finalise the supplementary valuation for the year ending 30 June 2024 is approximately 3 months as the preparation of the supplementary roll must be prepared just after 30 June 2024 by the Valuer, supplementary valuation roll must be Gazetted, advertised after submission to the Municipal Manager. This process will be completed in October 2024	KPI targets need to be revised to align to legislative processes and timeframes
PRIORITY AREA/PROGRAMME: BUDGET AND STATEMENTS									
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.8 mSCOA compliant Annual Budget prepared and approved by Council		mSCOA compliant Annual Budget prepared and approved by Council by 31 May 2024	Q1- Process Plan developed and tabled in Council Q3 and 4 Draft and Final Budget tabled in Council	Approved Budget & Council Resolution	Budget and IDP approved on the 31st of May 2024	Target Achieved		

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To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.9 Number of Section 71 reports compiled and submitted to Treasury within 10 days after as per MFMA		12 Section 71 reports compiled and submitted to Treasury within 10 days after month end as per MFMA by 30 June 2024	3 Section 71 reports compiled and submitted to Treasury within 10 days after month end as per MFMA in all quarters	Reports on website Portal (GoMun)	12 reports submitted	Target Not Achieved	Target not achieved due to late closures of system in January 2024 and June 2024, relevant communication documents were submitted to Treasury.	Municipality will continue to strive to submit timeously within legislated timeframes.
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.10 Number of Section 72 reports submitted to the Executive Mayor & Treasury by the 25th of January, submitted to Council on or before the 31st of January		1 Section 72 report submitted to Executive Mayor & Treasury by the 25th of January, submitted to Council on or before the 31st of January 2024	1 Section 72 report submitted to the relevant stakeholders in quarter 3	Sign off letter, Council Resolution & Portal	s72 submitted to Treasury 25 January 2024 and served in Council 31 January 2024	Target Achieved		
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.11 AFS Compiled and submitted to AG by end of August		AFS Compiled and submitted to AG by 31 August 2023	AFS Compiled and submitted to AG in quarter 1	AFS and proof of submission	AFS Complied and submitted to AG 31 August 2023	Target Achieved		
PRIORITY AREA/PROGRAMME: ASSET MANAGEMENT									
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.12 Asset Management Policy reviewed and submitted to Council for approval		Asset Management Policy Reviewed and submitted to Council for approval by 30 June 2024	Asset Management Policy developed and submitted to Council in quarter 4	Approved Policy and Council Resolution	1	Target Achieved		

To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.13 Updating of fixed Asset Register annually		100% Updating of fixed Asset Register by 30 June 2024	Updating of fixed Asset Register in Q3 and Q4	Updated fixed Asset Register	100% Asset Register updated with movements.	Target Not Achieved	SALGA Support- delays in appointing a professional service provider for compilation of GRAP compliant asset register.	1. Management in the process of addressing Opening Balances Differences by end of July. 2.SCM processes to be initiated to appoint professional service provider for compilation of GRAP compliant asset register
PRIORITY AREA/PROGRAMME: EXPENDITURE MANAGEMENT									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved / not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.14 %of creditors paid within 30 days of receipt of the invoice		100% of creditors paid within 30 days of receipt of the invoice by 30 June 2024	100% of creditors paid within 30 days of receipt of the invoice in all quarters	Expenditure report	71% creditors paid within 30 days of receipt of the invoice	Target Not Achieved	End-users delay in submitting invoices when received. See report in POE. The banking access for signatories	A report compiled for late submission of invoices new invoice portal proposed with the IT department for invoices submission
PRIORITY AREA/PROGRAMME: SUPPLY CHAIN MANAGEMENT									

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PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved / not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.15 Supply Chain Policy (SCM) Reviewed and submitted to Council for approval		Supply Chain Policy (SCM) Reviewed and submitted to Council for approval by 30 June 2024	Supply Chain Policy (SCM) Reviewed and submitted to Council in quarter 4	Approved SCM Policy & Council Resolution	1 Supply Chain Policy (SCM) reviewed and submitted	Target Achieved		
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.16 % of Contract/SLAs signed in line with tender regulation (within 14 days after receipt of acceptance letter)		100% of Contract/SLAs signed in line with tender regulation (within 14 days after receipt of acceptance letter) by 30 June 2024	Q1- Q2 100% of Contract/SLAs signed in line with tender regulation (within 14 days after receipt of acceptance letter) Q3 – Q4 100% of Contract/SLAs signed in line with tender regulation (within 30 days after receipt of acceptance letter)	Contract Management Register and Signed SLAs	0%	Target Not Achieved	Not achieved - The function is given to SCM, User department & Legal. It takes long to start preparing an SLA on award due to turnaround times when preparing it then approval from end-users as well as service providers.	The tender document will be submitted to legal services when it is concluded by BCS so legal department can finalise the draft then issue to the service provider with the appointment letter for final approval.
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.17 Number of Procurement Plan compiled and submitted to Treasury		1 Procurement Plan compiled by 30 June 2024	1 Procurement Plan compiled and submitted to Treasury in quarter 4	Updated Procurement Plan	0	Target Not Achieved	The procurement plan was signed by the Accounting Officer on the 4th of July 2025 and sent to Treasury on the 05th of July 2025.	The procurement plan will be finalised a week before end of financial year.

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To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.18 %of tenders (>R200 000) awarded within 90 days of advertisement		100% % of tenders (>R200 000) awarded within 90 days of advertisement	100% of tenders (>R200 000) awarded within 90 days of advertisement in all quarters	Appointment Letters	70,6% of tenders awarded within 90 days of advertisement	Target Not Achieved	There were clarity issues that BAC members needed in order to finalise the bids, and this made it difficult to conclude on time. Turnaround times when BEC does verification checks with previous clients also makes it difficult to conclude BEC on time and this affect BAC.	Service provider will be given timeframe (48Hours) for their clients to respond when verifications are done. This will ensure that BEC is concluded on time and BAC is given enough time to adjudicate and to ensure that validity period is not exceeded. Adherence to procurement plan will be enforced.
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.19 % of Issuing of appointment letters to successful bidders for all categories of tenders / bids within 10 days after receiving the report of the Adjudication Committee		100% of Issuing of appointment letters to successful bidders for all categories of tenders / bids within 10 days after receiving the report of the Adjudication Committee	Q1-Q4 100% of Issuing of appointment letters to successful bidders for all categories of tenders / bids within 10 days after receiving the report of the Adjudication Committee	Appointment letters adjudication Report	11,8% Issuing of appointment letters to successful bidders	Target Not Achieved	BAC members take long to approve minutes and this hampers with turnaround time to submit appointment letters to the Accounting Officer.	SCM to ensure that BAC minutes are done immediately after the BAC meeting. Adherence to procurement plan will be enforced.

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To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.20 % on Reduction of irregular expenditure incurred on annual basis		100% reduction irregular expenditure accrued/ incurred on appointments/ contracted	Q1 -Q 4 100% reduction irregular expenditure accrued/ incurred on appointments	Register	0%	Target Not Achieved	On the 27th of June Finance had a meeting with MPAC members in preparation of MPAC meetings with regards to dealing with all WIF expenditure for all applicable financial years. All remaining tenders currently running on month to month should be advertised by end of first quarter.	MPAC and Finance to work hand in hand to deal with all WIF expenditure to ensure reduction. All remaining month to month contracts be advertised by end of quarter one.
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.21 Audit Action Plan developed and submitted to Council for approval		Audit Action Plan developed and submitted to Council for approval by 31st January 2024	Q3 - Audit Action Plan developed and submitted to Council for approval	Approved audit action plan and council resolution	1 Audit Action Plan included in Annual Report tabled 31 January 2024	Target Achieved		
Financial Management	3.22 % of OPEX Allocation/ Budgeted spent (NEW)		100% of allocated OPEX Budget spent by 30 June 2024	Q 3-4 Reports of allocated OPEX Budget spending	Financial Reports s71	86% OPEX Budget spent	Target Not Achieved	Lack of spending against budgeted items	Need to improve internal processes to meet needs budgeted for
Financial Management	3.23 % of CAPEX Allocation/ Budgeted spent (NEW)		100% of allocated CAPEX Budget spent by 30 June 2024	Q 3-4 Reports of allocated CAPEX Budget spending	Financial Reports s71	0%	Target Not Achieved	Lack of spending against budgeted items due to slow SCM processes	Need to improve internal processes to meet needs budgeted for

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Facilitation and Coordination of Staff Establishment	3.24 % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment		75% of total staff compliment/ establishment maintained by 30 June 2024	Reports on total staff compliment/ establishment maintained in Q2 and Q4	Appointment letters Structure (quantify)	32% vacancy rate	Target Not Achieved	Delay by HR to advertise identified critical funded posts	HR to be engaged in the processing of submitted identified critical funded posts to be advertised for filling
Contract Management	3.25 100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on quarterly basis		100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on quarterly basis	Q1 -Q4 100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on quarterly basis	Assessment Sheet	100% performance evaluation done	Target Achieved		
	3.26 Number of Procurement Plan compiled and submitted to SCM (NEW)		1 Procurement Plan compiled and submitted to SCM by 30 June 2024	1 Procurement Plan compiled and submitted to SCM Q4 for 2024/25	Approved Procurement Plan and Register procurement Plan	1 Procurement Plan compiled and submitted	Target Achieved		

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KPA 4: Municipal Transformation & Institutional Development

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KEY PEFORMANCE AREA (KPA4): MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT									
OFFICE/DIRECTORATE: ORGANIZATIONAL DEVELOPMENT & CORPORATE SERVICES									
PRIORITY AREA/PROGRAMME: INSTITUTIONAL DEVELOPMENT									
PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	Key Performance Indicator	2022/23 Baseline	Annual Target	Explanation of Target	Portfolio of Evidence	Actual Performance	Target achieved/ not achieved	Reasons for Deviations	Corrective Measures Taken/ to be taken
To Improve administrative capability of Municipality	4.1 Organizational Structure reviewed and submitted to Council for approval		Organizational Structure reviewed and submitted to Council for approval by 30 March 2024	Q1 Review Organisational structure Q2 and Q4 Tabling Reviewed structure to Council	Approved Organizational Structure and Council Resolution	0	Target Not Achieved	Reviewal of staff establishment was advertised by SCM. No application received and the tender will be re-advertised, awaiting SCM to process the re-advert, as revised specifications we re-submitted.	Awaiting SCM to process the re-advert, as revised specifications we re-submitted.
To Improve administrative capability of Municipality	4.2 Human Resource Plan developed, reviewed annually, aligned to Staff Establishment and submitted to Council for approval		Human Resources Plan developed aligned to Staff Establishment and submitted to Council for approval by 30 June 2024	Q1 Development of the Plan Q2-3 Tabling of the Plan to SM and Council	Approved HR Plan and Council Resolution	0	Target Not Achieved	Awaiting review of organizational structure	Once the consultant is appointed by SCM and the staff establishment is reviewed HR plan will be formulated and sent to council for approval
To Improve administrative capability of Municipality	4.3 % of funded posts filled within 90 days after advertisement (Circular 88)		100% of funded posts filled within 90 days after advertisement by 30 June 2024	100% of funded posts filled within 90 days after position becoming vacant	Advertisement and Report on appointments	94.25% of funded posts filled within 90 days after position becoming vacant	Target Not Achieved	Advertising of vacant posts in batches to curb high advertising costs of placing individual posts as they become vacant	HR to develop a plan on how to advertise posts timeously while managing costs to ensure compliance.

To Improve administrative capability of Municipality	4.4 % of signed Performance Agreements by employees (Circular 88		100% of signed Performance Agreements by employees by 30 June 2024	Signing of PAs Q1 = 100% (Chapter 5 of MSR)	Progress Report and signed PAs	0%	Target Not Achieved	Capacity constraints	IDP/PMS Unit is going to assist with phased in approach in 2024/25 FY
To Improve administrative capability of Municipality	4.5 Employment Equity Plan developed, annually reviewed and submitted to Council for approval by 15th January		Employment Equity Plan developed and submitted to Council for approval by 30 June 2024	Employment Equity Plan developed and submitted to Council for approval in quarter 3	Approved EEP & Council Resolution	0	Target Not Achieved	The municipality has an EEP in place, but was not submitted to Council for approval	EEP will be submitted to Council for approval in 2024/25 FY
PRIORITY AREA/PROGRAMME: HUMAN RESOURCE DEVELOPMENT									
To Improve administrative capability of Municipality	4.6 Number of Workplace Skills Plan (WSP) developed, annually reviewed, and submitted to LGSETA by end of April		1 Workplace Skills Development Plan (WSP) developed and submitted to LGSETA by 30 April 2024	Workplace Skills Development Plan (WSP) developed and submitted to LGSETA in quarter 4	Compiled WSP	1 WSP developed and submitted to LGSETA	Target Achieved		
To Improve administrative capability of Municipality	4.7 Annual Training Report compiled and submitted to LGSETA by April		Annual Training Report compiled and submitted to LGSETA by 30 April 2024	Annual Training Report compiled and submitted to LGSETA in quarter 4	Compiled ATR and acknowledgement letter from LGSETA	1 Annual training report compiled and submitted to LGSETA	Target Achieved		
PRIORITY AREA/PROGRAMME: OCCUPATIONAL HEALTH AND SAFETY									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To promote Occupational Health and Safety Environment for all Employees	4.8 Number of Health and Safety Representative Committee meetings held		4 Health and Safety Representative Committee meetings held by 30 June 2024	1 Health and Safety Representative Committee meetings held quarterly	Attendance Register & Minutes	4 Health and Safety Representative Committee meetings held	Target Achieved		

	4.9 Number of Trainings/ Workshop for OHS Reps conducted		1 Trainings/ Workshop for OHS Representatives conducted by 30 June 2024	1 Training/ Workshop for OHS Representatives conducted in quarter 2	Attendance Register & Reports	1 Trainings/ Workshop for OHS Representatives conducted	Target Achieved		
	4.10 Number of OHS Awareness campaigns conducted		4 OHS Awareness campaigns conducted by 30 June 2024	1 OHS Awareness campaign conducted quarterly	Attendance Register	4 OHS Awareness campaign conducted	Target Achieved		
	4.11 Number of Employee Wellness Programmes conducted		1 Employee Wellness Programme conducted by 30 June 2024	1 Employee Wellness Programme conducted in quarter 2	Attendance Register & Report	0	Target Not Achieved	Major event could not be held due to prioritization of Executive Mayor 100 Days Campaign, however other OHS Wellness Day to day support programs continue	Wellness event will be held by the end of September 2024/25 FY
To promote Occupational Health and Safety Environment for all Employees	4.12 % of reported occupational injuries attended to in a required time frame (7days)		100% attendance to occupational injuries reported by 30 June 2024	100 % attendance to reported occupational injuries within a required time frame (7days) in all quarters	Incident Register and progress report	100% attendance to occupational injuries reported	Target Achieved		
PRIORITY AREA/PROGRAMME: LABOUR RELATIONS									
To ensure sound Labour Relations so as to minimize Labour disputes and disruptions	4.13 % of reported cases of misconduct attended to within 90 days of reporting		100% of reported cases of misconduct attended to within 90 days of reporting by 30 June 2024	100 % attendance to reported cases of misconduct within 90 days in all quarters	Case Management Register	100% reported cases of misconduct attended to within 90 days of reporting	Target Achieved		

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To ensure sound Labour Relations so as to minimize Labour disputes and disruptions	4.14 Number of LLF Meetings held monthly		12 LLF Meetings held monthly by 30 June 2024	3 LLF Meetings held quarterly	Attendance Register & Minutes	0	Target Not Achieved	LLF meetings scheduled could not continue when convened due to quorum	Planned LLF schedule for the financial year have been developed and approved by the municipal manager. And LLF meeting will take place as per the approved schedule in line with the collective agreement.
To Improve administrative capability of Municipality	4.15 Record Management Policy & Procedure Manual developed and submitted to Council for approval.		Record Management Policy & Procedure Manual developed and submitted to Council for approval by 30 June 2024	Q1 Review of Policy Q2 presented to Senior Management and Q3 presented to Draft and Council	Approved Record Management Policy & procedure manual and Council Resolution	0	Target Not Achieved	Draft Policy developed with support from COGTA, yet to be approved by Council, awaiting Policy workshop to enable submission to Council	Engage Administration on proposed date for workshop.
PRIORITY AREA/PROGRAMME: RECORDS MANAGEMENT SERVICES									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To Improve administrative capability of Municipality	4.16 % in disposal of records in accordance with National archives Act		100% % in disposal of records in accordance with National archives Act by 30 June 2024	100% disposal of records in accordance with National Archives Act in all quarters	Distraction or Transfer certificate	0	Target Not Achieved	Still awaiting approval of file plan from Provincial Archives, in the interim Departments have been engaged on submission of records to be appraised. Departmental appraisals in progress	To fast-track finalisation of appraisals for submission to Provincial Archives for certificate and to continue follow-up on the approval of the file plan

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To Improve administrative capability of Municipality	4.17 Number of Record Management Awareness programmes conducted		5 Record Management Awareness programmes conducted	1 Record Management Awareness programme conducted in quarterly	Attendance Registers	3 Awareness Programmes conducted	Target Not Achieved	Programme put in abeyance Q3 and Q4 due finalization of Policy and appraisal project	Awareness Programmes will resume once appraisal project has been completed
To Improve administrative capability of Municipality	4.18 Records Management Manual developed and submitted to Council for approval.		Manual developed and submitted to Council for approval by 30 June 2024	Manual developed and submitted to Council for approval by 30 June 2024	Procedure manual and Council Resolution	0	Target Not Achieved	Draft Policy/Manual developed with support from COGTA, yet to be approved by Council. Awaiting Policy workshop to enable submission to Council	Engage Administration on proposed date for workshop.
To Improve administrative capability of Municipality	4.19 % of maintenance and up keeping of Municipal buildings		100% of maintenance and up keeping of Municipal buildings by 30 June 2024	100% of maintenance and up keeping of Municipal buildings on all quarters	Progress Report	100% maintenance and up keeping of Municipal buildings	Target Achieved		
PRIORITY AREA/PROGRAMME: LEGAL SERVICES									
To promote legal compliance to minimize litigations and lawsuits	4.20 % of attendance of litigations in favour or against the Municipality as an when they occur		100 % of attendance of litigations in favour or against the Municipality as and when they occur by 30 June 2024	100% attendance of litigations in favour or against the Municipality as and when they occur in all quarters	Litigation(s) Register & Progress Report	100% attendance of litigations in favour or against the Municipality as and when they occur	Target achieved		
To promote legal compliance to minimize litigations and lawsuits	4.21 % of Contacts/ SLAs rereferred and finalised in line with tender regulations		100% of Contacts/SLAs rereferred and finalised in line with tender regulations by 30 June 2024	100% of Contacts/ SLAs rereferred and finalised in line with tender regulations in all quarters	Contract Management Register & signed SLAs	66% of Contacts/SLAs rereferred and finalised in line with tender regulations	Target Not Achieved	Drafting SLA is a lengthy process having to peruse the bid document, draft, liaise with end user department and service provider. 10 days is not sufficient to have the documents drafted and signed by all parties, but the department is attempting to	To expedite the process within the stipulated timeframe where it is possible. To amend the KPI to be realistic and achievable in the next FY

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								expedite the process faster as we have only started with the duty from the beginning of this quarter	
Financial Management	4.22 % of OPEX Allocation/Budgeted spent (NEW)		100% of allocated OPEX Budget spent by 30 June 2024	Q3-4 Report on allocated OPEX Budget spending	Expenditure (s71) Report	96% OPEX Budget spent	Target Not Achieved	Lack of spending against budgeted items	Need to improve internal processes to meet needs budgeted for
Financial Management	4.23 % of CAPEX Allocation/Budgeted spent (NEW)		100% of allocated CAPEX Budget spent by 30 June 2024	Q3-4 Report on allocated CAPEX Budget spending	Expenditure (s71) Report	2% CAPEX Budget spent	Target Not Achieved	Lack of spending against budgeted items due to slow SCM processes	Need to improve internal processes to meet needs budgeted for
Financial Management	4.24 % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment		75% of total staff compliment/ establishment maintained by 30 June 2024	Reports on total staff compliment/ establishment maintained in Q2 and Q4	Vacancy rate status report	0% vacancy rate	Target Not Achieved	Delay in processing identified critical funded posts for advertising	Fasttrack the filling of identified critical funded posts
Contract Management	4.25 100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on quarterly basis		100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on quarterly basis	Q1-Q4 performance Evaluation on contracted services as per the contracted work	Progress report on Evaluation of service providers	100% performance evaluations done	Target Achieved		
Demand Management	4.26 Number of Procurement Plan compiled and submitted to SCM (NEW		1 Procurement Plan compiled and submitted to SCM by 30 June 2024	PP developed and submitted to SCM in Q1 & Q 4	Approved Procurement Plan and Register procurement Plan	1 Procurement Plan compiled and submitted	Target Achieved		

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KPA 5: Good Governance & Public Participation

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KEY PEFORMANCE AREA (KPA5): GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
OFFICE/DIRECTORATE: OFFICE OF THE EXECUTIVE MAYOR									
PRIORITY AREA/PROGRAMME: SPECIAL PROGRAMMES									
PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To implement special programmes aimed at the needs of Vulnerable groups and Youths within the community	5.1 Number of public and special outreach programmes conducted for the needs of Vulnerable groups (Women, elderly, children & disabled) within the community		12 public and special outreach programmes conducted for the needs of Vulnerable groups (Women, elderly, children & disabled) within the community by 30 June 2024	public and special outreach programmes conducted quarterly	Attendance Register	11 public and special outreach programmes conducted for the needs of Vulnerable groups	Target Not Achieved	Change in Political administration resulted in Q1 performance not being accounted for as handover was not done.	HR will need to put measures in place for proper handover before officials in political offices vacate office.
To implement special programmes aimed at the needs of Vulnerable groups and Youths within the community	5.2 Number of Youth Summit held		1 Youth Summit held by 30 June 2024	1 Youth Summit held in quarter 4	Attendance Register	1 Youth Summit held	Target Achieved		
To implement special programmes aimed at the needs of Vulnerable groups and Youths within the community	5.3 Number of Youth Awareness programmes (Alcohol/Drug Abuse, Teenage pregnancy & Youth Day commemoration) conducted		4 Youth Awareness programmes (Alcohol/Drug Abuse, Teenage pregnancy & Youth Day Commemoration) conducted by 30 June 2024	1 Youth Awareness programme conducted quarterly	Attendance Register	7 Youth Awareness programmes conducted	Target Achieved		

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To Ensure that there is coherent approach in the Municipality in dealing with pandemics (HIV/AIDS& TB including Covid 19 & GBV)	5.4 Number of Public Health Awareness programmes conducted (HIV/AIDS, TB, Cancer & Covid19.)		4 Public Health Awareness programmes conducted (HIV/AIDS, TB, Cancer & Covid 19.)	1 Public Health Awareness programmes conducted quarterly	Attendance Register	2 Public Health Awareness programmes conducted	Target Not Achieved	Change in Political administration resulted in Q1 performance not being accounted for as handover was not done.	HR will need to put measures in place for proper handover before officials in political offices vacate office.
	5.5 Number of GBV Awareness programmes held		1 GBV Awareness programmes held by 30 June 2024	1 GBV Awareness programmes held (16 days of activism against GBV in quarter 2	Attendance registers	5: 16 Days of Activism Programmes held	Target Achieved		
PRIORITY AREA/PROGRAMME: LEADERSHIP AND COUNCIL OVERSIGHT									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To provide leadership and oversight on Council matters	5.6 Number of MAYCO Meetings held		4 MAYCO Meetings held	1 MAYCO Meeting held quarterly	Attendance registers and Minutes of Meetings	2 MAYCO meetings	Target Not Achieved	Meetings did not quorate	Administration to develop a schedule of meetings.
Financial Management	5.7 % of OPEX Allocation/ Budgeted spent (NEW)		100 % of allocated OPEX Budget by 30 June 2024	Q3-4 Report on allocated OPEX Budget spending	Expenditure Report	0%	Target Not Achieved	Lack of spending against budgeted items	Need to improve internal processes to meet needs budgeted for
Financial Management	5.8 % of CAPEX Allocation/ Budgeted spent (NEW)		100 % of CAPEX allocated spending by 30 June 2024	Q3-4 Report on allocated CAPEX Budget spending	Expenditure Report	0%	Target Not Achieved	Lack of spending against budgeted items due to slow SCM processes	Need to improve internal processes to meet needs budgeted for
	5.9 % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment		75% of total staff compliment/ establishment maintained	Reports on total staff compliment/ establishment maintained in Q2 and Q4	Vacancy Status Report	24% vacancy rate	Target Achieved		
	4.26 Number of Procurement Plan compiled and submitted to SCM (NEW)		4 Procurement Plan compiled and submitted to SCM by 30 June 2024	PP developed and submitted to SCM in Q 4	Approved Procurement Plan and proof of submission to SCM	0	Target Achieved	Department does not have needs that require to be in the procurement plan	

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OFFICE/DIRECTORATE: OFFICE OF THE SPEAKER									
PRIORITY AREA/PROGRAMME: PUBLIC PARTICIPATION									
PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
Ensure transparency, accountability and regular engagements with communities and stakeholders	5.10 Public Participation Strategy developed, reviewed annually, and submitted to Council for approval		Public Participation Strategy developed and submitted to Council for approval by 30 June 2024	Q3 and 4 Draft submitted to Management and Council	Approved Public Participation & Council Resolution	0	Target Not Achieved	Draft Public Participation Strategy developed, but not yet submitted to Council for approval as document is submitted to Legal Unit for review before submission to Council	To fast-track review by Legal and submit to Council for approval
Ensure that Ward Committees are functional and interact with communities	5.11 Number of ordinary Council meetings held, and community members invited		4 ordinary Council meetings held, and community members invited by 30 June 2024	1 ordinary Council meeting held quarterly	Public Notice& Attendance Register	7 Ordinary Council meetings held, and community members invited	Target Achieved		
Ensure that Ward Committees are functional and interact with communities	5.12 Number of Ward Meetings held by Ward Councillor per ward.		92 Ward Meetings held by Ward Councillor per ward by 30 June 2024	23 Ward Meetings held by Ward Councillor per ward quarterly	Attendance Register & Minutes	16 Ward Meetings held	Target Not Achieved	Ward Councillor' consistency in holding community meetings a challenge	COGTA has been engaged to support with Ward Councillor Training to capacitate them for meetings. Meeting scheduled for August 2024
Ensure that Ward Committees are functional and interact with communities	5.13 Number of Ward plans developed by Ward Committees		23 Number of Ward plans developed by Ward Committees by 30 June 2024	23 Number of Ward plans developed by Ward Committees in quarter 4	Developed ward plans	0	Target Not Achieved	Awaiting COGTA support to develop the plans	COGTA has been engaged on required support to develop plans, meeting scheduled for August 2024
Ensure that Ward Committees are functional and interact with communities	5.14 Number of Ward Committees established		23 Ward Committees established by 30 June 2024	23 Ward Committees established by 30 June 2024	Report, Appointment Letters, Attendance Register & Minutes	23 Ward Committees established	Target Achieved		

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	5.15 Number of Ward Committee meeting held annually per ward		92 Ward Committee meetings held per ward by 30 June 2024	23 Ward Committee meeting held per ward quarterly	Attendance Register & Minutes	14 Ward Committee Meetings held	Target Not Achieved	Functionality of Ward Committees a challenge	COGTA has been engaged to support on Ward Committee capacitation intervention to ensure functionality and filling of vacant Ward Committee positions. Meeting scheduled for August 2024
	5.16 % of Petitions received and attended to within 7 days of receipt		100% of Petitions received and attended to within 7 days of receipt by 30 June 2024	100% attendance to Petitions received in all quarters	Petition Register	0%	Target Achieved	No petitions were received	
	5.17 % of OPEX Allocation/ Budgeted spent (NEW)		100 % of allocated OPEX Budget by 30 June 2024	Q3-4 Report on allocated OPEX Budget spending	Expenditure Report	0%	Target Not Achieved	Lack of spending against budgeted items	Need to improve internal processes to meet needs budgeted for
	5.18 % of CAPEX Allocation/ Budgeted spent (NEW) 100 % of CAPEX allocated spending		100 % of CAPEX allocated spending by 30 June 2024	Q3-4 Report on allocated CAPEX Budget spending	Expenditure Report	0%	Target Not Achieved	Lack of spending against budgeted items due to slow SCM processes	Need to improve internal processes to meet needs budgeted for
	5.19 % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment		75% of total staff compliment/ establishment maintained	Reports on total staff compliment/ establishment maintained in Q2 and Q4	Vacancy Status Report	0% vacancy rate	Target Achieved		

OFFICE/DIRECTORATE: OFFICE OF COUNCIL WHIP

PRIORITY AREA/PROGRAMME: COUNCIL MANAGEMENT

PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To provide continuous political support on matters affecting Council management and stability	5.20 No. of Whippery meetings convened to deal with Municipal matters.		12 Whippery meetings convened to deal with Municipal matters by 30 June 2024	3 Whippery meetings convened to deal with Municipal matters quarterly	Whippery Attendance Register	7 Whippery meetings convened to deal with Municipal matters	Target Not Achieved	Functionality challenges	Schedule of meetings in line with ordinary Council meeting has been developed for 2024/25 FY

Financial Management	5.21 % of OPEX Allocation/Budgeted spent (NEW)		100 % of allocated OPEX Budget by 30 June 2024	Q3-4 Report on allocated OPEX Budget spending	Expenditure Report	0%	Target Not Achieved	Lack of spending against budgeted items due to slow SCM processes	Need to improve on internal processes to meet needs budgeted for
Facilitation and coordination of Staff establishment	5.22 % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment		75% of total staff compliment/ establishment maintained	Reports on total staff compliment/ establishment maintained in Q2 and Q4	Vacancy Status Report	25% vacancy rate	Target Achieved		
	4.26 Number of Procurement Plan compiled and submitted to SCM (NEW)		1 Procurement Plan compiled and submitted to SCM by 30 June 2024	PP developed and submitted to SCM in Q 4	Approved Procurement Plan and proof of submission to SCM	1 Procurement Plan compiled and submitted	Target Achieved		
OFFICE/DIRECTORATE: CORPORATE SERVICES AND ORGANIZATIONAL DEVELOPMENT									
PRIORITY AREA/PROGRAMME: COUNCIL SUPPORT									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
Ensure all Council Committees (s80) sit regularly and process items for Council decisions	5.23 Number of Portfolio Committees (s80) meetings held		24 Portfolio Committees (s 80) meetings held by 30 June 2024	6 Portfolio Committees (s80) meetings held quarterly	Attendance Register & Minutes	5 Portfolio Committee meetings were held	Target Not Achieved	Not all Portfolios were able to convene due to unforeseen circumstances	To develop a schedule of meetings
Ensure all Council Committees (s80) sit regularly and process items for Council decisions	5.24 % Monitoring of Council Resolutions implemented		100% Monitoring implementation- on of Council Resolution by 30 June 2024	100 % Monitoring of Council Resolutions implemented in all quarters	Council Resolution Register	0%	Target Not Achieved	The Control Officer responsible for tracking and monitoring of Council resolutions for implementation requested to be transferred to the other unit.	We requested that a temporary employee be appointed to attend to Council resolutions for implementation. We also submitted a request to procure a Council Resolution Tracking System to assist with monitoring.
To provide continuous strategic support on organisational goals and performance	5.25 Number of Senior management Meetings held		12 Senior management Meetings held by 30 June 2024	3 Senior management Meetings held quarterly	Attendance Register & Minutes	3 Senior Management meetings were held	Target Not Achieved	The stability of the municipality affected the consistency of meetings in the first 2 Quarters	The Municipal Manager has since rectified the consistency of meetings sittings

OFFICE/DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
PRIORITY AREA/PROGRAMME: INTEGRATED DEVELOPMENT PLANNING									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To ensure Legally compliant and Credible IDP	5.26 IDP reviewed and approved annually		2024/25 IDP reviewed and approved by Council by 31 May 2024	Q1 Develop & Submit IDP/PMS Budget Process to Council Q3 and 4 Tabling of Draft and Final IDP to Council	Reviewed IDP document & Council Resolution	1 IDP reviewed and approved	Target Achieved		
PRIORITY AREA/PROGRAMME: PERFORMANCE MANAGEMENT									
To improve the administrative capability of the municipality	5.27 PMDS Policy / Framework developed reviewed and approved by Council		PMDS Policy reviewed and approved by Council by 30 June 2024	Review of PMDS Policy and submit to Council for approval in quarter 1	Approved PMDS Policy and Council resolution	0	Target Not Achieved	Council sitting was scheduled for July 03rd, 2024 following MAYCO on June 28th, 2024, to table for approval	Administration to be engaged to schedule 2024/25 FY sittings for Council to aligned with MFMA Calendar
	5.28 SDBIP developed and approved by Executive Mayor 28 days after the approval of IDP & Budget		SDBIPs developed and approved by Executive Mayor 28 days after the approval of IDP & Budget	SDBIPs developed and submitted to the Executive Mayor for approval (28 days after the approval of IDP & Budget) in quarter 4	Approved SDBIP	1 SDBIP developed and approved	Target Achieved		

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	5.29 Number of Performance Reports compiled and submitted to Council		4 Performance Reports submitted to Council by 30 June 2024	Q1-Q4 Performance Report submitted to Council Q2 – Q 1 Performance Report submitted to Council Q3-Midyear report & Quarter 2 Performance Report submitted to Council Q4- Quarter 3 Performance Report submitted to Council	Submitted reports and Council Resolution	3 reports submitted to Council	Target Not Achieved	Reports delayed due to submission by end-user Departments to enable timeous processing	SOP to be developed highlighted measures to be enforced for non-submission timeously as per the PMS schedule
PRIORITY AREA/PROGRAMME: INTERNAL AUDIT									
To improve the administrative capability of the municipality	5.30 Number of Internal Audit reports on Performance review conducted and submitted to Audit committee		4 Quarterly Internal Audit Reports compiled and submitted to Audit committee by 30 June 2024	1 Quarterly Internal Audit Report compiled and submitted to Audit committee quarterly	Quarterly Internal Audit Reports	4 Quarterly Internal Audit Report compiled and submitted to Audit committee	Target Achieved		
To improve the administrative capability of the municipality	5.31 Annual Internal Audit Plan developed and approved by Audit Committee by 30June annually		Approved Internal Audit Plan by Audit Committee by 30 June 2024	Annual Internal Audit Plan developed and approved by Audit Committee in quarter 4	Approved Internal Audit Plan and Minutes by Audit Committee	1 Annual Internal Audit Plan developed and approved by Audit Committee	Target Achieved		
To improve the administrative capability of the municipality	5.32 % Implementation of Annual Internal Audit Plan		100% implementation of Annual Internal Audit Plan by 30 June 2024	100% implementation of Annual Internal Audit Plan by 30 June 2024	Report on the progress implementation of Annual Internal Audit Plan	91% implementation of Annual Internal Audit Plan	Target Not Achieved	3 Audit Areas (Supply Chain Management, Stocktaking and 2022/23 AG Findings) are in progress and yet to be finalised	3 Audit Areas will be finalised before 2023/24 Audit commences

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To improve the administrative capability of the municipality	5.33 Annual Review of Internal Audit Committee Charter & Audit Committee Charter		Internal Audit Charter and Audit Committee Charter reviewed and approved by Council by 30 June 2024	Review of Internal Audit Committee Charter & Audit Committee Charter in quarter 4	Reports	0	Target Not Achieved	Council sitting was scheduled for July 03rd, 2024 to table documents for Approval	Administration to be engaged to schedule 2024/25 FY sittings for Council to aligned with MFMA Calendar
To improve the administrative capability of the municipality	5.34 Number of Audit Committee meetings convened annually		4 Audit Committee meetings convened by 30 June 2024	1 Audit Committee meeting convened quarterly	Attendance registers and minutes of the meetings	6 APC meeting held	Target Achieved		
PRIORITY AREA/PROGRAMME: COMPLIANCE									
To improve the administrative capability of the municipality	5.35 Compilation of compliance Assessment Register and monitoring conducted annually		Compliance Assessment Register compiled and monitored by 30 June 2024	Q1 Compilation of the register Q2-4 Monitoring and reporting on compliance register	Compliance Assessment Register and reports	0	Target Not Achieved	No Advertisement of the Compliance Officer was publicised, after 2nd candidate declined the offer.	Awaiting HRM to readvertise as advised
PRIORITY AREA/PROGRAMME: COUNCIL OVERSIGHT									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To improve the administrative capability of the municipality	5.36 Number of MPAC meetings held (S79)		4 MPAC Meetings held by 30 June 2024	1 MPAC Meetings held quarterly	Attendance registers	3 MPAC meetings held	Target Not Achieved.	There were functionality challenges in the beginning of the financial year which have since been addressed.	MPAC meeting schedule for 2024/25 FY has been developed
	5.37 No of oversight report compiled and submitted to Council		1 oversight report compiled and submitted to Council by 30 June 2024	1 oversight report compiled and submitted to Council in Q3	Oversight Report Council Resolution	1 Oversight Report approved by Council	Target Achieved.		

	5.38 % of investigations reports referred to Council for Condonement against total number of investigations conducted		100% of investigations reports referred to Council for Condonement against total number of investigations conducted by 30 June 2024	100% of investigations reports referred to Council for Condonement against total number of investigations conducted in all quarters	Report Council Resolution	0%	Target Not Achieved	MPAC reviewing terms of reference	start investigations and refer them to Council
To improve the administrative capability of the municipality	5.39 % of cases referred to Disciplinary Committee/Board by MPAC		100% of cases referred to Disciplinary Committee/ Board by MPAC by 30 June 2024	100% of cases referred to Disciplinary Committee/Board by MPAC in all quarters	Report	0%	Target Not Achieved	No cases investigated	Start investigations and referred them to disciplinary committee
PRIORITY AREA/PROGRAMME: RISK MANAGEMENT									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To build risk conscious culture within the Municipality	5.40 Review of Risk Management Policy and submission to Council for approval		Annually Reviewed Risk Management Policy and submission to Council by 30 June 2024	Review of Risk Management Policy and submission to Council in quarter 4	Reviewed Risk Management Policy and Council Resolution	0	Target Not Achieved	Council sitting was scheduled for July 03rd, 2024 following MAYCO on June 28th, 2024, to table for Adoption	Administration to be engaged to schedule 2024/25 FY sittings for Council to aligned with MFMA Calendar
	5.41 Review of Risk Management Strategy and submission to Council for Approval		Annually Reviewed Risk Management Strategy and submission to Council for Approval by 30 June 2024	Review of Risk Management strategy and submission to Council for Approval in quarter 4	Reviewed Risk Management Strategy and Council Resolution	0	Target Not Achieved	Council sitting was scheduled for July 03rd, 2024 following MAYCO on June 28th, 2024, to table for Adoption	Administration to be engaged to schedule 2024/25 FY sittings for Council to aligned with MFMA Calendar
	5.42 Compilation and updating of Risk Register and Risk Assessment conducted		Compilation and updating of Risk register and Risk Assessment conducted by 30 June 2024	Q1 Compilation and updating of the register Q2-4 Monitoring and updating of Risk Registers	Updated Risk Register and Assessment report	1 Updated Risk Register and 4 Assessment Reports	Target Achieved		

	5.43 Number of Risk Management Committee meetings convened		4 Risk Management Committee meetings convened by 30 June 2024	1 Risk Management Committee meeting convened quarterly	Reports and Attendance Registers	4 Risk Management Committee meetings convened	Target Achieved		
	5.44 Annual Review of Risk Management Committee Charter		Risk Management Committee Charter reviewed and submitted to Council by 30 June 2024	Review of Risk Management Committee Charter in quarter 4	Approved Risk Management Committee Charter and minutes of Meeting	0	Target not Achieved	Council sitting was scheduled for July 03rd, 2024 following MAYCO on June 28th, 2024, to table for Adoption	
PRIORITY AREA/PROGRAMME: INFORMATION COMMUNICATION AND TECHNOLOGY									
To improve the administrative capability of the municipality	5.45 Review of ICT Policy and submitted to Council for approval		Reviewed and approved ICT Policy by 30 June 2024	Q1 Review of ICT policy Q2-4 Reviewed policy submitted to Management, ICT steering committee and Council	Approved ICT Policy and Council Resolution	0	Target Not Achieved	Reviewed ICT Policy awaiting Policy workshop to serve in Council	Awaiting the Policy workshop to enable ICT Policy to serve in Council
	5.46 Number of ICT Steering committee meetings convened		4 ICT Steering committee meetings convened by 30 June 2024	1 ICT Steering committee meeting convened quarterly	Reports & Attendance Registers	0	Target Not Achieved	No meeting convened	Motivate for the appointment of an external independent chairperson and training for the committee members
	5.47 % Wide Area Network up time to over 95% as per the system (to be Generated by the system)		95 % Wide Area Network up time to over 95% as per the system (to be generated	95 % Wide Area Network up time to over 95% as per the system (to be generated by the system) in all quarters	Systems Reports	97% Wide Area Network up time	Target Achieved		
PRIORITY AREA/PROGRAMME: COMMUNICATIONS									

PERFORMANCE OBJECTIVES AND INDICATORS			PERFORMANCE TARGETS			ANNUAL ASSESSMENT			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.48 Communication Policy developed, reviewed annually, and submitted to Council for approval		Communication Policy developed and submitted to Council for approval by 30 June 2024	Q1 Review for council adoption 2023 -24 Q4 Review submitted to Management and for Council adoption	Approved Communication Policy & Council Resolution	0	Target Not Achieved	Reviewed Communication Policy awaiting Policy workshop to serve in Council	Engage Administration on the finalisation of Policy workshop to enable Communication Policy to serve in Council
To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.49 Communication Strategy developed, reviewed annually, and submitted to Council for approval		Communication Strategy developed, and submitted to Council for approval by 30 June 2024	Q1 Development of the communication strategy Q4 Draft submitted to Management and Council	Approved Communication Strategy & Council Resolution	0	Target Not Achieved	Reviewed Communication Policy awaiting Policy workshop to serve in Council	Engage Administration on the finalisation of Policy workshop to enable Communication Policy to serve in Council
To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.50 % of publications publicized to community as and when received		100 % of publications publicized to community as and when received by 30 June 2024	100 % of publications publicized to community as and when received in all quarters	Publication register	100% of publications of MFMA s75 documents as received from Departments	Target Achieved		
To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.51 Number of Technical IGR Meetings attended		4 Technical IGR Meetings attended by 30 June 2024	1 Technical IGR Meeting attended quarterly	Attendance Register & Report	4 Technical Communications IGR (DCF) held	Target Achieved		

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To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.52 % of quarterly updates made on Municipal website		100 % update of Municipal Website by 30 June 2024	100 % update of Municipal Website in all quarters	Website update Register & Report	100% update of Municipal Website	Target Achieved		
PRIORITY AREA/PROGRAMME: UNIT MANAGEMENT (DENEYSVILLE/ORANJEVILLE)									
To Ensure Universal Access to reliable and quality Basic Municipal services by all communities	5.53 Number of quarterly reports on service delivery submitted to Municipal Manager		4 quarterly reports on service delivery (Unit Management) submitted to Municipal Manager by 30 June 2024	1 service delivery report (Unit Management) submitted to Municipal Manager quarterly	Progress Reports	4 Reports compiled	Target Achieved		
PRIORITY AREA/PROGRAMME: SECURITY MANAGEMENT									
PERFORMANCE OBJECTIVES AND INDICATORS			**PERFORMANCE TARGETS**			**ANNUAL ASSESSMENT**			
Strategic Objective	**Key Performance Indicator**	**2022/23 Baseline**	**Annual Target**	**Explanation of Target**	**Portfolio of Evidence**	**Actual Performance**	**Target achieved/ not achieved**	**Reasons for Deviations**	**Corrective Measures Taken/ to be taken**
To ensure safety and security of municipal assets/property	5.54 Security Plan developed, reviewed annually and submitted to Council for approval		Security Plan developed and submitted to Council for approval by 30 June 2024	Q1 -Develop a Draft Security Plan Q4- Submit a Draft Security Plan to Council for approval	Approved Security Plan and Council Resolution	0	Target Not Achieved	Draft Reviewed Security Policy awaiting to serve in Council	Administration to be engaged on the processing of the Policy
To ensure safety and security of municipal assets/property	5.55 % of reported cases to SAPS as and when they occur		100% of reported cases to SAPS as and when they occur by 30 June 2024	100% of reported cases to SAPS as and when they occur in all quarters	Security incident register with case numbers	100% of reported cases to SAPS	Target Achieved		
To ensure safety and security of municipal assets/property	5.56 Number of Security Reports compiled		4 Security Reports compiled by 30 June 2024	1 Security Report compiled quarterly	Reports	4 Reports compiled	Target Achieved		
To ensure safety and security of municipal assets/property	5.57 Number Security Awareness programmes provided to Employees		4 Security Awareness programmes provided to Employees	1 Security Awareness programme provided to Employees quarterly	Attendance Registers	0	Target Not Achieved	Human capacity constraints	HR to fast-track review of structure and to fill posts

Financial Management	5.58 % of OPEX Allocation/ Budgeted spent (NEW)		100% of allocated OPEX Budget spent by 30 June 2024	Q3 - 4 Report on allocated OPEX Budget spending by 30 June 2024	Expenditure (s71) Report	64% OPEX Budget spent	Target Not Achieved	Lack of spending against budgeted items	Need to improve internal processes to meet needs budgeted for
Financial Management	5.59 % of CAPEX Allocation/Budgeted spent (NEW)		100% of allocated CAPEX Budget spent by 30 June 2024	Qrt3 - 4 Report on allocated CAPEX Budget spending by 30 June 2024	Expenditure (s71) Report	47% CAPEX Budget spent	Target Not Achieved	Lack of spending against budgeted items due to slow SCM processes	Need to improve internal processes to meet needs budgeted for
Facilitation and Coordination of Staff Establishment	5.60 % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment		75% of total staff compliment/ establishment maintained by 30 June 2024	Reports on total staff compliment/ establishment maintained in Q2 and Q4	Vacancy rate status report	29% vacancy rate	Target Not Achieved	Delay by HR to advertise identified critical funded posts	HR to be engaged on processing of submitted identified funded posts to be advertised for filling
Contract Management	5.61 100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on quarterly basis		100% of performance Evaluation on contracted services as per Contract and Contract Management s116 on monthly basis and reported on quarterly basis	Q1-Q4 performance Evaluation on contracted services as per the contracted work	Progress report on Evaluation of service providers	100% performance evaluations conducted	Target Achieved		
Demand management	5.62 Number of Procurement Plan compiled and submitted to SCM (NEW)		1 Procurement Plan compiled and submitted to SCM by 30 June 2024	PP developed and submitted to SCM in Q 1 & Q4	Approved Procurement Plan and Register	1 Procurement Plan compiled and submitted	Target Achieved		

CHAPTER 4:
Organisational Development Performance (Performance Report Part II)

4.1. Component A: Introduction to the Municipal Workforce

The focus of the chapter is on details pertaining to the implementation of efficient and effective organisational development and performance of a municipality in line with performance management regulations. The information in this chapter is therefore vital in identifying skills gaps and plans for the purpose of sourcing and / or development of such skills.

Below are the key organisational development areas that are reported on to measure the outcome of effective organisational development against the municipality's strategic plans:

- Municipal Human Resource.
- Capacitating the municipal workforce.
- Managing the municipal workforce expenditure.
- Organisational structure enhancement.
- Increased accountability.
- Increased participation in problem solving, goal setting and new ideas; and
- Identifying and development of skills needed to perform.

4.1.1. Workforce Profile

The chapter addresses information pertaining to the implementation of an effective performance management system, organisational development, and the performance of municipality. The information that follows in this chapter is important in identifying skills gaps and plans for the development of such skills.

The municipality currently has 1212 posts according to the organizational structure currently in place, with 678 (56%) posts filled and 534 (44%) posts vacant. Which are as follows per Department:

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Table 4.1 - Workforce profile of the municipality

	Females				Males				
Occupations	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Total**
Legislators	16	00	00	02	23	00	00	05	46
Managers	11	01	00	00	25	01	01	00	39
Professionals	14	00	01	00	27	00	01	01	44
Technicians and Associate Professional	16	00	00	03	38	00	00	04	61
Services and Sales Workers	30	01	00	00	47	00	00	02	80
Skilled, Craft and Related Trade	00	00	00	00	43	00	00	00	43
Clerical and Administrative Workers	48	00	00	03	28	00	00	00	79
Machinery Operators and Drivers	03	00	00	00	42	00	00	00	45
Elementary Occupations	114	00	00	00	210	00	00	00	324
Total	**252**	**02**	**01**	**08**	**483**	**01**	**02**	**12**	**761**

*Data reflected, includes permanent and temporary staff excluding EPWP

4.1.2. Employment Equity Profile

The municipality's employment equity profile as presented below provides an overview of the municipality's employment equity achievements. The overall objectives of the Employment Equity is to enable the municipality, as an employer to achieve reasonable progress towards employment equity, to assist in eliminating unfair discrimination in the workplace, and to achieve equitable representation of employees from designated groups by means of affirmative action measures

Table 4.2 - Employment Equity Profile

Category	2023/24		2022/23	
	Total	**% of total Employees**	**Total**	**% of total Employees**
Black* employees	**741**	**97%**	**722**	**97%**
Women employees	**263**	**35%**	**253**	**34%**
Employees with Disabilities	**03**	**0,4%**	**04**	**0,5%**
Employees over age 51	**170**	**22%**	**189**	**25%**
Employees between 31 & 50	**541**	**71%**	**492**	**66%**
Employees under the age of 30	**50**	**07%**	**56**	**08%**

4.1.3. Staff Turnover

The staff turnover of the municipality over the period under review is presented in the Table 4.3below under the different termination categories:

Table 4.3 - Staff turnover rate

Category	Numerical Data					
	2023/24			2022/23		
	Male	Female	Total	Male	Female	Total
New appointments	53	30	83	03	01	04
Resignations	7	01	08	10	05	15
Pensioned	8	00	08	03	02	05
Dismissed	06	02	08	05	0	05
End of Contract	09	03	12	0	0	0
Deceased	01	08	09	06	02	08
Medical Board	01	00	01	0	02	02
Net Movement	-25	-29	-30	-21	-10	-31
Turnover Rate			2.29%			4.2%

4.2. *Component B: Managing the Municipal Workforce Levels*

4.2.1. Vacancy Rate by Occupational Category

Table 4.4 below provides an overview of vacancy rate for the period under review per occupational category in line with the municipality's current organisational structure.

Table 4.4 – Vacancy rate by occupation category

Designations	Total approved post No.	Vacancies (Total time that vacancies exist using fulltime equivalents) No.	Vacancies (as proportion of total posts in each category) %
Municipal Manager	1	1	0
CFO	1	1	0
Other Senior Managers (Excl.)	4	3	1
Traffic Officials	61	36	25
Fire Officials	54	23	31
Officials: level 13-15 (Excl. Finance Posts)	125	85	40
Officials: level 13-15 (Finance posts)	29	28	1
Officials: levels 9-12 (Excl. Finance Posts)	149	63	86
Officials: levels 9-12 (Finance posts)	37	18	19
Other Officials: level 1-3	56	40	16
Officials: level 4-6	150	105	45
Officials: level 7-8	141	139	2
Average Vacancy Rate	**807**	**542**	**32%**

***The percentage excludes post level 16 -17 designations**

4.2.2. Sick Leave

During the period under review, a total of 5429 sick leave days were taken by employees amounting to an estimated cost of R111 166 318, full details are set out in Table 4.5 below:

Table 4.5 - Number of Days and Cost of Sick Leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated Cost
	Days	Days	No.	No.	%	R' 000
Lower skilled (Levels 1-2)	2482.61	726	390	393	6.36	R1 023 160.25
Skilled (Levels 3-5)	1571.81	320	185	190	8.49	R7 592 277.84
Highly skilled production (Levels 6-8)	844.72	39	112	116	7.54	R 270 548.45
Highly skilled supervision (Levels 9-12)	276.32	42	24	26	11.51	R 612 814.50
Middle management (Levels 13-15)	235.29	25	38	40	6.19	R 450 705.12
Municipal Manager and Managers reporting directly to the Municipal Manager	18	0	03	05	06	R 124 246.78
Total /Average	**5429**	**1152**	**752**	**772**	**7.21**	**R111 166 318**

4.3. Component C: Capacitating Municipal Workforce

During the period under review, several skills programmes were in place to support the employees and all programmes were aimed at building capacity for acceleration of knowledge and skills within workplace.

The following table provides a comprehensive summary of several employees who participated in different skills development programmes and provides details of associated expenditure.

Table 4.6 - Skills Development Expenditure

Original Budget and Actual Expenditure on skills development 2022/23										
Details	**Gender**	**Employees as at the beginning of the financial**	**Learner ships**		**Skills Programmes & other short courses**		**Other forms of training**		**Total**	
Budget Details			**Original Budget**	**Actual**	**Original Budget**	**Actual**	**Original Budget**	**Actual**	**Original Budget**	**Actual**
Occupational level		**No.**	**R'000**							
MM and S57	Female	02	00	00	00	00	00	51	00	51
	Male	03	00	00	00	00	00	51	00	51
Legislators, senior officials, and managers	Female	28	100	00	20	19	70	102	210	121
	Male	52	160	00	00	00	90	133	250	133
Professionals	Female	15	80	00	20	13	00	00	100	13
	Male	29	120	00	00	00	00	00	120	00
Technicians and associate professionals	Female	19	100	00	00	00	00	00	100	00
	Male	42	120	00	100	74	00	00	220	74
Services and sales workers	Female	31	80	00	20	04	00	00	100	04
	Male	49	120	00	20	08	00	00	140	00
Skilled, craft and related trades	Female	00	00	00	10	06	00	00	10	06

Original Budget and Actual Expenditure on skills development 2022/23										
Details	**Gender**	**Employees as at the beginning of the financial**	**Learner ships**		**Skills Programmes & other short courses**		**Other forms of training**		**Total**	
Budget Details			**Original Budget**	**Actual**	**Original Budget**	**Actual**	**Original Budget**	**Actual**	**Original Budget**	**Actual**
Occupational level		**No.**	**R'000**							
	Male	43	160	00	30	04	00	00	190	04
Clerical and administrative	Female	51	140	00	30	14	170	00	340	14
	Male	28	120	00	30	15	120	00	270	15
Plant and machine operators and assemblers	Female	03	20	00	30	10	00	00	50	10
	Male	42	80	00	160	130	00	00	240	130
Elementary occupations	Female	114	160	00	100	42	00	00	260	42
	Male	210	200	00	60	54	00	00	260	54
Sub total	Female	263	680	00	230	108	240	153	1 150	261
	Male	497	1 080	00	400	230	210	184	1 690	414
Total		**761**	**1 760**	**00**	**630**	**338**	**450**	**337**	**2 840**	**695**

**Learnership budget is based on the approval of discretionary grants projects that the municipality submitted as declaration of intent to Local Government Sector Education and Training Authority*.

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4.4. Component D: Managing Municipal Workforce Expenditure

Table 4.7 - Workforce Expenditure

Details	2023/24 R	2022/23 R	Year on Year Movement (%)
Original Budget		R455 677	
Budget Adjustment		R419 570	
Final Budget		R419 570	
Actual Outcome		R362 040	
Unauthorised Expenditure			
Variance			
Actual Outcome as % of Final Budget		86%	5%
Actual Outcome as % of Original Budget		79%	-3%

4.4.1. Other Matters

Information in the table 4.8 below pertains to the Competency assessments conducted by officials in different levels within the municipality.

Table 4.8 - Competency Levels

No. of Senior Managers employed	Total no. of Senior Managers with competency assessments completed	Total no. of Senior Managers that meet the prescribed competency levels
05	04	04
No. of Finance Officials employed, excl. SCM Officials	**Total no. of Finance Officials competency assessments completed, excl. SCM Officials**	**Total no. of Finance Officials that meet the prescribed competency levels**
76	32	29
No. of SCM Officials employed	**Total no. of SCM Officials' competency assessments completed**	**Total no. of SCM officials that meet the prescribed competency levels**
08	04	04
No. of Other Officials (non-finance/SCM) employed	**Total no. of Other Officials' (non-finance/SCM) competency assessments completed**	**Total no. of Other Officials (non-finance/SCM) that meet the prescribed competency levels**
Levels 1-2: 34 Levels 4: 33 Levels 5 and below: 672	Levels 1-2: 19 Levels 4: 08 Levels 5 and below: 01	Levels 1-2: 19 Levels 4: 08 Levels 5 and below: 01

CHAPTER 5:

Financial Performance

i. Implementation of mSCOA

5.1.

mSCOA, being the municipal Standard Chart of Accounts, is part of the broader local government reform process initiated and driven by the National Treasury.

mSCOA is a regulated reform and its regulations came into effect on 1 July 2017. The municipality is implementing the mSCOA requirements in line with the National Treasury guidelines.

mSCOA was re-established in 2024/2025 financial year and the committee will meet quarterly and submit progress report on the implementation of the municipal standard chart of accounts.

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5.2. Component A: Statement of Financial Performance

FS204 Metsimaholo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		313 985	493 443	484 903	84 907	371 595	484 903	(113 308)	-23%	484 903
Service charges - Water		444 571	551 182	559 975	(164 398)	503 095	559 975	(56 880)	-10%	559 975
Service charges - Waste Water Management		64 627	85 615	86 593	6 174	71 842	86 593	(14 751)	-17%	86 593
Service charges - Waste management		52 466	43 671	30 383	4 599	54 830	30 383	24 448	80%	30 383
Sale of Goods and Rendering of Services		5 855	23 882	24 148	400	4 646	24 148	(19 502)	-81%	24 148
Agency services								–		
Interest								–		
Interest earned from Receivables		84 090	45 600	108 522	8 510	114 043	108 522	5 521	5%	108 522
Interest from Current and Non Current Assets		13 829	5 054	11 367	1 268	10 000	11 367	(1 367)	-12%	11 367
Dividends		133	100	100	–	148	100	48	48%	100
Rent on Land								–		
Rental from Fixed Assets		6 515	6 919	7 919	615	6 830	7 919	(1 089)	-14%	7 919
Licence and permits								–		
Operational Revenue		159	290	290	13	142	290	(148)	-51%	290
Non-Exchange Revenue								–		
Property rates		211 327	234 276	221 391	18 028	221 436	221 391	45	0%	221 391
Surcharges and Taxes								–		
Fines, penalties and forfeits		2 898	4 296	4 296	114	471	4 296	(3 826)	-89%	4 296
Licence and permits		7	111	111	0	5	111	(106)	-96%	111
Transfers and subsidies - Operational		252 168	283 025	283 025	(2 487)	273 007	283 025	(10 018)	-4%	283 025
Interest		16 149	9 841	119 889	1 926	21 895	119 889	(97 993)	-82%	119 889
Fuel Levy								–		
Operational Revenue		3 770	2 519	4 165	345	4 152	4 165	(13)	0%	4 165
Gains on disposal of Assets		411	–	–	20	20	–	20	#DIV/0!	–
Other Gains		11 127	–	–	349	1 073	–	1 073	#DIV/0!	–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**1 484 086**	**1 789 824**	**1 947 075**	**(39 617)**	**1 659 229**	**1 947 075**	**(287 846)**	**-15%**	**1 947 075**
Expenditure By Type										
Employee related costs		343 020	450 539	455 006	32 902	380 276	455 006	(74 730)	-16%	455 006
Remuneration of councillors		19 947	21 705	26 333	1 820	22 470	26 333	(3 863)	-15%	26 333
Bulk purchases - electricity		338 622	403 671	403 671	29 885	346 881	403 671	(56 790)	-14%	403 671
Inventory consumed		211 938	247 040	247 694	(28 157)	199 767	247 694	(47 927)	-19%	247 694
Debt impairment		411 173	284 001	284 001	23 667	284 001	284 001	0	0%	284 001
Depreciation and amortisation		99 005	90 287	90 287	10 207	85 390	90 287	(4 896)	-5%	90 287
Interest		13 268	5 391	5 391	–	6	5 391	(5 385)	-100%	5 391
Contracted services		75 438	121 356	148 507	10 452	108 408	148 507	(40 099)	-27%	148 507
Transfers and subsidies		257	379	867	25	290	867	(577)	-67%	867
Irrecoverable debts written off		6 549	11 244	11 244	17 092	23 117	11 244	11 873	106%	11 244
Operational costs		47 630	61 631	75 486	9 098	63 666	75 486	(11 820)	-16%	75 486
Losses on Disposal of Assets		15 030	–	–	–	–	–	–		–
Other Losses		555	33 640	33 640	68	68	33 640	(33 573)	-100%	33 640
Total Expenditure		**1 582 434**	**1 730 883**	**1 782 126**	**107 058**	**1 514 340**	**1 782 126**	**(267 786)**	**-15%**	**1 782 126**
Surplus/(Deficit)		**(98 348)**	**58 941**	**164 950**	**(146 675)**	**144 889**	**164 950**	**(20 061)**	**(0)**	**164 950**
Transfers and subsidies - capital (monetary allocations)		101 507	100 690	95 796	61 260	164 003	95 796	68 207	**0**	95 796
Transfers and subsidies - capital (in-kind)		43 043	9 000	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**46 202**	**168 631**	**260 746**	**(85 415)**	**308 891**	**260 746**	**48 146**	**0**	**260 746**
Income Tax										
Surplus/(Deficit) after income tax		**46 202**	**168 631**	**260 746**	**(85 415)**	**308 891**	**260 746**			**260 746**
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		**46 202**	**168 631**	**260 746**	**(85 415)**	**308 891**	**260 746**			**260 746**
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		**46 202**	**168 631**	**260 746**	**(85 415)**	**308 891**	**260 746**			**260 746**

5.3. Component B: Spending Against Capital Budget

FS204 Metsimaholo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		535	100	700	–	–	700	(700)	-100%	700
Vote 02 - Municipal Manager		556	5 330	3 434	(715)	1 364	3 434	(2 069)	-60%	3 434
Vote 03 - Corporate Services		–	3 500	3 210	81	142	3 210	(3 068)	-96%	3 210
Vote 04 - Social Services		4 478	29 556	6 911	–	781	6 911	(6 130)	-89%	6 911
Vote 05 - Technical Services		133 406	169 490	142 637	19 581	76 629	142 637	(66 009)	-46%	142 637
Vote 06 - Financial Services		–	272	302	–	–	302	(302)	-100%	302
Vote 07 - Local Economic Development And Planning		–	544	–	–	–	–	–		–
Vote 08 -		–	–	–	–	–	–	–		–
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**138 974**	**208 792**	**157 194**	**18 948**	**78 917**	**157 194**	**(78 277)**	**-50%**	**157 194**
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		–	–	–	–	67	–	67	#DIV/0!	–
Vote 02 - Municipal Manager		–	–	–	–	–	–	–		#REF!
Vote 03 - Corporate Services		–	–	200	–	–	200	(200)	-100%	200
Vote 04 - Social Services		–	–	–	–	–	–	–		#REF!
Vote 05 - Technical Services		–	–	1 000	–	512	1 000	(488)	-49%	1 000
Vote 06 - Financial Services		–	–	–	–	–	–	–		#REF!
Vote 07 - Local Economic Development And Planning		–	–	–	–	–	–	–		#REF!
Vote 08 -		–	–	–	–	–	–	–		–
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	–	–	1 200	–	579	1 200	**(621)**	**-52%**	#REF!
Total Capital Expenditure		**138 974**	**208 792**	**158 394**	**18 948**	**79 496**	**158 394**	**(78 898)**	**-50%**	**#REF!**
Capital Expenditure - Functional Classification										
Governance and administration		**974**	**12 702**	**11 942**	**(663)**	**1 545**	**11 942**	(10 397)	-87%	**11 942**
Executive and council		535	100	700	–	67	700	(633)	-90%	700
Finance and administration		439	12 602	11 242	(663)	1 478	11 242	(9 764)	-87%	11 242
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**4 401**	**8 170**	**5 911**	**–**	**781**	**5 911**	(5 130)	-87%	**5 911**
Community and social services		4 092	–	948	–	781	948	(167)	-18%	948
Sport and recreation		–	5 027	4 283	–	–	4 283	(4 283)	-100%	4 283
Public safety		309	2 599	680	–	–	680	(680)	-100%	680
Housing		–	544	–	–	–	–	–		–
Health								–		
Economic and environmental services		**25 147**	**60 824**	**50 017**	**2 650**	**21 910**	**50 017**	(28 107)	-56%	**50 017**
Planning and development		117	–	104	29	29	104	(75)	-72%	104
Road transport		25 030	60 824	49 913	2 622	21 881	49 913	(28 032)	-56%	49 913
Environmental protection								–		
Trading services		**108 453**	**127 096**	**90 524**	**16 960**	**55 260**	**90 524**	(35 264)	-39%	**90 524**
Energy sources		35 359	46 824	47 030	6 402	24 301	47 030	(22 729)	-48%	47 030
Water management		19 676	33 682	31 237	3 881	23 748	31 237	(7 489)	-24%	31 237
Waste water management		53 342	24 661	11 258	6 677	7 211	11 258	(4 046)	-36%	11 258
Waste management		77	21 930	1 000	–	–	1 000	(1 000)	-100%	1 000
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**138 974**	**208 792**	**158 394**	**18 948**	**79 496**	**158 394**	**(78 898)**	**-50%**	**158 394**
Funded by:										
National Government		136 353	109 690	97 622	16 996	73 653	97 622	(23 969)	-25%	97 622
Provincial Government								–		
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**136 353**	**109 690**	**97 622**	**16 996**	**73 653**	**97 622**	**(23 969)**	**-25%**	**97 622**
Borrowing	6	–	38 172	–	–	–	–	–		–
Internally generated funds		2 622	60 930	60 772	1 952	5 843	60 772	(54 929)	-90%	60 772
Total Capital Funding		**138 974**	**208 792**	**158 394**	**18 948**	**79 496**	**158 394**	**(78 898)**	**-50%**	**158 394**

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5.4. Component C: Cash flow Management and Investment

FS204 Metsimaholo - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		128 668	159 943	159 943	10 453	126 654	159 943	(33 289)	-21%	159 943
Service charges		505 666	969 247	969 247	39 519	475 070	969 247	(494 178)	-51%	969 247
Other revenue		1 078 557	32 550	32 550	8 800	583 702	32 550	551 153	1693%	32 550
Transfers and Subsidies - Operational		126 658	282 025	282 025	2 750	237 218	282 025	(44 807)	-16%	282 025
Transfers and Subsidies - Capital		95 857	85 497	85 497	–	35 397	85 497	(50 100)	-59%	85 497
Interest		3 564	–	–	–	6 679	–	6 679	#DIV/0!	–
Dividends		133	100	100	–	148	100	48	48%	100
Payments										
Suppliers and employees		(1 885 823)	(1 151 663)	(1 151 663)	(53 830)	(1 381 355)	(1 151 663)	229 692	-20%	(1 151 663)
Interest		–	(17 217)	(17 217)	–	–	(17 217)	(17 217)	100%	(17 217)
Transfers and Subsidies								–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**53 280**	**360 482**	**360 482**	**7 692**	**83 512**	**360 482**	**276 970**	**77%**	**360 482**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	20	20	–	20	#DIV/0!	–
Decrease (increase) in non-current receivables		(1 810)	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(138 974)	(183 237)	(183 237)	(15 754)	(58 392)	(183 237)	(124 845)	68%	(183 237)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(140 784)**	**(183 237)**	**(183 237)**	**(15 735)**	**(58 372)**	**(183 237)**	**(124 864)**	**68%**	**(183 237)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		–	44 000	44 000	–	–	44 000	(44 000)	-100%	44 000
Increase (decrease) in consumer deposits		–	–	–	–	977	–	977	#DIV/0!	–
Payments										
Repayment of borrowing		(38)	(4 053)	(4 053)	–	–	(4 053)	(4 053)	100%	(4 053)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(38)**	**39 947**	**39 947**	**–**	**977**	**39 947**	**38 970**	**98%**	**39 947**
NET INCREASE/ (DECREASE) IN CASH HELD		**(87 542)**	**217 193**	**217 193**	**(8 043)**	**26 117**	**217 193**			**217 193**
Cash/cash equivalents at beginning:		117 479	100 318	100 318	(59 877)	163 391	100 318			163 391
Cash/cash equivalents at month/year end:		29 937	317 511	317 511		189 508	317 511			380 584

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5.5. Component D: Other Financial Matters

5.5.1. Financial Ratios based on Key Performance Indicators

5.5.1.1. Revenue Management

i. Level of Reliance on Government Grants

Purpose: The purpose of this ratio is to determine what percentage of the municipality's revenue is made up of government grants, to determine level of reliance on government funding by the municipality.

	2023/24 R'000			2022/23	2021/22
Formula	Government Grants	Total Revenue	%	%	%
Grants & Subsidies/Total Revenue	R375 314	R1 796 688	20.89%	24.42%	16.52%

Analysis and Interpretation:

The ratio above indicates that the municipality is still reliant on grant revenue to subsidies indigents through Equitable share, create employment through EPWP, appoint finance graduates through FMG and operational costs funded from MIG

5.5.2.1. Expenditure Management

i. Employee Related Costs to Total Operating Expenditure

Purpose: The purpose of this ratio is to indicate Personnel Cost as a percentage of Total Expenditure.

	2023/24			2022/23	2021/22
Formula	Employee Cost	Total Operating Expenditure	%	%	%
Actual Salaries, Wages and Allowances/Total Expenditure	R388 344	R1 806 600	21.50%	22.48%	22.77%

Analysis and Interpretation:

The employee related cost % is below the norms and standards of National Treasury. The municipality must ensure that overtime **of** employees is fully monitored, critical positions be filled and not allow officials to act on positions for the longest period.

ii. Remuneration of Councilor

Purpose: The purpose of this ratio is to indicate Remuneration of Councillor as a percentage of Total Expenditure.

	2023/24			2022/23	2021/22
Formula	Remuneration of Councillor	Total Expenditure	%	%	%
Actual Remuneration of Councillor/ Total Expenditure	R22 473	R1 806 600	1.24%	1,31%	1.3%

Analysis and Interpretation:

The ratio is below the norms and standards of National Treasury.

The number of Councillors has increased due to two additional wards within the municipality, but the spending is monitored to ensure the municipality does not exceed the ratio.

iii. Repairs and Maintenance to Total Expenditure

Purpose: The purpose of this ratio is to indicate Repairs and Maintenance as a percentage of Total Expenditure.

	2023/24			2022/23	2021/22
Formula	**Repairs & Maintenance**	**Total Expenditure**	**%**	**%**	**%**
Actual Repairs & Maintenance/ Total Expenditure	R12 917	R1 806 600	0.71%	0.88%	19,9%

Analysis and Interpretation:

The norm 8% and the ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets, as per MFMA Circular 71.

5.2.3.1. Liability Management

i. Acid Test Ratio

Purpose: To test the extent to which the municipality's current assets can cover the short-term obligations.

	2023/24			2022/23	2021/22
Formula	**Current Assets less Inventory**	**Current Liabilities**	**Ratio**	**Ratio**	**Ratio**
Current Assets less Inventory/Current Liabilities.	R836 847 – R1 590	R817 038	1.02	1.15	1.2

Analysis and Interpretation:

The ratio is below the norm of 1.1. Controls will be implemented; revenue enhancement strategy will be approved & implemented, and cost containment measures will be implemented fully to reduce unnecessary expenditure and to ensure that the municipality will be able to pay all its current liabilities in full.

CHAPTER 6:

Auditor-General's Findings

6.1. Introduction

In terms of Section 20 of the Public Audit Act, Act 25of 2004(PAA), the Auditor General must in respect of each audit performed in respect of the auditee, in this case Metsimaholo Local Municipality, prepare a report on the audit.

With the above background in mind, this chapter outlines the final Auditor-General's Report in respect of the audit of the financial year under review (i.e 2022/23 financial year). This chapter further provides an overview of means to deal with the Auditor-General's findings with specific focus on the following:

a) Matters raised during the previous year's audit (i.e. 2022/23);
b) Matters raised during the year under review year's audit (2023/24); and
c) Remedial actions to be taken to address those issues raised in year under review and preventative measures taken.

6.3. COMPONENT B: AUDITOR-GENERAL OPINION :2022/2023

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AUDITOR GENERAL REPORTS FOR 2022/2023 FINANCIAL YEAR

6.3.1. Audit Action Plan: 2022/23

Auditor General Report on Financial Performance:

Auditor-General Report on Financial Performance 2022/23	
Status of Audit Report*: Qualified	
Issues Raised	**Remedial to be Action Taken**
Property, Plant and Equipment 1. I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment as unexplained reconciling differences were identified on the opening balances between the asset register and the financial statements. The municipality also processed corrections to the opening balances in the asset register that could not be reconciled and supported by adjusting journals recorded in the general ledger. I was unable to confirm the property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R1 391 227 276 (2022: R1 363 609 691) in note 9 to the financial statements. Additionally, there was an impact on the depreciation and amortisation, surplus for the year and	i. Correction of the opening balances between the asset register and the financial statements ii. Perform physical verification of all movable properties and all immovable assets. iii. Reconcile the outcome of physical verification against the FAR. iv. Assess the conditions of all movable assets to determine the take-on value / fair value for omitted assets. v. Prepare a report of assets that are in the FAR which were not verified during physical verification for

accumulated surplus. In addition, the municipality did not account for property, plant and equipment in accordance with GRAP 17, Property, Plant and Equipment as the municipality reclassified investment property to property, plant and equipment that did not meet the definition of property, plant and equipment. Consequently, this resulted in an overstatement of investment property by R200 774 110 and overstatement of property, plant and equipment by the same amount.	possible write-off (existence and omission), vi. Review the Assets Management Policy to align it with the Accounting Standard of GRAP. vii. Prepare a report of assets that are in the FAR which were not verified during physical verification for possible write-off (existence and omission).
Investment Property 2. The municipality did not account for property, plant and equipment in accordance with GRAP 17, Property, Plant and Equipment as the municipality reclassified investment property to property, plant and equipment that did not meet the definition of property, plant and equipment. Consequently, this resulted in an overstatement of investment property by R200 774 110 and overstatement of property, plant, and equipment by the same amount. The municipality subsequently impaired these reclassified assets; however, the impairment was not calculated in accordance with GRAP 26, Impairment of cash generating units. This was due to the municipality impairing the total cost of the asset without calculating their recoverable amounts. I was unable to determine the full extent of the misstatement as it was impracticable to do so. Additionally, there was an impact on the impairment loss included in depreciation and amortization in note 30 to the financial statements.	i. Perform physical verification of land parcel and properties owned by Council and confirm with Housing Unit (LED Department) municipal land or properties leased / sold, ii. Municipal land / properties occupied illegally or without formal contract, apply the Accounting Standard of GRAP and impairment of the cost / carrying value of the asset. iii. Perform physical verification of all investment property, iv. Assess the investment property criteria in line with Accounting Standard GRAP 16, (property held to earn rentals or for capital appreciation or both) v. Based on the assessment above disclose the assets into the correct class either land or building or investment property vi. Review all council resolution for disposal of municipal land from 2013 to date. vii. Derecognise the land based on the Council resolution relating to land disposal. viii. Ensure that each Investment Property is linked to the correct useful life for depreciation purpose,

	ix. Separate Investment Property which is not subject to depreciation i.e. land x. Recalculate the depreciation to confirm accuracy of the depreciation expense.
Service Charges 3. The municipality did not account for service charges from exchange transactions in accordance with GRAP 9, Revenue from exchange transactions as the municipality billed service charges against accounts registered in its own name. Consequently, service charges included in note 20 were overstated by R15 846 380, gross balances and allowance for impairment included in the receivables for exchange transactions in note 13 to the financial statements was also impaired. Additionally, there was an impact on the surplus for the year and accumulated surplus. During 2022, the municipality did not recognize service charges from exchange transactions, as required by GRAP 9, Revenue from exchange transactions. Consumers were identified that were incorrectly classified as indigent. Consequently, service charges and receivables from exchange transactions were each understated by R23 954 904	i. Compliance with GRAP 9 to bill service charges against accounts registered in its own name. ii. Correction for the overstated amount included in Note 20 iii. Correction of impaired service charges in Note13 iv. Correction of accumulated surplus v. Correction of consumers classified as indigents. vi. Review and update the indigent register based on the outcome of CAATS audit. vii. Inform the affected indigent families and allow 30 days to reapply before removing the non-qualifying indigent from the indigent register.
Debt impairment 4. I was unable to obtain sufficient appropriate audit evidence for the debt impairment expense as the debt impairment expense included in note 35 did not reconcile to the movement in the allowance for impairment included in the consumer debtor's disclosure and receivables from exchange transactions in notes 6 and 13 respectively. In addition, there were unexplained reconciling differences between the debtor's age analysis and the allowance for impairments included in notes 6 and 13. I was unable to confirm the debt impairment expense	i. Reconciliation of debt impairment ii. Review all debt individually and assess the recoverability of debt. iii. Make provision for doubtful debt where payment has not been received over a period of six (6) month in line with the Debt Impairment Methodology

by alternative means. Consequently, I was unable to determine whether any adjustments were required to the debt expense stated at R417 721 762 (2022: R512 076 734) in note 35 to the financial statements. Additionally, there was an impact on the allowance for impairment included in the in notes 6 and 13 respectively. Furthermore, the municipality did not account for the debt impairment in accordance with GRAP 3, Accounting policies, changes in accounting estimates and errors as the municipality changed the assumptions used to calculate the debt impairment from the prior year to the current year without accounting for the change in estimate prospectively. I was unable to determine the full extent of the misstatement to the debt impairment, stated at R417 721 762 in note 35 to the financial statements, as it was impracticable to do so.	iv. Implement credit control for long outstanding debt over 60 days. v. Review the debt impairment methodology for Council approval (remove government exclusion and approval by Council). vi. Compliance with GRAP 3, Accounting policies, changes in accounting estimates and errors
Payables from exchange transactions 5. I was unable to obtain sufficient appropriate audit evidence for trade payables included in the payables from exchange transactions in note 14 to the financial statements as unexplained reconciling differences were identified between the creditor's age analysis and the financial statements. The municipality could also not provide supplier statements for some of the trade payables recorded. The municipality processed year-end adjustments to trade payables, however, they could not provide adequate supporting evidence in respect thereof. In addition, the municipality could not provide adequate supporting evidence such as the signed contracts and payment certificates for the retentions included in the payables from exchange transactions in note 14 to the financial statements. I was unable to confirm the trade payables and retentions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the trade payables and retentions stated at R64 130 175 and R32 457 657 respectively in note 14 to the financial statements.	i. Provide sufficient appropriate audit evidence for trade payables. ii. Reconciliation between creditor's ae analysis and the financial statements iii. Providing year-end adjustments to trade payables, with adequate supporting evidence iv. Proper filing of documents to submit information on time. v. Submission of signed contracts and payment certificates for retentions
VAT Receivable 6. I was unable to obtain sufficient appropriate audit evidence for the current and corresponding figures for VAT receivable due to the status of accounting records. As described in notes 47 to the financial statements, a restatement was made to rectify a prior	i. Providing sufficient audit evidence for the current and corresponding figures for VAT receivable

year misstatement for debt impairment and VAT receivable, but the restatements could not be substantiated by adequate supporting audit evidence. I was unable to confirm the VAT receivable by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the VAT receivable stated at R162 315 616 (2022: R170 214 537) in note 57 to the financial statements.	ii. Correction of prior year misstatements for debt impairment and VAT receivable
Operating costs 7. The municipality did not classify operating expenditure in accordance with the GRAP 1, Presentation of financial statements as the municipality incorrectly recorded contracted services as operating costs. Consequently, the operating costs included in in note 37 to the financial statements was overstated by R17 837 521 and contracted services included in note 33 to the financial statements was understated by the same amount.	i. Correct classification of operating expenditure, in compliance with GRAP 1.
Irregular expenditure 8. The municipality did not accurately record irregular expenditure in the financial statements, as required by section 125(2)(d) of the Municipal Financial Management Act 56 of 2003 (MFMA). The current year's opening balance was misstated due to error on adjustment made to the prior period balance. Furthermore, the municipality did not recognize all instances of irregular expenditure to the financial statements, as required by section 125(2)(d) of the MMA. This was due to non-investigation of instances of prior year irregular expenditure. I was unable to determine the full extent of the understatement of irregular expenditure stated at R756 551 896 (2022: R649 234 975) in note 52 to the financial statements, as it was impracticable to do so.	i. Review the reason for deviation procurement from user department. ii. Correction of the misstated opening balance due to error on adjustment made to the prior period balance. iii. Determine if the reason is justifiable for emergency procurement or whether the procurement on emergency is due to poor planning. iv. Encourage user department to prepare specifications for frequently required service for appointment of panel of suppliers. v. Update deviation registered on regular basis (monthly). vi. Report all deviation to Council on quarterly basis. vii. Investigations be done by MPAC, as required by Section 125(2)(d) to reduce UIF.

EMPHASIS MATTERS:	
Restatement of corresponding figures 9. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality, and for the year ended, 30 June 2023.	Review the AFS to ensure discloser Notes agree to the working papers before submission to Auditor General.
10. With reference to note 45 of the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result was made in the financial statements.	
Fruitless and wasteful expenditure 11. As disclosed in note 51 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R5 189 357, due to payments to contractors for work and or materials that could not be verified and expenditure for repairs and maintenance on equipment that were subsequently replaced	i. Physical verification of the projects be done by Technical Services (PMU section), with assistance from the Asset Unit prior to payments and materials provided by service providers be clearly marked/ticked off from the list. ii. Submit fruitless expenditure register to Council and MPAC for investigation
Subsequent events 12 We draw attention to note 49 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of the settlement of outstanding claims relating to the final arbitration between the municipality and a supplier for a contractual dispute for R43 210 552. The judgement requires an outstanding interest of 10% that should be levied from 26 July 2016. A payment agreement was entered into by the municipality to settle the outstanding amount.	
Material losses 13. As disclosed in note 32 to the financial statements, material water distribution losses of R68 107 070 (2022: R15 750 944) and electricity distribution losses of R89 333 996 (2022: R55 498 664) were incurred by the municipality mainly due to various claims against the municipality. The municipality opposes these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that	I. Distribution losses are reported monthly to management. II. It will also be addressed in the proposed Revenue enhancement strategy. III. Water meters need to be installed in areas where water is used but no control over.

may result was made in the financial statements. As disclosed in note 32 to the financial statements, material water distribution losses of R68 107 070 (2022: R15 750 944) and electricity distribution losses of R89 333 996 (2022: R55 498 664) were incurred by the municipality mainly due to leakages, burst water pipes, line losses, tampering and theft.	Installation of these water meters are influenced also by cash flow. IV. Readings of meters must be taken monthly to have accurate figures.
Other matters	
Unaudited disclosure notes	The opinion was not expressed in this regard, however the Municipality will comply with Section 125(2)(e) of the MFMA.
14. In terms of section 125(2 (e) of the MMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.	

Table: Auditor General Report on Service Delivery Performance:

Auditor-General Report on Service Delivery Performance 2022/23	
Status of Audit Report*: Qualified	
The material findings on the usefulness and reliability of the performance information of the selected KPA are as follows: **KPA 1 - service delivery and infrastructure development**	
Issues Raised	**Remedial Action Taken**
Adjustment of material misstatements	Continuous engagement with the directorates will be held on a quarterly basis to address performance accuracy of information and portfolio of evidence thereof.
15. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure development. Management did not correct all the misstatements and I reported material findings in this regard.	

Table: Auditor General Report on Compliance Issues:

Auditor-General Report on Compliance with key Legislation matters 2022/23	
Status of Audit Report*: Qualified	
Annual financial statements	The Annual Financial Statements will be submitted for auditing in all material aspects in accordance with the requirements of section 122(1) of the MFMA to improve the audit outcome of the Municipality
16. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current and non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion,	
Procurement and contract management	
17. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that were adjudicated by the bid adjudication committee as required by SCM regulations 29(1) (a) and (b) and 2017 and 2022 Preferential Procurement Regulations The performance of some of the contractors or providers was not monitored monthly, as required by section 116(2 (b) of the MFMA. Similar non-compliance was also reported in the prior year. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(i) of the MFMA. A similar non-compliance was also reported in the prior year. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1) (a) and (c). A similar non-compliance was also reported in the prior year. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services as required by section 2(1) (a) of the Preferential Procurement Policy Framework Act 5 of 2000.	I. Ensure that three quotations for procurement below R200 000 are acquired in order to comply with SCM regulations. II. Contracts and quotations awarded to bidders based on preference points will be allocated and calculated in accordance with the requirements of Section 2(1)(a) III. Review the list of designated goods under local contents as proclaimed by the Department of Trade and Industry from time-to-time. IV. Include the Local Contents requirement in the Tender Documents. V. The User department must evaluate the performance of contracts on a monthly basis. VI. Reports on contract performance to be submitted to the SCM for records. VII. Ensure that all procurement documents are such as MBD4 (declaration of interest) are filled with request for quotes, VIII. Review the SCM Policy to include restrictions and/or blacklisting of suppliers who are in the service of state and falsify declaration of interest on MBD4 Form IX. Keep and update the register of the blacklisted supplier on a regular basis as per CAATS audit findings.

Expenditure management	
18. Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1)(d) of the MMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualified paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulation 29(2). Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R5 189 357 as disclosed in note 51 to the annual financial statements, as required by section 62(1)(d) of the MMA. The majority of the fruitless and wasteful expenditure was due to payments to contractors for work and or materials that could not be verified and expenditure for repairs and maintenance on equipment that was subsequently replaced. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.	I. Submit unauthorized register, fruitless expenditure, and irregular expenditure to the Council. II. All the registers/reports will be submitted to MPAC for investigation.
Consequence management	
19. Unauthorized expenditure were not investigated to determine if any person is liable for the expenditure as required by section 32(2)(a) of the MFMA 20. Irregular expenditure were not investigated to determine if any person is liable for the expenditure required by section 32(2)(b) of the MFMA 21. Fruitless and wasteful expenditure were investigated to determine if any person is liable for the expenditure as required by section 32(2)(b) of the MFMA	I. Internal control measures will be put in place to rectify other matters raised in the Audit report including a detailed Action plan to address above issues and matters in the management report. II. Reports are submitted to MPAC. III. MPAC must consider the reports to finalize the UIF&W.
Strategic planning and performance management	
22. The performance management system and related controls were inadequate as it did not describe how the performance review and reporting processes should be conducted, organised, and managed, as required by municipal planning and performance management regulation 7(1). ***Human resource management*** I was unable to obtain sufficient appropriate	I. The PMS Policy framework is already approved by Council to address the expressed opinion. II. The PMS will be cascaded to the lower levels of staff in phases The Municipality is in process of developing compliant Job descriptions to all staff.

audit evidence that senior managers signed performance agreements within the prescribed period, as required by section 57(2)(a) of the Municipal Systems Act 32 of 2000 (MISA). Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA. Revenue management An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA An effective system of internal control for debtors and revenue was not in place, as required by section 64(2) (f) of the MFMA	Performance Agreements for all senior managers and/or acting senior managers will be completed within legislated time frames.
Asset management	
23. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA. Capital assets were sold that were needed to provide the minimum level of basic municipal service, in contravention of section 14(1) of the MMA. Capital assets were sold without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services and/or considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) and 14(2)(b) of the MFMA.	I. Asset Register will be updated and be in place, as required by section 63(2)(c) of the MFMA. II. The Municipality to ensure community involvement in assets disposal process as required by section 14(2)(a) and 14(2)(b) of the MFMA.
Material irregularities	
24. In accordance with the PA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report. **Status of previously reported material irregularities** **Pollution of water resource not prevented - Oranjeville wastewater treatment works**	The Metsimaholo Local Municipality as a category B of the sphere of government is mandated by section 152 (1) of the Constitution of the Republic of South Africa to ensure the provision of services to communities in a sustainable manner and to promote a safe and healthy environment.

The Oranjeville wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment including the groundwater Vaal Dam and its attended water courted effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including the groundwater, Vaal Dam and its extended water course. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing, or recurring as required by section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and section 19(1) of the National Water Act 36 of 1998 (NWA). The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent. on, the contaminated water resource. The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of determining the most suitable action to take. Pollution of water resource not prevented - Deneysville (Refengkgotso) wastewater treatment works. The Deneysville (Refengkgotso) wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewerage into the adjacent environment, including the groundwater, Vaal Dam, and its extended watercourse. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water	On the emphasis of mandated objectives, Metsimaholo Local Municipality would like to bring to your attention the fact that it is doing its best to ensure it complies with the objective. We further acknowledge that the contents or issues raised Auditor General. The municipality would like to share the following in response with regards to the Audit Findings: **Oranjeville** The following pump stations and wastewater treatment works are located in Oranjeville: • Snooker Pump Station • George Pump Station • Clinic Pump Station • Oranjeville WWTW The mechanical and electrical components at the three pump stations were vandalised causing the pump stations not to be operational; and through the provision of budgets from COGTA, the pump stations were fully refurbished in December 2022 and are currently operational. There is a contracted service provider that attends to the maintenance of mechanical and electrical issues that arise on an “as and when basis” to ensure operation of the sewer at the infrastructure in Oranjeville and Metsimaholo communities. **Deneysville** The following pump stations and wastewater treatment works are located in Deneysville: • Refengkgotso Pump Station • Cemetery Pump Station • Refengkgotso WWTW The two pump stations were subject to mechanical and electrical failures which resulted in the pump stations not being operational and through the provision of budgets from RBIG (Regional Bulk Infrastructure Grant) Department of Water and Sanitation, the pump stations were fully refurbished on 14 December 2022 and are currently operational. The wastewater treatment works were being upgraded from a 2ML plant to a 6ML plant which allows for additional capacity for the Deneysville and Refengkgotso communities.

resources from occurring, continuing, or recurring as required by section 28(1) of the NEMA and section 19(1) of the NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource. The accounting officer was notified of this material irregularity on 16 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of determining the most suitable action to take. **Poor management of the Sasolburg waste landfill site** The municipality has been operating the Sasolburg waste landfill site in a manner that is not in compliance with its license conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control, improper or lack of compacting and cover to limit gas emission, lack of stormwater management and leachate detection and no proper air and effluent sampling points to monitor air pollution. The municipality consequently did not dispose and treat waste in an environmentally sound manner that does not endanger health or the environment as required by section 16(1) of the National Environmental Management Waste Act 59 of 2008. The municipality further did not take reasonable measures to prevent pollution or degradation from occurring, continuing, or recurring as required by section 28(1) of NEMA. The non-compliance is likely to cause substantial harm to the community members utilizing the landfill site and communities adjacent to the landfill site. The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of determining the most suitable action to take.	There is a contracted service provider that attends to the maintenance of mechanical and electrical issues that arise on an “as and when basis” to ensure operation of the sewer at the infrastructure in Deneysville. Additionally, a provision has been made for back-up power generation at the pump stations and wastewater treatment works during load shedding to ensure that the infrastructure continues to operate during scheduled national power cuts. In terms of the section 45(1) of the National Environmental Management: Waste Act 59 of 2008 (NEM:WA), MLM, through the appointment of an Independent and suitably qualified person, will apply for a closure Waste Management License for Sasolburg Landfill Site to the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA). In terms of section 21(g) of the National Water Act 36 of 1998 (NWA), MLM will also engage the Department of Water & Sanitation (DWS) to obtain any Water Use Authorization or Record of Decision that may be required in order to legally effect closure of Sasolburg Landfill Site. Subsequent to the closure of the Sasolburg Landfill Site, MLM will discharge a Duty of Care and remediate environmental damage caused through the rehabilitation in order to ensure compliance with section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA). MLM will monitor the rehabilitated site & ensure compliance with the relevant legislation. In addition, the Municipality has commenced with a process of identifying a land suitable for the establishment of a new landfill site and intends to ensure compliance with the relevant environmental legislative requirements. This would include obtaining the necessary environmental approvals, Waste Management License and ensuring environmental compliance and enforcement thereof.

Other reports In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties, these reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation. The Directorate for Priority Crime (Hawks) is investigating possible irregularities in expenditure incurred for the construction of the Oranjeville Sports Complex amounting to R18 971 180. The case was referred to the National Prosecuting Authority in the 2018 and is currently still in progress. The municipality has appointed a forensic investigator to investigate allegations of irregularities in the procurement of a security contract appointed on 1 December 2023 for a period of three years. The municipal manager and the chief financial officer have been suspended pending the outcome of the investigations. Consequently, the employment of the municipal manager was subsequently terminated on 27 November 2023.	
Internal control deficiencies 25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report. Management did not in all instances implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support the financial statements. Senior management did not implement corrective measures included in the audit action plan were inadequate and not effectively monitored to ensure that the weaknesses relating to the financial,	Internal control measures will be put in place to rectify other matters raised in the Audit report including a detailed Action plan to address the above issues and matters in the management report. Appointment of the Municipal Manager and Chief Financial Officer The Audit Action Plan will be adequately and effectively monitored on a quarterly basis to ensure implementation. Management will ensure proper reporting of Financial and Performance reporting.

performance and supply chain management were addressed. Management did not implement proper record keeping to ensure that complete and accurate information was available to support financial and performance reporting. Management's lack of detailed review of the financial statements and the underlying records resulted in material misstatements that were not detected by the municipality's internal processes.	

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COMPONENT B: AUDITOR-GENERAL OPINION :2023/2024

AUDITOR GENERAL REPORT/ OPINION FOR **2023/2024**

Report of the auditor-general to the Free State Provincial Legislature and the council on the Metsimaholo Local Municipality:

Report on the audit of the financial statements

Qualified opinion:

1. I have audited the financial statements of the Metsimaholo Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Metsimaholo Local Municipality as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for qualified opinion:

Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence for the land and buildings, community, infrastructure, IT equipment and plant and machinery included in property, plant and equipment as unexplained reconciling differences were identified in the opening balances between the asset registers and the financial statements, which also impacted the current year's carrying values. As described in note 61 to the financial statements, the restatements were made to rectify the prior year's misstatements, but the restatements could not be substantiated by supporting audit evidence. I was unable to confirm the land and buildings, community, infrastructure, IT equipment and plant and machinery by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the land and buildings, community, infrastructure, IT equipment and plant and machinery stated at R25 238 526 (2023: R26 526 704); R171 356 487 (2023: R173 804 781); RI 186 888 605
(2023: RI 176 385 045); R4 031 568 (2023: R4 315 610) and R17 374 830
(2023: R21 163 227) respectively included in property, plant and equipment in note 10 to the financial statements.

Investment property:

4. I was unable to obtain sufficient appropriate audit evidence for investment properties and for the restatement of the corresponding figures as unexplained reconciling differences were identified in the opening balances between the asset register and the financial statements, which also impacted the current year's carrying values. As described in note 61 to the financial statements, the restatement was made to rectify the prior year's misstatements, but the restatements could not be substantiated by supporting audit evidence. I was unable to confirm the investment properties by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the investment properties stated at R440 763 848 (2023: R441 818 305) in note 9 to the financial statements.

Receivables from exchange transactions:

5. The municipality did not account for receivables from exchange transactions in accordance with GRAP 104, Financial instruments as the municipality recognised its own billing accounts as receivables. Consequently, receivables from exchange transactions included in note 4 to the financial statements were overstated by R31 090 476 (2023: R 17 286 917). Additionally, there was an impact on the service charges, deficit for the year and accumulated surplus.

Payables from exchange transactions:

6. The municipality did not account for trade payables included in payables from exchange transactions in note 15 to the financial statements in terms GRAP 104, Financial instruments as differences were identified between the creditor's listings and supplier statements.
Consequently, trade payables included in payables from exchange transactions in note 15 to the financial statements were understated by R18 287 968 and operating costs in note 40 to the financial statements were overstated by the same amount. Additionally, there was an impact on the deficit for the year and accumulated surplus.

7. During 2023, I was unable to obtain sufficient appropriate audit evidence for trade payables included in the payables from exchange transactions in note 15 to the financial statements as unexplained reconciling differences were identified between the creditor's age analysis and the financial statements. The municipality could also not provide supplier statements for some of the trade payables recorded. The municipality processed year-end adjustments to trade payables, however, they could not provide adequate supporting evidence in respect thereof. I was unable to confirm the trade payables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the trade payables included in the payables from exchange transactions stated at R64 130 173 in note 15 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the trade payables included in the payables from exchange transactions for the current period.

Depreciation and amortisation:

8. I was unable to obtain sufficient appropriate audit evidence for depreciation and amortisation for property, plant and equipment included in note 33 to the financial statements due to unexplained reconciling differences identified between the amounts recorded in the asset registers and financial statements. I was unable to confirm the depreciation and amortisation by alternative means. Consequently, I was unable to determine the depreciation and amortisation for property, plant and equipment stated at R82 789 129 (2023: R94 116 576) in note 33 to the financial statements.

Irregular expenditure:

9. The municipality did not accurately record irregular expenditure in the financial statements, as required by section 125(2)(d) of the MFMA. This was due to unexplained differences identified in the irregular expenditure registers and the documentation in support of accounting records. Consequently, this resulted in the irregular expenditure included in note 56 to the financial statements being understated by R28 680 633 for the current and corresponding periods.

Context for opinion:

10. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

1 1. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters:

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

Restatement of corresponding figures:

14. As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality, and for the year ended, 30 June 2024.

Material uncertainty relating to claims against the municipality:

15. With reference to note 48 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result were made in the financial statements.

Material losses:

16. As disclosed in notes 35 and 41 to the financial statements, material electricity distribution losses of R43 918 767 (2023: R89 333 996) and water distribution losses of RI 06 313 116 (2023: R68 107 070) were incurred by the municipality mainly due to leakages, burst water pipes, line losses, tampering and theft.

Material impairments:

17. As disclosed in notes 4 and 6 to the financial statements, receivables from exchange transactions and receivables from non-exchange transactions were impaired by R3 064 241 140 (2023: R2 591 090 942).

18. As disclosed in note 38 to the financial statements, material losses of R24 862 724 were incurred as a result of a write-off of irrecoverable trade debtors.

Unauthorised expenditure:

19. As disclosed in note 54 to the financial statements, the municipality incurred unauthorised expenditure of R83 950 621 due to overspending on the budget.

Other matter:

20. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements:

22. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

23. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements:

24. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

25. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of our auditor's report.

Report on the audit of the annual performance report

26. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area (KPA) presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

27. I selected the following KPA presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a KPA that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

KPA	Page numbers	Purpose
Basic service delivery and infrastructure development		Ensure universal access to reliable and quality basic municipal services by all communities

28. I evaluated the reported performance information for the selected KPA against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

29. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

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30. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

31 . The material findings on the reported performance information for the selected KPA are as follows:

Basic service delivery and infrastructure development:

Number of kilometres of storm water drainage constructed:

32. An achievement of 4,0376 km of new storm water drainage constructed by 30 June 2024 in wards 1 & 8 respectively was reported against a target of 4 kilometers of storm water drainage planned for construction by 30 June 2024. However, the audit evidence showed the actual achievement to be only 3,3976 km. Consequently, the achievement against the target was lower than reported.

Various indicators:

33. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
1.29 (i) % of comments within 10 working days on building plans to be approved (specified period of time) (30 days <500m^2) w).	100 % of approved building plans within specified period of time (30 days <500m^2 and 60 days >500m^2 by 2024	100% of technical comments made on the submitted building plans
1.29 (ii) % of comments within 10 working days on building plans to be approved (specified period of time) (60 days >500m^2) (New).	100 % of approved building plans comments within specified period of time (30 days <500m2 and 60 days >500 m2) (New)	100% of technical comments made on the submitted building plans

Other matters:

34. I draw attention to the matters below.

Achievement of planned targets:

35. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

36. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Basic service delivery and infrastructure development:

Targets achieved: 52, 7% **Budget spent: 92, 2%**		
Key indicators not achieved	**Planned target**	**Reported achievement**
1.1. Water Services Development Plan (WSDP) developed, annually reviewed and submitted to Council for approval.	(WSDP) developed and submitted to Council for approval by 30 June 2024	0
1.2. Water and Sewer Master Plan developed	Water and Sewer Master Plan developed by 30 June 2024	0
1.3. Number of conventional water meters replaced with prepaid meters in all the identified areas.	1000 conventional water meters replaced with prepaid meters in all the identified areas by June 2023	0
1.4. Number of kms of obsolete asbestos/old water pipes replaced	5 km asbestos/old water pipes replaced by 30 June 2024	0,21 km (210m)
1.5. % Minimization of water distribution losses	Water distribution loss minimized to 30% by 30 June 2024	43% water distribution loss
1.6. % Compliance with blue drop water quality accreditation system	99% compliance with blue drop water quality accreditation system by 30 June 2024	97,4% compliance with blue drop water quality accreditation system.
1.9. Water and Sanitation Maintenance Plan developed and submitted to Council for approval	Water and Sanitation Maintenance Plan developed and submitted to Council for approval by 30 June 2024	0
1.10. Number of sewer of connections to consumer units installed (Circular 88 Indicators)	6 037 sewer connections to consumer units installed 2 962 (Moodraai) 30 June 2024	
1.11. % of call outs responded to within 24 hours (Circular 88 Indicators)	100% call outs responded to within 24 hours by 30 June 2024	54,61% of call outs responded to within 24 hours.
1.12. % compliance with green drop quality accreditation system	100% compliance with green drop quality accreditation system by 30 June 2024	16,9685% compliance with green drop quality accreditation system.
1.14. Integrated Energy Plans (IEP) developed, annually reviewed, and submitted to Council for approval	INEP developed, annually reviewed and submitted to Council for approval by 30 June 2024	0
1.16. % of electricity distribution losses minimized	% of electricity distribution losses minimized to 20% by 30 June 2024	29% electricity distribution losses

Material misstatements:

37. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure development. Management did not correct all of the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

38. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

39. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

40. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

41 . The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements:

42. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of, current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management:

43. Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with supply chain management (SCM) requirements.

44. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R4 548 428 as disclosed in note 55 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the fruitless and wasteful expenditure was due to late payments to the Department of Water and Sanitation and Eskom.

Assets management:

45. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Strategic management and planning:

46. The performance management system and related controls were inadequate as it did not describe how the performance review and reporting processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

Human resource management:

47. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act 32 of 2000 and regulation 31 of Municipal Staff Regulations.

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Consequence management:

48. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure as required by section 32(2)(a) of the MFMA.

49. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

50. Fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure as required by section 32(2)(b) of the MFMA.

Procurement and contract management:

51. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements as documentation in support of the procurement process could not be obtained.

52. The performance of the contractors or providers was not monitored on a monthly basis, as required by section of the MFMA. Similar non-compliance was also reported in the prior year.

53. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 1 16(2)(c)(ii) of the MFMA. Similar noncompliance was also reported in the prior year.

54. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.

55. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

Other information in the annual report

56. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that have been specifically reported on in this auditor's report.

57. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

58. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

59. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

60. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

61. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

62. Management did not in all instances implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support the financial statements.

63. Senior management did not implement corrective measures included in the audit action plan to ensure that the weaknesses relating to the financial, performance and SCM were addressed.

64. Management's lack of detailed review of the financial statements and the underlying records resulted in material misstatements that were not detected by the municipality's internal processes.

65. The municipal public accounts committee did not perform any investigation on unauthorized, irregular and fruitless and wasteful expenditure to determine if any official was responsible and

for possible recovery and or write-off and implement consequences. This resulted in repeat non-compliance with laws and regulations.

Material irregularities

66. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities identified during the audit:

Upgrading of Oranjeville wastewater treatment works - reasonable steps not taken to safeguard materials on site and construction works

67. The municipality appointed a contractor on 29 June 2021 for the upgrading of the Oranjeville wastewater treatment works at a total cost of R56 488 519,29. The project was planned to be completed within 14 months, with practical completion to be achieved on 21 September 2022. On 26 June 2023 the municipality issued a termination letter to the contractor in terms of clause 9.2 of the General Conditions of Contract for Construction Works, 2015 3rd Edition and ordered the contractor to vacate the site and hand it over to the municipality. The contract was terminated due to non-performance by the contractor.

68. During a site visit conducted by the audit team on 12 October 2023, it was identified that some of the incomplete works and material on site, with a cost of R5 905 228,26 were not safeguarded. Steel reinforcement materials on site as well as the steel reinforcement on the incomplete biological reactors, clarifiers and the pump station were corroded and exposed to weather conditions. In addition, materials amounting to R2 1 1 1 135,79 were no longer on site. Since termination of the contract, the accounting officer did not ensure that the construction works and materials were safeguarded as required by section 63(1)(a) of the MFMA. The noncompliance is likely to result in a material financial loss for the municipality, if steps are not taken to safeguard the assets of the municipality.

69. I notified the accounting officer of the material irregularity on 1 July 2024 and invited the accounting officer to make a written submission on the actions taken and that will be taken to address the matter. The following actions have been taken or is in progress to resolve the material irregularity:

- The accounting officer has allocated security to the construction site after the removal of the contractor on 20 July 2023.
- The accounting officer has issued a letter of demand on 4 June 2024 for the recall of the performance guarantee to the cover the cost of lost material and corrosion.
- The terminated contractor has submitted final account for works which will be offset against the cost of materials lost and degraded work in progress.

70. I will follow-up on the implementation of the planned actions and actions in progress during my next audit.

Status of previously reported material irregularities:

Pollution of water resource not prevented — Oranjeville wastewater treatment works:

71 . The Oranjeville wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including the groundwater, Vaal Dam and its extended water course. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring as required by section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and section 19(1) of the National Water Act 36 of 1998 (NWA). The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource.

72. The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. On 27 February 2024, I referred the material irregularity to the Department of Water and Sanitation for investigation as provided for in section 5(1A) of the PAA. The investigation is currently in progress.

Pollution of water resource not prevented - Deneysville (Refengkotso) wastewater treatment works:

73. The Deneysville (Refengkotso) wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including the groundwater, Vaal Dam and its extended watercourse. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring as required by section 28(1) of the NEMA and section 19(1) of the NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource.

74. The accounting officer was notified of this material irregularity on 16 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. On 27 February 2024, I referred the material irregularity to the Department of Water and Sanitation for investigation as provided for in section 5(1A) of the PAA. The investigation is currently in progress.

Poor management of the Sasolburg waste landfill site:

75. The municipality has been operating the Sasolburg waste landfill site in a manner that is not in compliance with its license conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control, improper or lack of compacting and cover to limit gas emission, lack of stormwater management and leachate detection and no proper air and effluent sampling points to monitor air pollution.

76. The municipality consequently did not dispose and treat waste in an environmental sound manner that does not endanger health or the environment as required by section 16(1) of the National Environmental Management Waste Act 59 of 2008. The municipality further did not take reasonable measures to prevent pollution or degradation from occurring, continuing or recurring as required by section 28(1) of NEMA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site and communities adjacent to the landfill site.

77. The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material irregularity to the Department of Forestry, Fisheries and the Environment (DFFE) on 27 March 2024 for investigation as provided for in section 5(1A) of the PAA. On 14 May 2024 DFFE sub-referred the material irregularity to the Free State Department of Economic, Small Business Development, Tourism and Environmental (DESTEA) affairs for

further investigation. The referral was accepted by DESTEA on 2 September 2024 and the investigation is currently in progress.

September 2024 and the investigation is currently in progress.

Auditor - General.

Bloemfontein
14 January 2025

AUDITOR-GENERAL
SOUTH AFRICA

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COMPONENT C: AUDITOR-GENERAL OPINION :2023/2024

AUDITOR GENERAL REPORT: ACTION PLAN FOR 2023/2024 FINANCIAL YEAR

Audit Action Plan for 2023/24 Audit Findings

Auditor-General Report on Financial Performance 2023/24	
Status of Audit Report*: Qualified	
Issues Raised	**Remedial to be Action Taken**
Property, Plant and Equipment 3. I was unable to obtain sufficient appropriate audit evidence for the land and buildings, community, infrastructure, IT equipment and plant and machinery included in property, plant and equipment as unexplained reconciling differences were identified in the opening balances between the asset registers and the financial statements, which also impacted the current year's carrying values. As described in note 61 to the financial statements, the restatements were made to rectify the prior year's misstatements, but the restatements could not be substantiated by supporting audit evidence. I was unable to confirm the land and buildings, community, infrastructure, IT equipment and plant and machinery by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the land and buildings, community, infrastructure, IT equipment and plant and machinery stated at R25 238 526 (2023: R26 526 704); R171 356 487 (2023: R173 804 781); RI 186 888 605 (2023: RI 176 385 045); R4 031 568 (2023: R4 315 610) and R17 374 830 (2023: R21 163 227) respectively included in property, plant and equipment in note 10 to the financial statements.	i. Correction of the opening balances between the asset register and the financial statements ii. Perform physical verification of all movable properties and all immovable assets. iii. Reconcile the outcome of physical verification against the FAR. iv. Assess the conditions of all movable assets to determine the take-on value / fair value for omitted assets. v. Prepare a report of assets that are in the FAR which were not verified during physical verification for possible write-off (existence and omission), vi. vi. Review the Assets Management Policy to align it with Accounting Standard of GRAP.
Investment Property 4. I was unable to obtain sufficient appropriate audit evidence for investment properties and for the restatement of the corresponding figures as unexplained reconciling differences were identified in the opening balances between the asset register and the financial statements, which also impacted the current year's carrying values. As described in note 61 to the financial statements, the restatement was made to rectify the prior year's misstatements, but the restatements could not be substantiated by supporting audit evidence. I was unable to confirm the investment properties by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the investment properties stated at R440 763 848 (2023: R441 818 305) in note 9 to the financial statements.	i. Perform physical verification of land parcel and properties owned by Council and confirm with Housing Unit (LED Department) municipal land or properties leased / sold. ii. For Municipal land / properties transferred (disposed) obtain Council Resolutions/Deeds of Donations from LED Department. iii. Perform physical verification of all investment property and based on the verification findings, process adjusting journals. iv. Assess the investment property criteria in line with Accounting Standard GRAP 16, (property held to earn rentals or for capital appreciation or both) v. Based on the assessment above, disclose the assets into the correct class. vi. Review all Council Resolutions obtained from LED Department for disposal of municipal land from 2013 to date. vii. Derecognize the land based on the Council Resolution relating to land disposal. viii. Ensure that each Investment Property is linked to the correct useful life for depreciation purpose, ix. Perform condition assessment to determine any impairment and disclose impairment in the AFS as per GRAP standards

Receivables from exchange transactions	
5. The municipality did not account for receivables from exchange transactions in accordance with GRAP 104, Financial instruments as the municipality recognised its own billing accounts as receivables. Consequently, receivables from exchange transactions included in note 4 to the financial statements were overstated by R31 090 476 (2023: R 17 286 917). Additionally, there was an impact on the service charges, deficit for the year and accumulated surplus.	
Payables from exchange transactions	
6. The municipality did not account for trade payables included in payables from exchange transactions in note 15 to the financial statements in terms GRAP 104, Financial instruments as differences were identified between the creditor's listings and supplier statements. Consequently, trade payables included in payables from exchange transactions in note 15 to the financial statements were understated by R18 287 968 and operating costs in note 40 to the financial statements were overstated by the same amount. Additionally, there was an impact on the deficit for the year and accumulated surplus. 7. During 2023, I was unable to obtain sufficient appropriate audit evidence for trade payables included in the payables from exchange transactions in note 15 to the financial statements as unexplained reconciling differences were identified between the creditor's age analysis and the financial statements. The municipality could also not provide supplier statements for some of the trade payables recorded. The municipality processed year-end adjustments to trade payables, however, they could not provide adequate supporting evidence in respect thereof. I was unable to confirm the trade payables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the trade payables included in the payables from exchange transactions stated at R64 130 173 in note 15 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2023 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the trade payables included in the payables from exchange transactions for the current period.	
Depreciation and amortisation	i. Perform asset verification to confirm that the fixed asset register is accurate and complete, and the assets included therein are owned by the municipality and are correctly stated at the correct values. ii. Review the Depreciation Report to identify assets that have reached their useful life. ii. Assess the condition of assets that have reached their useful life and based on the assessment report of a professional service provider prepare a report for possible write-offs. iv. Assess the remaining useful life of assets and perform the necessary adjustments on FAR. iii. v. Test Depreciation population for accuracy.
8. I was unable to obtain sufficient appropriate audit evidence for depreciation and amortisation for property, plant and equipment included in note 33 to the financial statements due to unexplained reconciling differences identified between the amounts recorded in the asset registers and financial statements. I was unable to confirm the depreciation and amortisation by alternative means. Consequently, I was unable to determine the depreciation and amortisation for property, plant and equipment stated at R82 789 129 (2023: R94 116 576) in note 33 to the financial statements.	
Irregular expenditure	
9. The municipality did not accurately record irregular expenditure in the financial statements, as required by section 125(2)(d) of the MFMA. This was due to unexplained differences identified in the irregular expenditure registers and the documentation in support of accounting records. Consequently, this resulted in the irregular expenditure included in note 56 to the financial statements being understated by R28 680 633 for the current and corresponding periods.	
CONTEXT OF THE MATTER	
I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report. 1 1. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA	

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code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code. 12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.	
EMPHASIS MATTERS:	
Restatement of corresponding figures	
14. As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality, and for the year ended, 30 June 2024.	
Material uncertainty relating to claims against the municipality	
15. With reference to note 48 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result were made in the financial statements.	
Material losses	
16. As disclosed in notes 35 and 41 to the financial statements, material electricity distribution losses of R43 918 767 (2023: R89 333 996) and water distribution losses of RI 06 313 116 (2023: R68 107 070) were incurred by the municipality mainly due to leakages, burst water pipes, line losses, tampering and theft.	
Material impairments	
17. As disclosed in notes 4 and 6 to the financial statements, receivables from exchange transactions and receivables from non-exchange transactions were impaired by R3 064 241 140 (2023: R2 591 090 942). 18. As disclosed in note 38 to the financial statements, material losses of R24 862 724 were incurred as a result of a write-off of irrecoverable trade debtors.	
Unauthorised expenditure	
19. As disclosed in note 54 to the financial statements, the municipality incurred unauthorised expenditure of R83 950 621 due to overspending on the budget.	
Other matters	
Unaudited disclosure notes	
21. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.	

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REPORT ON AUDIT ON ANNUAL PERFORMANCE REPORT

Table: Auditor General Report on Annual Performance Report: *(Basic Service Delivery)*

Auditor-General Report on Annual Performance Report 2023/24	
The material findings on the usefulness and reliability of the performance information of the selected KPA are as follows: **KPA 1 - service delivery and infrastructure development**	
Issues Raised	**Remedial Action Taken**
Number of kilometers of storm water drainage constructed	Measures have been taken to ensure accurate reporting of work done against the set target to minimize future discrepancies. In this case, discrepancies could have been from the quarterly reports while the actual work done is as reported.
32. An achievement of 4,0376 km of new storm water drainage constructed by 30 June 2024 in wards 1 & 8 respectively was reported against a target of 4 kilometers of storm water drainage planned for construction by 30 June 2024. However, the audit evidence showed the actual achievement to be only 3,3976 km. Consequently, the achievement against the target was lower than reported.	
Various indicators	Ensure accurate reporting to reflect actual work done on site. Strengthening the PMU division by recruiting technicians to cope with an increased conditional grants management.
33. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.	

The following are the identified indicators:

Indicator	Target	Reported achievement	Remedial Action(s) to be taken
1.29 % of comments within 10 working days on building plans to be approved (specified period of time) (30 days <500m^2) w).	100 % of approved building plans within specified period of time (30 days <500m^2 and 60 days >500m^2 by 2024	100% of technical comments made on the submitted building plans	Accurate evidence on reported performance to be properly recorded
1.29 % of comments within 10 working days on building plans to be approved (specified period of time) (60 days >500m^2) (New).	100 % of approved building plans comments within specified period of time (30 days <500m2 and 60 days >500 m2) (New)	100% of technical comments made on the submitted building plans	

Auditor-General Report on Annual Performance Report 2023/24	
OTHER MATTERS	
Issues Raised	**Remedial Action Taken**
Achievement of planned targets	.
35. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information. 36. **The table below** provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.	

List of key service delivery indicators with planned targets that are not achieved as reported in Annual Report:
KPA: Basic service delivery and infrastructure development:

Targets achieved: 52, 7% **Budget spent: 92, 2%**			
Key indicators not achieved	**Planned target**	**Reported achievement**	**Remedial Action to be taken**
1.1. Water Services Development Plan (WSDP) developed, annually reviewed and submitted to Council for approval.	(WSDP) developed and submitted to Council for approval by 30 June 2024	0	The WSDP which incorporated DWS comments was approved by the Council on 8 August 2024. The delay for approval by both MAYCO & Council to approve the WSDP - caused by set/planned Ordinary Council meetings.
1.2. Water and Sewer Master Plan developed	Water and Sewer Master Plan developed by 30 June 2024	0	The review of the plan was delayed by input from internal staff however plans are in place to have it approved by the Council in 2024/25 FY. Consult/Follow up on Sasol SA commitment to develop the new W&S Master Plan as the current one validity for reviews has lapsed.
1.3. Number of conventional water meters replaced with prepaid meters in all the identified areas.	1000 conventional water meters replaced with prepaid meters in all the identified areas by June 2023	0	Although the KPI emanates from the IDP, robust and regular community consultations are needed to get community buy-in. The proposal will be issued inviting interested service providers to submit their interest in installing prepaid water meters. The Council has resolved to install prepaid water meters in 4925 sites in Sasolburg North project once completed.
1.4. Number of kms of obsolete asbestos/old water pipes replaced	5 km asbestos/old water pipes replaced by 30 June 2024	0,21 km (210m)	The KPI depends on the length recorded for the replacement of aging AC pipes with Upvc. MIG is funding replacement of obsolete/aging AC pipes in Zamdela ward 9 and a multiyear project is planned for implementation from March 2025. The set target of 5km will be achieved by the end of the FY.
1.5. % Minimization of water distribution losses	Water distribution loss minimized to 30% by 30 June 2024	43% water distribution loss	Municipality is awaiting delivery of six (6) maintenance bakkies to accelerate the response time to burst water pipes and leaking meters. By-laws are also being reviewed for enforcement on illegal water connections. Installed communal taps have been connected. Business Plan will be submitted once a meter audit is done for installation of

			meters at unmetered households and replacement of dysfunctional meters.
1.6. % Compliance with blue drop water quality accreditation system	99% compliance with blue drop water quality accreditation system by 30 June 2024	97,4% compliance with blue drop water quality accreditation system.	staff such as Classified Process Controllers in the current FY. Continue conducting regular Water quality monitoring programme.
1.9. Water and Sanitation Maintenance Plan developed and submitted to Council for approval	Water and Sanitation Maintenance Plan developed and submitted to Council for approval by 30 June 2024	0	The revised/reviewed Plan will be presented to both MAYCO and Council for approval in 2024/25 FY. The division is currently in the process of developing the new Water and Sanitation Maintenance Plan for approval in next FY
1.10. Number of sewer of connections to consumer units installed (Circular 88 Indicators)	6 037 sewer connections to consumer units installed 2		The KPI is reliant on both the Human Settlement and MIG funded projects. Considering these are multi-year projects, the set target will only be achieved on the 2025/26 FY due to budget allocations.
1.16. % of electricity distribution losses minimized	% of electricity distribution losses minimized to 20% by 30 June 2024	29% electricity distribution losses	The municipality has appointed a service provider which is currently auditing and replacing dysfunctional meters with both commercial and residential customers. Residents buying patterns will also be closely monitored to minimize theft of electricity and penalties will be charged against the perpetrators.
1.17. Number of high mast lights erected	5 high mast lights erected/installed (Sasolburg & Vaalpark) by 30 June 2024	0	The division is busy compiling specifications for turnkey appointment in the Q3. Installations planned for Q4.
1.19. Number of m^2 of new municipal roads built Circular 88 Indicators)	7 000m^2 of roads resealed/repaired by 30 June 2024		Advertisement of budgeted resealing of roads in Q3 and implementation in Q4
1.27. Number of progress reports submitted on monitoring of all capital projects submitted to Council	4 progress reports submitted on monitoring of all capital projects submitted to Council by 30 June 2024	3 progress reports on monitoring of all capital projects submitted to Council.	Ordinary Council meetings are planned and limited however a plan is in place to ensure all 4 reports are presented to Council in the current FY.
1.29 (i). % of comments within 10 working days on building plans to be approved (specified period of time) (30 days <500m^2)	100 % of approved building plans within specified period of time (30 days <500m^2 by 30 June 2024	79, of technical comments made on the submitted building plans	Proper measures are being taken to ensure the reported comments correspond with the POE submitted.
1.30. % of OPEX allocation/budgeted spent (project management unit)	100% of allocated OPEX budget spent by 30 June 2024	OPEX budget spent	OPEX budget is reliant on the revenue collection, however early projects implementations are in place to ensure higher % is reached.
1.32. % of vacancy rate maintained to 75% of total staff compliment / establishment (project management)	75% of total staff compliment / establishment maintained by 30 June 2024	42% vacancy rate	The filling of vacant positions depends on the available budget, however requests for filling budgeted positions are expeditiously submitted to HR.

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1.35. Integrated Waste Management Plan (IWMP) developed, annually reviewed and submitted to Council for approval	Develop IWMP and summit to Council for approval by June 2024	0	The Department of Forestry, Fisheries and the Environment (DFFE) has undertaken to support Fezile Dabi District Municipality and its local municipalities to review their IWMPs. DFFE held bid evaluations on the 15th and 16th October 2024. The Bid Evaluation Committee report has been submitted for quality assurance.
1.39. Number of landfill site(s) established, licenced & operational in Sasolburg	1 landfill site(s) established, licenced & operational in Sasolburg		Application forms indicate that the Municipality cannot lodge its own application, as per Environmental Impact Assessment Regulations, the process must be done through an independent Environmental Assessment Practitioner (EAP). Thus, the Municipality must start a process to appoint an independent EAP.
1.40. Number of sports & recreational Parks developed	1 sports & recreational parks developed by 30 June 2024	0	Engage with Community and Local Businesses for support or Partnership to speed up development /refurbishment.
1.43. Review of Disaster Management Plan	Disaster Management Plan reviewed by 30 June 2024	0	The plan is to receive attention, they are busy with the review process.
1.51. % of OPEX allocation/budgeted spent (public safety)	100% of allocated OPEX budget spent by 2024	91% OPEX budget spent	Not yet attended to, will contact Manager Budget on Monday, 20th January 2025.
1.52. % of CAPEX Allocation/ Budgeted spent (public safety)	100% of allocated CAPEX budget spent by 2024	11% CAPEX budget spent	The department is going to purchase fleet to address the departmental fleet problem.
1.54. % of vacancy rate maintained at 25% of total departmental staff compliment/ establishment (public safety)	75% of total staff compliment/ establishment maintained by 30 June 2024	45% vacancy rate	The department is currently busy with the recruitment process to address the issue of staff compliments.

Auditor-General Report on Annual Performance Report 2023/24	
OTHER MATTERS	
Issues Raised	**Remedial Action to Taken**
Material misstatements	
37. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure development. Management did not correct all of the misstatements, and I reported material findings in this regard.	.

Table: Auditor General Report on Compliance Issues:

Auditor-General Report on Compliance with key Legislation matters 2023/24	
Status of Audit Report*: Qualified	**Remedial Action to Taken**
Annual financial statements	
42. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of, current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.	The Annual Financial Statements will be submitted for auditing in all material aspects in accordance with the requirements of section 122(1) of the MFMA to improve the audit outcome of the Municipality
Expenditure management	
43. Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with supply chain management (SCM) requirements. **44.** Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R4 548 428 as disclosed in note 55 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the fruitless and wasteful expenditure was due to late payments to the Department of Water and Sanitation and Eskom.	
Assets management	i. Develop SOPs. **ii.** Review Asset Management Policy and align the policy with GRAP requirements.
I. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.	
Strategic planning and performance management	III. The PMS Policy framework is already approved by Council to address the expressed opinion IV. All Senior Managers have signed Performance Agreements and are assessed on a quarterly basis. Quarterly Reviews and reports are submitted to the Council and Audit Performance Committee (OPMS). V. The PMS(IPMS) will be cascaded to the lower levels of staff in phases since all Managers and Assistant Mangers has signed Performance Agreements and Plans with an intent to institutionalize and cascade PMS. VI. The PMS(IPMS) will be cascaded and institutionalized to lower levels of staff in phases after the skills audit is conducted, currently municipality is in the process of acquiring the service provider to conduct skills audit which will assist in the development of individual PDPs.
II. The performance management system and related controls were inadequate as it did not describe how the performance review and reporting processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).	
Human resource management	
III. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act 32 of 2000 and regulation 31 of Municipal Staff Regulations.	
Consequence management	
48. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure as required by section 32(2)(a) of the MFMA. 49. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA. 50. Fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure as required by section 32(2)(b) of the MFMA.	

Procurement and contract management Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements as documentation in support of the procurement process could not be obtained. 56. The performance of the contractors or providers was not monitored on a monthly basis, as required by section of the MFMA. Similar non-compliance was also reported in the prior year. 57. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 1 16(2)(c)(ii) of the MFMA. Similar noncompliance was also reported in the prior year. 58. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).	
Other information in the annual report 56. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that have been specifically reported on in this auditor's report. 57. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it. 58. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. 59. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.	
Internal control deficiencies 60. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. 61. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report. 62. Management did not in all instances implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support the financial statements. 63. Senior management did not implement corrective measures included in the audit action plan to ensure that the weaknesses relating to the financial, performance and SCM were addressed. 64. Management's lack of detailed review of the financial statements and the underlying records resulted in material misstatements that were not detected by the municipality's internal processes. 65. The municipal public accounts committee did not perform any investigation on unauthorized, irregular and fruitless and wasteful expenditure to determine if any official was responsible and for possible recovery and or write-off and implement consequences. This resulted in repeat non-compliance with laws and regulations.	
Material irregularities In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.	

Material irregularities identified during the audit	
Upgrading of Oranjeville wastewater treatment works - reasonable steps not taken to safeguard materials on site and construction works 67. The municipality appointed a contractor on 29 June 2021 for the upgrading of the Oranjeville wastewater treatment works at a total cost of R56 488 519,29. The project was planned to be completed within 14 months, with practical completion to be achieved on 21 September 2022. On 26 June 2023 the municipality issued a termination letter to the contractor in terms of clause 9.2 of the General Conditions of Contract for Construction Works, 2015 3rd Edition and ordered the contractor to vacate the site and hand it over to the municipality. The contract was terminated due to non-performance by the contractor. 68. During a site visit conducted by the audit team on 12 October 2023, it was identified that some of the incomplete works and material on site, with a cost of R5 905 228,26 were not safeguarded. Steel reinforcement materials on site as well as the steel reinforcement on the incomplete biological reactors, clarifiers and the pump station were corroded and exposed to weather conditions. In addition, materials amounting to R2 1 1 1 135,79 were no longer on site. Since termination of the contract, the accounting officer did not ensure that the construction works and materials were safeguarded as required by section 63(1)(a) of the MFMA. The noncompliance is likely to result in a material financial loss for the municipality, if steps are not taken to safeguard the assets of the municipality. 69. I notified the accounting officer of the material irregularity on 1 July 2024 and invited the accounting officer to make a written submission on the actions taken and that will be taken to address the matter. The following actions have been taken or is in progress to resolve the material irregularity: The accounting officer has allocated security to the construction site after the removal of the contractor on 20 July 2023. The accounting officer has issued a letter of demand on 4 June 2024 for the recall of the performance guarantee to the cover the cost of lost material and corrosion. The terminated contractor has submitted final account for works which will be offset against the cost of materials lost and degraded work in progress. 70. I will follow-up on the implementation of the planned actions and actions in progress during my next audit.	The stated items of remedial action were all implemented accordingly and the status to date remains as follows: •A meeting was held with the contractor on 11 October 2024 to present the Municipal final settlement offer. The offer was counter- effected under which the Municipality agreed to respond formally to the contractor in writing. •A final proposal was submitted to the contractor in writing by the Municipality. The Municipality awaits the contractor's response in the interim. •The Municipality has, however, commenced with the procurement of a new contractor with the advert scheduled to be released before end Jan 2025 and for the project to commence in March 2025, however strongly pending budget availability from DWS. •The Material on site still remains safe as per our commitment, with no vandalism incurred since our response to AG
Status of previously reported material irregularities: **Pollution of water resource does not prevent Oranjeville wastewater treatment works** The Oranjeville wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including the groundwater, Vaal Dam and its extended water course. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring as required by section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and section 19(1) of the National Water Act 36 of 1998 (NWA). The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource. 78. The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. On 27 February 2024, I referred the material irregularity to the Department of Water and Sanitation for investigation as provided for in section 5(1A) of the PAA. The investigation is currently in progress.	The WWTW current capacity is 0.48 Mℓ/day which is inadequate to treat the inflow hence the upgrading was initiated to 4 Mℓ/day to treat the inflow and sure compliance to DWS standards - effluent. All three pump stations are operational, have full time security and pump sewer to the WWTW. Several measures are planned internally for upgrading the electrical panel, pumps and motors as well as removing sludge deposits from the bottom of oxidation ponds to increase the treatment capacity. The specification has been prepared for advertisement of the remaining scope of work by end of January 2025. The commencement is expected from April 2025 and commissioning in December 2026 depending on the availability of adequate funding.

Pollution of water resources is not prevented - Deneysville (Refengkgotso) wastewater treatment works	
73. The Deneysville (Refengkgotso) wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including the groundwater, Vaal Dam and its extended watercourse. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring as required by section 28(1) of the NEMA and section 19(1) of the NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource. 74. The accounting officer was notified of this material irregularity on 16 November 2022 and was invited to make a written submission to the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. On 27 February 2024, I referred to the material irregularity to the Department of Water and Sanitation for investigation as provided for in section 5(1A) of the PAA. The investigation is currently in progress.	The Deneysville (Refengkgotso) wastewater treatment works was completed and handed over to the Municipality with a signed completion certificate dated 04 June 2024. Since completion, the Municipality has appointed process controllers to manage and maintain the plant daily. The plant has delivered consistent green drop status effluent and is monitored closely with the assistance of DWS and their support team. The two pump stations are also operational and are maintained daily. No leakages or raw discharge has been incurred since completion handover of the project.
Poor management of the Sasolburg waste landfill site	Application forms from DESTEA indicate that the Municipality cannot lodge its own application (for closure and rehabilitation), as per Environmental Impact Assessment Regulations, the process must be done through an independent Environmental Assessment Practitioner (EAP). The expired licenses are not renewal, that implies the whole process must be started anew. Thus, the Municipality must start a process to appoint an independent EAP.
75. The municipality has been operating the Sasolburg waste landfill site in a manner that is not in compliance with its license conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control, improper or lack of compacting and cover to limit gas emission, lack of stormwater management and leachate detection and no proper air and effluent sampling points to monitor air pollution. 76. The municipality consequently did not dispose and treat waste in an environmental sound manner that does not endanger health or the environment as required by section 16(1) of the National Environmental Management Waste Act 59 of 2008. The municipality further did not take reasonable measures to prevent pollution or degradation from occurring, continuing or recurring as required by section 28(1) of NEMA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site and communities adjacent to the landfill site. 77. The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material irregularity to the Department of Forestry, Fisheries and the Environment (DFFE) on 27 March 2024 for investigation as provided for in section 5(1A) of the PAA. On 14 May 2024 DFFE sub-referred the material irregularity to the Free State Department of Economic, Small Business Development, Tourism and Environmental (DESTEA) affairs for further investigation. The referral was accepted by DESTEA on 2 September 2024 and the investigation is currently in progress.	

Appendices

Appendix A: Councillors; Committee Allocation and Council Attendance

Table A1: List of Councillors and record of Council Meetings Attendance

Number of Council Meetings held for the year						
Total number of meetings held for the year						
			Ordinary	Special	Total	
Details			Record of Council Meetings Attended			
Full Names & Surname	Political Party	Ward / PR No. No.	Ordinary	Special	Total	Number of Apologies
Matthews Jabulani Radebe	ANC	WARD 1	6	16	20	2
Joseph Morena Molawa	ANC	WARD 2	6	16	22	0
Mosiuoa Solomon Poho	ANC	WARD 3	6	16	20	2
Thandiwe Linah Soetsang	ANC	WARD 4	6	16	16	6
Sara Mapule Mofokeng	ANC	WARD 5	6	16	20	2
Mahadi Nkheloane	ANC	WARD 6	6	16	16	6
Portia Mabatho Mahlaela	ANC	WARD 7	6	16	16	6
Lefa Lawrence Nhlapo	EFF	WARD 8	6	16	18	4
Mosokodi Elias Mqwathi	ANC	WARD 9	6	16	19	3
Nokuthula Mirriam Mtshali	ANC	WARD 10	6	16	18	4
Dial Vakele Rani	ANC	WARD 11	6	16	13	9
Lebohang Andries Makhefu	ANC	WARD 12	6	16	19	3
Fikile Daniel Mosokweni	ANC	WARD 13	6	16	22	0
Francois Jacobus van der Merwe	DA	WARD 14	6	16	11	11
Louis Jacobus van Heerden	DA	WARD 15	6	16	18	4
Jan Jacobus Barnard	DA	WARD 16	6	16	13	9
Thabang Kennedy Rankoe	DA	WARD 17	6	16	18	4
Linda Day	DA	WARD 18	6	16	21	1
Lunga Mthetho	ANC	WARD 19	6	16	20	2
Lucas Fisher	ANC	WARD 20	6	16	19	3
Teboho Glen Sehaole	ANC	WARD 21	6	16	21	1
Ruanda Meyer	DA	WARD 22	6	16	19	3
Manana Bernice Mozolo	EFF	WARD 23	6	16	21	1
Sylvia Lindiwe Tshongwe (Passed away on 21 May 2024)	ANC	PR 1	5	12	15	2
Fikile Nkheloane (Replaced Cllr Tshongwe from 14 June 2024)	ANC	PR1	1	4	3	2
Zisindo Jafta Zwane	DA	PR 2	6	13	18	4
Jonas Moeketsi Makhema	DA	PR 3	6	16	15	7

Number of Council Meetings held for the year						
Total number of meetings held for the year						
			Ordinary	Special	Total	
Details			Record of Council Meetings Attended			
Full Names & Surname	Political Party	Ward / PR No. No.	Ordinary	Special	Total	Number of Apologies
Thabiso Harry Mofokeng (Resigned on 5 July 2023)	DA	PR 4	1	1	4	1
Phemelo O Tabile (Sworn-in on 16 August 2023)	DA	PR4	5	14	17	2
Lebohang Joyce Chalala	DA	PR 6	6	16	21	1
Michael Thulani Mbana	DA	PR 7	6	16	21	1
Teboho Drummond Thulo	DA	PR 5	6	16	20	2
Tibisi April Motaung (Joined the	EFF	PR 8	3	16	19	3
Jonas Mokoma Masiteng	EFF	PR 9	6	16	18	4
Selloane Mavis Motjeane	EFF	PR 10	6	16	19	3
Mbochoase Sana Motsapi	EFF	PR 11	6	16	18	4
Mandoza Sam Mokwai	EFF	PR 12	6	16	20	2
Jeanette Leetoane Tsotetsi	EFF	PR 13	6	16	19	3
Jantjie Tumelo Mampana	EFF	PR 14	6	16	12	10
Dinah Khethiwe Mbikolo	EFF	PR 15	6	16	19	3
Moeketsi Eric Maseko	EFF	PR 16	6	16	20	2
Modiehi Granny Leotlela	EFF	PR 17	6	16	16	6
Dotlhare Angelina Mofokeng	MCA	PR 18	6	16	20	2
Elizabeth Judith Geyser	FF+	PR 19	6	16	22	0
Adv Morné Pienaar	FF+	PR 20	6	16	15	7
Theo Du Toit	FF+	PR 21	6	16	22	0
Mthakathi Jack Malindi	AIC	PR 22	6	16	21	1
Annah Mabthoze Kumalo	ATM	PR 23	6	16	20	2

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Appendix B: Committees & their respective purposes

Table A2: Name & Purpose of the Committee

Name of Committee	Purpose of the Committee
Portfolio Committee: Corporate Services (s80) SM MOTJEANE (6 October 2023)	Oversight over Corporate Services departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Finance and IDP (s80) SL TSHONGWE (6 October 2023) LA MAKHEFU (14 June 2024)	Oversight over Finance departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Technical Services (s80) MS POHO (6 October 2023)	Oversight over Technical Services departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Public Safety (s80) LL NHLAPO (6 October 2023)	Oversight over Public Safety sectional activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Cleansing, Parks and Cemeteries (s80) MJ MASITENG (6 October 2023)	Oversight over Social Services sectional activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Urban Planning and Human Settlements (s80) LA MAKHEFU (6 October 2023) N NKHELOANE (14 June 2024)	Oversight over Urban Planning & Human Settlement departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: LED, Tourism and Agriculture (s80) LJ TSOTETSI (6 October 2023)	Oversight over LED & Tourism departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Sports, Arts and Culture (s80) SM MOFOKENG (6 October 2023)	Oversight over Sports, Arts & Culture sectional activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Audit and Performance Audit Committee (s79)	Roles and responsibilities as outlined in section 166 of the MFMA and the approved charter
Oversight Committee (s79) JM MOLAWA (10 October 2012)	Roles and responsibilities as outlined in section 129 of the MFMA and the National Treasury guidelines issued in MFMA Circular 32 (18 March 2006)

Table A3: Members of Corporate Services Committee and Attendance Records of Committee Meetings

Corporate Services (s80)			
Initials & Surname	**Political Party**	**No. of Meetings Attended by the Member**	**No. of Apologies**
Mr. JM Makhema - Chairperson (3 Dec 2021 to 6 Oct 2023)	DA	3	2
Ms. SM Motjeane – Chairperson (6 Oct 2023)	EFF	3	1
Ms. SL Tshongwe	ANC	2	2
Ms. TL Soetsang	ANC	4	0
Adv. M Pienaar	FF+	3	2
Mr. MS Mokwai	EFF	4	1
Ms. JL Tsotetsi	EFF	3	1
Mr. L van Heerden	DA	3	1
Mr. MJ Malindi	AIC	2	1
Mr. ZJ Zwane	DA	3	1
Mr. ME Mqwathi	ANC	3	0
Ms. MS Motsapi	EFF	3	0

Table A4: Members of Finance, IDP Committee and Attendance Records of Committee Meetings

Finance and IDP (s80)			
Initials & Surname	**Political Party**	**No. of Meetings Attended by the Member**	**No. of Apologies**
Mr. JJ Barnard – Chairperson (3 Dec 2021 to 6 Oct 2023)	DA	4	1
Ms. SL Tshongwe - Chairperson (6 Oct 2023 to 21 May 2024)	ANC		
Mr. LA Makhefu – Chairperson (14 Jun 2024)	ANC	3	2
Mr. L van Heerden	DA	4	1
Ms. EJ Geyser	DA	5	0
Ms. SL Tshongwe	ANC	3	2
Ms. AM Kumalo	MCA	2	2
Mr. TA Motaung	EFF	0	1
Ms. MG Leotlela	EFF	1	1
Mr. ME Maseko	EFF	4	1
Mr TD Thulo	DA	3	2
Ms. TL Soetsang	ANC	3	2

Table A5: Members of Technical Services Committee and Attendance Records of Committee Meetings

Technical Services (s80)			
Initials & Surname	**Political Party**	**No. of Meetings Attended by the Member**	**No. of Apologies**
Mr. TK Rankoe – Chairperson (3 Dec 2021 to 6 Oct 2023)	DA	3	1
Mr. MS Poho – Chairperson (6 Oct 2023)	ANC	4	0
Ms. L Day	DA	4	0
Ms. LJ Chalala	DA	3	1
Mr. ME Mqwathi	ANC	4	0
Mr. T Du Toit	FF+	4	0
Ms. MS Motjeane	EFF	3	1
Mr. JT Mampana	EFF	2	2
Mr. ME Maseko	EFF	4	0
Ms. DK Mbikolo	EFF	4	0
Mr. TG Sehaole	ANC	3	1

Table A6: Members of Public Safety Committee and Attendance Records of Committee Meetings

Public Safety (s80)			
Initials & Surname	**Political Party**	**No. of Meetings Attended by the Member**	**No. of Apologies**
Mr. FJ van der Merwe – Chairperson (3 Dec 2021 to 6 Oct 2023)	DA	3	0
Mr. LL Nhlapo – Chairperson (6 Oct 2023)	EFF	3	0
Mr. DV Rani	ANC	3	0
Mr. LJ van Heerden	DA	3	0
Mr. L Mthetho	ANC	3	0
Mr. JM Masiteng	EFF	3	0
Ms. MS Motsapi	EFF	3	0
Mr. MJ Malindi	AIC	3	0
Mr. JM Masiteng	EFF	3	0

Table A7: Members of Social Services and Special Programs Committee and Attendance Records of Committee Meetings

Cleansing, Parks and Cemeteries (s80)			
Initials & Surname	**Political Party**	**No. of Meetings Attended by the Member**	**No. of Apologies**
Ms R Meyer – Chairperson (3 Dec 2021 to 6 Oct 2023)	DA	3	0
Ms DA Mofokeng – Chairperson (6 Oct 2023)	MCA		
Mr SM Mofokeng	DA	3	3
Ms EG Geyser	DA	3	0
Ms M Nkheloane	ANC	3	0
Mr TG Sehaole	ANC	3	0
Ms DA Mofokeng	ATM	3	0
Ms DK Mbikolo	EFF	2	1
Ms MG Leotlela	EFF	3	0

Cleansing, Parks, & Cemeteries and Sports, Arts & Culture committees are combined, and the committee is renamed Community Services and Special Programs

Table A8: Members of Urban Planning & Human Settlements Committee and Attendance Records of Committee Meetings

Urban Planning and Human Settlements (s80)			
Initials & Surname	**Political Party**	**No. of Meetings Attended by the Member**	**No. of Apologies**
Mr MT Mbana – Chairperson (3 Dec 2021 to 6 Oct 2023)	DA	3	0
Mr LA Makhefu Chairperson (6 Oct 2023 to 14 June 2024)	ANC	3	0
Ms M Nkheloane – Chairperson (14 June 2024)	ANC	2	0
Ms L Day (Ms)	DA	3	0
Mr MJ Radebe	ANC	2	1
Ms PM Mahlaela	ANC	3	0
Ms DA Mofokeng	ATM	3	0
Ms MB Mozolo	EFF	1	2
Mr MS Mokwai	EFF	2	1

Urban Planning & Human Settlements and LED, Tourism & Agriculture committees are combined, and the committee was renamed Spatial Planning, Rural Development, Human Settlement and SMME's

***NB: The inconsistency in the numbers of meetings held by Portfolio Committees was because of the following:**

- **Reshuffling of MMC and members when the Executive Mayors were removed and appointed.**
- **Additions of Portfolio Committees from six (6) to nine (9) during the same financial year.**
- **Resignation of Councillors and the passing away of Councillors.**

Table A9: Members of Audit and Performance Audit Committee and Attendance Records of Committee Meetings

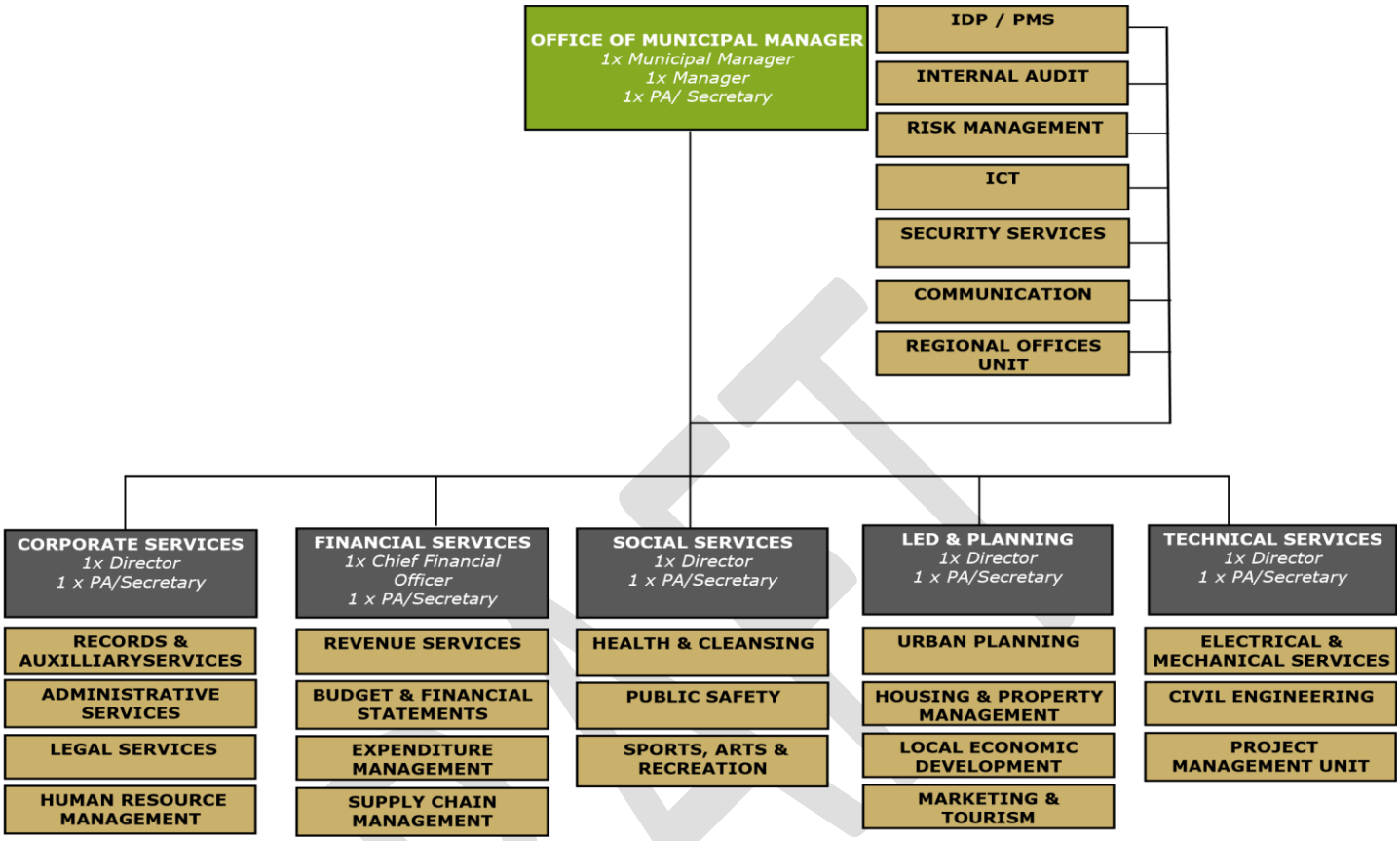
Audit and Performance Audit Committee (s79)		
Total number of meetings held during 2023/24 financial year is 5		
Initials & Surname	**No. of Meetings Attended by the Member**	**No. of Apologies**
Mr. ZL Fihlani	2	3
Mr. M. Noge	5	0
Ms. L.L Mbambale – Mathobo	5	0
Mr. S Simelane	1	0
Ms. S Makhathini	1	0

Table A10: Members of Municipal Public Accounts Committee [MPAC/ Oversight Committee(s79)] and Attendance Records of Committee Meetings

Municipal Public Accounts Committee [MPAC/ Oversight Committee(s79)]		
Total number of meetings held during 2023/24 financial year is 5		
Initials & Surname	**No. of Meetings Attended by the Member**	**No. of Apologies**
Cllr M Molawa	5	
Cllr T Du Toit	5	
Cllr M.E Maseko	5	
Cllr J.T Mampana	1	
Cllr Z.J Zwane	1	1
Cllr L.J Van Heerden	5	
Cllr L Mtheto	2	
Cllr T.L Soetsang	3	1
Cllr L Tsotetsi	2	
Cllr M.A Kumalo	2	
Cllr M.S Poho	1	

Appendix C: Third Tier Administrative Structure

Figure A1 - Third Tier Administrative Structure



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Appendix D: Functions of the Municipality

Table A10: Powers and Functions of the Municipality

Powers & Functions	Reference	Performed (Yes/No)
Schedule 4 Part B and Schedule 5 Part B Powers and Functions:		
Air pollution	Schedule 4 Part B	**No**
Building regulations	Schedule 4 Part B	**Yes**
Childcare facilities	Schedule 4 Part B	**No**
Electricity and gas reticulation	Schedule 4 Part B	**Yes**
Firefighting services	Schedule 4 Part B	**Yes**
Local tourism	Schedule 4 Part B	**Yes**
Municipal airports	Schedule 4 Part B	**N/A**
Municipal planning	Schedule 4 Part B	**Yes**
Municipal health services	Schedule 4 Part B	**No**
Municipal public transport	Schedule 4 Part B	**N/A**
Municipal public works	Schedule 4 Part B	**Yes**
Pontoons, ferries, jetties, piers and harbors,	Schedule 4 Part B	**Yes**
Storm water management systems in built-up areas	Schedule 4 Part B	**Yes**
Trading regulations	Schedule 4 Part B	**Yes**
Water and sanitation services	Schedule 4 Part B	**Yes**
Beaches and amusement facilities	Schedule 5 Part B	**Yes**
Billboards and the display of advertisements in public places	Schedule 5 Part B	**No**
Cemeteries, funeral parlours and crematoria	Schedule 5 Part B	**Yes**
Cleansing	Schedule 5 Part B	**No**
Control of public nuisances	Schedule 5 Part B	**Yes**
Control of undertakings that sell liquor to the public	Schedule 5 Part B	**Yes**
Facilities for the accommodation, care and burial of animals	Schedule 5 Part B	**Yes**
Fencing and fences	Schedule 5 Part B	**N/A**
Licensing of dogs	Schedule 5 Part B	**Yes**
Licensing and control of undertakings that sell food to the public	Schedule 5 Part B	**No**
Local amenities	Schedule 5 Part B	**N/A**
Local sport facilities	Schedule 5 Part B	**Yes**
Markets	Schedule 5 Part B	**N/A**
Municipal abattoirs	Schedule 5 Part B	**Yes**
Municipal parks and recreation	Schedule 5 Part B	**Yes**
Municipal roads	Schedule 5 Part B	**Yes**
Noise pollution	Schedule 5 Part B	**Yes**
Pounds	Schedule 5 Part B	**Yes**

Powers & Functions	Reference	Performed (Yes/No)
Schedule 4 Part B and Schedule 5 Part B Powers and Functions:		
Public places	Schedule 5 Part B	**Yes**
Refuse removal, refuse dumps and solid waste disposal	Schedule 5 Part B	**Yes**
Street trading	Schedule 5 Part B	**Yes**
Street lighting	Schedule 5 Part B	**Yes**
Traffic and parking	Schedule 5 Part B	**Yes**
Fiscal Powers and Functions in terms of Section 229 of the Constitution:		
Levying of rates on property and surcharges on fees for services provided by or on behalf of the		Yes
Other powers and functions not specified by the Constitution		
Disaster management (*)		Yes
Integrated development planning		Yes
Libraries and museums (other than national libraries and museums)		No
Nature conservation Tourism promotion (at local level only)		Yes

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Appendix E: Ward Reporting

Table A11: Ward Reporting

Functionality of Ward Committees					
Ward Name (Number)	**Name of Ward Councillors and elected Ward committee members**	**Committee established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers' Office on time**	**Number of quarterly public ward meetings held during year**
1	Matthews Jabulani Radebe	Yes	2	5	3
2	Joseph Morena Molawa	Yes	-	2	2
3	Mosiuoa Solomon Poho	Yes	1	3	2
4	Thandiwe Linah Soetsang	Yes	2	7	5
5	Sara Mapule Mofokeng	Yes	4	5	1
6	Mahadi Nkheloane	Yes	-	-	-
7	Portia Mabatho Mahlaela	Yes	1	3	2
8	Lefa Lawrence Nhlapo	Yes	4	6	2
9	Mosokodi Elias Mqwathi	Yes	2	4	2
10	Nokuthula Mirriam Mtshali	Yes	5	11	6
11	Dial Vakele Rani	Yes	-	-	-
12	Lebohang Andries Makhefu	Yes	1	2	1
13	Fikile Daniel Mosokweni	Yes	1	1	-
14	Francois Jacobus Van der Merwe	Yes	-	-	-
15	Louis Jacobus Van Heerden	Yes	-	1	1
16	Jan Jacobus Barnard	Yes	-	-	-
17	Thabang Kennedy Rankoe	Yes	3	6	3
18	Linda Day	Yes	-	-	-
19	Lunga Mthetho	Yes	1	2	1
20	Lucas Fisher	Yes	1	4	3
21	Teboho Glen Sehaole	Yes	-	-	-
22	Ruanda Meyer	Yes	-	-	-
23	Manana Bernice Mozolo	Yes	-	-	-

Appendix F: Ward Information

Table A12: Ward Information

First Quarter		Second Quarter	
Activities	**Wards**	**Activities**	**Wards**
Financial Literacy Program	5		
IDP Public Participation meeting	ALL		
Mandela Day Program	1,2,5,11,17	Groceries for matriculants	Zamdela
National Women's Day Program	1,		
Kgosikgolo Lehasa Heritage Day	ALL		
Cleaning Campaign	3,5,10,11,19		
Paving Project & Sewer Project	1		
Elderly Program	1		
Projects Paving Mobile Classes RDP	19		

Third Quarter		Fourth Quarter	
Activities	**Wards**	**Activities**	**Wards**
ID Campaign	3,4,20	Youth Unemployment Program	5
Budget Public Participation meeting	ALL	Fire Awareness Program	5
Early childhood development program	21	Youth Day Program	5
Education outreach program	10,11	Department of Water and Sanitation program	3,4,20
Soccer field project	19	Title Deeds Program	3,4,20
Cleaning campaign	19	Child Protection Program	3,4,20
		International Drugs Awareness Program	3,4,20
		Program for the Elderly	10

Appendix G: Recommendations of the Audit Committee

Table A13: Recommendations of the Audit Committee

Municipal Audit Committee Recommendations		
Date of Meeting	**Committee recommendations during 2021/22**	**Recommendations adopted?**
28 August 2023	Management should develop and implement revenue enhancement strategies to enhance the revenue base.	Partially
28 August 2023	Fully Implement Debt Collection and Credit Control Policies in all areas	Partially
28 August 2023	Indigent register to be updated.	No
28 August 2023	Distribution losses (Water and Electricity) to be managed effectively to reduce revenue loss.	No
28 August 2023	Conditional Grants spending: Management should spend and implement projects within the required timeframes to avoid grants being forfeited.	Partially
28 August 2023	Service providers performance to be measured to assess their performance to increase value for money.	Partially
16 November 2023	Asset management unit should develop and implement strategy to address the issues relating to Property Plant and Equipment assets.	No
16 November 2023	Measures to be taken to prepare and safeguard the municipal assets as the status of the Plant Property and Equipment might end up in qualification in the Auditor General's report.	No
28 August 2023	Measures to be taken to prevent upfront payment to suppliers without appointing the contractor and to regularize the payment to the security company with normal SCM processes.	Yes
28 August 2023	Projects must be monitored to avoid poor workmanship and to improve service delivery.	Partially
16 November 2023	An organogram should be adopted by the Council to comply with the staff regulations and ensure the appointment of qualified candidates.	Partially
28 August 2023	Additional internal control measures to be implemented to close the control deficiencies/ weaknesses in procurement processes.	Partially
28 August 2023	Awarding of security tender to be investigated further	Yes
28 August 2023	Institute disciplinary measures to prevent fraud and corruption.	Yes
25 June 2024	Management improves its performance reporting on completeness and accuracy including submission of sufficient portfolio of evidence and performance assessment of service providers.	No

Municipal Audit Committee Recommendations		
Date of Meeting	**Committee recommendations during 2021/22**	**Recommendations adopted?**
25 June 2024	Management to review the existing internal control weaknesses and implement additional control measures to improve on its performance.	Partially
25 June 2024	Management to develop and monitor a compliance checklist and **to appoint the vacant post of compliance officer as a matter of urgency.**	No

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Appendix H: Long-term contracts and Public Private Partnerships

Table A14: Long-term contracts and Public Private Partnerships

CONTRACT REGISTER 2023/24 FINANCIAL YEAR

Name of Municipality: Metsimaholo Local Municipality											Service Providers Performance Assessment for 2023/24 Financial Year			
End User	**Contract Manager**	**Contract Nr**	**Service Provider**	**Contract Description**	**Appointment Letter Date**	**Original Contract Date**	**Contract Expiry Date**	**Contract Value**	**Duration**	**Comments**	**Quarter 1 (Jul-Sept 2023)**	**Quarter 2 (Oct -Dec 2023)**	**Quarter 3 (Jan - Mar 2024)**	**Quarter 4 (Apr -Jun 2024)**
Technical Services	D. Ramabitsa / S. Bila	MLM 07/2014/15	Tecroveer Projects Pty Ltd	Refengkgotso wastewater treatment; appointment of a professional service provider for the assessment, monitor the constructiona nd commisission the upgrading of the refeng kgotso wastewater wastewater treatment works an outfall discharge pipeline	15/12/2014	05/01/2015	05/01/2021	Rates	6years	Project completed December 2023 (Safcrete Consortium)	GOOD	GOOD	CONTRACT ENDED	CONTRACT ENDED
Technical Services	D. Ramabitsa / S. Bila	MLM 04/2016/17	SAFCRETE CONSORTIUM	Construction of 6ML / Day WWTW for Refengkgotso	09/05/2017	11/05/2017	11/05/2021	R 148 640 051,29	4years	Project completed in December 2023	GOOD	GOOD	CONTRACT ENDED	CONTRACT ENDED

Financial Services (Income)	F. Mareka /C. Scheepers	MLM 12/2017/18	NDK Valuers Pty Ltd	Appointment of a service provider for a compilation of General and Supplementary Valuation Roll	03/09/2018	18/09/2018	18/09/2023	R 2 690 000.00 valuation roll & Bi-annually supplementary valuation roll	5 Financial Year (2018/2019; 2019/2020; 2020/2021; 2021/2022 & 2022/2023)	Contract ended and its on month to month. Tender advertised and is awating BAC	GOOD	GOOD	GOOD	GOOD
Technical Services	D. Ramabitsa / S. Bila	MLM 08/2018/19/RFP 01	Techi Engineers (Pty) Ltd	Appointment of a professional service provider for consulting services for Upgrading of Oranjeville Waste Water Treatment Plant	14/12/2018	19/12/2018	19/12/2021	R 5 450 102,43	3years	Contractor's Contract terminated, contract under legal dispute (Kgosihadi JV)	POOR	POOR	POOR	TERMINATED
Local Economic Development	M. Tlhapane / T. Phakoe	MLM 26/2018/19	1. Mamphele Development Planners Cc 2. Matete & Associates Consultants 3. Acute Innovation (Pty) Ltd 4. BLF Land Development Services (Pty) Ltd 5. 4 Tsar Street Services (Pty) Ltd 6. Luande Technical Group (Pty)Ltd 7. Mahlori Development Consultants 8. Ngoti Development Consultants 9. Mabune Consulting 10. Ditsamai Investments & Projects 11. Skotane Development Consultants 12. Laumeth Trading Cc 13. CIFU & Associates 14. Makoba Consultants (Pty)Ltd	RE-ADVERTISEMENT Appointment of a Panel of Consultants for Town Planning, Land Surveying, Architectural Services, Geo-Technical Investigation and Environmental impact assessment within Metsimaholo Local Municipality for a period of three years on as and when required basis.	02/09/2019	03/09/2019	03/09/2022	Panel	3years	List appointed to be on panel	N/A	N/A	N/A	N/A

Technical Services	D. Ramabitsa / S. Bila	MLM 30/2018/19	1. Girda Engineering Part A, Part B and Part C 2. Mthombeni Consulting Part C 3. Tlou Consulting (Pty) Ltd Part D, Part E and Part F 4. Hlanganani Engineers & Project 5. Managers Part A, Part B and Part C 5. ROMH Consulting Part C 6. Engineering Advice and Services Part C 7. EKS Consulting Engineers Part C and Part E 8. Korone Engineers CC Part A, Part B, Part C, Part D and Part E 9. Infra Consult Engineering CC Part A, Part B and Part C 10. Calliper Consulting Engineers Part F 11. Kago Consulting Engineering CC Part A, Part C and Part F 12. Metsweding Consulting Engineers Part C 13. GMH Tswelelo Consulting Engineers Part C 14. Baitseamape Consulting Engineers Part C and Part F 15. Sido Consulting Engineers Part F 16. Flagg Consulting Part A 17. IX Engineers Part A, Part B, Part C, Part E and Part F	Appointment of a Panel of Civil Professional Service Provider to render Professional MultiDisciplinary Services Covering; Roads and Storm Water, Water and Sanitation (Reticulation and Bulk line), Water and Sanitation Bulk Services (Treatment Plants and Pump Stations), Structural Engineering, Contract and project Management Services for a period of three years on an as and when required basis	13/08/2019	14/08/2019	30/11/2021	Panel	3years	List appointed to be on panel	N/A	N/A	N/A	N/A
Municipal Manager's Office	G. Nhlapo	Circular 57	Business Connexion	Financial System Maintenance	30/11/2022	30/11/2022	30/11/2025	Rates	3years	Still running SLA Financial System	GOOD	GOOD	GOOD	GOOD
Municipal Manager's Office	G. Nhlapo	Circular 57	Payday Software Systems	Payroll Software Maintenance	01/03/2023	01/03/2023	28/02/2026	Rates	3years	Still running SLA Financial System	GOOD	GOOD	GOOD	GOOD

Municipal Manager's Office	G. Nhlapo	Circular 57	Quidity CC	Document Management System Software Maintenance	01/08/2023	01/08/2023	31/07/2025	Rates	3years	Still running SLA Financial System	EXCELLENT	EXCELLENT	EXCELLENT	EXCELLENT
Local Economic Development & Planning	M. Tlhapane / T. Phakoe	MLM 26/2018/19/RFP 01	Makoba Consulting (Pty) Ltd	Request for Price: The Surverying, Pegging and Registration at Surveyor General of ERF 16370 Consisting of 58 Erven for Zamdela Extension 12 Township	17/08/2020	02/09/2020	02/03/2021	R 60 636,40	6months	Concluded in the previous financial year however the final invoice was processed in the current financial year.	CONTRACT ENDED	CONTRACT ENDED	CONTRACT ENDED	CONTRACT ENDED
Local Economic Development & Planning	M. Tlhapane / T. Phakoe	MLM 26/2018/19/RFP 02	Makoba Consulting (Pty) Ltd	Request for Price: The Surverying, Pegging and Registration at Surveyor General of Erf 16064 Consisting of 50 Erven for Zamdela Extension 12 Township	17/08/2020	02/09/2020	02/03/2021	R 52 470,00	6months	Concluded in the previous financial year however the final invoice was processed in the current financial year.	CONTRACT ENDED	CONTRACT ENDED	CONTRACT ENDED	CONTRACT ENDED
Local Economic Development & Planning	M. Tlhapane / T. Phakoe	MLM 26/2018/19/RFP 04	Makoba Consulting (Pty) Ltd	Request for Price: The Surverying, Pegging and Registration at Surveyor General of Erven 14351 and 14363 Consisting of 117 Erven for Zamdela Extension 11 Township	17/08/2020	02/09/2020	02/03/2021	R 94 953,10	6months	Still running Survey was done up to 80%, could not conclude surveying due to natural obstacles on site	GOOD	GOOD	GOOD	GOOD

Local Economic Development & Planning	M. Tlhapane / T. Phakoe	MLM 26/2018/19/RFP 05	Makoba Consulting (Pty) Ltd	Request for Price: The Amendment of the General Plan Sg 1739/2007; Surverying and Pegging in Zamdela Extension 15 Township	17/08/2020	02/09/2020	31/01/2024	R 183 964,00	8months	Project completed	AVERAGE	AVERAGE	CONTRACT ENDED	CONTRACT ENDED
Local Economic Development & Planning	M. Tlhapane / T. Phakoe	MLM 26/2018/19/RFP 06	Luande Technical Group (Pty) Ltd	Request for Price: Develop a Land Use Management Scheme (LUMS) for Metsimaholo Local Municipality	17/08/2020	31/08/2020	31/03/2025	R 724 500,00	7months	Still running poor performance from service provider	AVERAGE	AVERAGE	POOR	POOR
Municipal Manager's Office	G. Nhlapo	MLM 16/2019/20	Brace Innovations (Pty) Ltd	Development of the ICT Strategic Plan and ICT Government Framework	17/08/2020	09/09/2020	09/03/2021	R 775 861,20	6months	Awaiting Council resolutions	GOOD	GOOD	GOOD	GOOD
Local Economic Development & Planning	M. Tlhapane / T. Phakoe	MLM 26/2018/19/RFP 03	Acute Innovation (Pty) Ltd	Request for Price: The Surverying, Pegging and Registration at Surveyor General of Erf 17723 Consisting of 30 Erven for Zamdela Extension 13 Township	04/09/2020	09/09/2020	09/03/2021	R 40 500,00	6months	Still running the applicant received adverse comments from surveyor general, closure of public open space needs process needs to be conducted	AVERAGE	AVERAGE	GOOD	GOOD

Technical Services	D. Ramabitsa / N. Mofokeng	MLM 14/2019/20	Ifalethu Technologies	Supply and Delivery of Water and Wasterwater Treatment Chemical – Flocculant for a period of three years on as and when required basis	15/09/2020	28/09/2020	28/09/2023	R 12 937.50 per ton	3years	Contract terminated service provider wanted to escalation higher than CPI	TERMINATED	TERMINATED	TERMINATED	TERMINATED
Technical Services	D. Ramabitsa / S. Bila	MLM 09/2018/19/RFP 04	Lyon and Partners (Pty) Ltd	Request for Price: Appointment of an on Risk (No Funds Available) Professional Electrical Engineering Service Provider for the Assessment, Design, Construction Monitoring and Commissioning of the Bulk Eskom Connection of Themba Khubeka Phase 2	06/10/2020	31/07/2024	Multi-year	R 3 005 722,00	n/a	Contract still running (F-Tech)	GOOD	AVERAGE	GOOD	GOOD
Financial Services	M. Mosai	MLM 01/2020/21	Infratec Consulting (Pty) Ltd	**READVERTISEMENT** - Appointment of a Professional Service Provider for review of Assets Management information to ensure compliance with GRAP for Metsimaholo local Municipality for a period of three years	23/09/2020	28/09/2020	30/06/2023	R 5 201 328,00	3years	Contract ended another contract was concluded	CONTRACT ENDED	CONTRACT ENDED	CONTRACT ENDED	CONTRACT ENDED

Technical Services	D. Ramabitsa / S. Bila	MLM 30/2018/19/RFP 01PARTA	Hlangani Engineer & Project Managers	**REQUEST FOR PRICE: READVERTISEMENT** - APPOINTMENT OF A PROFESSIONAL CIVIL ENGINEERING FOR THE ASSESSMENT, DESIGN, CONSTRUCTION MONITORING AND COMMISSIONING OF THE REFURBISHMENT OF GALVANISED PIPES IN ZAMDELA WARD 11 TO Upvc PIPES	26/02/2021	27/02/2021	27/02/2022	R 995 900,00	1year	Completed in December 2023	GOOD	GOOD	CONTRACT ENDED	CONTRACT ENDED
Technical Services	D. Ramabitsa / S. Bila	MLM 30/2018/19/RFP 03PARTC	Engineering Advice and Services (Pty) Ltd	**REQUEST FOR PRICE:** APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE CONSTRUCTION OF PAVED ROADS AND STORMWATER CHANNELS IN METSIMAHOLO WARD 05	04/03/2021	04/03/2021	12/12/2022	R 499 675,00	1 year 9 months	Completed in July 2023	AVERAGE	CONTRACT ENDED	CONTRACT ENDED	CONTRACT ENDED

Technical Services	D. Ramabitsa / S. Bila	MLM 30/2018/19/RFP 02 PART F	Calliper Consulting Engineers (Pty) Ltd	**REQUEST FOR PRICE: RE-ADVERTISEMENT** for APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR THE CONSTRUCTION OF AMELIA CEMETERY. THE PROFESSIONAL SERVICE PROVIDER SCOPE INCLUDES DESIGN, COMPILING TENDER DOCUMENT, MANAGEMENT, SUPERVISION OF THE WORKS AND COMMISSIONING OF THE AMELIA CEMETERY ON BEHALF OF THE MUNICIPALITY	05/05/2021	11/05/2021	11/05/2022	R 1 400 700,00	1year	Construction Stopped due to lack of funds, Awaiting approval of budget maintanace (True Motives)	GOOD	AVERAGE	AVERAGE	AVERAGE
Local Economic Development & Planning	M. Tlhapane / T. Phakoe	MLM 26/2018/19/RFP 07	Skotane Development Consultants (Pty) Ltd	REQUEST FOR PRICE: TOWNSHIP ESTABLISHMENT IN ORANJEVILLE: THE REMAING EXTENT OF THE TOWNLANDS OF ORANJEVILE 1124 WITHIN METSIMAHOLO LOCAL MUNICIPALITY	18/06/2021	18/06/2021	18/06/2023	R 1 289 725,00	2years	Not completed	AVERAGE	AVERAGE	POOR	POOR

Technical Services	D. Ramabitsa / S. Bila	MLM 09/2018/19/RFP 05	LYON AND PARTNERS (PTY) LTD	REQUEST FOR PRICE: APPOINTMENT OF A PROFESSIONAL ELECTRICAL ENGINEERING SERVICE PROVIDER FOR THE ASSESSMENT, DESIGN, CONSTRUCTION MONITORING AND COMMISSIONING OF THE ELECTRIFICATION OF THEMBA KHUBEKA FOR 2600 HOUSEHOLDS	25/06/2021	30/06/2021	31/07/2024	R 4 586 419.90	1year	Still running (F-Tech)	GOOD	GOOD	GOOD	GOOD
Technical Services	D. Ramabitsa / S. Bila	MLM 25/2020/21	KGOSIHADI TRADING AND PROJECTS 78 CC JV MZANSI WATER PTY LTD	RE-AVERTISEMENT OF CONSTRUCTION FOR UPGRADING OF ORANJEVILLE WASTEWATER TREATMENT PLANT	29/06/2021	29/06/2021	29/06/2023	R 56 488 519.29	2years	Contractor's Contract terminated, contract under legal dispute	TERMINATED	TERMINATED	TERMINATED	TERMINATED
Technical Services	D. Ramabitsa / K. Radebe	MLM 09/2020/21	VHUSO GENERAL TRADING PTY LTD	A PANEL OF THREE SERVICE PROVIDERS TO SUPPLY, DELIVERY AND OFF-LOADING OF COLD ASPHALT PREMIX (25 KG BAGS) FOR A PERIOD OF THREE YEARS ON AN AS AND WHEN REQUIRED BASIS.	25/06/2021	29/06/2021	29/06/2024	66.85 Per Unit	3years	Not completed reminder was sent to end user to submit specifications	GOOD	NO PROCUREMENT IN THIS QUARTER	GOOD	GOOD

Technical Services	D. Ramabitsa / K. Radebe	MLM 03/2020/21	1. MADITSI JAN CONSTRUCTION AND PROJECTS 2. WANGA POWER PROJECTS CC	APPOINTMENT OF MECHANICAL SUPPORT OF TWO SERVICES PROVIDERS FOR MECHANICAL, ELECTRICAL AND INSTRUMENTATION WORK REQUIRED IN MAINTAINING SEWER PUMPSTATIONS IN THE AREA OF METSIMAHOLO LOCAL MUNICIPALITY FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	03/11/2021	05/11/2021	05/11/2024	Rates	3years	Not completed	AVERAGE - MADITSI JAN CONSTRUCTION AND PROJECTS and GOOD - WANGA POWER PROJECTS CC	NO PROCUREMENT IN THIS QUARTER	GOOD - MADITSI JAN CONSTRUCTION AND PROJECTS	GOOD - WANGA POWER PROJECTS CC
Technical Services	D. Ramabitsa / K. Radebe	MLM 20/2020/21	CEDARWOOD TRADING CC	APPOINTMENT OF A PANEL OF THREE (3 MAXIMUM) SERVICE PROVIDERS FOR ASPHALT ROAD PATCHING WITHIN THE AREA OF METSIMAHOLO FOR A PERIOD OF THREE (3) YEARS ON AN AS AND WHEN REQUIRED BASIS.	03/11/2021	05/11/2021	05/11/2024	Rates	3years	contract terminated the director of the company passed away	SERVICE PROVIDER DECEASED	SERVICE PROVIDER DECEASED	SERVICE PROVIDER DECEASED	SERVICE PROVIDER DECEASED

Technical Services	D. Ramabitsa / S. Bila	MLM 30/2018/19/RFP 04 PART C	ENGINEERING ADVICE AND SERVICES PTY LTD	REQUEST FOR PRICE: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE CONSTRUCTION OF PAVED ROADS AND STORMWATER CHANNELS IN ZAMDELA WARD 10 PHASE 02	24/11/2021	24/11/2021	03/12/2022	R 835 705,00	n/a	Project completed (Rantoa)	AVERAGE	CONTRACT ENDED	CONTRACT ENDED	CONTRACT ENDED
Financial Services	F. Marekа / C. Mohomane	RFP 01/2021/22/RFP 01 PART B	1. MBD CONSULTING PTY LTD 2. MAXIMUM PROFIT RECOVERY PTY LTD 3. PK FINANCIAL CONSULTING CC	REQUEST FOR PROPOSALS – APPOINTMENT OF PANEL OF CONSULTANTS TO PROVIDE AND IMPLEMENT TURNAROUND SOULTIONS ON IDENTIFIED PROJECTS ON A RISK BASIS FOR A PERIOD OF 3 YEARS.	29/04/2022	09/05/2022	09/05/2025	Panel	3years	Panel is currently in place	N/A	N/A	N/A	N/A
Technical Services	D. Ramabitsa / S. Bila	MLM 10/2021/22	MACHO CONSTRUCTION GROUP	CONSTRUCTION OF AMELIA CEMETERY	02/12/2021	02/12/2021	02/06/2022	R 7 963 967,41	6months	Contract Terminated January 2023 due to poor performance	TERMINATED	TERMINATED	TERMINATED	TERMINATED
Technical Services	D. Ramabitsa / S. Bila	MLM 13/2021/22	RANTOA SERVICE PROVIDER CC	RE-ADVERT: CONSTRUCTION OF BLOCK PAVED ROADS AND STORMWATER CHANNELS IN METSIMAHOLO WARD 5	12/05/2022	12/05/2022	12/12/2022	R 10 198 132,33	7months	Completed in September 2023	EXCELLENT	CONTRACT ENDED	CONTRACT ENDED	CONTRACT ENDED

Technical Services	D. Ramabitsa / S. Bila	MLM 23/2021/22	NSK ELECTRICAL JV F-TECH SERVICES	RE-ADVERT: CONSTRUCTION OF THEMBA KUBHEKA BULK ELECTRICAL SUPPLY FULL PHASE (VAALDAM SUBSTATION UPGRADE & RETICULATION)	25/05/2022	25/05/2022	31/07/2024	R 83 203 310,59	7months	Still running	EXCELLENT	AVERAGE	AVERAGE	AVERAGE
Financial Services	F. Marekа / C. Mohomane	MLM 25/2021/22	LATERAL UNISON INSURANCE BROKERS (PTY) LTD	REQUEST FOR PROPOSAL: SHORT TERM INSURANCE FOR A PERIOD OF 36 MONTHS (1 JULY 2022 – 30 JUNE 2025)	01/07/2022	04/07/2022	30/06/2025	R 2 599 156.00	36months	New	AVERAGE	AVERAGE	FAIR	POOR
Technical Services	D. Ramabitsa / K. Mvulane	MLM 27/2021/22	1. F-TECH SERVICE (PTY) LTD 2. SETLHARE GROUP (PTY) LTD 3. DOTCOM TRADING 318 (PTY) LTD	APPOINTMENT OF THREE SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF ELECTRICAL MATERIAL FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	08/09/2022	14/09/2022	14/09/2025	Rates	3years	New	FAIR - FTECH SERVICES and GOOD - DOTCOM TRADING	FAIR - FTECH SERVICES and GOOD - DOTCOM TRADING	FAIR - FTECH SERVICES and GOOD - DOTCOM TRADING	FAIR - FTECH SERVICES & SETHLARE GROUP and GOOD - DOTCOM TRADING
Financial Services	F Marekа / C. Mohomane	MLM 24/2021/22	AMALGAMATED BANK OF SOUTH AFRICA (ABSA)	RENDERING OF BANKING SERVICES FOR METSIMAHOLO LOCAL MUNICIPALITY FOR A PERIOD OF 60 MONTHS. COMMERCIAL BANKS REGISTERED IN TERMS OF BANK ACT, NO 94 OF 1990	31/10/2022	01/11/2022	31/10/2027	Rates	5years	New	GOOD	GOOD	GOOD	GOOD

Municipal Manager's Office	S. Kobedi / S. Mokoena	MLM 02/2022/23	ISIDINGO SECURITY SERVICES	APPOINTMENT FOR PROVISION OF SECURITY SERVICES FOR THE MUNICIPALITY RENEWABLE ANNUALLY FOR A PERIOD OF THREE YEARS	23/11/2022	01/12/2022	30/11/2025	Rates	3years	Contract terminated as they were awarded the tender unfairly	NOT SUBMITTED	NOT SUBMITTED	TERMINATED	TERMINATED
Financial Services	L. Radebe	MLM 03/2022/23	1. TTM TRADING AND PROJECTS (PTY) LTD	RE-ADVERT: APPOINTMENT OF A PANEL OF TWO SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF FUEL (PETROL AND DIESEL) FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	04/01/2023	04/01/2023	04/01/2026	Wholesale Price Petrol - R0.20 discount Diesel - R0.71 discount	3years	Not completed/ contract terminated due to poor perfomance	POOR	TERMINATED	TERMINATED	TERMINATED
Financial Services	F. Mareka / L. Radebe	MLM 03/2022/23	1. LAURIE PETROLEUM AND LUBRICANTS (PTY) LTD	RE-ADVERT: APPOINTMENT OF A PANEL OF TWO SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF FUEL (PETROL AND DIESEL) FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	04/01/2023	25/01/2023	25/01/2026	**DIESEL**: R 28.56 **PETROL :** R 24.76	3years	Not completed	AVERAGE	GOOD	GOOD	AVERAGE

Technical Services	D. Ramabitsa / S. Bila	MLM 07/2022/23	**DISCIPLINE 1**: 1. Big Pun Consulting Engineers 2. MAP Africa Consulting Engineering Cc 3. Lihuzu Projects (Pty) Ltd 4. Luvhengo Consulting Engineering 5. Babereki Consulting 6. MMK Group 7. Engineering Aces 8. Watson Consulting Engineers 9. Batatise Consulting Engineers (Pty) Ltd 10. VIP Consulting Engineers 11. Jiyane Khupe 12. Kufanikiwa Consulting 13. Epitome Consulting 14. Sebego Maloka and Viljoen 15. Nothule Solutions 16. Speke Consulting Services 17. Project Intellects 18. Nevhutalu Consulting Engineers 19. Pule Ramasimong Development 20. Leko Engineering 21. Morula Consulting Engineers and Project Managers 22. Mzibani Consulting Engineers (Pty) Ltd 23. Hapcal Trading Cc 24. DBI Consulting Engineers 25. Mihandzu Consulting and Project Management (Pty) Ltd 26. Akwethu Engineering and Development 27. Mimisa Engineering 28. Masututsa Consulting (Pty) Ltd 29. Sigodi Marah Martin Management Support (Pty) Ltd 30. Skotane Development	APPOINTMENT OF A PANEL PROFESSIONAL SERVICES PROVIDER (PSP) TO RENDER PROFESSIONAL 5 MULTIDISCIPLINARY SERVICE COVERING: ROADS AND STORMWATER, WATER AND SANITATION (RETICULATION AND BULK LINE), WATER AND SANITATION (TREATMENT PLANS AND PUMP STATION) STRUCTURAL BUILDING, CONTRACT AND PROJECT MANAGEMENT SERVICES, FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	15/12/2022	15/12/2022	15/12/2025	n/a	3years	still running	N/A	N/A	N/A	N/A

			Consultants (Pty) Ltd 31. Hlanganani Engineers												

Technical Services	D. Rama bitsa / S. Bila	MLM 07/2022/23	**DISCIPLINE 2:** 1. Engineering Cc 2. Watson Consulting Engineers 3. Zutari (Pty) Ltd 4. Jiyane Khupe 5. Kufanikiwa Consulting 6. Sebego Maloka and Viljoen 7. Fenwick Consulting (Pty) Ltd 8. Mzibani Consulting Engineers (Pty) Ltd 9. Mihandzu Consulting and Project Management (Pty) Ltd 10. Skotane Development Consultants (Pty) Ltd	APPOINTMENT OF A PANEL PROFESSIONAL SERVICES PROVIDER (PSP) TO RENDER PROFESSIONAL 5 MULTIDISCIPLINARY SERVICE COVERING: ROADS AND STORMWATER, WATER AND SANITATION (RETICULATION AND BULK LINE), WATER AND SANITATION (TREATMENT PLANS AND PUMP STATION) STRUCTURAL BUILDING, CONTRACT AND PROJECT MANAGEMENT SERVICES, FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	15/12/2022	15/12/2022	15/12/2025	n/a	3years	still running	N/A	N/A	N/A	N/A

Technical Services	D. Rama bitsa / S. Bila	MLM 07/2022/23	**DISCIPLINE 3:** 1. Lihuzu Projects (Pty) Ltd 2. Zutari (Pty) Ltd 3. VIP Consulting Engineers 4. Kufanikiwa Consulting 5. Pule Ramasimong Development 6. Leko Engineering 7. Fenwick Consulting (Pty) Ltd 8. Akwethu Engineering and Development 9. Mimisa Engineering	APPOINTMENT OF A PANEL PROFESSIONAL SERVICES PROVIDER (PSP) TO RENDER PROFESSIONAL 5 MULTIDISCIPLINARY SERVICE COVERING: ROADS AND STORMWATER, WATER AND SANITATION (RETICULATION AND BULK LINE), WATER AND SANITATION (TREATMENT PLANS AND PUMP STATION) STRUCTURAL BUILDING, CONTRACT AND PROJECT MANAGEMENT SERVICES, FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	15/12/2022	15/12/2022	15/12/2025	n/a	3years	Still running	N/A	N/A	N/A	N/A

Technical Services	D. Ramabitsa / S. Bila	MLM 07/2022/23	**DISCIPLINE 4:** 1. Big Pun Consulting Engineers 2. MAP Africa Consulting Engineering Cc 3. Lihuzu Projects (Pty) Ltd 4. Phecron Engineering Group 5. Luvhengo Consulting Engineering 6. Babereki Consulting 7. MMK Group 8. Nemorago Consulting 9. Baitsenape Consulting 10. Engineering Aces 11. Watson Consulting Engineers 12. Batatise Consulting Engineers (Pty) Ltd 13. Jiyane Khupe 14. Kufanikiwa Consulting 15. Epitome Consulting 16. Sebego Maloka and Viljoen 17. Nothule Solutions 18. Dipabala Solutions 19. Hloyeleni Consulting 20. Dikgabo Consulting 21. T2 Tech Engineers (Pty) Ltd 22. Nevhutalu Consulting Engineers 23. Pule Ramasimong Development 24. Leko Engineering 25. Mhiduve (Pty) Ltd 26. Kabe Consulting Engineers 27. Morula Consulting Engineers and Project Managers 28. Mzibani Consulting Engineers (Pty) Ltd 29. Hapcal Trading Cc 30. Mihandzu Consulting and Project Management (Pty) Ltd 31. Akwethu Engineering and Development 32. 2 BLN Engineering 33. Masututsa Consulting (Pty) Ltd	APPOINTMENT OF A PANEL PROFESSIONAL SERVICES PROVIDER (PSP) TO RENDER PROFESSIONAL 5 MULTIDISCIPLINARY SERVICE COVERING: ROADS AND STORMWATER, WATER AND SANITATION (RETICULATION AND BULK LINE), WATER AND SANITATION (TREATMENT PLANS AND PUMP STATION) STRUCTURAL BUILDING, CONTRACT AND PROJECT MANAGEMENT SERVICES, FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	15/12/2022	15/12/2022	15/12/2025	n/a	3years	Not completed	N/A	N/A	N/A	N/A

			34. Mavuyisi Trading and Projects 35. Sigodi Marah Martin Management Support (Pty) Ltd 36. Skotane Development Consultants (Pty) Ltd 37. Hlanganani Engineers 38. Calliper Consulting Engineers											

Technical Services	D. Ramabitsa / S. Bila	MLM 07/2022/23	**DISCIPLINE 5:** 1. MAP Africa Consulting Engineering Cc 2. Lihuzu Projects (Pty) Ltd 3. Babereki Consulting 4. MMK Group 5. Nemorago Consulting 6. Engineering Aces 7. Prana Consulting 8. Watson Consulting Engineers 9. Mariba Consulting 10. Kufanikiwa Consulting 11. Sebego Maloka and Viljoen 12. Nothule Solutions 13. Speke Consulting Services 14. T2 Tech Engineers (Pty) Ltd 15. Nevhutalu Consulting Engineers 16. Pule Ramasimong Development 17. Leko Engineering 18. Akwethu Engineering and Development	APPOINTMENT OF A PANEL PROFESSIONAL SERVICES PROVIDER (PSP) TO RENDER PROFESSIONAL 5 MULTIDISCIPLINARY SERVICE COVERING: ROADS AND STORMWATER, WATER AND SANITATION (RETICULATION AND BULK LINE), WATER AND SANITATION (TREATMENT PLANS AND PUMP STATION) STRUCTURAL BUILDING, CONTRACT AND PROJECT MANAGEMENT SERVICES, FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	15/12/2022	15/12/2022	15/12/2025	n/a	3years	Not completed	N/A	N/A	N/A	N/A
Technical Services	D. Ramabitsa / S. Bila	MLM 07/2022/23/ RFP 01 DISCIPLINE 4	EPITOME CONSULTING CC	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE CONSTRUCTION OF PAVED ROADS AND STORMWATER CHANNELS IN GORTIN PHASE 1	23/12/2022	23/12/2022	30/06/2024	R 1 502 245.00	18months	Project completed (Wa Road)	N/A	AVERAGE	AVERAGE	GOOD

Technical Services	D. Ramabitsa / S. Bila	MLM 07/2022/23/ RFP 02 DISCIPLINE 4	PHECRON ENGINEERING	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE CONSTRUCTION OF PAVED ROADS AND STORMWATER CHANNELS IN ZAMDELA WARD 8 PHASE 2	23/12/2022	26/12/2022	31/07/2024	R 1 622 535.00	19months	Project completed (Nkonki Brands JV)	N/A	AVERAGE	AVERAGE	AVERAGE
Technical Services	D. Ramabitsa / S. Bila	MLM 07/2022/23/ RFP 01 DISCIPLINE 3	PULE RAMASIMONG DEVELOPMENT CONSULTANT AND PROJECT MANAGERS	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE UPGRADING OF SASOLBURG PUMP STATION	23/12/2022	23/12/2022	31/07/2024	R 1 754 675.00	1year	Still running (Mawandla)	GOOD	AVERAGE	AVERAGE	AVERAGE
Financial Services	F. Marekа / C. Mohomane	RFP 01/2021/22/RFP 01 PART B - 1	MAXIMUM PROFIT RECOVERY (PTY) LTD	DUE DILIGENCE REPORT ON VALUE ADDED TAX REVIEW FOR METSIMAHOLO LOCAL MUNICIPALITY	04/01/2023	04/01/2023	04/01/2024	Rates	1 year	Completed	GOOD	GOOD	GOOD	GOOD

LED & URBAN PLANNING	M. Tlhapane / T. Phakoe	MLM 08/2022/23	1. KAMOHELO LAND MANAGEMENT CONSULTANTS (PTY) LTD 2. MAHLORI DEVELOPMENT CONSULTANTS 3. LIBERTY TOWN PLANNERS (PTY) LTD 4. ACUTE INNOVATION (PTY) LTD 5. ISIBUKO DEVELOPMENT PLANNERS CC 6. TECHNIPLANO 7. JIYANE KHUPHE (PTY) LTD 7. DEVELOPMENT STRATEGISTS (PTY) LTD 8. NASH PLANNING AND CIVIL CONSTRUCTION (PTY) LTD 9. HOME-GROWN SPATIAL SOLUTIONS (PTY) LTD 10. ET BIKITSHA LAND SURVEYORS 11. EMENDO PROJECT MANAGERS (PTY) 12. PFUKANI-KUSILE CONSULTING LTD 13. WE RENDER SOLUTIONS (PTY) LTD	APPOINTMENT OF A PANEL OF CONSULTANTS FOR TOWN PLANNING, LAND SURVEYING, ARCHITECTURAL SERVICES, GEOTECHNICAL INVESTIGATION, ENVIRONMENTAL IMPACT ASSESSMENT, WITHING METSIMAHOLO LOCAL MUNICIPALITY FOR THREE YEARS.	24/02/2023	24/02/2023	24/02/2026	n/a	3years	Appointed Panel	N/A	N/A	N/A	N/A
All Department	All Directories	MLM 09/2022/23	1. MAKEBOLA FAMILY TREE (PTY) LTD 2. IMVELAPHI TRADING ENTERPRISES CC 3. MCJ GROUP (PTY) LTD 4. PLM AFRIKA (PTY) LTD	APPOINTMENT OF A PANEL OF FOUR SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF CLEANING MATERIALS FOR METSIMAHOLO LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF THREE YEARS	07/03/2023	09/03/2023	09/03/2026	Rates	3years	new	GOOD - MCJ GROUP, PLM AFRIKA, MAKEBOLA FAMILY TREE and IMVELAPHI TRADING	GOOD - PLM AFRIKA, MAKEBOLA FAMILY TREE and IMVELAPHI TRADING	NO PROCUREMENT IN THIS QUARTER	EXCELLENT - MAKEBOLA FAMILY TREE

Technical Services	D. Ramabitsa / K. Radebe	MLM 04/2022/23	1. VHUSO GENERAL TRADING (PTY) LTD 2. BOLLE TECHNOLOGIES CC 3. TIBI TRANSPORT AND PROJECTS CC 4. DALITRAX (PTY) LTD 5. POUND HOLDINGS (PTY) LTD 6. LIMPHO PROJECTS (PTY) LTD	APPOINTMENT OF A PANEL TO SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF PLUMBING MATERIAL FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	07/03/2023	09/03/2023	09/03/2026	Rates	3years	new	GOOD - TIBI TRANSPORT AND PROJECTS CC and LIMPHO PROJECTS (PTY) LTD	GOOD - TIBI TRANSPORT AND PROJECTS CC, LIMPHO PROJECTS (PTY) LTD and POUND HOLDINGS (PTY)	GOOD - TIBI TRANSPORT AND PROJECTS CC and DALITRAX (PTY) LTD and AVERAGE - POUND HOLDINGS (PTY)	AVERAGE - POUND HOLDINGS (PTY) and LIMPHO PROJECTS (PTY) LTD
Financial Services	F. Mareka / C. Scheepers	MLM 12/2022/23	UTILITIES WORLD (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR PROVISION OF THE ONLINE VENDING SYSTEM AND THIRD-PARTY VENDING FOR A PERIOD OF THREE YEARS	07/03/2023	07/03/2023	07/03/2026	1.6 Pecentage	3years	new	GOOD	GOOD	GOOD	GOOD
Technical Services	D. Ramabitsa / S. Bila	MLM 07/2022/23/ RFP 01 DISCIPLINE 2	WATSON CONSULTING ENGINEERS (PTY) LTD	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE UPGRADING OF ORANJEVILLE WTW PHASE 02	10/03/2023	10/03/2023	Based on the Contractor appointment	R 3 196 988.41	multi-year	still running (Best Enough)	GOOD	AVERAGE	AVERAGE	AVERAGE
Technical Services	D. Ramabitsa / S. Bila	MLM 07/2022/23/ RFP 01 DISCIPLINE 1	LEKO ENGINEERING CONSULTANTS CC	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE CONSTRUCTION OF TOILETS IN GORTIN PHASE 1	10/03/2023	10/03/2023	Based on the Contractor appointment	R 3 377 856.00	multi-year	Still running (Belac JV Add Love)	GOOD	GOOD	AVERAGE	AVERAGE

Technical Services	D. Ramabitsa / S. Bila	MLM 07/2022/23/ RFP 01 DISCIPLINE 5	BATATISE CONSULTING ENGINEERS (PTY) LTD	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE CONSTRUCTION OF REFENGKGOTSO SPORTS COMPLEX PHASE II	08/03/2023	15/03/2023	Based on the Contractor appointment	R 1 462 989.00	multi-year	Contractor not appointed	N/A	EXCELLENT	EXCELLENT	EXCELLENT
Technical Services	D. Ramabitsa / S. Bila	MLM 18/2022/23	WA ROAD CONSTRUCTION	APPOINTMENT OF A CONTRACTOR FOR THE CONSTRUCTION OF BLOCK PAVED ROADS AND STORMWATER IN GORTIN TOWNSHIP WARD 01	15/05/2023	15/05/2023	15/05/2024	R 16 239 233.68	1year	Project completed	GOOD	AVERAGE	AVERAGE	GOOD
Technical Services	D. Ramabitsa / S. Bila	MLM 19/2022/23	NKONKI BRANDS (PTY) LTD JV NTUANES BUSINESS SOLUTIONS (PTY) LTD	APPOINTMENT OF A CONTRACTOR FOR THE CONSTRUCTION OF BLOCK PAVED ROADS AND STORMWATER IN ZAMDELA TOWNSHIP WARD 08	19/05/2023	22/05/2023	22/05/2024	R 17 191 345.00	1year	Project completed	POOR	AVERAGE	AVERAGE	AVERAGE
Technical Services	D. Ramabitsa / S. Bila	MLM 20/2022/23	TRUE MOTIVES 1262 CC	APPOINTMENT OF A CONTRACTOR FOR RECOMMENCEMENT OF CONSTRUCTION OF AMELIA CEMETERY	10/05/2023	11/05/2023	11/05/2024	R 7 922 077.09	1year	Construction Stopped due to lack of funds, Awaiting approval of budget maintance	EXCELLENT	N/A	N/A	N/A

										(True Motives)				
Financial Services	F. Mareka / N. Motloung	MLM 23/2022/23	**PART A**: 1. SKILLZ SA CONSULTING AND ADVISORY (PTY) LTD 2. MMB CONSULTING INC **PART B:** 1. INFRATEC CONSULTING (PTY) LTD	**PART A:** APPOINTMENT OF A PANEL OF CONSULTANT TO ASSIST WITH PREPARATION OF ANNUAL FINANCIAL STATEMENT PART B: APPOINTMENT OF A SERVICE PROVIDER FOR COMPILATION OF FIXED ASSETS REGISTER FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS **PART B:** APPOINTMENT OF A SERVICE PROVIDER FOR COMPILATION OF FIXED ASSETS REGISTER FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	08/06/2023	08/06/2023	08/06/2026	Rates	3years	panel	N/A	N/A	N/A	N/A

Financial Services	F. Mareka / N. Motloung	MLM 23/2022/23	SKILLZ SA CONSULTING AND ADVISORY (PTY) LTD	**PART A:** APPOINTMENT OF A PANEL OF CONSULTANT TO ASSIST WITH PREPARATION OF ANNUAL FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	08/06/2023	08/06/2023	08/06/2026	Rates	3 year	Work only started in June 2023/2024 until November when audit is completed	POOR	FAIR	N/A	N/A
Financial Services	M. Mosai	MLM 23/2022/23	INFRATEC CONSULTING (PTY) LTD	**PART B:** APPOINTMENT OF A SERVICE PROVIDER FOR COMPILATION OF FIXED ASSETS REGISTER FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	08/06/2023	08/06/2023	08/06/2026	Rates	3years	Contract terminated - not satisfied with their perfomance	POOR	FAIR	CONTRACT TERMINATED	CONTRACT TERMINATED
All Department	All Directories	MLM 25/2022/23	MOLOKO O MOTJHA (PTY) LTD	APPOINTMENT OF PANEL OF SERVICE PROVIDERS FOR LEASING OF MACHINERY/PLANT FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	08/06/2023	08/06/2023	08/06/2026	**RATES**: 1. Motor Grader 12 ton 2. Motor Grader 40 ton 3. Track type excavator 20 ton 4. TLB 6 ton 5. Vibrating Roller 6. Tipper Truck 10m3 7. Tipper truck 6m3 8.Front end Loader	3years	new	AVERAGE	AVERAGE	NO PROCUREMENT IN THIS QUARTER	NO PROCUREMENT IN THIS QUARTER

								12 ton 9.TLB 6 Ton 4*4						
All Department	All Directories	MLM 25/2022/23	AQUA TRANSPORT AND PLANT HIRE (PTY) LTD	APPOINTMENT OF PANEL OF SERVICE PROVIDERS FOR LEASING OF MACHINERY/PLANT FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	08/06/2023	08/06/2023	08/06/2026	**RATES:** 1. Motor Grader 12 ton 2. Motor Grader 40 ton 3. Water Tanker 10 000L 4. TLB 6 ton 5. Vibrating Roller 6. Low Bed 32 ton 7. Tipper Truck 10m3 8.Front end Loader 12 ton 9. Cherry Picker 17m upwards 10. Cherry picker 13.5m upward 11. Refuse Compactor 22m3 cubes 12. TLB 6 Ton 4*4	3years	new	NO PROCUREMENT IN THIS QUARTER	NO PROCUREMENT IN THIS QUARTER	NO PROCUREMENT IN THIS QUARTER	NO PROCUREMENT IN THIS QUARTER

All Department	All Directories	MLM 25/2022/23	NJILO CONSULTING AND LOGISTICS (PTY) LTD	APPOINTMENT OF PANEL OF SERVICE PROVIDERS FOR LEASING OF MACHINERY/PLANT FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	08/06/2023	08/06/2023	08/06/2026	**RATES:** 1. Motor Grader 12 ton 2. Motor Grader 40 ton 3. Water Tanker 10 000L 4. TLB 6 ton 5. Vibrating Roller 6. Low Bed 32 ton 7. Tipper Truck 10m3 8. Tipper truck 6m3 9. Front end Loader 12 ton 10. Cherry Picker 17m upwards 11. Cherry picker 13.5m upward 12. Landfill Compactor 25ton 13. Refuse Compactor 22m3 cubes 14. Bulldozer D6	3years	new	NO PROCUREMENT IN THIS QUARTER	GOOD	GOOD	GOOD

Technical Services	D. Ramabitsa / K. Radebe	MLM 32/2022/23	PELEPELE INVESTMENT (PTY) LTD	APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO CLEAN SEWER PUMP STATIONS AND UNBLOCK OF SEWER AND STORMWATER PIPELINES FOR A PERIOD OF THREE (3) YEARS ON AN AS AND WHEN REQUIRED BASIS	24/10/2023	25/10/2023	25/10/2026	Rates	3years	new	N/A	NEW CONTRACT	NO PROCUREMENT IN THIS QUARTER	AVERAGE
Corporate Services	E. Sediane / M. Rapuleng	MLM 33/2022/23	WAKABA AND PARTNERS INC	APPOINTMENT OF A PANEL OF ATTORNEYS TO RENDER LEGAL SERVICES FOR METSIMAHOLO LOCAL MUNICIPALITY FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS. **DISCIPLINE:** 1. Labour Dispute, 2. Civil Litigation & 3. Property Law and Town Planning	27/10/2023	30/10/2023	30/10/2026	Rates	3years	new	N/A	NO PROCUREMENT IN THIS QUARTER	NO PROCUREMENT IN THIS QUARTER	NO PROCUREMENT IN THIS QUARTER

Corporate Services	E. Sediane / M. Rapuleng	MLM 33/2022/23	LIZEL VENTER ATTORNEYS	APPOINTMENT OF A PANEL OF ATTORNEYS TO RENDER LEGAL SERVICES FOR METSIMAHOLO LOCAL MUNICIPALITY FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS. **DISCIPLINE:** 1. Labour Dispute	27/10/2023	31/10/2023	31/10/2026	Rates	3years	new	N/A	NO PROCUREMENT IN THIS QUARTER	NO PROCUREMENT IN THIS QUARTER	NO PROCUREMENT IN THIS QUARTER
Corporate Services	E. Sediane / M. Rapuleng	MLM 33/2022/23	NTLERU INC ATTORNEYS	APPOINTMENT OF A PANEL OF ATTORNEYS TO RENDER LEGAL SERVICES FOR METSIMAHOLO LOCAL MUNICIPALITY FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS. **DISCIPLINE:** 1. Labour Dispute & 2. Advisory	27/10/2023	02/11/2023	02/11/2026	Rates	3years	new	N/A	GOOD	GOOD	GOOD
Technical Services	D. Ramabitsa / S. Bila	MLM 01/2023/24	MAWANDLA MAINTENANCE AND PROJECTS	APPOINTMENT OF A CONTRACTOR FOR THE UPGRADING OF SASOLBURG WATER PUMP STATION	12/12/2023	13/12/2023	13/12/2024	R 10 227 341.00	1year	still running	N/A	NEW CONTRACT	AVERAGE	AVERAGE

Technical Services	D. Ramabitsa / S. Bila	MLM 02/2023/24	BEST ENOUGH TRADING AND PROJECTS 398	APPOINTMENT OF A CONTRACTOR FOR UPGRADING OF ORANJEVILLE WATER TREATMENT PLANT (WORK PACKAGE 1)	14/12/2023	18/12/2023	18/12/2023	R 15 617 000.00	1year	still running	N/A	AVERAGE	AVERAGE	AVERAGE
All Department	S. Mokoena / M. Moshodi	MLM 04/2023/24	1. KWANDZA LOGISTICS (PTY) LTD 2. MOLIBELI (PTY) LTD 3. XISEBENENE PROJECTS (PTY) LTD 4. MOLELEMANE CONSTRUCTION & PROJECTS CC 5. GNE HOLDINGS (PTY) LTD	APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING FOR METSIMAHOLO LOCAL MUNICIPALITY FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS.	12/02/2024	12/02/2024	12/022027	Rates	3years	new	N/A	N/A	NEW CONTRACT	EXCELLENT - KWANDZA LOGISTICS, MOLELEMANE CONSTRUCTION & PROJECTS and GNE HOLDINGS
Municipal Manager's Office	N. Kobeli / G. Nhlapo	MLM 05/2023/24	ALICOM (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNET, BULK SMS SERVICES, VoIP AND CLOUD HOSTED BBX SERVICES FOR A PERIOD OF THREE YEARS	18/01/2024	22/01/2024	22/01/2027	Rates	3years	new	N/A	N/A	NEW CONTRACT	GOOD

All Department	S. Mokoena / M. Moshodi	MLM 08/2023/24	NJILO CONSULTING & LOGISTICS (PTY) LTD	APPOINTMENT OF A PANEL OF MAXIMUM FIVE (05) SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND INSTALLATION OF NEW TYRES, WHEELS SERVICES AND BATTERIES FOR A PERIOD OF THREE (03) YEARS ON AS AND WHEN REQUIRED BASIS.	08/03/2024	12/03/2024	12/03/2027	Rates	3years	new	N/A	N/A	NEW CONTRACT	GOOD
Technical Services	D. Ramabitsa / K. Radebe	MLM 09/2023/24	1. TIBI TRANSPORT AND PROJECTS CC 2. MAJAVA WATER CHEMICALS (PTY) LTD 3. SHIRONA (PTY) LTD 4. IFA LETHU TECHNOLOGIES CC	**PART A:** APPOINMENT OF A PANEL SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF SODIUM HYPOCHLORITE AND CHLORINE HTH SCIENTIFIC GRANULAR WATER AND WASTEWATER TREATMENT CHEMICALS FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	11/03/2024	12/03/2024	12/03/2027	Rates	3years	new	N/A	N/A	NEW CONTRACT	GOOD - MAJAVA WATER CHEMICALS (PTY) LTD

Technical Services	D. Ramabitsa / K. Radebe	MLM 09/2023/24	MAJAVA WATER CHEMICALS (PTY) LTD	**PART B:** SUPPLY, DELIVERY AND OFF-LOADING OF SUDFLOC 3535 OR EQUIVALENT WATER AND WASTEWATER TREATMENT CHEMICAL FOR THE PERIOD OF THREE (03) YEARS ON AS AND WHEN REQUIRED BASIS.	11/03/2024	12/03/2024	12/03/2027	R 22 875.00 TON	3years	new	N/A	N/A	NEW CONTRACT	GOOD
Social Services	S. Mokoena / M. Moshodi	MLM 10/2023/24	IMVELAPHI TRADING ENTERPRISES CC	APPOINTMENT OF A PANEL OF MAXIMUM FIVE SERVICE PROVIDERS FOR (GRASS CUTTING SERVICES) GREEN BELTS MAINTENANCE AND CLEAN UP FOR A PERIOD OF THREE YEARS ON AS AND WHEN REQUIRED BASIS	06/03/2024	06/03/2024	06/03/2027	Rates	3years	new	N/A	N/A	NEW CONTRACT	GOOD
Office of the municipal manager	S. Kobedi / S. Mokoena	Deviation	WHITE LEOPARD	Provision for security services for the municipality	01/12/2023	01/12/2023	29/02/2024	Rates	3 months	Isidingo contract was terminated and white leopard was appointed on deviation until the new contractor is appointed (The	N/A	N/A	GOOD	GOOD

										tender is still on advert) Contract is extended unti the tender process is finalised by end of April.				
Technical Services	D. Ramabitsa / K. Radebe	MOU	SASOL INFRACHEM	Domestic sewer and Effluent	MOU	MOU	MOU	Rates	multi-year	multi-year	GOOD	GOOD	GOOD	GOOD
Technical Services	D. Ramabitsa / K. Radebe	MLM 07/2022/23 DISCIPLINE 4 RFP02	NEVHUTALO CONSULTING ENGINEERS	REQUEST FOR PRICE: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE RESEALING OF ROADS IN SASOLBURG AND VAALPARK.	23/05/2024	24/05/2024	30/06/2024	R 352 469.25	6weeks	new	N/A	N/A	N/A	GOOD
Technical Services	D. Ramabitsa / K. Radebe	MLM 07/2022/23 DISCIPLINE 4 RFP03	SKOTANE DEVELOPMENT CONSULTANTS (PTY) LTD	REQUEST FOR PRICE: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE RESEALING OF ROADS IN ZAMDELA.	23/05/2024	24/05/2024	30/06/2024	R 537 625.00	6weeks	new	N/A	N/A	N/A	AVERAGE

Technical Services	D. Ramabitsa / K. Radebe	MLM 07/2022/23 DISCIPLINE 4 RFP04	LUVHENGO CONSULTING ENGINEERS	REQUEST FOR PRICE: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE THE RESEALING OF ROADS IN DENEYSVILLE AND ORANJEVILLE	23/05/2024	24/05/2024	30/06/2024	R 468 935.00	6weeks	new	N/A	N/A	N/A	GOOD
Technical Services	D. Ramabitsa / K. Radebe	MLM 07/2022/23 DISCIPLINE 4 RFP05	MAP AFRICA CONSULTING ENGINEERS	REQUEST FOR PRICE: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO DESIGN, SUPERVISE AND MANAGE CONSTRUCTION OF NEW GRAVEL ROADS IN ZAMDELA EXTENSIONS, REFENGKGOTSO, THEMBA KHUBEKA AND METSIMAHOLO.	23/05/2024	24/05/2024	23/09/2024	R 439 064.75	4months	new	N/A	N/A	N/A	GOOD

Technical Services	D. Ramabitsa / S. Bila	MLM 23/2023/24	BELAC MEDIA & PROJECTS / ADD LOVE JV	RE-ADVERT: APPOINTMENT OF A 7 CE/GB OR HIGHER CIDB REGISTERED CONTRACTOR FOR THE CONSTRUCTION OF TOILETS AND SEWER NETWORK REPAIR IN GORTIN PHASE 1.	03/06/2024	03/06/2024	03/06/2025	R 40 623 763.77	1years	new	N/A	N/A	N/A	NEW CONTRACT
Social Services	M. Ramotso / S. Mokoena	MLM12/2023/24	1. SUNDAY KIT UNIFORM SUPPLIES CC 2. NU-PSYC MARKETING CC 3. BRITE IDEAS INVESTMENT (PTY) LTD 4. GNE HOLDINGS (PTY) LTD	RE-ADVERT APPOINTMENT OF A PANEL FOR SUPPLY AND DELIVERY OF UNIFORM (PPE) ON AS AND WHEN REQUIRED BASIS FOR A PERIOD OF THREE YEARS, PART A: TRAFFIC OFFICERS; PART B: BY-LAWS OFFICERS AND PART C: FIRE DEPARTMENT	27/06/2024	01/07/2024	30/06/2027	Rates	3,years	new	N/A	N/A	N/A	NEW CONTRACT

LED & URBAN PLANNING	M. Tlhapane / T. Phakoe	MLM 08/2022/23 RFP01	WE RENDER SOLUTIONS (PTY) LTD	REQUEST FOR PRICE: READVERTISEMENT - APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER TO PREPARE THE METSIMAHOLO MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (2021/2022–2026/2027)	27/06/2024	01/07/2024	30/06/2025	R 460 000.00	1year	new	N/A	N/A	N/A	NEW CONTRACT
Municipal Manager's Office	N. Kobedi / G. Nhlapo	MLM 14/2023/24	CRESCENT TECHNOLOGY	CLOUD DISASTER RECOVERY INFRASTRUCTURE MAINTENANCE FOR PERIOD OF 36 MONTHS.	27/06/2024	01/07/2024	30/06/2027	Rates	3years	new	N/A	N/A	N/A	NEW CONTRACT
			MONTH TO MONTH CONTRACTS											
Financial Services	F. Mareka / C. Scheepers	n/a	Electro Cuts	Appointment of service provider for rendering of meter reading and credit control services for period of three years	15/10/2015	n/a	30/09/2018	Rates	3years	Contract ended running on month to month basis (SCM awaiting specifications)	AVERAGE	AVERAGE	AVERAGE	AVERAGE

Corporate Services	E. Sediane / M. Rapuleng	MLM 24/2014/15	1. Werksmans Incorporated2. Rasegoete and Associates INC3. Moroka Attorneys4. Boitumelo Maubane Attorneys5. Raphela Attorneys6. Majavu INC7. Leepile and Mbewe Incorporated8. Ndobela and Malebogo Maeyane Attorneys J/V9. Lebea Associates Attorneys10. Ponoane Attorneys (Pty) Ltd11. Nkaiseng Incorporated12. Ntsoane Attorneys13. Molenaar Griffiths Melato INC	Request for proposal – Procurement of legal entities to provide supportive legal related services on as and when required for a period of three years	22/10/2015	26/10/2015	26/10/2018	Rates	3years	Contract ended running on month-to-month basis	GOOD - 1. Boitumelo Maubane Attorneys & 2. Leepile and Mbewe Incorporated	NO PROCUREMENT IN THIS QUARTER	NO PROCUREMENT IN THIS QUARTER	GOOD - Boitumelo Maubane Attorneys & Ransford Mbewe Attorneys
Technical Services	D. Ramabitsa / K. Mvulane	n/a	Afrirent (Pty) Ltd	Appointment for Supply, Installation and Configuration of an integrated fleet management, fuel management and vehicle tracking systems for 3 years	21/01/2016	n/a	31/01/2019	Rates	3years	Contract ended running on month-to-month basis (tender has been advertised and is awaiting BAC)	GOOD	GOOD	GOOD	GOOD

Technical Services	D. Ramabitsa / K. Mvulane	MLM 10/2016/17	1. Tyre & Tube Sasolburg 2. Ramatheola Tyres (Pty) Ltd	Appointment of a service provider to supply and delivery of new tyres, wheels services and batteries on as and when required basis for a period of three years	06/06/2017	01/07/2017	30/06/2020	Rates	3years	Contract ended running on month-to-month basis (A new contract or has been appointed Njilo)	EXCELLENT - TYRE & TUBE SASOLBURG and GOOD - RAMATHEOLA TYRES	GOOD - TYRE & TUBE SASOLBURG and RAMATHEOLA TYRES	GOOD - TYRE & TUBE SASOLBURG and RAMATHEOLA TYRES	CONTRACT TERMINATED
Information & Communication Technology	G. Nhlapo	MLM 29/2017/18	LQ Technologies (Pty) Ltd	Appointment of a service provider for provision on disaster recovery and business continuity solution for Metsimaholo Local Municipality	04/10/2018	20/11/2018	20/11/2021	R 3 438 799,92	3years	New contract awarded to CRESCENT	GOOD	GOOD	GOOD	GOOD
Information & Communication Technology	G. Nhlapo	MLM 31/2017/18	Layers 3 Telecom (Pty) Ltd / Alicom (Pty) Ltd	Appointment of service provider for provision of internet services and bulk sms services for Metsimaholo Local Municipality	04/10/2018	28/11/2018	28/11/2021	R 43 222.29 per month	3years	New contract awarded to ALICOM	GOOD	GOOD	GOOD	CONTRACT TERMINATED
Technical Services	G. Nhlapo	MLM 19/2018/19	Layers 3 Telecom (Pty) Ltd / Alicom (Pty) Ltd	Appointment of a Service Provider for Wireless links Repairs and Maintenance for a period of three years on as and when required basis	03/06/2019	03/06/2019	03/06/2022	Rates	3year	Contract ended running on month-to-month basis - BSC already sit to be advertised	GOOD	GOOD	GOOD	GOOD

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Corporate Services	E. Sediane / M. Rapuleng	MLM 18/2018/19	1. Verveen Attorneys 2. Popela Maake Incorporated 3. Nchupetsang Incorporated Attorneys 4. Lawrence Melato Incorporated 5. Raphela Attorneys Incorporated 6. Ponoane Attorneys 7. Katake Attorneys 8. Khumalo Masondo Attorneys Incorporated 9. Lizel Venter Attorneys	RE-ADVERTISEMENT Appointment of a Panel of Attorneys to render a professional Legal Services for Metsimaholo Local Municipality for a period of three years on as and when required basis	25/09/2019	08/11/2019	08/11/2022	Rates	3years	Contract ended running on month-to-month basis	GOOD - 1. Lawrence Melato Incorporated 2. Ponoane Attorneys 3. Lizel Venter Attorneys	AVERAGE - RAMPHELA ATTORNEYS and GOOD - PONOANE ATTORNEYS, LIZEL VENTER ATTORNEYS and VEERVEEN ATTORNEYS	AVERAGE - RAMPHELA ATTORNEYS and GOOD - LIZEL VENTER ATTORNEYS	AVERAGE - Raphela Attorneys and GOOD - Lawrence Melato Attorneys, Ponoane Attorneys & Lizel Venter Attorneys
Technical Servies	D. Ramabitsa / K. Radebe	MLM 08/2019/20	PM101 Business Enterprise and Projects	RE-ADVERTISEMENT Appointment of a Service Provider for Night Soil/ Sewerage Buckets Removal in Refengkgotso for a period of three years on as and when required basis	28/10/2019	29/10/2019	29/10/2022	R 58.00 Monthly per Household	3years	Contract ended running on month-to-month basis - BSC already sit to be advertised	GOOD	GOOD	GOOD	GOOD

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Appendix I: Municipal Entity/Service Provider Performance Schedule

Table A15: Municipal Entity/Service Provider Performance Schedule

No Municipal Entity

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Appendix J: Disclosure of Financial Interest

Table A16: Disclosure of Financial Interest

Register of Declaration of Financial Interests as at 30 June 2024				
Surname	**Names**	**Name of Business & Registration Number**	**Address of Business**	**Association with the Business**
NONE			-	-

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Appendix K: Revenue Collection Performance

Appendix K (i): Revenue Collection Performance by Vote

Table A17: Revenue Collection Performance by Vote

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FS204 Metsimaholo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Executive & Council		–	–	–	–	–	–	–		–
Vote 02 - Municipal Manager		2 312	3 247	3 247	1 031	3 148	3 247	(99)	-3,1%	3 247
Vote 03 - Corporate Services		1 065	818	828	(580)	205	828	(623)	-75,2%	828
Vote 04 - Social Services		84 840	74 994	68 041	8 527	70 394	68 041	2 353	3,5%	68 041
Vote 05 - Technical Services		1 061 265	1 305 857	1 346 913	(42 606)	1 171 538	1 346 913	(175 375)	-13,0%	1 346 913
Vote 06 - Financial Services		471 717	491 703	599 947	30 032	545 736	599 947	(54 211)	-9,0%	599 947
Vote 07 - Local Economic Development And Planning		7 438	22 895	23 895	618	7 589	23 895	(16 306)	-68,2%	23 895
Vote 08 -		–	–	–	–	–	–	–		–
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**1 628 637**	**1 899 514**	**2 042 871**	**(2 978)**	**1 798 610**	**2 042 871**	**(244 261)**	**-12,0%**	**2 042 871**
Expenditure by Vote	1									
Vote 01 - Executive & Council		44 172	48 259	59 120	4 327	48 588	59 120	(10 532)	-17,8%	59 120
Vote 02 - Municipal Manager		68 131	90 204	110 769	14 573	101 317	110 769	(9 451)	-8,5%	110 769
Vote 03 - Corporate Services		37 504	54 563	65 374	7 625	56 001	65 374	(9 373)	-14,3%	65 374
Vote 04 - Social Services		178 437	192 109	197 986	53 711	196 894	197 986	(1 092)	-0,6%	197 986
Vote 05 - Technical Services		1 067 351	1 139 244	1 143 758	301 687	1 235 019	1 143 758	91 261	8,0%	1 143 758
Vote 06 - Financial Services		137 894	161 154	161 187	13 741	135 153	161 187	(26 034)	-16,2%	161 187
Vote 07 - Local Economic Development And Planning		48 946	45 349	43 932	4 870	34 844	43 932	(9 088)	-20,7%	43 932
Vote 08 -		–	–	–	–	–	–	–		–
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	99	–	–	–		–
Total Expenditure by Vote	2	**1 582 434**	**1 730 883**	**1 782 126**	**400 534**	**1 807 816**	**1 782 126**	**25 691**	**1,4%**	**1 782 126**
Surplus/ (Deficit) for the year	2	**46 202**	**168 631**	**260 746**	**(403 512)**	**(9 206)**	**260 746**	**(269 952)**	**-103,5%**	**260 746**

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Appendix K (ii): Revenue Collection Performance by Source

Table A18: Revenue Collection Performance by Source

FS204 Metsimaholo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		313 985	493 443	484 903	92 766	379 454	484 903	(105 448)	-22%	484 903
Service charges - Water		444 571	551 182	559 975	(140 946)	526 547	559 975	(33 427)	-6%	559 975
Service charges - Waste Water Management		64 627	85 615	86 593	6 174	71 842	86 593	(14 751)	-17%	86 593
Service charges - Waste management		52 466	43 671	30 383	4 599	54 830	30 383	24 448	80%	30 383
Sale of Goods and Rendering of Services		5 855	23 882	24 148	333	4 579	24 148	(19 569)	-81%	24 148
Agency services								–		
Interest								–		
Interest earned from Receivables		84 090	45 600	108 522	8 510	114 043	108 522	5 521	5%	108 522
Interest from Current and Non Current Assets		13 829	5 054	11 367	3 305	12 037	11 367	670	6%	11 367
Dividends		133	100	100	–	148	100	48	48%	100
Rent on Land								–		
Rental from Fixed Assets		6 515	6 919	7 919	615	6 830	7 919	(1 089)	-14%	7 919
Licence and permits								–		
Operational Revenue		159	290	290	213	343	290	53	18%	290
Non-Exchange Revenue								–		
Property rates		211 327	234 276	221 391	18 028	221 436	221 391	45	0%	221 391
Surcharges and Taxes								–		
Fines, penalties and forfeits		2 898	4 296	4 296	2 806	3 163	4 296	(1 134)	-26%	4 296
Licence and permits		7	111	111	0	5	111	(106)	-96%	111
Transfers and subsidies - Operational		252 168	283 025	283 025	4 914	280 408	283 025	(2 617)	-1%	283 025
Interest		16 149	9 841	119 889	1 926	21 895	119 889	(97 993)	-82%	119 889
Fuel Levy								–		
Operational Revenue		3 770	2 519	4 165	345	4 152	4 165	(13)	0%	4 165
Gains on disposal of Assets		411	–	–	854	854	–	854	#DIV/0!	–
Other Gains		11 127	–	–	415	1 139	–	1 139	#DIV/0!	–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**1 484 086**	**1 789 824**	**1 947 075**	**4 857**	**1 703 703**	**1 947 075**	**(243 372)**	**-12%**	**1 947 075**
Expenditure By Type										
Employee related costs		343 020	450 539	455 006	47 257	394 631	455 006	(60 375)	-13%	455 006
Remuneration of councillors		19 947	21 705	26 333	1 824	22 473	26 333	(3 859)	-15%	26 333
Bulk purchases - electricity		338 622	403 671	403 671	79 917	396 913	403 671	(6 758)	-2%	403 671
Inventory consumed		211 938	247 040	247 694	20 687	248 611	247 694	918	0%	247 694
Debt impairment		411 173	284 001	284 001	169 537	429 871	284 001	145 870	51%	284 001
Depreciation and amortisation		99 005	90 287	90 287	10 296	85 479	90 287	(4 807)	-5%	90 287
Interest		13 268	5 391	5 391	16 911	16 917	5 391	11 526	214%	5 391
Contracted services		75 438	121 356	148 507	21 467	119 424	148 507	(29 084)	-20%	148 507
Transfers and subsidies		257	379	867	25	290	867	(577)	-67%	867
Irrecoverable debts written off		6 549	11 244	11 244	17 645	23 670	11 244	12 426	111%	11 244
Operational costs		47 630	61 631	75 486	14 154	68 722	75 486	(6 764)	-9%	75 486
Losses on Disposal of Assets		15 030	–	–	–	–	–	–		–
Other Losses		555	33 640	33 640	815	815	33 640	(32 825)	-98%	33 640
Total Expenditure		**1 582 434**	**1 730 883**	**1 782 126**	**400 534**	**1 807 816**	**1 782 126**	**25 691**	**1%**	**1 782 126**
Surplus/(Deficit)		**(98 348)**	**58 941**	**164 950**	**(395 677)**	**(104 113)**	**164 950**	**(269 063)**	**(0)**	**164 950**
Transfers and subsidies - capital (monetary allocations)		101 507	100 690	95 796	(7 835)	94 907	95 796	(889)	**(0)**	95 796
Transfers and subsidies - capital (in-kind)		43 043	9 000	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**46 202**	**168 631**	**260 746**	**(403 512)**	**(9 206)**	**260 746**	**(269 952)**	**(0)**	**260 746**
Income Tax										
Surplus/(Deficit) after income tax		**46 202**	**168 631**	**260 746**	**(403 512)**	**(9 206)**	**260 746**			**260 746**
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		**46 202**	**168 631**	**260 746**	**(403 512)**	**(9 206)**	**260 746**			**260 746**
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		**46 202**	**168 631**	**260 746**	**(403 512)**	**(9 206)**	**260 746**			**260 746**

Appendix L: Conditional Grants Received (Excluding MIG)

Table A19: Conditional Grants Received (Excluding MIG)

FS204 Metsimaholo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		**251 316**	**282 525**	**282 525**	**5 518**	**280 408**	**282 525**	**(2 117)**	**-0,7%**	**282 525**
Equitable Share		246 748	276 178	276 178	6 988	276 279	276 178	101	0,0%	276 178
Expanded Public Works Programme Integrated Grant		1 531	950	950	160	833	950	(117)	-12,3%	950
Local Government Financial Management Grant		950	2 750	2 750	(1 808)	1 096	2 750	(1 654)	-60,2%	2 750
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		2 087	2 647	2 647	178	2 200	2 647	(447)	-16,9%	2 647
Water Services Infrastructure Grant	3	–	–	–	–	–	–	–		–
Other transfers and grants [insert description]								–		
Provincial Government:		–	–	–	–	–	–	–		–
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	–	–	–	–		–
Other grant providers:		**851**	**500**	**500**	**(603)**	**–**	**500**	(500)	-100,0%	**500**
Local Government Water and Related Service SETA		851	500	500	(603)	–	500	(500)	-100,0%	500
Unspecified		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	**252 168**	**283 025**	**283 025**	**4 914**	**280 408**	**283 025**	**(2 617)**	**-0,9%**	**283 025**
Capital Transfers and Grants										
National Government:		101 507	100 690	95 796	(7 835)	94 907	95 796	(889)	**-0,9%**	95 796
Integrated National Electrification Programme Grant		35 631	29 780	29 780	2 397	29 780	29 780	–	0,0%	29 780
Municipal Disaster Recovery Grant		–	–	1 000	(411)	589	1 000	(411)	-41,1%	1 000
Municipal Infrastructure Grant		48 693	50 293	49 399	(6 065)	47 199	49 399	(2 200)	-4,5%	49 399
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–		–
Water Services Infrastructure Grant		17 183	20 617	15 617	(3 757)	17 339	15 617	1 722	11,0%	15 617
Provincial Government:		–	–	–	–	–	–	–		–
Infrastructure Grant		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	–	–	–	–		–
Other grant providers:		**43 043**	**9 000**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
Production		43 043	9 000	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	**144 550**	**109 690**	**95 796**	**(7 835)**	**94 907**	**95 796**	**(889)**	**-0,9%**	**95 796**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	396 718	392 715	378 821	(2 921)	375 315	378 821	(3 506)	-0,9%	378 821

Appendix M: Capital Expenditure – New & Upgrade/Renewal Programmes (Including MIG)

Appendix M (i): Capital Expenditure - New Assets Programme

Table A20: Capital Expenditure - New Asset

FS204 Metsimaholo - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**101 968**	**77 460**	**80 952**	**18 052**	**58 401**	**80 952**	22 550	**27,9%**	**80 952**
Roads Infrastructure		17 681	7 800	8 995	–	1 039	8 995	7 956	**88,4%**	8 995
Roads		17 681	4 500	5 695	–	1 039	5 695	4 656	**81,8%**	5 695
Road Structures		–	–	–	–	–	–	–		–
Road Furniture		–	3 300	3 300	–	–	3 300	3 300	**100,0%**	3 300
Capital Spares								–		
Storm water Infrastructure		–	12 500	12 500	3 024	12 092	12 500	408	**3,3%**	12 500
Drainage Collection								–		
Storm water Conveyance		–	12 500	12 500	3 024	12 092	12 500	408	**3,3%**	12 500
Attenuation								–		
Electrical Infrastructure		34 571	32 280	32 280	4 861	21 121	32 280	11 159	**34,6%**	32 280
Power Plants								–		
HV Substations		–	500	500	(467)	–	500	500	**100,0%**	500
HV Switching Station								–		
HV Transmission Conductors								–		
MV Substations		–	–	–	–	–	–	–		–
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		271	–	–	–	–	–	–		–
LV Networks		34 299	29 780	29 780	5 328	21 121	29 780	8 659	**29,1%**	29 780
Capital Spares		–	2 000	2 000	–	–	2 000	2 000	**100,0%**	2 000
Water Supply Infrastructure		7 111	10 500	17 839	3 010	16 548	17 839	1 291	**7,2%**	17 839
Dams and Weirs								–		
Boreholes		–	–	–	–	–	–	–		–
Reservoirs								–		
Pump Stations								–		
Water Treatment Works		3 215	10 500	17 839	3 010	16 548	17 839	1 291	**7,2%**	17 839
Bulk Mains								–		
Distribution		–	–	–	–	–	–	–		–
Distribution Points								–		
PRV Stations								–		
Capital Spares		3 896	–	–	–	–	–	–		–
Sanitation Infrastructure		42 606	9 000	8 958	7 156	7 602	8 958	1 356	**15,1%**	8 958
Pump Station								–		
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		41 409	9 000	–	–	–	–	–		–
Outfall Sewers								–		
Toilet Facilities		1 196	–	8 958	7 156	7 602	8 958	1 356	**15,1%**	8 958
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	5 000	–	–	–	–	–		–
Landfill Sites		–	5 000	–	–	–	–	–		–
Waste Transfer Stations								–		
Waste Processing Facilities								–		
Waste Drop-off Points								–		
Waste Separation Facilities								–		
Electricity Generation Facilities								–		
Capital Spares								–		

Rail Infrastructure	–	–	–	–	–	–	–		–
Rail Lines							–		
Rail Structures							–		
Rail Furniture							–		
Drainage Collection							–		
Storm water Conveyance							–		
Attenuation							–		
MV Substations							–		
LV Networks							–		
Capital Spares							–		
Coastal Infrastructure	–	–	–	–	–	–	–		–
Sand Pumps							–		
Piers							–		
Revetments							–		
Promenades							–		
Capital Spares							–		
Information and Communication Infrastructure	–	380	380	–	–	380	380	**100,0%**	380
Data Centres							–		
Core Layers							–		
Distribution Layers	–	380	380	–	–	380	380	**100,0%**	380
Capital Spares							–		
Community Assets	**4 092**	**2 383**	**3 281**	**–**	**781**	**3 281**	**2 500**	**76,2%**	**3 281**
Community Facilities	4 092	2 383	3 281	–	781	3 281	2 500	**76,2%**	3 281
Halls							–		
Centres							–		
Crèches							–		
Clinics/Care Centres							–		
Fire/Ambulance Stations	–	–	–	–	–	–	–		–
Testing Stations							–		
Museums							–		
Galleries							–		
Theatres							–		
Libraries							–		
Cemeteries/Crematoria	4 092	–	898	–	781	898	117	13,0%	898
Police							–		
Purls	–	–	–	–	–	–	–		–
Public Open Space	–	2 383	2 383	–	–	2 383	2 383	100,0%	2 383
Nature Reserves							–		
Public Ablution Facilities							–		
Markets							–		
Stalls							–		
Abattoirs							–		
Airports							–		
Taxi Ranks/Bus Terminals							–		
Capital Spares							–		
Sport and Recreation Facilities	–	–	–	–	–	–	–		–
Indoor Facilities							–		
Outdoor Facilities	–	–	–	–	–	–	–		–
Capital Spares							–		

Heritage assets		–	–	–	–	–	–	–		–
Monuments								–		
Historic Buildings								–		
Works of Art								–		
Conservation Areas								–		
Other Heritage								–		
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Other assets		**77**	**1 000**	**1 200**	**–**	**–**	**1 200**	**1 200**	**100,0%**	**1 200**
Operational Buildings		77	1 000	1 200	–	–	1 200	1 200	**100,0%**	1 200
Municipal Offices		77	–	700	–	–	700	700	100,0%	700
Pay/Enquiry Points								–		
Building Plan Offices								–		
Workshops								–		
Yards		–	–	400	–	–	400	400	100,0%	400
Stores								–		
Laboratories								–		
Training Centres								–		
Manufacturing Plant								–		
Depots								–		
Capital Spares		–	1 000	100	–	–	100	100	100,0%	100
Housing		–	–	–	–	–	–	–		–
Staff Housing								–		
Social Housing								–		
Capital Spares								–		
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Biological or Cultivated Assets								–		
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Servitudes								–		
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights								–		
Effluent Licenses								–		
Solid Waste Licenses								–		
Computer Software and Applications		–	–	–	–	–	–	–		–
Load Settlement Software Applications								–		
Unspecified								–		
Computer Equipment		**–**	**3 450**	**100**	**–**	**25**	**100**	**75**	75,4%	**100**
Computer Equipment		–	3 450	100	–	25	100	75	75,4%	100
Furniture and Office Equipment		**–**	**600**	**610**	**–**	**–**	**610**	**610**	100,0%	**610**
Furniture and Office Equipment		–	600	610	–	–	610	610	100,0%	610
Machinery and Equipment		**309**	**4 000**	**8 230**	**329**	**1 339**	**8 230**	**6 891**	83,7%	**8 230**
Machinery and Equipment		309	4 000	8 230	329	1 339	8 230	6 891	83,7%	8 230
Transport Assets		**–**	**38 172**	**900**	**–**	**–**	**900**	**900**	100,0%	**900**
Transport Assets		–	38 172	900	–	–	900	900	100,0%	900
Land		**–**	**–**	**550**	**–**	**–**	**550**	**550**	100,0%	**550**
Land		–	–	550	–	–	550	550	100,0%	550
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Zoo's, Marine and Non-biological Animals								–		
Living resources		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Mature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Immature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Total Capital Expenditure on new assets	1	**106 446**	**127 064**	**95 822**	**18 380**	**60 546**	**95 822**	**35 276**	**36,8%**	**95 822**

Appendix N: Capital Programme by Project current year

Table A21: Capital Programme by Project current year

Capital Programme by Project: 2023/24					
R' 000					
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual Budget**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Refengkgotso/Deneysville: Construction of Sports Complex (MIS215549)	2 382 615	2 382 615	0	-100%	-100%
Zamdela/Amelia: Construction of a new cemetery (MIS:284187)	900 393	898 164	898 164	0.00%	-0.24%
Metsimaholo: Construction of 2.02km paved roads and stormwater drainage Ward 5 Phase 1 (MIS:339921)	548 243	548 242	548 242	0.00%	-1%
Zamdela Ward 11: Upgrading of rusted galvanized pipes to UPVC Phase 1 COVID-19 (MIS:363784)	60 946	54 194	54 194	0.00%	-11.08%
Zamdela: Construction of 2.05km paved roads and stormwater drainage in Ward 10 (MIS:339953)	652 407	646 637	646 637	0.00%	-0.88
Themba Khubeka: Installation of 2537 water meters and 55 bulk water meters (MIS:340073)	264 778	0.00	0.00	0.00%	-100.00%
Zamdela: Construction of 2.1km paved roads and stormwater Drainages Phase 2 (Ward 8) (MIS:422185)	12 500 000	12 500 000	12 500 000	0.00%	0.00%
Sasolburg: Upgrading of water pump station (MIS:422536)	11 443 412	11 443 412	11 443 412	0.00%	0.00%
Gortin: Construction of 2.05km paved roads and storm water drainage Phase 1 (MIS:422196)	11 966 194	11 966 194	11 966 194	0.00%	0.00%
Zamdela: Upgrading of rusted galvanized water pipes to Upvc Ward 09 (MIS:422232)	0	0	0	0.00%	-0.00%
Phase 2: Upgrading of Oranjeville Water Treatment Plant	10 000 000	17 339 193	17 339 193	0.00%	73.39%
Themba Khubeka: bulk Electrical Supply and reticulation	29 780 000	29 780 000	29 780 000	0.00%	0.00%
Sanitation/Sewerage					
Gortin: Construction of 2000 toilet structures Phase 1 (MIS:460855)	9 574 013	6 312 543	7 918 868	25.00%	-17.29%
Upgrading of Refengkgotso WWTW to 6MI/Day	9 000 000.00	0.00	0.00	0.00%	-100.00%
Upgrading of Oranjeville Wastewater Treatment Plant	10 617 000	0.00	0.00	0.00%	-100.00%

Appendix S: Declaration of returns not made due to time under MFMA s71

- All section 71 reports were submitted on time during the period under review.

Yes, all reports were submitted on time during the period under review.

Dates of submission

Schedule C July 2023	: 15 August 2023
Schedule C August 2023	: 14 September 2023
Schedule C September 2023	: 13 October 2023
Schedule C October 2023	: 14 November 2023
Schedule C November 2023	: 14 December 2023
Schedule C December 2023	: 15 January 2024
Schedule C January 2024	: 14 February 2024
Schedule C February 2024	: 12 March 2024
Schedule C March 2024	: 12 April 2024
Schedule C April 2024	: 15 May 2024
Schedule C May 2024	: 14 June 2024
Schedule C June 2024	: 12 July 2024

- S71 Reports are always uploaded and submitted on time to Treasury and the Executive Mayor, in order to comply with MFMA

DRAFT

VOLUME II – AUDITED 2023/24 ANNUAL FINANCIAL STATEMENTS

DRAFT

METSIMAHOLO LOCAL MUNICIPALITY
(Registration number FS 204 - Local Municipality)
Annual Financial Statements
for the year ended 30 June 2024

DRAFT

METSIMAHOLO LOCAL MUNICIPALITY

(Registration number FS 204 - Local Municipality)
Annual Financial Statements for the year ended 30 June 2024

General Information

Legal form of entity	FS 204 - Local Municipality
Nature of business and principal activities	The main business operations of the municipality is to engage in local governance activities, including planning and promoting integrated development planning, land, economic and environmental development.
The following is included in the scope of operation	Waste Management Services (the collection, disposal and purifying of waste, refuse and sewerage). Electricity Services (electricity is bought in bulk from Eskom and distributed to the consumers by the municipality); Water Services (supplying water to the public); and Rates and general services (all types of services rendered by the municipality, excluding the housing supply to the community, however including the rental of units owned by the municipality to the public and staff).
Executive Mayor	Cllr Malindi MJ
Councillors	Cllr Maseko ME Cllr Motloung TM Cllr Van Der Merwe FJ Cllr Barnard JJ Cllr Mahlaela PM Cllr Du Toit T Cllr Meyer R Cllr Van Heerden LJ Cllr Mbana MT Cllr Mozolo MB Cllr Mokwai MS Cllr Mampana JT Cllr Day L Cllr Thulo TD Cllr Makhema JM Cllr Motsapi MS Cllr Mbikolo DK Cllr Chalala LJ Cllr Pienar M Cllr Rankoe KT Cllr Geyser EJ Cllr Sehaole TG Cllr Mthetho L Cllr Mqwanthi ME Cllr Rani DV Cllr Soetsang TL Cllr Radebe MJ Cllr Leotleng MG Cllr Nkheloane MM Cllr Malawa JM

General Information

	Cllr Mtshali NM Cllr Kumalo AM Cllr Zwane ZJ Cllr Motjeane SM Cllr Nhlapo LL Cllr Tsotetsi JL Cllr Poho MS Cllr Nkheloane M Cllr Makhefu LA Cllr Masiteng JM Cllr Mofokeng DA Cllr Mofokeng SM Cllr Fisher L Cllr Mosokweni FD
Speaker	Cllr Fisher L
Chief Whip	Cllr Mosokweni FD
Mayoral Committee	Cllr Motjeane SM Cllr Nhlapo LL Cllr Tsotetsi JL Cllr Poho MS Cllr Nkheloane M Cllr Makhefu LA Cllr Masiteng JM Cllr Mofokeng DA Cllr Mofokeng SM
Grading of local authority	Metsimaholo Local Municipality is a grade 9 local authority in terms of item IV of the Government Notice R999 of 2 October 2001, published in terms of the Remuneration of Public Office Bearers Act, 1998 High Capacity. FS 204 - Local Municipality
Chief Finance Officer (CFO)	FV Mareka
Accounting Officer	FJ Motloung
Registered office	Civic Centre Fichardt Street Sasolburg 1947
Bankers	ABSA Ltd First National Bank Investec Bank Nedbank Standard Bank
Auditors	Auditor-General of South Africa

General Information

Jurisdiction	Metsimaholo Local Municipality is a local government institution and is located in the Free State Province of South Africa and is one of four municipalities under the jurisdiction of the Fezile Dabi District Municipality. Cities/Towns: Sasolburg, Oranjeville, Deneysville, Viljoensdrift, Zamdela, Refengkgotso and Metsimaholo.
Attorneys	Katake Attorneys Khumalo Masondo Attorneys Incorporated Lawrence Melato Incorporated Nchupetsang Incorporated Attorneys Ponoane Attorney, Notaries and Conveyancers Popela Maake Incorporated Raphela Inc. Attorneys Verveen Attorneys Lizel Venter Attorneys BMH Attorneys Jam Jam Attorneys Boitumelo Maubane Attorneys Ntleru Attorneys Ransford Mbewe Attorneys Wakaba & Partners Inc
Legislation governing the municipality's operations	Local Government: Municipal Finance Management Act (Act No. 56 of 2003) Local Government: Municipal Systems Act (Act No. 32 of 2000) Local Government: Municipal Structures Act (Act No. 117 of 1998) Constitution of the Republic of South Africa (Act No. 108 of 1996) Municipal Property Rates Act (Act No.6 of 2004) Division of Revenue Act (Act No.9 of 2021)

METSIMAHOLO LOCAL MUNICIPALITY

(Registration number FS 204 - Local Municipality)
Annual Financial Statements for the year ended 30 June 2024

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Abbreviations used:

AGSA	Auditor General of South Africa
ASB	Accounting Standards Board
BCEA	Basic Conditions of Employment Act
Cllr	Councillor
COID	Compensation for Occupational Injuries and
DEPT	Department
EPWP	Expanded Public Works Programme
FMG	Financial Management Grant
GRAP	Generally Recognised Accounting Practice
INEP	Integrated National Electrification Programme
IPSAS	International Public Sector Accounting Standards
LSA	Long service awards
MBRR	Municipal Budget and Reporting Regulations
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Management Infrastructure Grant
mSCOA	Municipal Standard Chart of Accounts
PEMA	Post Employment Medical Aid
SALGA	South African Local Government Association
SARS	South African Revenue Services
UIF	Unemployment Insurance Fund
WIP	Work In Progress
WSIG	Water Services Infrastructure Grant

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and are given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

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

The municipality is wholly dependent on the municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The annual financial statements set out on page 7, which have been prepared on a going concern basis, were approved by the accounting officer on 31 August 2024 and were signed on its behalf by:

FJ Motloung
Accounting Officer

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	1,590,322	1,668,732
Receivables from exchange transactions	4	335,490,543	254,117,758
Receivables from non-exchange transactions	5&6	54,154,569	50,250,067
VAT receivable	7	5,667,088	6,594,411
Cash and cash equivalents	8	121,848,983	160,234,070
VAT input tax accrual and provision for VAT impairment		318,097,112	262,480,880
		836,848,617	**735,345,918**
Non-Current Assets			
Investment property	9	440,763,848	441,818,305
Property, plant and equipment	10	1,417,826,672	1,418,053,643
Intangible assets	11	1,874,626	3,510,178
Heritage assets	12	4,428,972	4,428,972
Other financial assets	13	3,743,950	2,703,270
Receivables from exchange transactions-Long term portion	14	14,661	27,797
		1,868,652,729	**1,870,542,165**
Total Assets		**2,705,501,346**	**2,605,888,083**
Liabilities			
Current Liabilities			
Payables from exchange transactions	15	334,847,174	301,442,419
Consumer deposits	17	30,583,077	29,270,949
Employees benefit obligation	18	9,657,000	3,707,991
Unspent conditional grants and receipts	19	3,351,908	9,276,373
Provisions	20	106,601,824	96,308,372
VAT output tax accrual	62	331,996,544	278,932,484
		817,037,527	**718,938,588**
Non-Current Liabilities			
Employees benefit obligation	18	54,451,000	45,444,132
Provisions	20	2,951,275	1,709,106
		57,402,275	**47,153,238**
Total Liabilities		**874,439,802**	**766,091,826**
Net Assets		**1,831,061,544**	**1,839,796,257**
Accumulated surplus		1,831,061,544	1,839,796,257
Total Net Assets		**1,831,061,544**	**1,839,796,257**

* See Note 61

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	21	1,032,673,433	875,648,750
Sale of goods and rendering of services	22	4,691,850	5,967,483
Rental of facilities and equipment	23	6,829,508	6,514,589
Interest received - investment	24	12,036,530	13,567,165
Interest received - exchange receivables	25	114,043,225	84,089,787
Operational revenue		413,553	159,323
Dividends	24	147,549	132,794
Total revenue from exchange transactions		**1,170,835,648**	**986,079,891**
Revenue from non-exchange transactions			
Property rates	26	221,435,559	211,327,259
Service charges - Availability charges	27	4,152,453	3,770,284
Fines, Penalties and Forfeits	28	3,049,663	2,785,750
Licences and Permits		4,825	6,980
Government grants & subsidies	29	375,314,901	394,317,355
Interest from non-exchange receivables	30	21,895,271	16,149,465
Total revenue from non-exchange transactions		**625,852,672**	**628,357,093**
Total revenue		**1,796,688,320**	**1,614,436,984**
Expenditure			
Employee related costs	31	(388,344,342)	(342,300,146)
Remuneration of councillors	32	(22,473,440)	(19,947,189)
Depreciation and amortisation	33	(85,479,136)	(96,786,179)
Finance costs	34	(23,203,612)	(9,982,680)
Bulk purchases	35	(396,912,532)	(338,622,430)
Contracted services	36	(115,476,977)	(75,771,318)
Lease rentals on operating lease	37	(17,458,193)	(9,435,970)
Debt Impairment	38	(453,540,972)	(377,181,315)
Transfers and Subsidies	39	(290,029)	(304,520)
Operating cost	40	(54,809,967)	(39,886,056)
Inventory consumed	41	(235,694,022)	(199,084,653)
Repairs and maintenance	42	(12,917,161)	(13,333,895)
Total expenditure		**(1,806,600,383)**	**(1,522,636,351)**
Operating (deficit) surplus		**(9,912,063)**	**91,800,633**
Actuarial gains/losses	18	(681,765)	8,373,577
Fair value adjustments	43	1,040,680	2,618,966
Gain (loss) on disposal of assets and liabilities		853,752	(3,469,642)
Inventories losses/write-downs		(35,317)	(421,026)
		1,177,350	**7,101,875**
(Deficit) surplus for the year		**(8,734,713)**	**98,902,508**

* See Note 61

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance as at 01 July 2022	**1,740,893,749**	**1,740,893,749**
Changes in net assets Surplus for the year	98,902,508	98,902,508
Total changes	98,902,508	98,902,508
Restated* Balance as at 01 July 2023	**1,839,796,257**	**1,839,796,257**
Changes in net assets Surplus for the year	(8,734,713)	(8,734,713)
Total changes	(8,734,713)	(8,734,713)
Balance as at 30 June 2024	**1,831,061,544**	**1,831,061,544**

Note(s)

* See Note 61

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Grants		369,390,436	393,628,444
Cash receipts from customers		855,368,277	822,725,034
Other receipts		14,989,399	15,434,125
Interest income		12,036,530	13,567,165
Dividends income		147,549	132,794
		1,251,932,191	1,245,487,562
Payments			
Employee costs		(399,076,464)	(359,929,335)
Suppliers		(792,416,587)	(677,686,460)
Finance costs		(4,546,913)	-
		(1,196,039,964)	(1,037,615,795)
Net cash flows from operating activities	44	**55,892,227**	**207,871,767**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(90,569,324)	(156,909,617)
Cash flows from financing activities			
Employee benefit obligation payment		(3,707,990)	(5,718,300)
Finance lease receipts		-	(38,247)
Net cash flows from financing activities		**(3,707,990)**	**(5,756,547)**
Net increase/(decrease) in cash and cash equivalents		**(38,385,087)**	**45,205,603**
Cash and cash equivalents at the beginning of the year		160,234,070	115,028,467
Cash and cash equivalents at the end of the year	8	**121,848,983**	**160,234,070**

The accounting policies on pages 15 to 52 and the notes on pages 53 to 144 form an integral part of the annual financial statements.

Cash flows from operating activities

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1,173,911,000	(12,058,000)	**1,161,853,000**	1,032,673,433	**(129,179,567)**	.
Sale of goods and rendering of services	23,882,000	266,000	**24,148,000**	4,691,850	**(19,456,150)**	
Rental of facilities and equipment	6,919,000	1,000,000	**7,919,000**	6,829,508	**(1,089,492)**	
Interest received - investment	5,054,000	6,312,000	**11,366,000**	12,036,530	**670,530**	
Interest received - exchange receivables	45,600,000	62,922,000	**108,522,000**	114,043,225	**5,521,225**	
Operational revenue	290,000	-	**290,000**	413,553	**123,553**	
Dividends	100,000	-	**100,000**	147,549	**47,549**	
Total revenue from exchange transactions	**1,255,756,000**	**58,442,000**	**1,314,198,000**	**1,170,835,648**	**(143,362,352)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	234,276,000	(12,886,000)	**221,390,000**	221,435,559	**45,559**	
Operating Revenue	2,519,000	1,647,000	**4,166,000**	4,152,453	**(13,547)**	
Fines, Penalties and Forfeits	4,296,000	-	**4,296,000**	3,049,663	**(1,246,337)**	
Licences and permits	111,000	-	**111,000**	4,825	**(106,175)**	
Government grants & subsidies	283,025,000	-	**283,025,000**	375,314,901	**92,289,901**	
Interest - non exchange receivables	9,841,000	110,048,000	**119,889,000**	21,895,271	**(97,993,729)**	
Total revenue from non-exchange transactions	**534,068,000**	**98,809,000**	**632,877,000**	**625,852,672**	**(7,024,328)**	
Total revenue	**1,789,824,000**	**157,251,000**	**1,947,075,000**	**1,796,688,320**	**(150,386,680)**	
Expenditure						
Employee related cost	(450,539,000)	(4,467,000)	**(455,006,000)**	(388,344,342)	**66,661,658**	
Remuneration of councillors	(21,705,000)	(4,628,000)	**(26,333,000)**	(22,473,440)	**3,859,560**	
Depreciation and amortisation	(90,287,000)	-	**(90,287,000)**	(85,479,136)	**4,807,864**	
Finance costs	(5,391,000)	-	**(5,391,000)**	(23,203,612)	**(17,812,612)**	
Lease rentals on operating lease	-	-	**-**	(17,458,193)	**(17,458,193)**	
Debt Impairment	(284,001,000)	-	**(284,001,000)**	(453,540,972)	**(169,539,972)**	
Bad debts written off	(11,244,000)	-	**(11,244,000)**	-	**11,244,000**	
Bulk purchases	(403,671,000)	-	**(403,671,000)**	(396,912,532)	**6,758,468**	
Contracted Services	(121,356,000)	(27,124,000)	**(148,480,000)**	(115,476,977)	**33,003,023**	
Transfers and Subsidies	(379,000)	(488,000)	**(867,000)**	(290,029)	**576,971**	
Operational cost	(61,631,000)	(14,073,000)	**(75,704,000)**	(54,809,967)	**20,894,033**	
Inventory consumed	(245,050,000)	-	**(245,050,000)**	(235,694,022)	**9,355,978**	
Repairs and maintenance	-	-	**-**	(12,917,161)	**(12,917,161)**	
Total expenditure	**(1,695,254,000)**	**(50,780,000)**	**(1,746,034,000)**	**(1,806,600,383)**	**(60,566,383)**	
Operating deficit	**94,570,000**	**106,471,000**	**201,041,000**	**(9,912,063)**	**(210,953,063)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Gain on disposal of assets and liabilities	-	-	-	853,752	**853,752**	
Fair value adjustments	-	-	-	1,040,680	**1,040,680**	
Actuarial gains/losses	-	-	-	(681,765)	**(681,765)**	
Inventories losses/write-downs	(33,640,000)	-	**(33,640,000)**	(35,317)	**33,604,683**	
Surplus on distribution of non-cash assets to owners	100,690,000	(4,894,000)	**95,796,000**	-	**(95,796,000)**	
Gains from transfer of functions between entities not under common control	9,000,000	(9,000,000)	-	-	-	
	76,050,000	**(13,894,000)**	**62,156,000**	**1,177,350**	**(60,978,650)**	
Deficit before taxation	**170,620,000**	**92,577,000**	**263,197,000**	**(8,734,713)**	**(271,931,713)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**170,620,000**	**92,577,000**	**263,197,000**	**(8,734,713)**	**(271,931,713)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	1,347,000	(20,000)	**1,327,000**	1,590,322	**263,322**	
Receivables from non-exchange transactions	(45,499,000)	-	**(45,499,000)**	54,154,569	**99,653,569**	
VAT receivable	742,867,000	-	**742,867,000**	-	**(742,867,000)**	
Receivables from exchange transactions	311,360,000	-	**311,360,000**	335,490,543	**24,130,543**	
VAT input tax accrual and provision for VAT impairment Cash	13,808,000	-	**13,808,000**	318,097,112	**304,289,112**	
and cash equivalents	133,999,000	1,000,000	**134,999,000**	121,848,983	**(13,150,017)**	
	1,157,882,000	**980,000**	**1,158,862,000**	**831,181,529**	**(327,680,471)**	
Non-Current Assets						
Investment property	237,169,000	-	**237,169,000**	440,763,848	**203,594,848**	
Property, plant and equipment	1,768,180,000	104,465,000	**1,872,645,000**	1,417,826,672	**(454,818,328)**	
Intangible assets	(3,836,000)	-	**(3,836,000)**	1,874,626	**5,710,626**	
Heritage assets	4,428,000	-	**4,428,000**	4,428,972	**972**	
Other financial assets	-	-	**-**	3,743,950	**3,743,950**	
Receivables from exchange transactions-Long term portion	45,000	-	**45,000**	14,661	**(30,339)**	
	2,005,986,000	**104,465,000**	**2,110,451,000**	**1,868,652,729**	**(241,798,271)**	
Total Assets	**3,163,868,000**	**105,445,000**	**3,269,313,000**	**2,699,834,258**	**(569,478,742)**	
Liabilities						
Current Liabilities						
Payables from exchange transactions	313,705,000	-	**313,705,000**	334,847,169	**21,142,169**	
VAT payable	764,912,000	-	**764,912,000**	8,232,344	**(756,679,656)**	
Consumer deposits	28,105,000	-	**28,105,000**	30,583,077	**2,478,077**	
Employees benefit obligation	4,477,000	-	**4,477,000**	9,657,000	**5,180,000**	
Unspent conditional grants and receipts	-	-	**-**	3,351,908	**3,351,908**	
Provisions	4,356,000	-	**4,356,000**	106,601,824	**102,245,824**	
VAT output tax accrual	-	-	**-**	331,996,544	**331,996,544**	
	1,115,555,000	**-**	**1,115,555,000**	**825,269,866**	**(290,285,134)**	
Non-Current Liabilities						
Employees benefit obligation	112,974,000	-	**112,974,000**	54,451,000	**(58,523,000)**	
Provisions	172,503,000	-	**172,503,000**	2,951,275	**(169,551,725)**	
	285,477,000	**-**	**285,477,000**	**57,402,275**	**(228,074,725)**	
Total Liabilities	**1,401,032,000**	**-**	**1,401,032,000**	**882,672,141**	**(518,359,859)**	
Net Assets	**1,762,836,000**	**105,445,000**	**1,868,281,000**	**1,817,162,117**	**(51,118,883)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	1,762,836,000	105,445,000	**1,868,281,000**	1,831,061,544	**(37,219,456)**	

Significant Accounting Policies

Figures in Rand	Note(s)	2024	2023

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

1.4 Significant judgements and sources of estimation uncertainty (continued)

Loans and receivables

The municipality assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether observable data is indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is first for individually significant loans and receivables and then calculated on a portfolio basis for the remaining balance, including those individually significant loans and receivables for which no indicators of impairment were found. For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and poor payment history/default of payments are all considered indicators of impairment.

For loans and receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the loan's or receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition (if practically determinable). Where the effective interest rate at initial recognition is not practically determinable, the government bond rate is used as the risk-free rate and adjusted for any risks specific to the loans and receivables.

Allowance for slow-moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost of selling certain inventory items. The write-down is included in the operation surplus note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of valuein-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the selling price assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of assets.

Value in use of cash-generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors such as exchange rates and inflation interest.

Value in use of non-cash-generating assets

The municipality reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Internally generated intangible assets and intangible assets with an indefinite useful life are tested for impairment on an annual basis.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

1.4 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the wastewater and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than previously estimated useful lives.

Post-retirement benefits

The present value of the post-retirement obligation depends on many factors that are determined on an actuarial basis using several assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension or other long-term liability. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter-term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 18.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

The provision for doubtful debt is determined by taking into account the payment rate by exchange receivable (consumer debtor), indigent status, whether the consumer debtor has a credit balance at financial year end as well as whether the consumer debtor is government related or not.

Non-exchange receivables (Traffic fine debtors) have been impaired taking into account historical payment rates by these non - exchange receivables.

Traffic fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.Non-exchange receivables arising from traffic fines are measured at the best estimate based on expected inflows of economic benefits to the municipality.

Pre-paid electricity

Pre-paid electricity is only recognised as electricity when consumed. The estimate is based on pre-paid electricity sold at year end, but still unused.

Water inventory

The estimation of the Water Inventory in reservoirs is based on actual dip readings, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

Budget information

1.4 Significant judgements and sources of estimation uncertainty (continued)

A difference of 10% or more between budget and actual amounts is regarded as material. All material differences (between budget and actual amounts) are explained in the notes to the annual financial statements.

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	50 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note).

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

1.6 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary asset, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	50 years
Plant and machinery	Straight-line	3-15 years
Furniture and fixtures	Straight-line	3-30 years
Motor vehicles	Straight-line	3-20 years
IT equipment	Straight-line	3-10 years
Infrastructure	Straight-line	3-50 years
Community	Straight-line	50 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

1.6 Property, plant and equipment (continued)

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the audited financial statements, The estimation of the Water Inventory in reservoirs is based on actual dip readings, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.7 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period.
(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
(c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.8 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets are identifiable resources controlled by the municipality from which the municipality expects to derive future economic benefits or service potential.The municipality has classified computer software as intangible assets.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

The municipality does not have internally generated Intangible Assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	5 years

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.9 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

When the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 6 - Heritage assets.

1.9 Heritage assets

(continued) Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

1.10 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash.
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;

1.10 Financial instruments (continued)

- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.10 Financial instruments

(continued) Classification

The entity has the following types of financial assets (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, except for financial instruments subsequently measured at fair value, which are measured at its fair value.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review.

1.10 Financial instruments (continued)

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique.

The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Discounting of short-term receivables and payables

Short-term receivables and payables are not discounted when the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is: the combined instrument that is required to be measured at fair value; or an investment in a residual interest that meets the requirements for reclassification.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (if practically determinable). Where the effective interest rate at initial recognition is not practically determinable, the government bond rate is used as the risk-free rate and adjusted for any risks specific to the financial assets. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

1.10 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:
- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
    - derecognises the asset; and
    - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.
An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset, and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.11 Statutory receivables

Identification

1.11 Statutory receivables (continued)

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, a municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

1.11 Statutory receivables

(continued) Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and building elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual receipts is recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are expensed in the period in which they are incurred.

1.13 Inventories

Inventories are assets in the form of materials or supplies to be consumed or distributed in the rendering of services or held for distribution in the ordinary course of operations.

Inventories are recognised as an asset for distribution if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and the cost of the inventories can be measured reliably.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water Inventory

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc). However, water in dams, which are filled by natural resources and that has not yet been treated,that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water and purified effluent are valued by using the FIFO Method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

1.14 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

1.14 Impairment of cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

- the current profitability of the unit, as well as management's assessment of the possibility of a unit becoming profitable.

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, which are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

1.14 Impairment of cash-generating assets

(continued) Basis for estimates of future cash flows

In measuring value in use, the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts cover a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14 Impairment of cash-generating assets

(continued) Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro-rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

1.14 Impairment of cash-generating assets

(continued) Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.15 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

- consideration is given to the nature of the asset, whether it is primarily to provide a service to the community, and whether there is any realistic possibility of the asset being used in a commercial and profitable manner.

1.15 Impairment of non-cash-generating assets

(continued) Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, which are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

1.15 Impairment of non-cash-generating assets

(continued) Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occurs when there is clear evidence that such a redesignation is appropriate.

1.16 Employ

ee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:
(a) an entity's decision to terminate an employee's employment before the normal retirement date; or
(b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

1.16 Employee benefits

(continued) Short-term

employee benefits

Recognition and

measurement

All short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance-related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

1.16 Employee benefits

(continued) Post-

employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Post-employment benefits: Defined contribution plans

Recognition and measurement

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

(b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Significant Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Recognition and measurement

1.16 Employee benefits (continued)

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit

1.16 Employee benefits (continued)
obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

Recognition and measurement: Present value of defined benefit obligations and current service cost

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the end of the reporting period, for the period over which the obligations are to be settled.

Actuarial assumptions: Discount rate

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Actuarial assumptions: Salaries, benefits and medical costs

The entity measures its defined benefit obligations on a basis that reflects:

(a) the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the end of the reporting period;

(b) any estimated future salary increases that affect the benefits payable;

(c) the effect of any limit on the employer's share of the cost of the future benefits;

(d) contributions from employees or third parties that reduce the ultimate cost to the entity of those benefits; and

(e) estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:

(i) those changes were enacted before the end of the reporting period; or

(ii) historical data, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs takes account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.16 Employee benefits

(continued) Other post-

retirement obligations

Recognition and

measurement

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.17 Provisions and contingencies

A provision is a liability of uncertain timing or amount.

Provisions are recognised when:
- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This

Significant Accounting Policies

increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

1.17 Provisions and contingencies (continued)

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is:
- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 48.

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:
- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.18 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments, which include future capital commitments relating to property, plant and equipment, investment property, intangible assets and heritage assets, as applicable, operational commitments, as well as future commitments relating to leases. Refer to notes on Finance lease obligations and Commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements.

The municipality discloses capital commitments (Property Plant and Equipment, Investment properties, Intangible assets and Heritage assets) in the financial statements, as well as future minimum lease payments for each of the following periods if applicable:
- Within one year;
- In second to fifth year inclusive; and
- Later than five years

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:
- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary

commitments relating to employment contracts or social security benefit commitments are excluded.

Significant Accounting Policies

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Service charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage and are levied based on the extent of each property.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage and are levied based on the extent of each property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

Revenue arising from application of the approved tariff of charges is recognised when the relevant services is rendered by allying the relevant published tariff.

Prepaid Electricity

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line basis over the term of the lease agreement.

1.19 Revenue from exchange transactions (continued)

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognisedonly to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
  and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate methods.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Revenue received from conditional grants, donations and other funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement, where applicable. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a Time proportionate Basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

The municipality recognises an asset in respect of property rates (taxes) when the taxable event occurs, and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur, and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

1.20 Revenue from non-exchange transactions (continued)

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

Unspent conditional grants are financial liabilities that are separately reflected on the statement of financial position. They represent unspent government grants, subsidies and contributions from government organs.

1.20 Revenue from non-exchange transactions (continued)

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the statement of financial performance.
- The cash which backs up the creditor is invested as an individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the statement of financial performance.

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the statement of financial position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

1.21 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.23 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason of classification is disclosed. Where material prior period errors have been identified in the current year, the correction is made retrospectively as far as it is practicable and the prior year comparatives are restated accordingly.

Refer to note to the financial statements - Comparative figures.

1.24 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the unauthorised expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on unauthorised expenditure, refer to note to the financial statements - Unauthorised expenditure

1.25 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on unauthorised expenditure, refer to note to the financial statements - Fruitless and wasteful expenditure

1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the irregular expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on irregular expenditure, refer to note to the financial statements - Irregular expenditure.

1.27 Segment reporting

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

1.27 Segment reporting

(continued) Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.28 Budget information

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2023 to 30/06/2024.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the annual financial statements in determining whether a difference between the budget and actual amount is material.

Comparative information is not required.

1.29 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

1.29 Related parties (continued)

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the responding date. Where the non-adjusting event is material and non-disclosure could influence the economic decisions of the users, additional disclosure will be provided.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.31 Accumulated surplus/(deficit)

The accumulated surplus/(deficit) represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/(deficit). Prior year adjustments, relating to income and expenditure, are credited/debited against accumulated surplus/(deficit) when retrospective adjustments are made.

1.32 Consumer deposits

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months' consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

1.33 Value-added tax (VAT)

The municipality is registered with the South African Revenue Service (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the Value-added Tax Act (Act No. 89 of 1991).

The municipality accounts for VAT on the payment basis.

1.34 Grants in Aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase of sale transaction; expect to be repaid in future; or
- expect a financial return, as would be expected from an investment

These transfers are recognised in the statement of financial performance as expenses in the period that the event giving rise to the transfer has occurred.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

iGRAP 21: The Effect of Past Decisions on Materiality

Background

The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3) applies to the selection of accounting policies. Entities apply the accounting policies set out in the Standards of GRAP, except when the effect of applying them is immaterial. This means that entities could apply alternative accounting treatments to immaterial items, transactions or events (hereafter called “items”).

The Board received questions from entities asking whether past decisions to not apply the Standards of GRAP to immaterial items effect future reporting periods. Entities observed that when they applied alternative accounting treatments to items in previous reporting periods, they kept historical records on an ongoing basis of the affected items. This was done so that they could assess whether applying these alternative treatments meant that the financial statements became materially “misstated” over time. If the effect was considered material, retrospective adjustments were often made.

This Interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods.

iGRAP 21 addresses the following two issues:

- Do past decisions about materiality affect subsequent reporting periods?
- Is applying an alternative accounting treatment a departure from the Standards of GRAP or an error?

The effective date of these interpretation have not yet been set. 01 April 2023.

The municipality has adopted the interpretation for the first time in the 2023/2024 01 April 2023.

The impact of the interpretation is not material.

GRAP 25 (as revised): Employee Benefits

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

2. New standards and interpretations (continued)

Key amendments to GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The effective date of these revisions have not yet been set. 01 April 2023.

The municipality has adopted the revisions for the first time in the 2023/2024 annual financial statements.

The impact of the revisions is not material.

iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

The effective date of these revisions have not yet been set. 01 April 2023.

The municipality has adopted the revisions for the first time in the 2023/2024 01 April 2023.

The impact of the revisions is not material.

Guideline: Guideline on Accounting for Landfill Sites

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, Other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

The effective date of the guideline is for years beginning on or after 01 April 2023.

The municipality has adopted the guideline for the first time in the 2023/2024 annual financial statements.

The impact of the standard is not material.

GRAP 1 (amended): Presentation of Financial Statements (Materiality)

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to IAS 1.

Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

An municipality applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for years beginning on or after 01 April 2025.

The impact of the amendment is not material.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 Mergers	01 April 2023	Unlikely there will be a material impact
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	01 April 2023	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	01 April 2023	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined by the Minister of Finance	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	To be determined by the Minister of Finance	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Likely there will be a material impact

3. Inventories

Consumables: Stores and materials	518,226	554,273
Fuel (Diesel and Petrol)	315,279	473,178
Water - at cost	756,817	641,281
	1,590,322	**1,668,732**
Carrying value of inventories written off during the year (Obsolete or lost)	140,380	66,292
Fuel and consumables recognised as an expense during the year	5,707,454	7,296,259

Inventory pledged as security

No Inventories have been pledged as collateral for Liabilities of the municipality.

Water for distribution

Closing balance	756,817	641,281

4. Receivables from exchange transactions

Gross balances		
Electricity	230,843,772	178,851,775
Water	2,328,472,125	1,964,054,685
Sewerage	121,921,882	104,423,602

Notes to the Annual Financial Statements

Refuse	185,853,937	149,868,391
Sundry receivables	214,042,036	186,439,357
Other receivables	23,496,816	4,504,219
	3,104,630,568	**2,588,142,029**

Figures in Rand	2024	2023

4. Receivables from exchange transactions (continued)

Less: Allowance for impairment		
Electricity	(161,792,750)	(123,842,224)
Water	(2,119,637,299)	(1,801,584,270)
Sewerage	(108,016,599)	(90,564,303)
Refuse	(173,923,823)	(139,333,223)
Sundry receivables	(205,769,554)	(178,700,251)
	(2,769,140,025)	**(2,334,024,271)**
Net balance		
Electricity	69,051,022	55,009,551
Water	208,834,826	162,470,415
Sewerage	13,905,283	13,859,299
Refuse	11,930,114	10,535,168
Sundry receivables	8,272,482	7,739,106
Other receivables	23,496,816	4,504,219
	335,490,543	**254,117,758**
Other receivables consists of the following:		
Merchandising, Jobbing and Contracts	467,648	467,648
Control, Clearing and Interface Accounts	1,529,168	1,508,746
Third-party refund	21,500,000	2,500,000
AGSA	-	27,825
	23,496,816	**4,504,219**
Financial asset receivables included in consumer debtors above	**311,993,727**	**249,613,539**
Total receivables from exchange transactions	335,490,543	254,117,758
Electricity		
Current (0 -30 days)	12,705,648	19,660,834
31 - 60 days	2,057,622	3,460,658
61 - 90 days	2,169,350	4,067,412
+ 90 days	52,118,402	27,820,647
	69,051,022	**55,009,551**
Water		
Current (0 -30 days)	33,060,744	43,762,114
31 - 60 days	6,909,920	10,670,150
61 - 90 days	4,484,961	7,216,086
+ 90 days	164,379,201	100,822,065
	208,834,826	**162,470,415**
Sewerage		
Current (0 -30 days)	785,596	4,251,397
31 - 60 days	424,526	1,566,209
61 - 90 days	352,385	614,521
+ 90 days	12,342,776	7,427,172
	13,905,283	**13,859,299**

Figures in Rand	2024	2023

4. Receivables from exchange transactions (continued)

Refuse		
Current (0 -30 days)	776,120	2,629,979
31 - 60 days	471,559	818,112
61 - 90 days	401,480	517,854
+ 90 days	10,280,955	6,569,223
	11,930,114	**10,535,168**
Sundry receivables		
Current (0 -30 days)	1,235,374	589,321
31 - 60 days	311,432	649,520
61 - 90 days	226,309	494,057
+ 90 days	6,499,367	6,006,208
	8,272,482	**7,739,106**
Other (specify)		
121 - 365 days	20,422	23,250
> 365 days	23,476,394	4,480,969
	23,496,816	**4,504,219**

Figures in Rand	2024	2023

4. Receivables from exchange transactions (continued)

Summary of debtors by customer classification

Consumers		
Current (0 -30 days)	91,498,715	87,750,196
31 - 60 days	46,633,424	34,853,436
61 - 90 days	47,434,138	43,259,039
+ 90 days	2,700,213,018	2,101,637,112
	2,885,779,295	2,267,499,783
Less: Allowance for impairment	(2,653,663,446)	(2,125,293,360)
	232,115,849	**142,206,423**
Industrial/Commercial		
Current (0 -30 days)	3,417,404	30,507,677
31 - 60 days	657,059	11,585,065
61 - 90 days	611,678	8,105,687
+ 90 days	67,270,772	179,342,266
	71,956,913	229,540,695
Less: Allowance for impairment	(40,637,559)	(168,303,729)
	31,319,354	**61,236,966**
National and provincial government		
Current (0 -30 days)	11,189,629	4,798,419
31 - 60 days	2,938,873	5,117,761
61 - 90 days	4,178,284	8,921,670
+ 90 days	105,090,760	67,759,249
	123,397,546	86,597,099
Less: Allowance for impairment	(74,839,021)	(40,427,182)
	48,558,525	**46,169,917**
Total		
Current (0 -30 days)	106,105,748	123,056,291
31 - 60 days	50,229,355	51,556,262
61 - 90 days	52,224,100	60,286,396
+ 90 days	2,896,071,366	2,353,243,079
	3,104,630,569	2,588,142,028
Less: Allowance for impairment	(2,769,140,026)	(2,334,024,270)
	335,490,543	**254,117,758**
Less: Allowance for impairment		
Current (0 -30 days)	(57,542,265)	(52,162,646)
31 - 60 days	(40,054,296)	(34,391,613)
61 - 90 days	(44,589,614)	(47,376,465)
+ 90 days	(2,626,953,850)	(2,200,093,547)
	(2,769,140,025)	**(2,334,024,271)**
Reconciliation of allowance for impairment		
Balance at beginning of the year	(2,334,024,271)	(1,983,182,359)
Contributions to allowance	(435,115,754)	(350,841,912)
	(2,769,140,025)	**(2,334,024,271)**

Figures in Rand	2024	2023

4. Receivables from exchange transactions (continued)

Receivables pledged as security

No receivables were pledged as security

Credit quality of receivables

The credit quality of receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Receivables (excluding other receivables) past due but not impaired

The Debt impairmentt methodology employed by the municipality results in various debtors being tested for impairment through the evaluation of said debtors against applicable criteria. This results in debtors that are past due but not impaired from 1 month past due to over 3 months past due. At 30 June 2024, R93,611,258 (2023: R95,574,161) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	5,583,109	14,757,263
2 months past due	2,454,776	9,920,174
3 months past due	85,573,373	70,896,724

Receivables (excluding other receivables) impaired

As of 30 June 2024, receivables of R 2,962,760,564 (2023: R 2,436,128,906) were impaired and provided for.

The amount of the provision was R (2,769,140,025) as of 30 June 2024 (2023: R (2,334,024,271)).

The ageing of these debtors is as follows:

Current (0-30 days)	62,629,018	54,820,434
31- 60 days	44,903,101	37,079,642
61-90 days	50,020,885	50,630,455
Over 90 days	2,805,207,560	2,293,598,375

5. Receivables from non-exchange transactions

Consumer receivables - property rates	43,356,169	41,498,047
Deposits	7,029,931	6,642,151
Fines	1,835,805	336,975
LGSETA Interns	755,080	755,080
Service debtors: availability charges	964,426	804,656
Unauthorised, Irregular, Fruitless and Wasteful Expenditure	213,158	213,158
	54,154,569	**50,250,067**

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Property rates	43,356,169	41,498,047
Fines	1,835,805	336,975
	45,191,974	**41,835,022**
Financial asset receivables included in receivables from non-exchange transactions above	**8,962,595**	**7,168,395**
Total receivables from non-exchange transactions	54,154,569	50,250,067

Figures in Rand	2024	2023

5. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property rates related transactions arise in terms of the Municipal Property Rates Act, 6 of 2004, Municipal Finance Management Act, 56 of 2003, as well as the Property Rates Policy of the municipality approved by Council as part of the Budget Process.

Traffic fines arise from the National Road Traffic Act 93 of 1996, National Road Traffic Regulations 2000, National Land Transport Act 5 of 2009 and Criminal Procedure Act 51 of 1971. The prosecutor performs prosecutorial functions in terms of a general delegation awarded by the National Prosecuting Authority and is subject to the control of the Control Prosecutor at the Magistrate's Court in Sasolburg.

Government grants related transactions arise in terms of the applicable annual Division of Revenue Act Bill as well as the relevant Provincial Gazette.

Determination of transaction amount

Property rates transaction amounts are determined in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

Traffic fines transaction amounts are determined in line with the Traffic Offence Code Book as approved by Senior Magistrate and implemented in the district of the Metsimaholo Local Municipality.

Government grants related transaction amounts allocated to the municipality are stipulated in the applicable annual Division of Revenue Act as well as the relevant Provincial Gazette.

Interest or other charges levied/charged

Interest or other charges levied on Property rates balances are in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003. "Interest" means a charge levied, on all arrear accounts calculated at an interest rate which is one percent higher than the prime interest rate.

Traffic fines: Additional charges include contempt of court fees/warrant of arrest fee determined in terms of the Criminal Procedure Act. Currently at R200 effected after court date on non/default payment/non-appearance.

Basis used to assess and test whether a statutory receivable is impaired

The basis used to assess Property Rates receivables is outlined in the approved Debt impairment methodology looking at various factors including the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

The basis used to assess traffic fine receivables is outlined in the approved Debt impairment methodology involves evaluating the extent to which debtors, categorized by the nature of fines under the National Road Traffic Act, have defaulted on payments already due. This assessment also considers their ability to make future payments based on a historical analysis of payment trends over the past five years, adjusted for the expected recovery percentage derived from recent warrant payment history..

Each individual Grant is assessed for collectability in line with the legislative prescripts or contract arrangements that relates to the specific grant.

Discount rate applied to the estimated future cash flows

The discount rate applied for Property rates as Statutory receivables mentioned above is based on the risk category as outlined by the approved Debt impairment methodology. This is used to determine the discount rate applied for individual statutory debtors assessed .

High risk risk- Prime plus 1.25%

Figures in Rand	2024	2023

5. Receivables from non-exchange transactions (continued)

Medium risk- Prime plus 0.75%

Low risk- Prime plus .25%

The discount rate applied for Fines as a statutory receivables is prime plus 1

The impairment approach for traffic fine receivables described does not mention the use of a discount rate. Instead, the assessment is based on historical payment trends, past payment history, and the expected recovery percentage

Statutory receivables past due but not impaired

The Debt impairment methodology employed by the municipality results in various debtors tested for impairment through evaluation of said debtors against applicable criteria. This results in statutory receivables which are past due but not impaired from 1 month past due to over 3 months past due. At 30 June 2024, R19,716,609 (2023: R22,354,030) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	1,383,719	3,354,428
2 months past due	743,771	1,865,125
Over 3 months past due	17,589,119	17,134,477

Factors the entity considered in assessing statutory receivables past due but not impaired

Property rates

The specific details on factors considered are comprehensively outlined and discussed in the approved Debt impairment methodology. In summary, the impairment testing process for receivables begins by identifying those accounts that exhibit no indicators of impairment. Specifically, accounts with a credit balance, zero balance, accounts where the Municipality is the owner, or those with no outstanding balance beyond 30 days as of the reporting date are excluded from impairment testing. For those not meeting criteria above,further testing on recoverability of debt is performed to determine where there is impairment. These considerations are outlined in Factors the entity considered in assessing statutory receivables impaired of this note. When criteria are not met then the receivables are considered not impaired.

Traffic fines

The specific details on factors considered are comprehensively outlined and discussed in the approved Debt Impairment Methodology. In summary, the impairment testing process for receivables considers fines that have been issued and assesses impairment based on historical payment trends, with a focus on fines older than two years. Fines that are expected to be received based on the last three years' payment history are accounted for in the impairment calculation. If fines are not older than two years or have been identified with an expected recovery based on this history, they are not considered impaired but included in the assessment. These considerations are outlined in the methodology provided

Statutory receivables impaired

As of 30 June 2024, Statutory receivables of R314,528,496 (2023: R265,212,311) were impaired and provided for.

The amount of the provision was R(306,872,012) as of 30 June 2024 (2023: R(266,678,717)).

The ageing of these receivables are as follows:

Current (0-30 days)	6,210,849	7,471,500
31-60 days	6,237,051	4,944,299
61-90 days	6,249,534	5,420,085
Over 90 days	295,831,062	247,376,427

Figures in Rand	2024	2023

5. Receivables from non-exchange transactions (continued)

Factors the entity considered in assessing statutory receivables impaired

Property rates

The specific details on factors considered are comprehensively outlined and discussed in the approved Debt impairment methodology. Following the test for receivables that are not considered for impairment, significant receivables are identified and individually assessed for recoverability. Indicators such as account inactivity, referral to debt collection, liquidation/sequestration status, and payment history (both before and after year-end) are considered to evaluate whether payment can be expected. Accounts deemed fully recoverable are returned to the general age analysis for further assessment.

Receivables with potential impairment are categorized into high, medium, or low risk based on their payment trends. Accounts with a payment trend below 59% are high-risk, those between 60%-79% are medium-risk, and those above 80% are low-risk. These classifications inform the premium applied to the prime lending rate to determine the discount rate for impairment calculations. The discount rate is adjusted annually, considering economic conditions, debt collection effectiveness, and other risk factors.

Finally, expected future cash flows are estimated based on historical experience with each debtor group. High-risk receivables are adjusted using the balance from the most recent age analysis report, taking into account receipts in June, excluding billing. Specific groups, such as accounts with no recent payments, indigent receivables, and inactive accounts, are assumed to have no expected future cash flows and are fully included in the impairment allowance.

Traffic fines

When performing impairment for traffic fines, the methodology begins by grouping fines according to their nature under the National Road Traffic Act, such as Admission of Guilt, Spot Fines, Warrants, and Finalized Cases. A key factor in the impairment process is the write-off criteria, where fines outstanding for more than two years are written off following the guidelines in Circular 2 of 2006, with Council approval required for these actions.

Historical payment trends over the past five years play a crucial role in assessing the likelihood of recovering outstanding fines. Additionally, the methodology includes an expectation of recovery based on the payment history of the past three years, particularly focusing on small amounts received from concluded warrant payments and other outstanding fines.

The impairment calculation is performed using a specific tool that incorporates the historical average payment percentage. This process involves determining the recoverable amount and calculating the debtors to be written off by analyzing the outstanding balance, expected recoveries, and historical data, ensuring a comprehensive assessment of traffic fine receivables.

Reconciliation of provision for impairment for statutory receivables

Opening balance	(266,678,717)	(210,889,865)
Provision for impairment	(40,193,295)	(55,788,852)
	(306,872,012)	**(266,678,717)**

6. Consumer debtors disclosure

Gross balances		
Consumer debtors - Rates	338,457,284	298,564,717
Less: Allowance for impairment		
Consumer debtors - Rates	(295,101,115)	(257,066,670)
Net balance		
Consumer debtors - Rates	43,356,169	41,498,047

Figures in Rand	2024	2023

6. Consumer debtors disclosure (continued)

Rates		
Current (0 -30 days)	4,918,458	10,229,314
31 - 60 days	2,067,825	2,900,072
61 - 90 days	1,427,537	1,505,438
+ 90 days	34,942,349	26,863,223
	43,356,169	**41,498,047**

Figures in Rand	2024	2023

6. Consumer debtors disclosure (continued)

Summary of debtors by customer classification

Consumers		
Current (0 -30 days)	7,690,444	10,839,142
31 - 60 days	6,072,389	5,446,652
61 - 90 days	5,570,483	4,783,896
91 - 120 days	258,596,949	194,299,099
	277,930,265	215,368,789
Less: Allowance for impairment	(244,056,350)	(186,635,957)
	33,873,915	**28,732,832**
Industrial/ commercial		
Current (0 -30 days)	1,665,597	7,406,662
31 - 60 days	1,435,157	2,749,824
61 - 90 days	1,335,714	2,410,753
91 - 120 days	48,722,434	64,796,930
	53,158,902	77,364,169
Less: Allowance for impairment	(47,214,907)	(65,537,136)
	5,943,995	**11,827,033**
National and provincial government		
Current (0 -30 days)	1,066,987	224,071
31 - 60 days	113,224	102,251
61 - 90 days	87,109	90,561
91 - 120 days	6,100,798	5,414,875
	7,368,118	5,831,758
Less: Allowance for impairment	(3,829,857)	(4,893,578)
	3,538,261	**938,180**
Total		
Current (0 -30 days)	10,423,027	18,795,173
31 - 60 days	7,620,770	8,579,369
61 - 90 days	6,993,306	7,549,444
91 - 120 days	313,420,182	274,057,434
	338,457,285	308,981,420
Less: Allowance for impairment	(295,101,115)	(257,066,670)
	43,356,170	**51,914,750**
Less: Allowance for impairment		
Current (0 -30 days)	(5,504,569)	(7,200,471)
31 - 60 days	(5,552,945)	(4,726,901)
61 - 90 days	(5,565,769)	(5,180,657)
91 - 120 days	(278,477,833)	(239,958,641)
	(295,101,116)	**(257,066,670)**
Total debtor past due but not impaired		
31 - 60 days	1,383,719	1,323,183
61 - 90 days	743,771	116,288
Over 90 days	17,589,119	4,393,312
	19,716,609	**5,832,783**

Figures in Rand	2024	2023

6. Consumer debtors disclosure (continued)

Reconciliation of allowance for impairment

Balance at the beginning of the year	(257,066,670)	(210,889,865)
Contributions to allowance	(38,034,445)	(46,176,805)
	(295,101,115)	**(257,066,670)**

7. VAT receivable

VAT	5,667,088	6,594,411

The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.

Due to the accrual basis of accounting applied the amount disclosed for VAT includes the total movement of VAT accounts. The basis includes a set of accounts that indicate the amount accrued for VAT in debtors and creditors separate from the amount receivable or owed to SARS. The basis of accounting does not lend itself to the separate disclosure of VAT movement items. In terms of the prescribed guidelines only the net VAT receivable or payable are disclosed.

During the year, the municipality made payments to SARS.

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

The amount receivable for the month of June 2024 on cash basis is R3 046 949,21 and 30 June 2023 was R 6 594 410.84.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	48,004,538	14,396,623
Cash on hand	5,150	5,150
Short-term deposits	73,839,295	145,832,297
	121,848,983	**160,234,070**

Cash and cash equivalents pledged as collateral

Total financial assets pledged as collateral for Guarantee: Eskom as electricity deposits	990,000	990,000
Terms and conditions		
Total financial assets pledged as collateral for Guarantee: Post Office as postal deposits	80,000	80,000
Terms and conditions		

8. Cash and cash equivalents (continued)

The municipality had the following Investment accounts

Account number/Description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
Absa Bank - Call Account 907 840 0708	-	-	73,391	-	-	73,391
Absa Bank Invest Tracker 935 502 8112	-	32,832,234	3,248,538	-	33,232,611	3,248,538
Standard Bank - Call Deposit account 228 505 348 005	16,000,001	17,653,753	18,656,853	16,000,001	17,653,753	18,790,856
Standard Bank - Call Deposit account 228 505 348 007	-	-	4,990,900	-	-	5,010,385
Standard Bank - Notice Deposit 39 853 1641 009	-	5,613,986	5,446,854	-	5,613,986	5,446,854
Nedbank - Call deposit Account 03 7881033088 000060	-	15,111,692	19,111,692	-	15,111,692	19,111,692
Nedbank - Call deposit Account 03 7881033088 000074	-	3,983,918	3,983,918	-	3,983,918	3,983,918
Nedbank - Call deposit Account 03 7881033088 000126	-	5,000,000	-	-	5,000,000	-
Investec Call Account 1100 523923 500	39,886,191	39,886,191	19,664,707	39,886,191	39,886,191	19,664,707
Investec Call Account 1100 523923 620	-	-	36,390	-	-	36,390
FNB Call Account 627 7287 8909	2,101,101	24,812,674	14,743,981	2,101,101	24,812,674	14,743,981
FNB 32 Days Deposit 76203434073	15,851,342	-	-	15,851,342	-	-
Total	**73,838,635**	**144,894,448**	**89,957,224**	**73,838,635**	**145,294,825**	**90,110,712**

Short-term fixed and notice Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 4% to 5.05% per annum.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
Absa Bank - Primary bank Account 520000038	44,780,791	9,035,142	6,117,922	41,328,360	7,088,906	6,117,322
Absa Bank - Primary bank Account 520000062	-	-	-	-	1,649,620	(1,046)
Standard Bank - Revenue Account 331978369	-	-	-	(3,406)	(1,900)	249,640
Standard Bank - Account 240347862	6,225,445	5,615,316	18,869,960	6,679,584	5,659,997	18,546,689
Total	**51,006,236**	**14,650,458**	**24,987,882**	**48,004,538**	**14,396,623**	**24,912,605**

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

The municipality does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.

Figures in Rand	2024	2023

8. Cash and cash equivalents (continued)

Funds reserved to support unspent grants:

Expanded Public Works Program Grant	117,286	-
Finance Management Grant (FMG)	4,379,428	1,800,000
Municipal Infrastructure Grant	-	326
Sector Education Training Authority	1,169,162	565,722
Water Services Infrastructure Grant (WSIG)	-	1,722,013
Municipal Disaster Recovery Grant	308,675	-
Total	**5,974,551**	**4,088,061**

Cash on hand

Cash floats and advances	5,150	5,150
Total	**5,150**	**5,150**

The municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

No restrictions have been imposed on the municipality in terms of the utilisation of its Cash and Cash Equivalents.

The management of the municipality is of the opinion that the carrying value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

9. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	472,384,777	(31,620,929)	440,763,848	468,689,374	(26,871,069)	441,818,305

Reconciliation of investment property - 30 June 2024

	Opening balance	Depreciation	Total
Investment property	441,818,305	(1,054,457)	440,763,848

Reconciliation of investment property - 30 June 2023

	Opening balance	Depreciation	Total
Investment property	442,852,357	(1,034,052)	441,818,305

Pledged as security

No assets were pledged as security by the municipality

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Maintenance of investment property

10. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	55,713,980	(30,475,454)	25,238,526	55,348,186	(28,821,482)	26,526,704
Leasehold property	9,780,260	(7,535,828)	2,244,432	9,780,260	(6,720,201)	3,060,059
Plant and machinery	58,469,173	(41,094,343)	17,374,830	58,501,497	(37,338,270)	21,163,227
Furniture and fixtures	8,627,241	(6,321,667)	2,305,574	8,484,755	(5,536,165)	2,948,590
Motor vehicles	23,818,544	(15,431,894)	8,386,650	23,818,544	(13,968,917)	9,849,627
IT equipment	19,549,898	(15,518,330)	4,031,568	20,192,424	(15,876,814)	4,315,610
Infrastructure	2,729,407,275	1,542,518,670)	1,186,888,605	2,651,995,951	1,475,610,906)	1,176,385,045
Community	253,633,632	(82,277,145)	171,356,487	250,323,082	(76,518,301)	173,804,781
Total	**3,159,000,003**	**(1,741,173,331)**	**1,417,826,672**	**3,078,444,699**	**(1,660,391,056)**	**1,418,053,643**

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 30 June 2024

	Opening balance	Additions	Depreciation	Total
Land and buildings	26,526,704	365,794	(1,653,972)	25,238,526
Leasehold property	3,060,059	-	(815,627)	2,244,432
Plant and machinery	21,163,227	-	(3,788,397)	17,374,830
Furniture and fixtures	2,948,590	150,200	(793,216)	2,305,574
Motor vehicles	9,849,627	-	(1,462,977)	8,386,650
IT equipment	4,315,610	1,364,326	(1,648,368)	4,031,568
Infrastructure	1,176,385,045	80,681,838	(70,178,278)	1,186,888,605
Community	173,804,781	-	(2,448,294)	171,356,487
	1,418,053,643	**82,562,158**	**(82,789,129)**	**1,417,826,672**

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 30 June 2023

	Opening balance	Additions	Transfers out	Transfers	Depreciation	Total
Land and buildings	28,101,931	76,800	-	-	(1,652,027)	26,526,704
Leasehold property	3,933,832	-	-	-	(873,773)	3,060,059
Plant and machinery	25,343,903	511,388	-	-	(4,692,064)	21,163,227
Furniture and fixtures	3,635,212	107,121	-	-	(793,743)	2,948,590
Motor vehicles	11,823,653	534,783	-	-	(2,508,809)	9,849,627
IT equipment	5,385,593	496,030	-	-	(1,566,013)	4,315,610
Infrastructure	1,123,232,119	133,354,806	(114,681,223)	114,681,223	(80,201,880)	1,176,385,045
Community	171,743,526	3,889,522	-	-	(1,828,267)	173,804,781
	1,373,199,769	**138,970,450**	**(114,681,223)**	**114,681,223**	**(94,116,576)**	**1,418,053,643**

Pledged as security

No assets were pledged as security:

Delayed projects

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
Sasolburg: Upgrading of water pump station Extension of time approved, project to be completed in August 2024 Zamdela/Amelia: Construction of a new cemetery Contractor stopped due to unavailability of funds, MIG only approved additional funds in November 2024	1,077,330 4,155,197	- -
	5,232,527	**-**

Figures in Rand	2024	2023

10. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 30 June 2024

	Included within Infrastructure	Included within Community	Total
Opening balance	377,772,549	26,722,290	404,494,839
Additions/capital expenditure	77,867,759	781,012	78,648,771
	455,640,308	**27,503,302**	**483,143,610**

Reconciliation of Work-in-Progress 30 June 2023

	Included within Infrastructure	Included within Community	Total
Opening balance	22,832,767	360,107,162	382,939,929
WIP corrections	-	(1,911,760)	(1,911,760)
Transferred to completed items	-	(114,681,223)	(114,681,223)
WIP additions	3,889,522	132,346,610	136,236,132
	26,722,289	**375,860,789**	**402,583,078**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Infrastructure	9,009,775	-
Machinery	327,874	-
Motor vehicles	3,579,512	-
	12,917,161	**-**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

11. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Patents, trademarks and other rights	6,943,411	(6,102,893)	840,518	6,943,411	(5,664,361)	1,279,050
Computer software, other	13,290,194	(12,256,086)	1,034,108	13,290,194	(11,059,066)	2,231,128
Total	**20,233,605**	**(18,358,979)**	**1,874,626**	**20,233,605**	**(16,723,427)**	**3,510,178**

Reconciliation of intangible assets - 30 June 2024

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	1,279,050	(438,532)	840,518
Computer software, other	2,231,128	(1,197,020)	1,034,108
	3,510,178	**(1,635,552)**	**1,874,626**

Reconciliation of intangible assets - 30 June 2023

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	1,717,581	(438,531)	1,279,050
Computer software, other	3,209,950	(978,822)	2,231,128
	4,927,531	**(1,417,353)**	**3,510,178**

12. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical buildings	267,972	-	267,972	267,972	-	267,972
Recreational parks	4,161,000	-	4,161,000	4,161,000	-	4,161,000
Total	**4,428,972**	**-**	**4,428,972**	**4,428,972**	**-**	**4,428,972**

Reconciliation of heritage assets 30 June 2024

	Opening balance	Total
Historical buildings	267,972	267,972
Recreational parks	4,161,000	4,161,000
	4,428,972	**4,428,972**

Reconciliation of heritage assets 30 June 2023

	Opening balance	Total
Historical buildings	267,972	267,972
Recreational parks	4,161,000	4,161,000
	4,428,972	**4,428,972**

13. Other financial assets

Designated at fair value		
Listed shares	3,731,140	2,690,460
Sanlam shares		

Figures in Rand	2024	2023
13. Other financial assets (continued)		
At amortised cost		
Other financial assets	12,810	12,810
Terms and conditions		
Total other financial assets	**3,743,950**	**2,703,270**
Non-current assets		
Designated at fair value	3,731,140	2,690,460
At amortised cost	12,810	12,810
	3,743,950	**2,703,270**

Financial assets at fair value

Fair value hierarchy of financial assets at fair value

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP 104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments.:

Level 1: Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2: Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Level 2: Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments
valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other
valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Level 1		
Listed Investments	3,731,140	2,690,460
14. Receivables from exchange transactions-Long term portion		
Housing sale of land	14,661	27,797
Gross balances		
Housing sale of land	6,250,006	6,234,419
Impairment		
Housing sale of land	(6,235,345)	(6,208,804)
Financial asset receivables included in receivables from exchange transactions above	**14,661**	**25,615**
Total receivables from exchange transactions	14,661	27,797

Figures in Rand	2024	2023

14. Receivables from exchange transactions-Long term portion (continued)

Reconciliation of provision for impairment of trade and other receivables

Opening balance	6,208,805	3,480,556
Provision for impairment	26,537	2,728,249
	6,235,342	**6,208,805**

15. Payables from exchange transactions

Trade payables	79,756,677	64,130,174
Payments received in advanced	40,530,045	27,350,304
Accrued leave pay	27,037,393	27,249,202
Accrued bonus	7,558,184	7,410,041
Eskom: Bulk electricity purchase	57,746,460	48,429,449
Rand Water and Department of Water: Bulk water purchase	72,195,897	65,447,695
Control, Clearing and Interface Accounts	17,353,723	10,396,021
Retentions	18,476,533	19,586,774
Auditor-General South Africa	46,199	-
Unallocated deposits	14,146,063	13,045,313
Unclaimed credits	-	18,397,446
	334,847,174	**301,442,419**

Staff bonuses accrue to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Staff leave accrues to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Payments received in advance also include consumer debtors' accounts paid in advance.

No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with.

The municipality did default on payments to its Creditors.Terms for payment have been re-negotiated by the municipality.

16. VAT payable

The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.
Due to the accrual basis of accounting applied the amount disclosed for VAT includes the total movement of VAT accounts. The basis includes a set of accounts that indicate the amount accrued for VAT in debtors and creditors separate from the amount receivable or owed to SARS. The basis of accounting does not lend itself to the separate disclosure of VAT movement items. In terms of the prescribed guidelines only the net VAT receivable or payable are disclosed.

During the year, the municipality did make any payments to SARS.
VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

The amount receivable for the month of June 2024 on cash basis is R3 046 949,21 and 30 June 2023 was R 6 594 410.84

The remaining balance of VAT payable is made up of Output tax accrual, Input tax accrual and VAT on provision for impairment. The breakdown of the amounsts is as follows

Figures in Rand	2024	2023

16. VAT payable (continued)

Analysis of VAT amount	**2024**	**2023**
Cash basis	5,667,088	6,594,411
Output tax acrual	(331,996,544)	(278,932,484)
Input tax accrual	18,518,001	9,561,303
Vat on Provision for impairment	299,579,101	252,919,577
	(8,232,354)	**(9,857,193)**

17. Consumer deposits

Electricity	3,913,937	3,783,504
Water	25,167,140	23,985,445
Other deposits	1,502,000	1,502,000
	30,583,077	**29,270,949**

Consumer deposits are paid by consumers on application for new electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest accrues on consumer deposits.

The management of the municipality is of the opinion that the carrying value of consumer deposits approximates their fair values.

The fair value of consumer deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

18. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Post-retirement Health Care Benefits Liability	(36,411,000)	(32,466,123)
Long Service Awards Liability	(27,697,000)	(16,686,000)
	(64,108,000)	**(49,152,123)**
Non-current liabilities	(54,451,000)	(45,444,132)
Current liabilities	(9,657,000)	(3,707,991)
	(64,108,000)	**(49,152,123)**

Post-retirement Health Care Benefits Liability

Opening balance	32,466,123	37,947,000
Benefits paid	(2,131,991)	(2,303,300)
Net expense recognised in the statement of financial performance	6,076,788	(3,177,577)
	36,410,920	**32,466,123**

Figures in Rand	2024	2023

18. Employee benefit obligations (continued)

Post-retirement Health Care Benefits Liability

Transfer to current provisions	(2,615,000)	(2,131,991)
Non-current portion	**33,795,920**	**30,334,132**

Analysis of net expense recognised in the statement of financial performance(Including benefits paid)

Assumed discount rate have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed discount rate would have the following effects:

Current service cost	707,246	375,000
Interest cost	4,621,857	4,232,000
Actuarial (gains) and losses	747,765	(7,784,577)
Benefits paid	(2,131,991)	(2,303,300)
Total	3,944,877	(5,480,877)

The members of the Post-employment Health Care Benefit Plan are made up as follows:

Eligible employees	53	72
Continuation members (pensioners)	50	48
	103	**120**

The accrued liability in respect of past service has been estimated as follows:

In-service members	13,479,000	13,173,413
Continuation members	22,932,000	19,292,709
	36,411,000	**32,466,122**

Figures in Rand	2024	2023

18. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

In estimating the net defined benefit liability for the post-employment health care benefits a number of assumptions are required. The GRAP 25 standard places the responsibility on management to set these assumptions, as guided by the principles set out in the standard and in discussion with the actuary.

It should be noted that the valuation method and assumptions do not affect the ultimate cost of the post-employment health care arrangement – this is determined by actual experience and by the benefits provided. The method and assumptions influence how the DBO and future service costs are recognised over time.

The key financial and demographic assumptions are summarised below

A more detailed outline of these assumptions is contained in the actural report

Key Financial Assumptions		
Discount rate	11.59 %	12.91 %
Health care cost inflation rate	7.15 %	8.50 %
CPI inflate rate	5.65 %	7.00 %
Maximum subsidy inflation rate	4.99 %	6.00 %
Net effective discount rate	6.29 %	6.52 %

Key Demographic Assumptions		
Average retirement age	62	62.00 %
Mortality during employment	SA 85-90	SA 85-90
Termination of service (resignation and retrenchment) average	5%	5%
Mortality post-employment	PA(90)-1	PA(90)-1
Continuation of membership at retirement	75.00 %	75.00 %

Post-retirement Health Care Benefits Liability

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:
- Bonitas
- Keyhealth
- LA Health
- Hosmed

Municipal employees contribute to accredited medical schemes.

The municipality offers employees and continuation members the opportunity of belonging to one of several medical aid schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death in-service or death in- retirement, the surviving dependents may continue membership of the medical scheme.

Members contribute according to tables of contribution rates which differentiate between them on the type and number of dependents. Some options also differentiate on the basis of income.

In-service members that were employed prior to 2001 are entitled to a post-employment medical aid subsidy of 60% of the contribution payable. All current continuation members receive a 60% subsidy.

Upon a member's death-in-service or death-in-retirement, the surviving dependents will continue to receive the same 60% subsidy.

Figures in Rand	2024	2023

18. Employee benefit obligations (continued)

The obligation in respect of medical care contributions for retirement benefits is valued every year by independent qualified actuaries.

An actuarial valuation has been performed of the municipality's liability in respect of benefits to eligible retirees and retired employees of the municipality. The provision is utilised when eligible employees receive the value of the vested benefits.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2023 by Mr Chanan Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligations, and the related current service costs and past service costs, were measured using the Projected Unit Credit Method.

Amounts for the current and previous four years are as follows:	**2024**	**2023**	**2022**	**2021**	**2020**
Present Value of Defined Benefit Obligation	36,411,000	32,466,123	37,947,000	46,371,724	42,321,460
	36,411,000	**32,466,123**	**37,947,000**	**46,371,724**	**42,321,460**

Figures in Rand	2024	2023

18. Employee benefit obligations (continued)

Long service awards liabilities

Long service awards		
Opening balance	16,868,000	17,047,000
Benefits paid	(1,576,000)	(3,415,000)
Net expense recognised in the statement of financial performance	12,405,000	3,054,000
Total	27,697,000	16,868,000
Transfer to current provisions	(7,042,000)	(1,576,000)
Total long service awards liability	27,697,000	16,868,000
Total non-current portion	20,655,000	15,292,000

Analysis of net expense recognised in the statement of financial performance(Including benefits paid)

Assumed discount rate have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed discount rate would have the following effects:

Current service cost	1,752,000	1,943,000
Past service cost	9,263,000	-
Interest cost	1,665,000	1,700,000
Actuarial (gains) and losses	(66,000)	(589,000)
Benefits paid	(1,576,000)	(3,415,000)
Total	11,038,000	(36,100)

Eligible Employees		
Total number	743	716

Key assumptions used

Assumptions used at the reporting date:

In estimating the LSA net defined benefit liability of the Municipality a number of actuarial assumptions are required. The GRAP 25 standard places the responsibility on management to set these assumptions, as guided by the principles set out in the standard and in discussion with the actuary.

It should be noted that the valuation method and assumptions do not affect the ultimate cost of the LSA arrangement – this is determined by actual experience and by the benefits provided. The method and assumptions influence how the DBO and current service costs are recognised over time.
The key financial and demographic assumptions are summarised below. A more detailed outline of these assumptions is contained in the actuarial report.

The key financial and demographic assumptions are summarised below.

A more detailed outline of these assumptions is contained in the actural report

Key Financial Assumptions		
Discount rate	10.89 %	10.47 %
CPI inflate rate	5.00 %	5.26 %
General earnings inflation rate	6.00 %	6.26 %
Net effective discount rate	4.62 %	3.96 %

Key demographic assumptions

Figures in Rand	2024	2023

18. Employee benefit obligations (continued)

Average age	62	62
Mortality during employment	SA 85-90	SA 85-90
Termination of service (resignation and retrenchment rates per annum)	5.00 %	5.00 %

Long service awards liabilities

An actuarial valuation has been performed of the municipality's liability in respect of benefits to eligible employees of the municipality. The provision is utilised when eligible employees receive the value of the vested benefits.

At year end 743 (2023: 716) employees were eligible for Long-service Awards.

Metsimaholo Local Municipality offers employees long service awards for every 5 years of services completed. No other long service benefits are provided to employees.

Special leave pay

24 employees (appointed before 1999, according to the data provided) receive an additional six days of leave annually. This commenced when they reached five years of service.

Retirement gifts

55 employees (appointed before 2007, according to the data provided) are entitled to receive a retirement gift of 2% of annual earnings, provided they have at least 20 years of service at retirement..

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2023 by Mr Chanan Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Amounts for the current and previous four years are as follows:	**2024**	**2023**	**2022**	**2021**	**2020**
Long service awards liability	27,697,000	16,686,000	17,047,000	15,867,000	15,463,000
	27,697,000	**16,686,000**	**17,047,000**	**15,867,000**	**15,463,000**

19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant	-	5,186,639
Financial Management Grant	1,654,288	1,800,000
Integrated National Electrification Programme Grant(INEP)	-	2,000
LGSETA	1,169,162	565,721
Municipal Disaster Recovery Grant	411,172	-
Water Services Infrastructure Grants(WSIG)	-	1,722,013
Expanded Public Works Program Grant	117,286	-
	3,351,908	**9,276,373**

Movement during the year

Balance at the beginning of the year	4,116,176	9,991,400
Additions during the year	369,390,441	398,182,434
Income recognised during the year	(370,154,709)	(398,897,461)
	3,351,908	**9,276,373**

Figures in Rand	2024	2023

19. Unspent conditional grants and receipts (continued)

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 29 for the reconciliation of grants from the National/Provincial Government.

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

20. Provisions

Reconciliation of provisions - 30 June 2024

	Opening Balance	Utilised during the year	unwinding of the discount	Total
Environmental rehabilitation	98,017,478	(834,222)	12,369,843	109,553,099
	98,017,478	**(834,222)**	**12,369,843**	**109,553,099**

Reconciliation of provisions - 30 June 2023

	Opening Balance	Utilised during the year	unwinding of the discount	Total
Environmental rehabilitation	90,395,077	(2,366,289)	9,988,690	98,017,478
	90,395,077	**(2,366,289)**	**9,988,690**	**98,017,478**

Non-current liabilities	2,951,275	1,709,106
Current liabilities	106,601,824	96,308,372
	109,553,099	**98,017,478**

Environmental rehabilitation provision

The landfill rehabilitation and closure are created for the rehabilitation and closure of the current operational sites which are evaluated at year-end to reflect the best estimate at reporting date. The sites under consideration are the Sasolburg, Oranjeville and Deneysville landfill sites. The valuation for the landfill sites were performed by Masimba Mapfurira (Engineering Consultant)(BSc Hons Civil Engineering) and Nkosinobubelo Ndebele (Environmental Consultant)(MSc Environmental Sciences) from One Pangaea Expertise and Solutions.

Key financial assumptions used in this calculation were as follows:

	2024	**2023**
Average long-term CPI	7.39%	7.23%
Net Discount rate	4.87%	3.56%
Average Long-term Bond	12.62%	11.05%

Heading	**Sasol landfill**	**Orangeville landfill**	**Deneysville landfill**
Approximate footprint at 30 June 2022	16.8 Ha	0.6 Ha	1.4 Ha
Remaining useful lives	Approximately 0	Approximately 10	Approximately 4

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

21. Service charges

Sale of electricity	379,454,219	313,985,206
Sale of water	526,547,328	444,570,560
Sewerage and sanitation charges	71,841,713	64,626,845
Refuse removal	54,830,173	52,466,139
	1,032,673,433	**875,648,750**

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to Council's approved tariffs. These service charges revenue are the net amounts after taking into account revenue forgone.

22. Sale of goods and rendering of services

Advertisements	411,069	422,479
Building plan clause levy	239,684	290,910
Cemetery and burial	406,440	323,612
Clearance certificates	387,669	442,712
Drainage fees	6,065	8,805
Entrance fees	318,204	237,532
Fire services	699,720	892,132
Legal fees	1,894,000	2,931,689
Parking fees	63,044	55,113
Sale of goods	2,300	144,952
Tender documents	113,034	111,987
Town planning and servitudes	143,782	105,328
Valuation services	244	232
Building plan approval	6,595	-
	4,691,850	**5,967,483**

23. Rental of facilities and equipment

Premises		
Premises	6,420,908	6,090,438
Facilities and equipment		
Rental of facilities	408,600	424,151
	6,829,508	**6,514,589**

Rental income generated is at market-related premiums.

Leasing Arrangements

The Municipality as Lessor:

Operating Leases relate to property leases for municipal houses. The lessee does not have an option to purchase the leased asset at the expiry of the lease period. These rentals are classified as contingent rentals due to some uncertain lease periods which are on a month-to-month basis. The operating lease payments are therefore not subject to straight-lining and it is impracticable to disclose the future minimum lease payments expected to be received for each of the following periods as required by GRAP13:

- no later than one year
- later than one year and not later than five years
- later than five years

The municipality has operating lease agreements for the following classes of assets:

- Buildings

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

24. Investment revenue

Dividend revenue		
Other financial asset- Sanlam shares	147,549	132,794
Interest revenue		
Short-term investments and call accounts	12,036,530	13,567,165
	12,184,079	**13,699,959**

25. Interest received - exchange receivables

Electricity	9,756,198	7,878,485
Service charges	9,206,304	7,213,021
Waste management	8,636,406	5,745,250
Waste water management	5,175,248	3,717,972
Water	81,269,069	59,535,059
	114,043,225	**84,089,787**

26. Property rates

Rates received		
Residential	153,432,354	145,575,935
Commercial	92,690,408	89,798,782
Municipal	5,330,240	5,021,417
Small holdings and farms	3,853,734	3,647,228
Other property types	3,751,959	3,577,717
Less: Income forgone	(37,623,136)	(36,293,820)
	221,435,559	**211,327,259**
Valuation		
Business	1,041,010,000	1,013,133,000
Farms	4,288,730,000	2,901,198,000
Government	28,302,000	28,302,000
Municipal	4,633,200	40,482,000
Private	4,012,304,000	3,533,948,000
Residential	1,113,663,000	396,500,000
Unknown abakus	1,052,669,000	9,360,756,000
	1,541,311,200	**7,274,319,000**

The land value was changed to market value according to the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) that came
into effect on 1 July 2008. The increase in valuation is due to the fact that the full market value of a property is now the basis of levying rates and not the land value
No difference is made between land value and the value of improvements and only the market value appears on the valuation roll.
With the implementation of the MPRA, different categories of properties are levied at different tariffs with different rebates applicable
Property owners of 60 years and older and/or physically or mentally disabled, who can substantiate receipt of a social pension, and
owners certified by the Medical Officer of Health as physically or mentally disabled, can qualify for a rebate, subject to certain conditions.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

27. Service charges - Availability charges

Electricity	2,694,461	2,372,608
Sewerage and Sanitation	23,053	23,875
Water	1,434,939	1,373,801
	4,152,453	**3,770,284**

Availability charges have been reclassified from Exchange to Non-exchange Revenue where consumers have not paid the connection fee and the municipality has not connected consumer to the municipality's infrastructure.

28. Fines, Penalties and Forfeits

Municipal Traffic Fines	3,049,663	2,785,750

Figures in Rand	2024	2023

29. Government grants & subsidies

Operating grants

Equitable share	276,279,313	246,748,000
Financial Management Gant (FMG)	1,095,712	950,000
Extended Public Works Program (EPWP)	832,714	1,531,484
Sector Education Training Authority Grant (SETA)	-	285,527
Municipal Disaster Recovery Grant	588,828	-
	278,796,567	**249,515,011**

Capital grants

Municipal Infrastructure Grant (MIG)	49,399,326	50,666,985
Water Services Infrastructure Grant (WSIG)	17,339,008	15,460,991
Integrated National Electrification Programme (INEP)	29,780,000	35,631,000
Regional Bulk Infrastructure Grant (RBIG)	-	43,043,368
	96,518,334	**144,802,344**
	375,314,901	**394,317,355**

Conditional and Unconditional

Included in the above are the following grants and subsidies received:

Conditional grants received	964,641,002	152,500,750
Unconditional grants received	276,178,000	251,587,527
	1,240,819,002	**404,088,277**

Equitable Share

Current-year receipts	276,279,313	246,748,000
Conditions met - transferred to revenue	(276,279,313)	(246,748,000)
Grants withheld	6,887,000	-
	6,887,000	**-**

The Equitable Share Grant is an unconditional grant. In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members and to fund operations. The grant was utilised as per the intended purpose.

A council resolution was taken to use some of the grant for free basic services to residents. Equitable share is also used to allocate basic water, basic electricity and basic sewer per month to all households. Indigent households are allocated 6kl of water, 50 kWh of electricity additional sewer, refuse, and R50 per month on rates.

The allocation of equitable share has been reduced by R 6 988 313 during the 2023/24 financial year due to the non-spending of funds on the Integrated National Electrification Programme Grant, Municipal Infrastructure Grant and Finacial Management Grant by the municipality as at 30 June 2023.

The allocation of equitable share has been reduced by R 4 554 000 during the 2022/23 financial year due to the non-spending of funds on the Integrated National Electrification Programme Grant, Municipal Infrastructure Grant and Water Service Infrastructure Grant by the municipality as at 30 June 2022.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	5,186,639	9,651,625
Current-year receipts	49,399,000	50,756,000
Conditions met - transferred to revenue	(45,357,910)	(46,504,832)

Figures in Rand	2024	2023

29. Government grants & subsidies (continued)

Retained payment	(4,041,416)	(4,162,154)
Reduction (According to National Treasury)	(5,186,313)	(4,554,000)
	-	**5,186,639**

Conditions still to be met - remain liabilities (see note 19).

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions; to provide for new, rehabilitation and upgrading of municipal infrastructure.

Finance Management Grant (FMG)

Balance unspent at beginning of year	1,800,000	-
Current-year receipts	2,750,000	2,750,000
Conditions met - transferred to revenue	(1,095,712)	(950,000)
Reduction (According to National Treasury)	(1,800,000)	-
	1,654,288	**1,800,000**

Conditions still to be met - remain liabilities (see note 19).

The municipality received the Financial Management Grant from the National Treasury. It is used for capacity building and assistance to financial services to improve service delivery. This grant is also used to assist in support and implementation of financial management reforms, attendance at accredited training and capacity building programmes on financial management.

Expanded Public Works Program (EPWP)

Balance unspent at the beginning of the year	-	8,484
Current-year receipts	950,000	1,523,000
Conditions met - transferred to revenue	(832,714)	(1,531,484)
	117,286	**-**

Conditions still to be met - remain liabilities (see note 19).

The Expanded Public Works Programme (EPWP) Grant is a conditional grant of which the purpose is the funding of the department's Extended Public Works Programme. The grant was utilised as per the intended purpose. No moneys have been withheld.

Sector Education Training Authority Grant (SETA)

Balance unspent at the beginning of the year	565,721	303,175
Current-year receipts	603,441	548,073
Conditions met - transferred to revenue	-	(285,527)
	1,169,162	**565,721**

Conditions still to be met - remain liabilities (see note 19).

The municipality received grants from the Sector Education Training Authority to promote excellent performance by the human resources division. The funds must be utilised towards training. The agreement for the appointment of learners was carried over to 2022/2023.

Integrated National Electrification Programme (INEP)

Balance unspent at beginning of year	2,000	2,000
Current-year receipts	29,780,000	35,631,000
Conditions met - transferred to revenue	(29,780,000)	(35,631,000)

Figures in Rand	2024	2023

29. Government grants & subsidies (continued)

Reduction (According to National Treasury)	(2,000)	-
	-	**2,000**

Conditions still to be met - remain liabilities (see note 19).

The Integrated Electrification Programme Grant is a conditional grant of which the purpose is to facilitate the development of the electrical infrastructure grid as part of the Integrated National Electrification Programme. The grant was utilised as per intended purpose. Moneys have been withheld in the prior financial year.

Water Services Infrastructure Grant (WSIG)

Balance unspent at beginning of year	1,722,013	-
Current-year receipts	15,617,000	17,183,000
Conditions met - transferred to revenue	(17,339,013)	(15,460,987)
	-	**1,722,013**

Conditions still to be met - remain liabilities (see note 19).

This grant has been provided by Department of Water affairs and to try to get water to areas where it was recognised that full services would not become available.

Regional Bulk Infrastructure Grant (RBIG)

Current-year receipts	-	43,043,359
Conditions met - transferred to revenue	-	(43,043,359)
	-	**-**

Conditions still to be met - remain liabilities (see note 19).

The municipality received funds from National Government (Regional Bulk Infrastructure Grant) for water purification.

Municipal Disaster Recovery Grant

Current-year receipts	1,000,000	-
Conditions met - transferred to revenue	(588,828)	-
	411,172	**-**

Conditions still to be met - remain liabilities (see note 19).

Provide explanations of conditions still to be met and other relevant information.

Water Services Infrastructure Grants (WSIG)

Balance unspent at the beginning of the year	1,722,013	-
Current-year receipts	15,617,000	17,183,000
Conditions met - transferred to revenue	(17,339,013)	(15,460,987)
	-	**1,722,013**

Conditions still to be met - remain liabilities (see note 19).

Provide explanations of conditions still to be met and other relevant information.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

30. Interest from non-exchange receivables

Property rates	21,895,271	16,149,465

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

31. Employee related costs

Basic	210,468,475	193,988,503
Long-service awards	10,807,014	1,943,406
Leave pay provision charge	2,569,242	2,690,923
Overtime payments	41,509,765	32,249,565
Allowances: Acting and post-related allowances	4,211,026	3,439,982
Allowances: Bonus	16,087,880	15,512,861
Allowances: Celluler and telephone	2,104,333	1,920,486
Allowances: Housing benefits	1,651,644	1,568,545
Allowances: Standby	6,618,580	6,199,331
Allowances: Travel or Motor vehicle	29,220,163	24,379,671
Social contributions: Bargaining council	102,739	95,963
Social contributions: Group life insurance	167,290	163,602
Social contributions: Medical	24,194,911	21,984,840
Social contributions: Pension	36,088,683	32,707,638
Social contributions: Unemployment insurance	1,583,826	1,540,279
Long-term benefits - incentive scheme	958,771	1,914,551
	388,344,342	**342,300,146**

Remuneration of Municipal Manager

Annual Remuneration	1,158,596	1,624,086
Car Allowance	75,000	45,500
Cell phone allowance	28,000	-
Company Contributions to UIF, Medical and Pension Funds	13,821	18,821
Acting Allowances	195,016	-
	1,470,433	**1,688,407**

Mr. FJ Motloung has been appointed as Municipal Manager on the 1st of April 2024

Mr. FJ Motloung was acting Municipal manager from December 2023 until 31 March 2024

Advocate Mofokeng LMA was dismissed on the 27 November 2023

Advocate LMA Mofokeng was the Municipal Manager from 01 July 2022 to 30 June 2023.

Remuneration of Chief Finance Officer

Annual Remuneration	918,417	894,593
Car Allowance	132,201	275,000
Cell phone Allowance	12,013	59,000
Company Contributions to UIF, Medical and Pension Funds	522,628	13,781
	1,585,259	**1,242,374**

Mrs. FV Mareka has been appointed as Chief Financial Officer on the 1st of April 2024

Mr. CC Scheepers was acting Chief Financial Officer from August as HI Lebusa was suspended

Mr. HI Lebusa was dismissed on the 8th of December 2023

Mr. Hopolang Lebusa was appointed as the Chief Financial officer since 01 August 2022 to 30 June 2023.

Remuneration of Director Technical Services and Infrastructure

Figures in Rand	2024	2023
31. Employee related costs (continued)		
Annual Remuneration	1,180,707	1,037,093
Car Allowance	300,000	150,000
Cell phone Allowance	30,000	41,500
Company Contributions to UIF, Medical and Pension Funds	14,875	13,416
Acting allowances	31,367	31,769
	1,556,949	**1,273,778**

Mr. DL Ramabitsa has been appointed as Director Technical Service and Infrastructure on 01 August 2022.

Mr. KM Mvulane was appointed as Acting Director Technical Service and Infrastructure for the period (06 July 2023 - 21 July 2023) and (01 August 2023 - 31 August 2023) .

Remuneration of Director Organisational Development and Corporate Services

Annual Remuneration	822,981	386,761
Car Allowance	225,000	50,000
Cell phone Allowance	22,500	10,000
Acting allowances	281,777	244,439
Company Contribution to UIF, Medical and Pension Funds	18,400	-
	1,370,658	**691,200**

Mr FJ Motloung resigned on the 31st of March 2024 as he became appointed as a Municipal Manager

Mr FJ Motloung was appointed as Director Organisational Development and Corporate Services since 01 March 2023 to 30 June 2023

Remuneration of Director Social Services

Annual Remuneration	1,162,931	1,113,677
Car Allowance	300,000	275,000
Cell phone Allowance	30,000	59,000
Company Contributions to UIF, Medical and Pension Funds	16,750	14,800
Acting allowances	31,367	31,769
	1,541,048	**1,494,246**

Mr SJ Mokoena was appointed as Director Social Services from 01 Aug 2022 to 30 June 2023

Remuneration of Director Economic Development and Urban Planning

Annual Remuneration	1,336,747	1,201,093
Car Allowance	125,000	3,093
Cell phone Allowance	30,000	27,500
Company Contributions to UIF, Medical and Pension Funds	16,861	13,438
Acting allowances	31,367	31,769
	1,539,975	**1,276,893**

Ms. MK Tlhapane was appointed as Director Economic Development since 01 Aug 2022 to 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

32. Remuneration of councillors

Executive Major	983,455	965,056
Chief Whip	792,276	735,208
Mayoral Committee Members	6,024,604	4,411,248
Chairpersons Section 79 committees	2,050,129	1,429,286
Speaker	878,657	780,930
All other Councillors	11,744,319	11,625,461
	22,473,440	**19,947,189**

In-kind benefits

The Executive Mayor,Chief Whip, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council-owned vehicle for official duties.

The Executive Mayor has three full-time bodyguards. The Speaker has two full-time bodyguards.

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Figures in Rand	2024	2023

32. Remuneration of councillors (continued)

Additional information

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

Remuneration of the Executive Mayor - 2024	**Annual remuneration**	**Cellphone allowance**	**Travel allowance**	**Total**
MJ Malindi	719,591	32,400	-	751,991
01 October 2023- 30 June 2024 ZJ Zwane 01 July 2023 - September 2023	219,203	10,400	55,860	285,463
	938,794	**42,800**	**55,860**	**1,037,454**

Remuneration of the Speaker - 2024	**Annual remuneration**	**Cellphone allowance**	**Travel allowance**	**Total**
L Fisher	617,744	45,600	178,770	842,114

Remuneration of the Chief Whip - 2024	**Annual remuneration**	**Cellphone allowance**	**Travel allowance**	**Total**
FD Mosokweni	553,816	45,600	201,000	800,416

Remuneration of mayoral Committee members - 2024	**Annual remuneration**	**Total**
FJ van der Merwe	186,180	186,180
JJ Barnard	186,180	186,180
TK Rankoe	186,180	186,180
SR Meyer	186,180	186,180
JM Makhema	127,527	127,527
MT Mbana	215,299	215,299
L Day	124,913	124,913
Sl Tshongwe	481,914	481,914
LA Makhefu	542,989	542,989
DA Mofokeng	553,974	553,974
SM Motjeane	553,974	553,974
TA Motaung	55,798	55,798
JL Tsotetsi	553,974	553,974
MS Poho	551,294	551,294
LL Nhlapo	569,668	569,668
JM Masiteng	491,898	491,898
SM Mofokeng	487,190	487,190
M Nkheloane	29,119	29,119
	6,084,251	**6,084,251**

Remuneration of section 79 Committee chairpersons - 2024	**Annual remuneration**	**Cellphone allowance**	**Travel allowance**	**Total**
Molawa JM (MPAC Chairperson)	533,429	45,600	195,204	774,233
Mtshali NM (ETHICS Chairperson)	529,985	45,600	195,204	770,789
Khumalo AM(Chairperson of public place and street naming)	479,751	28,800	-	508,551
	1,543,165	**120,000**	**390,408**	**2,053,573**

Remuneration of all other councillors - 2024	**Annual remuneration**	**Cellphone allowance**	**Travel allowance**	**Total**

Notes to the Annual Financial Statements

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

32. Remuneration of councillors (continued)

Remuneration of the Executive Mayor - 2023	Annual remuneration	Cellphone allowance	Travel allowance	Total
ZJ Zwane	697,216	227,040	40,800	965,056

Remuneration of the Council Whip - 2023	Annual remuneration	Cellphone allowance	Travel allowance	Total
FD Mosokweni	489,808	204,600	40,800	735,208

Remuneration of the Mayoral Committee Members - 2023	Annual remuneration	Total
FJ van der Merwe	735,208	735,208
JJ Barnard	735,208	735,208
TK Rankoe	735,208	735,208
SR Meyer	735,208	735,208
JM Makhema	735,208	735,208
MT Mbana	735,208	735,208
	4,411,248	**4,411,248**

Remuneration of the Speaker - 2023	Annual remuneration	Total
L Fisher	557,760	780,930

Remuneration of Chairpersons of Section 79 Committees - 2023	Annual remuneration	Total
M Molawa (MPAC chairperson)	714,643	714,643
NM Mtshali (Chairperson Ethics)	714,643	714,643
	1,429,286	**1,429,286**

Remuneration of all other councillors - 2024	Annual muneration	Total
Maseko ME	366,708	366,708
Nhlapo LL	104,634	104,634
Motaung TA	134,037	134,037
Mofokeng TH	30,325	30,325
Motjeane SM	104,634	104,634
Malindi MJ	104,634	104,634
Tsotetsi JL	104,634	104,634
Mahlaela PM	366,708	366,708
Tshongwe SL	425,849	425,849
Poho MS	104,634	104,634
Nkheloane M	366,708	366,708
Makhefu LA	104,634	104,634
Du Toit T	366,707	366,707
Van Heerden LJ	366,526	366,526
Mozolo MB	366,708	366,708
Mokwai MS	366,708	366,708
Mampana JT	366,708	366,708
Thulo TD	366,708	366,708
Motsapi MS	366,708	366,708

Notes to the Annual Financial Statements

Mbikolo DK	366,708	366,708
Mofokeng MV	366,708	366,708

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
32. Remuneration of councillors (continued)		
Kumalo AM	133,753	133,753
Pienar M	366,708	366,708
Geyser EJ	366,708	366,708
Masiteng JM	133,753	133,753
Day L	297,600	297,600
Sehaole TG	366,708	366,708
Mthetho L	366,708	366,708
Mqwathi ME	366,708	366,708
Rani DV	366,708	366,708
Mofokeng SM	104,634	104,634
Soetsang TL	366,708	366,708
Radebe MJ	366,708	366,708
Mofokeng DA	104,634	104,634
Leotlela MG	366,708	366,708
Tabile PO	317,539	317,539
Makhema JM	326,042	326,042
Zwane ZJ	274,446	274,446
Van Der Merwe FJ	269,921	269,921
Barnard JJ	269,921	269,921
Meyer SR	269,921	269,921
MBANA MT	269,921	269,921
Rankoe KT	269,921	269,921
Motloung TM	558,900	558,900
Nkheloane MM	8,052	8,052
	12,527,658	**12,527,658**

Remuneration of all other councillors - 2023	**Annual remuneration**	**Total**
MJ Radebe	332,156	332,156
MS Poho	332,156	332,156
TL Soetsang	332,156	332,156
SM Mofokeng	332,156	332,156
ME Mqwathi	332,156	332,156
DV Rani	332,156	332,156
LA Makhefu	332,156	332,156
L Day	332,156	332,156
L Mthetho	332,156	332,156
TG Sehaole	332,156	332,156
MB Mozolo	332,156	332,156
SL Tshongwe	332,156	332,156
TD Thulo	332,156	332,156
LJ Chalala	332,156	332,156
JM Masiteng	332,156	332,156
MS Motsapi	332,156	332,156
MS Mokwai	332,156	332,156
JT Mampana	332,156	332,156
DK Mbikolo	332,156	332,156
MV Mofokeng	83,039	83,039
DA Mofokeng	332,156	332,156
EJ Geyser	332,156	332,156
M Pienaar	332,156	332,156
MJ Malindi	332,156	332,156
AM Kumalo	332,156	332,156
LL Nhlapo	332,156	332,156
T Du Toit	332,156	332,156
PM Mahlaela	332,156	332,156
ME Maseko	332,156	332,156
TA Motaung	332,156	332,156

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
32. Remuneration of councillors (continued)		
M Nkheloene	332,156	332,156
LJ Van Heerden	332,156	332,156
JL Tsotetsi	332,156	332,156
SM Motjeane	332,156	332,156
TH Mofokeng	332,156	332,156
MG Leotlela	249,117	249,117
	11,625,460	**11,625,460**
33. Depreciation and amortisation		
Property, plant and equipment	82,789,129	94,116,576
Investment property	1,054,456	1,034,052
Intangible assets	1,635,551	1,635,551
	85,479,136	**96,786,179**
34. Finance costs		
Employee benefits obligations	6,286,857	5,932,000
Land-fill site provision	12,369,843	3,378,652
Trade and other payables	4,546,912	671,391
Finance leases	-	637
	23,203,612	**9,982,680**
35. Bulk purchases		
Electricity - Eskom	396,912,532	338,622,430

Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom.

Electricity losses

Units purchased	-	-	200,597,251	198,275,104
Units sold	-	-	(146,111,031)	(161,558,882)
Total loss	**-**	**-**	**54,486,220**	**36,716,222**
Comprising of:				
Losses in rand value	-	-	43,918,767	89,333,996
Percentage Loss:				
Technical losses	- %	- %	29 %	26 %

36. Contracted services

Outsourced Services		
Administrative and Support Staff	158,911	79,000
Connection/Dis-connection	526,393	1,053,836

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

36. Contracted services (continued)

Consultants and Professional Services		
Business and Advisory	27,381,635	4,568,771
Infrastructure and Planning	215,643	201,819
Legal Cost	13,940,851	8,155,423
Contractors		
Maintenance of Buildings and Facilities	5,132,660	3,959,125
Maintenance of Equipment	11,617,197	8,216,762
Maintenance of Unspecified Assets	1,051,934	843,646
Plants, Flowers and Other Decorations	4,715	-
Traffic and Street Lights	2,028,517	-
Safeguard and Security	29,324,120	25,408,213
Sewerage Services	24,094,401	23,284,723
	115,476,977	**75,771,318**

37. Lease rentals on operating lease

Plant and equipment		
Contractual amounts	17,458,193	9,435,970

The leases are entered in to on month-to-month or ad hoc bases, and, therefore, do not have escalation clauses or commitments.

Operating lease payments are therefore not subject to straight lining.

38. Debt impairment

Debt impairment	428,678,248	368,054,605
Bad debts written off	24,862,724	9,126,710
	453,540,972	**377,181,315**

39. Transfer and subsidies

Other subsidies		
Bursaries - non-employees	131,319	168,320
Social relief - burials	158,710	136,200
	290,029	**304,520**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

40. Operating cost

Advertising, publicity and marketing	922,668	952,065
Bank charges	1,169,066	1,497,909
Catering services	329,815	203,355
Commission paid	1,253,289	1,124,084
Communication	2,578,799	2,967,143
Entertainment	165,050	232,259
External audit fees	10,215,167	10,733,684
External computer services	14,911,575	7,759,340
Garden services	2,732,325	840,866
Hire charges	73,953	82,211
Insurance	3,716,480	2,330,440
Licences	657,533	759,438
Printing and stationery	104,110	163,761
Professional bodies, membership and subscription	4,902,147	62,088
Telephone and fax	107,654	188,733
Transport expenses	271,113	173,183
Travel and subsistence	1,758,595	1,378,366
Registration fees	139,120	33,426
Remuneration of ward committees	2,546,762	2,547,528
Road worthy test	13,314	18,941
Skills development fund levy	2,779,982	2,389,365
Uniform and protective clothing	1,894,778	3,009,394
Vehicle tracking	287,160	438,477
Compensation Fund-COIDA	1,279,512	-
	54,809,967	**39,886,056**

41. Inventory consumed

Consumables	9,078,908	9,449,936
Materials and supplies	4,061,232	1,743,456
Water inventory	222,553,882	187,891,261
	235,694,022	**199,084,653**

Inventory consumed includes purchases of water that are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Water is purchased from Rand water and Department of water and sanitation.

Water losses

Units purchased	-	-	19,667,694	18,503,164
Units sold	-	-	(14,507,915)	(13,842,936)
Total	**-**	**-**	**5,159,779**	**4,660,228**
Comprising of: Losses				
in rand value	-	-	106,313,116	68,107,070
Percentage loss:				
Technical losses	- %	- %	43 %	37 %

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

42. Repairs and maintenance

Materials and supplies	12,917,161	13,333,895

43. Fair value adjustments

Other financial assets		
• Other financial assets (Designated as at FV through P&L	1,040,680	2,618,966

44. Cash generated from operations

(Deficit) surplus	(8,734,713)	98,902,508
Adjustments for:		
Depreciation and amortisation	85,479,136	96,786,179
(Loss) gain on sale of assets and liabilities	(853,752)	3,469,642
Fair value adjustments	(1,040,680)	(2,618,966)
Debt impairment	453,540,971	377,181,315
Actuarial gains/losses	681,765	(8,373,577)
Provisions raised- Finance cost	12,369,843	9,988,690
Employee benefit obligations- Finance cost	11,741,318	2,318,000
Employee benefit obligations- Current service	6,286,857	5,932,000
Inventory surplus / (loss)	35,317	421,026
Interest received from Receivables from exchange	(114,043,225)	(84,089,787)
Interest received from Receivables from non-exchange	(21,895,271)	(16,149,465)
Finance cost - finance lease	-	637
Finance cost - trade and other payables	-	671,391
Changes in working capital:		
Inventories	43,093	(357,352)
Receivables from exchange transactions	(382,849,493)	(236,998,575)
Other receivables from exchange transactions	(20,043,676)	(31,022,684)
Payables from exchange transactions	41,411,923	(16,609,798)
Consumer deposits	1,312,128	1,169,656
VAT	(1,624,849)	7,939,837
Unspent conditional grants and receipts	(5,924,465)	(688,910)
	55,892,227	**207,871,767**

45. Auditors' remuneration

Fees	10,215,167	10,733,684

46. Financial instruments disclosure

Categories of financial instruments

30 June 2024

Financial assets

	At fair value	At amortised cost	Total
Other Financial assets - Listed investments (Sanlam shares)	3,731,140	-	3,731,140
Other Financial assets - at amortised cost	-	12,810	12,810
Receivables from exchange transactions: Electricity	-	69,051,022	69,051,022
Receivables from exchange transactions: Water	-	208,834,826	208,834,826
Receivables from exchange transactions: Sewerage	-	13,905,283	13,905,283
Receivables from exchange transactions: Refuse	-	11,930,114	11,930,114
Receivables from exchange transactions: Sundry receivables	-	8,272,482	8,272,482

Figures in Rand		2024	2023
46. Financial instruments disclosure (continued)			
Receivables from exchange transactions: Other receivables	-	23,496,816	23,496,816
Receivables from exchange transactions - non-current	-	14,661	14,661
Receivables from non-exchange Transactions: Service debtors (Availability charges)	-	964,426	964,426
Receivables from non-exchange Transactions: Deposits	-	7,029,931	7,029,931
Receivables from non-exchange Transactions: UIFW	-	213,158	213,158
	3,731,140	**343,725,529**	**347,456,669**

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions - Trade payables	79,756,677	79,756,677
Payables from exchange transactions - Other payables	184,664,664	184,664,664
Payables from exchange transactions - Retentions	18,476,533	18,476,533
Consumer deposits	30,583,077	30,583,077
	313,480,951	**313,480,951**

30 June 2023

Financial assets

	At fair value	At amortised cost	Total
Other Financial assets - Listed investments (Sanlam shares)	2,690,460	-	2,690,460
Other Financial assets - at amortised cost	-	12,810	12,810
Receivables from exchange transactions: Electricity	-	55,009,551	55,009,551
Receivables from exchange transactions: Refuse	-	10,535,168	10,535,168
Receivables from exchange transactions: Sewerage	-	13,859,299	13,859,299
Receivables from exchange transactions: Water	-	162,470,415	162,470,415
Receivables from exchange transactions: Sundry receivables	-	7,739,106	7,739,106
Receivables from exchange transactions: Other receivables	-	4,504,219	4,504,219
Receivables from exchange transactions - non-current	-	27,797	27,797
Receivables from non-exchange Transactions: Service debtors (Availability charges)	-	804,656	804,656
Receivables from non-exchange Transactions: Unauthorised, Irregular, Fruitless and Wasteful Expenditure	-	213,158	213,158
Receivables from non-exchange Transactions: Deposits	-	6,642,151	6,642,151
	2,690,460	**261,818,330**	**264,508,790**

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions - Trade payables	64,130,174	64,130,174
Payables from exchange transactions - Other payables	172,670,207	172,670,207
Payables from exchange transactions - Retentions	19,586,774	19,586,774
Consumer deposits	29,270,949	29,270,949
	285,658,104	**285,658,104**

Fair value

The following methods and assumptions were used to estimate the Fair Value of each class of Financial Instrument for which it is practical to estimate such value:

Figures in Rand	2024	2023

46. Financial instruments disclosure (continued)

Cash

The carrying amount approximates the Fair Value because of the short maturity of these instruments.

Trade and Other Receivables/Payables

The Fair Value of Trade and Other Payables is estimated at the present value of future cash flows.
The management of the municipality is of the opinion that the carrying value of Trade and Other Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values. The Fair Value of Trade Receivables were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratios of the municipality's debtors

Other Financial Assets and Liabilities

The Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is determined in accordance with generally accepted pricing models based on
discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Long-term Liabilities

The Fair Value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.
Management considers the carrying amounts of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements to approximate their Fair Values on 30 June 2024, as a result of the short-term maturity of these assets and liabilities. No Financial Instruments of the municipality have been reclassified during the year.

Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP 104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments.:

Level 1: Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2: Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all

instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Figures in Rand	2024	2023

46. Financial instruments disclosure (continued)

Level 2: Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument?s valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Financial assets

30 June 2024

Financial instruments at fair value

	Level 1	Level 2	Total
Listed investments	3,731,140	-	3,731,140
Cash and cash equivalents	-	5,150	5,150
	3,731,140	**5,150**	**3,736,290**

30 June 2023

Financial instruments at fair value

	Level 1	Level 2	Total
Listed investments	2,690,460	-	2,690,460
Cash and cash equivalents	-	5,150	5,150
	2,690,460	**5,150**	**2,695,610**

Capital risk management

The long term capital structure of the municipality consists of equity and other financial assets, comprising of investment in Sanlam shares and accumulated surplus as disclosed in the Statement of Changes in Net Assets.

The short term capital structiure of the municipality consits of debt, consisting of unspent conditional grants and own funds consiting of cash and cash equivalents

Gearing ratio

The gearing ratio at the year-end was as follows:

Figures in Rand	2024	2023

46. Financial instruments disclosure (continued)

Fund componets	**30 June 2024**	**30 June 2023**
Total debt	874,439,802	766,091,826
Total equity	1,831,061,544	1,839,796,257
Gearing ratio	0.47756	0.41640
	2,705,501,346	**2,605,888,083**

Financial risk management objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.
Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities.

Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality?s audit committee, an independent body that monitors the effectiveness of the internal audit function. Further quantitative disclosures are included throughout these Annual Financial Statements.

Significant risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date. The municipality has exposure to the following risks from its operations in Financial Instruments:

Credit Risk;
Liquidity Risk; and
Market Risk.
Risks and exposures are disclosed as follows:

Market risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Credit risk

Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities.

Figures in Rand	2024	2023

46. Financial instruments disclosure (continued)

Liquidity risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Market risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors,

bank and cash balances.

The municipality is exposed to fair value risk as it regularly invests capital in fixed deposit accounts. This risk is managed by investing the funds for less than a year (depending on cash flow requirements), thus allowing the interest rate to be updated regularly throughout the year.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Investec, Nedbank and Standard Bank.The municipality's borrowings are in fixed rate instruments.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

At year end, the financial instruments exposed to interest rate risk were as follows:

Call deposits

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this.

Price risk

Figures in Rand	2024	2023

46. Financial instruments disclosure (continued)

The municipality is exposed to equity securities price risk because of investments held by the municipality at fair value of R3 731 140 (2023: R2 690 460).

This investment consists of equity in one listed entity (Sanlam Ltd), and the municipality does not actively trade in equity instruments or conduct any hedging activities.

Surplus for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through surplus or deficit.

Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Investec, Nedbank and Standard Bank.

Trade and Other Receivables

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:	**30 June 2024**	**30 June 2023**
Non-current investments	3,743,950	2,703,270
Long-term receivables	14,661	27,797
Receivables from exchange transactions	335,490,543	254,117,758
Receivables from non-exchange transactions	8,207,515	7,659,965
Cash and cash equivalents	121,848,983	160,234,070
	469,305,652	**424,742,860**

Liquidity Risk Management

Figures in Rand	2024	2023

46. Financial instruments disclosure (continued)

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest Risk tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

Payables will be settled during the course of the year and thus discounting would have not impact

Financial instruments at fair value.

30 June 2024	**6 Months or less**	**6-12 months**	**1-2 years**	**2- 5 years**	**Total**
Non-interest Bearing	-	-	-	-	-
- Payables from Exchange transactions	125,101,941	-	-	-	125,101,941
- Consumer deposits Interst	30,583,077	-	-	-	30,583,077
bearing	-	-	-	-	-
-Payables from exchange transactions	209,745,233	-	-	-	209,745,233
	365,430,251	**-**	**-**	**-**	**365,430,251**

30 June 2023	**6 Months or less**	**6-12 months**	**1-2 years**	**2- 5 years**	**Total**
Non-interest Bearing	-	-	-	-	-
- Payables from Exchange transactions	123,435,101	-	-	-	123,435,101
- Consumer deposits Interest	29,270,949	-	-	-	29,270,949
bearing	-	-	-	-	-
-Payables form exchange transactions	178,007,318	-	-	-	178,007,318
	330,713,368	**-**	**-**	**-**	**330,713,368**

The following table details the municipality's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual
maturities of the financial assets including interest that will be earned on those assets except where the municipality anticipates that the cash flow will occur in a different period.

30 June 2024	**6 Months or less**	**6-12 months**	**1-2 years**	**2- 5 years**	**Total**
Interest Bearing	-	-	-	-	-
- Long-term receivables	-	-	14,661	-	14,661
- Receivables from exchange transactions	335,490,543	-	-	-	335,490,543
- Receivables from non-exchange transactions	8,207,515	-	-	-	8,207,515
Variable interest rate instruments.	-	-	-	-	-

Notes to the Annual Financial Statements

- Call deposits	73,839,295	-	-	-	73,839,295
- Other financial assets at amortised cost	12,810	-	-	-	12,810

Notes to the Annual Financial Statements

Figures in Rand				2024	2023
46. Financial instruments disclosure (continued)					
- Bank account	48,004,538	-	-	-	48,004,538
	465,554,701	**-**	**14,661**	**-**	**465,569,362**

30 June 2023	**6 Months or less**	**6-12 months**	**1-2 years**	**2- 5 years**	**Total**
Interest Bearing	-	-	-	-	-
- Long-term receivabless	-	-	27,797	-	27,797
- Receivables from exchange transactions	254,117,758	-	-	-	254,117,758
- Receivables from non-exchange transactions	7,659,965	-	-	-	7,659,965
Variable interest rate instruments	-	-	-	-	-
- Call deposits	145,832,297	-	-	-	145,832,297
- Other financial assets at amortised cost	12,810	-	-	-	12,810
- Bank account	14,396,623	-	-	-	14,396,623
	422,019,453	**-**	**27,797**	**-**	**422,047,250**

47. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Property, plant and equipment	92,261,898	128,706,832
Total capital commitments		
Already contracted for but not provided for	92,261,898	128,706,832

Authorised operational expenditure

This committed expenditure relates to infrastructure assets and will be financed by government grants.

Figures in Rand	2024	2023

48. Contingencies

Estimate of the contingent liability

Disputes with stakeholders	183,049,495	158,287,639

Estimate of the contingent asset

Disputes with stakeholders	3,694,397	252,000

2024 Financial year

Estimate of the contingent liability

PARTIES	ATTORNEY ON RECORD	NATURE OF THE CLAIM	CLAIM AMOUNT/EXPECTED LIABILITY	-
Lizelle Sake Trust and Muller H.O. Arbitration Proceedings	Lizelle Venter Attorneys (Terminated) Raphela Attorneys (Terminated) Ntleru Inc	Contractual dispute	Settlement Agreement with a payment plan was entered into ito an arbitration award iro: Claim 1 – R 43 210 551.50 excluding VAT, mora interest plus 10% from 15 October 2023 until date of final payment. Claim 2-8, still pending Amount – R128 389 968,37	(171,600,520)
DA v MLM & 16 Others	Raphela Attorneys Terminated Ntleru Inc	Review of the settlement agreement entered into by MLM and Lizelle Sake Trust	Part B – Awaiting Court Date	-
DA V MLM & 11 Others	Ntleru Inc	Contempt of Court Application	Removed from the urgent roll	-
Mbewe M	Lizel Venter Attorneys	Arbitration Award Review	Expected Liability - Unknown	-
Mr T. Mokoena	Lizel Venter Attorneys	Arbitration Award Review	Expected Liability - Unknown	-
SAMRO	Ransford Mbewe Attorneys	Outstanding Invoices	R 714 956.61	(714,957)
B.G. Olivier	Melato Attorneys	Damages – personal injury and general damages	R 1 018 205.00	(1,018,205)
A.J. Dreyer	Ponoane Attorneys	Damages - Pothole	R 5. 700 000.00	(5,700,000)
EL Le Hanie & Others	Ponoane Attorneys	Damages - Pothole	R 1 278 000.00	(1,278,000)
T. Twala	Ponoane Attorneys	Appeal to dismissal a Labour Court judgement – Mr Twala challenging his dismissal by the Municipality	Expected liability: Unknown	-

Notes to the Annual Financial Statements

African Protection CC ta Within Africa Construction	Katake Attorneys	Breach of Contract	R 1 665 197.00	(1,665,197)

Figures in Rand	2024	2023

48. Contingencies (continued)

PARTIES	ATTORNEY ON RECORD	NATURE OF THE CLAIM	CLAIM AMOUNT/EXPECTED LIABILITY	-
Sasol Operations	Boitumelo Maubane Attorneys	Drafting of MOU between Sasol Operations and Metsimaholo Local Municipality	Expected liability – Unknown (Legal costs only)	-
C.J. Vos	Internal – Legal Services/Insurance	Pothole Damages	R 44 290.27	(44,290)
P.H. Brandford	Internal – Legal Services	Pothole Damages	R 12 869.30	(12,869)
J Du Toit	Internal- Legal Services/Insurance	Pothole Damages	R 87 888.00	(87,888)
P.N Mashiane	Internal – Legal Services	Pothole Damages	R 15 104.69	(15,105)
T Khoathela	Adolff Attorneys	Pothole Damages	R 22 321.58	(22,322)
N. Tjatja	Adolff Attorneys	Pothole Damages	R 110 059.00	(110,059)
T.P. Tshabalala	Internal – Legal Services	Pothole Damages	R 32 645.94	(32,646)
Capensis Belegging 276 Beperk and Richares Investments 2 Beperk	Internal	Dispute regarding rates and taxes	R 322 903.07	(322,903)
Revaldo Singh Food & Veg Pty Ltd	Internal	Damages - Pothole	R 23 599.15	(23,599)
Du Plessis H.D.	Internal	Damages - Pothole	R 59 690.51	(59,691)
Human C.J	Internal	Damages - Pothole	R 12 088.32	-
Kgosihadi Mzansi Joint Venture	BMH Attorneys	Breach of contract by the service provider	Expected Liability - Unknown	-
Iyona Properties Pty Ltd	Internal	Payment of monies held by MLM, for purchase of stands	R 64 990.00	(64,990)
Pretorius P	Internal	Damages - Pothole	R 17 200.88	(17,201)
H.I Lebusa	Ntleru Inc	Interdict Council resolution to dismiss Mr Lebusa	Part B awaiting adjudication	-
N. Migogo	Internal	Damages - Pothole	R 32 944.44	(32,944)
Ivory Pewter 90 Pty Ltd	Ntleru Inc	Interdict – Disconnection of services	Expected Liability – Unknown Matter ongoing	-
L. Van Wyk	Internal	Damages - Pothole	R42 864.07	(42,864)
J. Scheepers	Internal	Damages - Pothole	R132 615.60	(132,616)
E. Strydom	Internal	Damages - Pothole	R50 629.15	(50,629)
				-
L.M.A Mofokeng	Ntleru Inc	CCMA	Expected Liability – Unknown Ongoing	-
TOTAL CONTINGENT LIABILITY				**(183,049,495)**

Figures in Rand	2024	2023

48. Contingencies (continued)
Estimate of contingent asset

PARTIES	ATTORNEY ON RECORD	NATURE OF THE CLAIM	CLAIM AMOUNT/EXPECTED LIABILITY	
Macho Construction Group and Maadima PTY LTD	Jam Jam Attorneys-Terminated BHM Attorneys	Collection of performance guarantee in favour of MLM	R 796 396.74	794,397
Unitrade t/a Isidingo	Ntleru Inc	Demand of monies overpaid to the service provider by the Municipality	R2.9 million	2,900,000
TOTAL CONTIGENT ASSET				**3,694,397**

2023 Financial year

Outstanding invoices dispute

A dispute regarding payment of outstanding invoices. The Municipality is defending a matter where Mr Molala issued summons for an amount of R670 745.87. for legal costs incurred due to various disciplinary proceedings and his suspension. Awaiting further steps to be taken by the Plaintiff.

The expected liability: R670 745.87
The legal cost are estimated at R200 0000+

Arbitration award

Review and setting aside of the Arbitration Award where Mr Mbewe was dismissed. The Municipality is opposing the review application launched by SAMWU obo Mr Mbewe. Awaiting the Applicant to deliver the amplified.

The expected liability: Mr Mbewe's salary
The legal costs are estimated at R200 0000+

Arbitration award

Application to review an Arbitration Award under case number FSD012109 dated 10 April 2021. MLM is opposing the review application launched by Mr Mokoena in the Labour Court for the appointment as Security Manager. We are awaiting notice of set down and a directive from the Labour Court.

The expected liability: Unknown
The legal costs are estimated at R200 0000+

Claim for damages for loss of support

The Plaintiff (TL Du Plooy) is claiming for damages including loss of support because of an accident that resulted in the death of Mr AM Du Plooy, it is alleged that the incident took place due to the negligence of the Municipality to erect a stop sign at an intersection. MLM is defending the matter.

The expected liability: R2 100 000.00
The legal costs are estimated at R100 000

Figures in Rand	2024	2023

48. Contingencies (continued)

Claim for damages for loss of support

A dispute regarding a claim by SAMRO for damages in respect of unpaid annual licence fees due by the Municipality in respect of issued licences.

The expected liability: R714 956.61

The legal costs are estimated at R300 0000

A dispute is regarding a motorcycle accident

A dispute is regarding a motorcycle accident where the plaintiff (BG Olivier) suffered damages and injuries due to an open storm water drain or manhole. The claim is for R 1 018 205.00. Judgement was granted on the 29th of August 2019 on merits due to the Municipality's default. Awaiting allocation for Pre-Trial date.

The expected liability: R1 018 205.00
The legal costs are estimated at R350 000

Criminal case

Criminal case against the MM (MA Mofokeng) in his official capacity for contravening of the OHSA. Matter postponed to 7th August 2023.

The expected liability: R200 000
The legal costs are estimated at : unknown

Legal claim for motorcycle accident that happened because of a pothole

Plaintiff (A J Dreyer)is suing for the motor vehicle collision that took place around Vaalpark Sasolburg due to a Pothole. They are suing for over R5,7 million rand. Trial for the special pleas was held on 14th and 15th March 2023, Awaiting judgement.

The expected liability: R5 713 000.00
The legal cost are estimated at -/+R120 0000

Legal claim for motorcycle accident that happened because of a pothole

Plaintiff (EL Le Hanie & Another) is suing for a motor bike accident due to a pothole in the road.Claim is over R1,278 million. Matter set down for 24,25 and 27 October 2023.

The expected liability: R1 278 000

The legal costs are estimated: unknown

A dispute regarding the payment of outstanding invoices

Summons were received where Rebatshwere Security is suing the Municipality for services rendered as per the appointment letter dated 13 January 2020. The claim is for R4,1 million rand. Pre-Trial was held on 10 February 2023, awaiting finalisation of the pre-trial minutes

The expected liability: R4 106 000
The legal costs are estimated: -/+120 000.00

Figures in Rand	2024	2023

48. Contingencies (continued)

Claim for damages for motor vehicle accident

Motor Vehicle Collision between the Plaintiff (Khoatela Teboho) and alleged motor vehicle of MLM.Claim for damages of R22 321.58. The matter was postponed at the request of the plaintiff's sine die.

The expected liability: R22 321.58
The legal costs are estimated: unknown

Claim for damages for motor vehicle accident

Motor Vehicle Collision between the Plaintiff (Nelson Tjatja) and alleged motor vehicle of MLM. Judgement granted against MLM on merits. Awaiting set down for quantum.

The expected liability: R110 059.98
The legal costs are estimated: unknown

Claim for unpaid invoices

A claim against the Municipality (Technical Services) by Africa Protection CC t/a Within Africa Construction in terms of a contract for the upgrading of the Oranjeville Water Treatment Works and construction of the Pressure Tower.

Summons issued on a claim for:
Payment of R775 514.27 plus interest at 7% p/a.
Payment of R889 683.08 plus interest at 7%.
Pre-trial Conference held on 9/5/2022, awaiting possible trial dates.

The expected liability: R1 665 197.00
The legal cost are estimated: unknown

A dispute regarding salary disparities.

A dispute regarding salary disparities between MLM and Solidarity obo Mazibuko N.E .MLM is opposing the matter, Employee does not fall under the affected employees as agreed upon in the collective agreement of the LL. Awaiting allocation date by Labour Court for the rescission of a court order dated 24 August 2022.

The expected liability: unknown
The legal cost are estimated: unknown

Claim for damages

The Plaintiff (Themba Petrus Tshabalala) is claiming damages as a result of a collision with a pothole. MLM is defending the matter. The claim amount is R32 645.94. The matter is at the discovery stage.

The expected liability: R32 645.94.
The legal costs are estimated: unknown

Figures in Rand	2024	2023

48. Contingencies (continued)

Eviction order

The Applicants (Isaac Frederick Thomas van Rensburg and another // Judy Faith Burden and two others)are pursuing an eviction order against the first and second Respondents, MLM is implicated by virtue of the Prevention against Illegal Eviction Act and is consequently the third Respondent. The matter was set down for hearing of an application to compel MLM to submit a housing report but was removed from the court roll on 11th July 2023.

The expected liability: unknown
The legal costs are estimated: unknown

Claim for damages

The Plaintiff (Princess Nomsa Mashiane) is claiming damages as a result of a collision with a pothole. MLM is defending the matter. The claim amount is R15 104.69. The matter is ongoing. The Plaintiff's attorneys were previously informed that the road on which the pothole is located does not fall within MLM jurisdiction and we're currently awaiting their response.

The expected liability: R15 104.69
The legal costs are estimated: unknown

Claim for damages

The Plaintiff (Cecilia Johanna Vos) is claiming damages as a result of a collision with a pothole. The matter is ongoing. The claim amount is R44 290.27. The Plaintiff's attorneys served MLM with an expert's notice and summary on the damages alleged by plaintiff. The matter is ongoing.

The expected liability: R44 290.27
The legal costs are estimated: unknown

Claim for damages

The Plaintiff (Peter Henry Branford) is claiming damages as a result of a collision with a pothole. MLM is defending the matter. The claim amount is R12 869.30 The matter is ongoing. Technical report issued and assessed, based on the reading of pleadings and technical report, the prospects of success on behalf of MLM are fair. Matter is ongoing.

The expected liability: R12 869.30
The legal costs are estimated: unknown

Claim for damages

The Plaintiff (Jacques Du Toit) is claiming damages as a result of a collision with a pothole. The claim amount is R87 888.00. Attorneys on behalf of MLM have been appointed, we are awaiting formal notification of such appointment.

The expected liability: R87 888.00
The legal costs are estimated: unknown

Claim for damages

The Plaintiff is claiming damages as a result of a collision with a pothole. The claim amount is R1580.00. On assessment of the pleadings, further litigation on this matter will be pointless and/or wasteful on the part of MLM, matter will be settled then the file closed.

The expected liability: R1 580.00
The legal costs are estimated: unknown

Civil trial

Civil trial brought by T Twal from labour against the Municipality.

Figures in Rand	2024	2023

48. Contingencies (continued)
Estimated claim is R 150 000

Contract dispute

The dispute is over R241 million rands, due to contacts entered into by MLM and Lizel Trust and Muller H.O. Review application
has been withdrawn by the Municipality as per the partial settlement entered into by parties.

The expected liability: R138 582 634.18
The legal costs are estimated at R200 0000+

Contingent assets

The municipality is instituting claims against Macho Construction company in respect of guarantees in lieu of poor workmanship.

The estimated claim is R252 000.

Figures in Rand	2024	2023

49. Related parties

Remuneration of key management	
Sec 55 and Sec 57 employees remuneration	Refer to note 31
Remuneration of councillors	Refer to note 32

Remuneration of management

Services rendered to Related Parties

2024

Name	Account No	Rates	Services Charges	Sundry Services	Interest	Total
BARNARD (MY2509)	5660	7,446	8,810	-	-	16,256
CHALALA (MY2534)R1000+C	537603	600	4,057	-	-	4,657
DU TOIT (MY2521)	525381	9,696	58,909	-	2,394	70,999
MABENA (MY2530)	597493	7,982	37,555	-	518	46,055
MAHLAELA (MY2514)	108353	1,393	6,757	-	-	8,150
MAISINA (DECEASED) (MY2520)	100024	1,393	3,406	-	-	4,799
MALINDI (MY2508)	536489	600	3,735	-	3	4,338
MASHININI (MY2536)R669	572032	600	14,890	-	472	15,962
MASHININI (MY2536)(Arrangement)	831326	-	9	-	-	9
MASITENG (MY2540)	584040	600	2,409	-	1,090	4,099
MATHE (MY2528)	510225	600	3,586	-	-	4,186
MEYER (MY2522)	581417	8,732	48,241	-	-	56,973
MOELETSI (MY2541) (Arrangement)	601437	600	16,257	-	-	16,857
MOFOKENG (MY2542)	576057	600	5,880	-	4,969	11,449
MOFOKENG (MY2545)(Arrangement)	526499	600	2,670	-	-	3,270
MOLAWA(MY2502)	106880	600	5,851	-	-	6,451
MOSOKWENI(MY2518)	108066	804	31,251	-	280	32,335
MOTJEANE R750+CURRENT(MY2501)(Arrangement)	106180	4,071	11,932	-	590	16,593
MOTJEANE R750+CURRENT(MY2501)	562151	-	16,200	-	-	16,200
MOTSAPI (MY2532)R345+C	571120	-	5,972	-	11,391	17,363
MQWATHI (MY2543) (Arrangement)	530705	600	9,143	-	-	9,743
MTSHALI (MY2511)(Arrangement)	103466	3,214	21,623	-	2,337	27,174
NHLAPO(MY2504)	103760	911	5,300	-	-	6,211
NKHELOANE(MY2517)R10 00 (Arrangement)	108037	600	18,428	-	115	19,143
PIENAAR (MY2537)	608474	9,268	24,388	-	358	34,014
POHO(MY2516)	512681	600	3,564	-	-	4,164
RANI (MY2544)	103659	2,143	30,156	-	-	32,299
RANKOE (MY2538)1248.00*6	603723	-	-	-	142	142
SCHOEMAN (MY2522)	604039	7,553	2,705	-	-	10,258
TSHONGWE (MY2515)	575987	7,768	12,886	332	1,482	22,468
TSOTETSI (MY2512)	511192	1,179	38,774	-	476	40,429

Figures in Rand					2024	2023
49. Related parties (continued)						
VAN DER MERWE (MY2507)	23906	8,089	27,042	-	-	35,131
VAN HEERDEN(MY2523)	5815	8,089	13,832	-	-	21,921
YETHU TRUST (MY2539)	533254	8,625	4,965	-	-	13,590
ZWANE (MY2506)	7527	7,446	5,483	-	-	12,929

2023

Name	**Account No**	Rates	Service charges	Sundry service	Interest	Total
Name	**Name**					
Barnard (My2509) J J	5660	7,072	9,494	-	-	16,566
Chalala (My2534) R1000+C L J	537603	600	5,715	-	-	6,315
Du Toit (My2521) T	525381	9,208	57,454	-	2,790	69,452
Mabena (My2530) S M	597493	7,580	14,307	-	-	21,887
Mahlaela (My2514) M D	108353	1,323	5,559	-	-	6,882
Maisina (Deceased) (My2520) M D	1000024	1,323	8,013	-	-	9,336
Makhema (My2531) J M & M H	571483	865	2,698	-	158	3,721
Malindi (My2508) M J	536489	600	3,228	-	4	3,832
Mashinini (My2536) R669 J C	572032	600	2,339	-	1,361	4,300
Masiteng (My2540) P I	584040	600	2,462	-	589	3,651
Mathe (My2528) M A	510225	600	3,369	-	-	3,969
Meyer (My2522) J H C	581417	8,293	12,774	-	-	21,067
Moeletsi (My2541) S M	601437	600	11,652	-	-	12,252
Mofokeng (My2510) T A	6150	5,138	9,465	-	-	14,603
Mofokeng (My2542) M S	576057	600	5,600	-	2,663	8,863
Mofokeng (My2545) A E	526499	600	11,300	-	-	11,900
Molawa(My2502) J M	106880	600	9,101	-	-	9,701
Mosokweni(My2518) F D	108066	763	23,228	-	208	24,199
Motaung (My2505)R500+Current T A	537934	1,679	3,427	-	119	5,225
Motjeane R750+Current(My2501) R J	106180	3,867	7,086	-	1,712	12,665
Motsapi (My2532)R345+C M S	571120	-	102,704	-	6,050	108,754
Mqwathi (My2543) M M	530705	600	3,430	-	-	4,030
Mtshali (My2511) B P	103466	3,053	32,430	-	1,307	36,790
Nhlapo(My2504) P S	103760	865	7,827	-	-	8,692
Nkheloane(My2517)R1000 N E	108037	600	8,152	-	36	8,788
Pienaar (My2537) M & S M	608474	8,801	23,165	315	822	33,103
Poho(My2516) M S	512681	600	4,022	-	-	4,622
Rani (My2544) V M	103659	2,035	8,118	-	-	10,153
Rankoe (My2538)1248.00*6 T K & F	603723	1,441	4,449	665	80	6,635
Schoeman (My2522) A A	604039	7,173	4,611	-	2	11,786
Thamae (My2513) N J	585743	600	-	-	60	660
Tshongwe (My2515) S L	575987	7,377	25,375	315	746	33,813
Tsotetsi (My2512) P	511192	1,119	4,531	-	950	6,600
Van Der Merwe (My2507) F J	23906	7,682	25,724	-	-	33,406
Van Heerden(My2523) L J	5815	7,682	13,368	-	-	21,050
Yethu Trust (My2539)	533254	8,191	4,677	-	-	12,868
Zwane (My2506) Z J & M L	7527	7,072	6,889	-	-	13,961

Figures in Rand	2024	2023

49. Related parties (continued)

Additional information

Related parties of key management personnel ad councillors that are employed at the minucipality.

Name of key peronnel	Family member	Department	Relationship
ME Sediane(Corporate)	SS Sediane	Human Resources	Wife
MD Moshodi (Social Services)	DB Moshodi	Parks/Public Safety	Wife
PM Mahlaela (Councillors)	RM Mahlaela	Technical Services	Daughter
J Masiteng (Councillors)	PM Masiteng	Public Safety	Brother
MJ Malindi (Councillors)	MM Nhlapo	Office of the Mayor	Sister

50. Comparative figures

The comparative figures were restated as a result of the effect of Prior year adjustments (Note 61).

51. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	30,583,077	-	-	-
Payables from exchange transactions	334,847,174	-	-	-
Unspent conditional grants and receipts	3,351,908	-	-	-
	368,782,159	**-**	**-**	**-**

At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	29,270,949	-	-	-
Payables from exchange transactions	301,442,419	-	-	-
Unspent conditional grants and receipts	9,276,373	-	-	-
	339,989,741	**-**	**-**	**-**

Figures in Rand	2024	2023

51. Risk management

(continued) Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial Instrument	**2024**	**2023**
Cash and cash equivalents	121,848,983	160,234,070
Receivables from exchange transactions	335,490,543	254,117,758
Receivables from non-exchange transactions	53,941,411	50,036,909
Receivables from exchange transactions- Long term portion	14,661	27,797
Fruitless and waste full expenditure recoverable	213,158	213,158
Other financial assets	3,743,950	2,703,270
	515,252,706	**467,332,962**

Market risk

Interest rate risk

As the municipality has interest-bearing assets in the form of investments call accounts which it holds with various banks.The income derived from these investments have a substantial interest rate risk. The municipality's income and operating cash flows are substantially independent of changes in market interest rates.

At year end the short term investments where the only financial instruments exposed to interest rate risk.

Please refer to note 8 for the figures and break down of these investments

Price risk

The municipality is exposed to equity securities price risk because of investments held by the municipality and classified on the consolidated statement of financial position either as available-for-sale or at fair value through surplus or deficit. The municipality is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the municipality diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the municipality.

The municipality's investments in equity of other entities that are publicly traded and are included in the , JSE Equity index.

The table below summarises the impact of increases/decreases of the indexes on the municipality's post-tax surplus for the year and on equity.

Other financial assets	**2024**	**2023**
Fair value gain/(Loss) in invesment in shares	1,040,680	2,618,966

surplus for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through surplus or deficit. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

Figures in Rand	2024	2023

52. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus (deficit) of R 1,831,061,544 and that the municipality's total liabilities do not exceed its assets -.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

53. Events after the reporting

date Non-Adjusting events

Nersa is prohibited from considering and approving electricity tariffs for the 2024-25 and subsequent financial years where the municipality’s application for the approval of electricity tariffs is not based on a cost of supply study.

Municipalities are not entitled to levy electricity tariffs upon consumers until Nersa has approved an application supported by a cost of supply study. Until such time as Nersa has approved an application supported by a cost of supply study, the municipality must continue levying electricity on the same tariff applicable during the 2023-24 financial year.

Municipalities are afforded 60 days from the date of the court order (i.e. until 6 September 2024) to supplement electricity tariff applications with cost of supply studies. Nersa must consider and approve such electricity tariff applications if they are legally compliant and based on the municipality’s cost of supply study.

Impact on Metsimaholo Local Municipality:

Metsimaholo local municipality obtained an approval to implement the increased electricity tariffs on 28 June 2024 from Nersa. These were implemented effective from 01 July 2024.

The above matter does not have an impact in the annual financial statements for the year ended 30 June 2024, as it relates to electricity price increases for the proceeding financial year, of which impact will be reported in the annual financial statements for the year ending ending 30 June 2025.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
54. Unauthorised expenditure		
Opening balance as previously reported	141,415,280	141,415,280
Add: Unauthorised expenditure - current	83,950,621	-
Closing balance	**225,365,901**	**141,415,280**
The over expenditure incurred by municipal departments during the year is attributable to the following categories:		
Non-cash	83,950,621	-
Analysed as follows: non-cash		
Provision of impairment	83,950,621	-
Unauthorised expenditure: Budget overspending – per municipal department:		
Technical services	83,950,621	-
55. Fruitless and wasteful expenditure		
Opening balance as previously reported	45,174,937	40,034,481
Add: Fruitless and wasteful expenditure identified - current	4,548,428	5,140,456
Closing balance	**49,723,365**	**45,174,937**
Fruitless and wasteful expenditure is presented inclusive of VAT		
Details of fruitless and wasteful expenditure		
Department of Water and Sanitation	4,518,859	-
ESKOM	24,956	847
Auditor General	-	401
Telkom SA	4,613	11,305
Compensation commissioner	-	658,837
Project related expenditure		
Wanga Power Projects	-	2,760,102
Maditsi Jan Construction	-	1,382,964
Pule Ramasimong Development Projects and Project Managers	-	326,000
	4,548,428	**5,140,456**

Figures in Rand		2024	2023

55. Fruitless and wasteful expenditure (continued)

Details of fruitless and wasteful expenditure

Interest paid

Department of Water and Sanitation		4,518,859	-
ESKOM		24,956	847
Auditor General		-	401
Telkom SA		4,613	11,305
Compensation commissioner		-	658,837
		4,548,428	**671,390**
Wanga Power Projects	Installation of new pump and repair rotating assembly	-	788,595
Wanga Power Projects	Refurbishment of Pumps	-	1,191,208
Wanga Power Projects	Refurbishment of Pumps	-	780,299
Maditsi Jan Construction	Refurbishment of pumps: Supply and installation of pump parts	-	650,000
Pule Ramasimong Development Projects and Project Managers		-	326,000
		-	**3,736,102**

56. Irregular expenditure

Opening balance as previously reported	763,904,864	649,234,975
Add: Irregular expenditure - Prior period adjustments	-	7,352,968
Add: Irregular expenditure - current	140,363,644	107,316,921
Closing balance	**904,268,508**	**763,904,864**

Figures in Rand	2024	2023

56. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

Cases under investigation

Amount recovered

Amount written-off

Recoverability steps taken/criminal proceedings

Disciplinary steps taken/criminal proceedings

57. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	4,938,685	2,511,773
Current year membership fee	4,902,157	4,878,892
Amount paid - current year Amount	(4,902,157)	-
paid - previous years	-	(2,451,980)
	4,938,685	**4,938,685**

Figures in Rand	2024	2023

57. Additional disclosure in terms of Municipal Finance Management Act (continued)

Audit fees

Opening balance	(27,826)	4,608
Current year audit fee	13,039,057	12,339,129
Amount paid - current year	(12,992,858)	(12,367,356)
Amount paid - previous years	-	(4,608)
Interest paid	-	401
	18,373	**(27,826)**

PAYE and UIF

Opening balance	5,058,738	4,964,576
Current year payroll deductions and council contribution	72,882,416	62,366,710
Amount paid - current year	(66,719,245)	(57,307,972)
Amount paid - previous years	(5,058,737)	(4,964,576)
	6,163,172	**5,058,738**

Pension and Medical Aid Deductions

Opening balance	-	70,558
Current year subscription / fee	60,355,328	88,594,681
Amount paid - current year	(51,679,084)	(88,594,681)
Amount paid - previous years	-	(70,558)
	8,676,244	**-**

VAT

VAT receivable	5,667,088	6,594,411

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

Figures in Rand	2024	2023

57. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
BARNARD (MY2509)	1,589	-	1,589
CHALALA (MY2534)	485	150,826	151,311
DU TOIT (MY2521)	21,990	23,387	45,377
MABENA (MY2530)	14,827	-	14,827
MAHLAELA (MY2514)	2,482	35,898	38,380
MAISINA (DECEASED) (MY2520)	835	-	835
MALINDI (MY2508)	320	-	320
MASHININI (MY2536)(Arrangement)	-	8,024	8,024
MASHININI (MY2536)	2,058	6,826	8,884
MASITENG (MY2540)	1,103	13,088	14,191
MATHE (MY2528)	1,118	40,541	41,659
MEYER (MY2522)	1,223	-	1,223
MOELETSI (MY2541) (Arragemnet)	-	7,491	7,491
MOELETSI (MY2541)	1,971	19,268	21,239
MOFOKENG (MY2542) (Arrangement)	2,892	60,288	63,180
MOFOKENG (MY2545)	2,866	61,390	64,256
MOLAWA(MY2502)	398	-	398
MOSOKWENI(MY2518) (Arrangement)	-	14,228	14,228
MOSOKWENI(MY2518)	3,332	44,945	48,277
MOTJEANE (MY2501) (Arrangement)	-	16,200	16,200
MOTJEANE (MY2501)	1,969	141,603	143,572
MOTSAPI (MY2532)	4,344	112,557	116,901
MQWATHI (MY2543)(Arrangement)	-	4,004	4,004
MQWATHI (MY2543)	1,277	5,016	6,293
MTSHALI (MY2511) (Arrangement)	-	5,811	5,811
MTSHALI (MY2511)	4,320	21,478	25,798
NHLAPO(MY2504)	2,897	14,793	17,690
NKHELOANE(MY2517) (Arrangement)	-	21,039	21,039
NKHELOANE(MY2517) (Hand over)	-	31,628	31,628
NKHELOANE(MY2517)	2,298	10,179	12,477
PIENAAR (MY2537)	9,580	3,106	12,686
POHO(MY2516)	416	-	416
RANI (MY2544)	2,491	37,771	40,262
RANKOE (MY2538)	36	1,428	1,464
SCHOEMAN (MY2522)	877	-	877
TSHONGWE (MY2515) (Arrangement)	-	6,892	6,892
TSHONGWE (MY2515)	8,230	17,317	25,547
TSOTETSI (MY2512)	1,817	100,378	102,195
VAN DER MERWE (MY2507)	3,159	-	3,159
VAN HEERDEN(MY2523)	1,865	-	1,865
YETHU TRUST (MY2539)	1,094	-	1,094
ZWANE (MY2506)	1,214	-	1,214
	107,373	**1,037,400**	**1,144,773**

Figures in Rand	2024	2023

57. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2023	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Chalala LJ (Acc No 537603)	1,780	4,535	6,315
Chalala LJ (Acc No 872506)	-	150,826	150,826
Makhema JM&MH (Acc No 571483)	1,047	3,902	4,949
Mashinini JC (Acc No 831326)	-	16,052	16,052
Masiteng PI (Acc No 584040)	2,527	8,636	11,163
Mathe MA (Acc No 510225)	1,025	36,809	37,834
Moeletsi SM (Acc No 601437)	3,888	8,194	12,082
Moeletsi SM (Acc No 831329)	-	14,691	14,691
Mofokeng MS (Acc No 576057)	2,611	50,093	52,704
Mofokeng AE (Acc No 526499)	2,826	57,141	59,967
Mofokeng ML (Acc No 565072)	-	4,465	4,465
Mofokeng ML (Acc No 594922)	-	64,934	64,934
Mofokeng ML (Acc No 871915)	-	65,844	65,844
Mofokeng ML (Acc No 872519)	-	47,918	47,918
Motsapi MS (Acc No 571120)	4,175	101,053	105,228
Mqwathi MM (Acc No 530705)	1,214	2,396	3,610
Mqwathi MM (Acc No 565040)	-	10,010	10,010
Rani VM (Acc No 103659)	2,413	4,038	6,451
Rankoe TK&F (Acc No 603723)	35	1,287	1,322
Soetsang JT&TL (Acc No 831263)	-	2,861	2,861
Du T (Acc No 525381)	28,045	45,066	73,111
Mahlaela MD (Acc No 108353)	2,264	28,511	30,775
Mosokweni FD (Acc No 108066)	23,746	12,596	36,342
Mosokweni FD (Acc No 830353)	-	26,228	26,228
Motaung TA (Acc No 537934)	1,818	2,800	4,618
Motaung TA (Acc No 574795)	-	1,024	1,024
Motjeane RJ (Acc No 106180)	3,599	162,908	166,507
Mtshali BP (Acc No 103466)	4,064	19,967	24,031
Mtshali BP (Acc No 562315)	-	17,811	17,811
Nhlapo PS (Acc No 103760)	3,197	6,489	9,686
Nkheloane NE (Acc No 575013)	-	33,039	33,039
Nkheloane NE (Acc No 592910)	-	31,628	31,628
Tshongwe SL (Acc No 575987)	7,762	14,125	21,887
Tshongwe SL (Acc No 831333)	-	12,892	12,892
Tsotetsi P (Acc No 511192)	1,959	93,688	95,647
	99,995	**1,164,457**	**1,264,452**

58. Segment reporting

General information

Figures in Rand	2024	2023

58. Segment reporting (continued)

Identification of segments

The mandate of the municipality is to provide basic services to the community over which it governs. In order to execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective.

The components described below have been identified as individually significant segments for purposes of reporting according to these service objectives:

- Energy sources - Electricity generation and distribution
- Waste management - Solid waste and wastewater management
- Water - Water provision and treatment
- Road transport - Road infrastructure provision and maintenance

The following individually insignificant segments, with similar economic characteristics, have been aggregated for reporting purposes.

- Governance and administration
- Community and public safety
- Economic and environmental services
- Other

The municipality does not monitor segments geographically.

The municipality monitors the following business units operating results separately for the purpose of making decisions about resource allocation and performance assessment.

Aggregated segments

The municipality operates in Free State Province within Fezile Dabi District Municipality. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout Free State were sufficiently similar to warrant aggregation.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Governance and administration	Executive and council
Governance and administration	Finance and administration
Governance and administration	Internal audit
Community and public safety	Community and social services
Community and public safety	Housing
Community and public safety	Public safety
Community and public safety	Sport and recreation
Economic and environmental services	Planning and Development
Economic and environmental services	Road Transport
Trading services	Energy Sources
Trading services	Water Management
Trading services	Wastewater Management
Trading services	Waste Management
Trading services	Other

58. Segment reporting (continued)

Segment surplus or deficit

30 June 2024

	Housing	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Other	Total
Revenue								
Revenue from non-exchange transactions								
Actuarial gains	-	-	-	-	-	-	1,106,680	1,106,680
Dividends	-	-	-	-	-	-	147,549	147,549
Interest on investments	-	-	-	-	-	-	12,036,529	12,036,529
Interest on receivables	-	-	9,756,198	8,636,406	5,175,248	81,269,069	9,206,304	114,043,225
Inventories write-off	-	-	-	-	-	-	(35,317)	(35,317)
Operational Revenue	-	-	-	-	-	-	342,625	342,625
Rental from Fixed Asset	6,402,402	-	-	-	-	-	427,106	6,829,508
Sales of Goods & Rendering	-	6,595	-	-	6,065	-	4,566,156	4,578,816
Other income	-	-	-	-	-	-	(6,683)	(6,683)
Service Charges	-	-	379,454,219	54,830,173	71,841,713	526,547,328	-	1,032,673,433
Fines, Penalties and Forfeits	-	-	-	-	-	-	3,162,697	3,162,697
Interest and Dividends received	21,895,271	-	-	-	-	-	-	21,895,271
Licences and Permits	-	-	-	-	-	-	4,825	4,825
Property Rates	225,400,183	-	-	-	-	-	(3,964,624)	221,435,559
Service Charges	-	-	2,694,461	-	23,053	1,434,939	-	4,152,453
Transfers and Subsidies	-	49,789,199	30,368,828	832,714	15,350,199	(2,179,516)	281,136,543	375,297,967
Total segment revenue	**253,697,856**	**49,795,794**	**422,273,706**	**64,299,293**	**92,396,278**	**607,071,820**	**308,130,390**	**1,797,665,137**
Entity's revenue								**1,797,665,137**

	Housing	Road Transport	Energy Sources	Waste Management	Waste Water Management	Water Management	Other	Total
58. Segment reporting (continued)								
Expenditure								
Bulk purchases	-	-	(396,912,532)	-	-	-	-	(396,912,532)
Contracted services	-	(3,642,495)	(10,915,100)	(417,471)	(25,031,836)	(1,362,794)	(99,246,660)	(140,616,356)
Default expenses	(7,037,247)	-	1,908,923	1,030,959	(1,532,555)	7,571,678	(1,941,757)	1
Depreciation	(27,161)	(22,932,897)	(12,921,651)	(559,383)	(9,868,976)	(24,080,750)	(15,132,499)	(85,523,317)
Employee related costs	(5,977,942)	(22,772,450)	(27,048,707)	(36,123,003)	(13,076,543)	(23,037,594)	(266,567,691)	(394,603,930)
Impairment losses	(38,034,445)	-	(35,739,332)	(31,739,143)	(16,595,566)	(296,834,273)	(9,954,194)	(428,896,953)
Interest paid	-	-	(23,440)	(12,369,843)	-	(4,518,859)	(4,613)	(16,916,755)
Inventory Consumed	(99,276)	(3,286,816)	(7,519,279)	(3,737,029)	(2,333,331)	(224,047,847)	(7,587,605)	(248,611,183)
Loss on Disposal of Assets	-	-	-	-	-	-	853,752	853,752
Losses on other operations	-	-	-	-	-	-	(747,765)	(747,765)
Operating Leases	-	(2,973,711)	-	(11,271,022)	(2,727,250)	(486,210)	-	(17,458,193)
Operational costs	(358,591)	(456,468)	(525,496)	(1,607,801)	(290,851)	(567,320)	(50,450,555)	(54,257,082)
Remuneration of councillors	-	-	-	-	-	-	(22,473,440)	(22,473,440)
Transfers and Subsidies	-	-	-	-	-	-	(236,091)	(236,091)
Total segment expenditure	**(51,534,662)**	**(56,064,837)**	**(489,696,614)**	**(96,793,736)**	**(71,456,908)**	**(567,363,969)**	**(473,489,118)**	**(1,806,399,844)**
Total segmental surplus/(deficit)	**202,163,194**	**(6,269,043)**	**(67,422,908)**	**(32,494,443)**	**20,939,370**	**39,707,851**	**(165,358,728)**	**(8,734,707)**

58. Segment reporting (continued)

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

30 June 2023

	Housing	Road transport	Energy sources	Waste management	Waste water management	Water management	Other	Total
Revenue								
Actuarial gains	-	-	-	-	-	-	10,739,866	10,739,866
Operational Revenue	-	-	-	-	-	-	159,323	159,323
Rental from Fixed Asset	6,075,400	-	-	-	-	-	439,190	6,514,590
Sales of Goods & Rendering	1,296	-	-	-	8,805	-	5,845,394	5,855,495
Service Charges	-	-	313,985,206	52,466,139	64,626,845	444,570,560	-	875,648,750
Inventories write down	-	-	-	-	-	-	(421,026)	(421,026)
Dividends	-	-	-	-	-	-	132,794	132,794
Interest on receivables	-	-	7,878,485	5,745,250	3,717,972	59,535,059	7,213,021	84,089,787
Interest on investments	-	-	-	-	-	-	13,567,165	13,567,165
Fines, Penalties and Forfeits	-	-	-	-	-	-	2,897,737	2,897,737
Interest received non-exchange	16,149,465	-	-	-	-	-	-	16,149,465
Licences and Permits	-	-	-	-	-	-	6,980	6,980
Property Rates	215,716,540	-	-	-	-	-	(4,389,282)	211,327,258
Service Charges non-exchange	-	-	2,372,608	-	23,875	1,373,801	-	3,770,284
Government Grants and Subsidies	-	42,834,291	43,189,152	13,718,988	69,167,400	6,021,773	219,385,752	394,317,356
Total segment revenue	**237,942,701**	**42,834,291**	**367,425,451**	**71,930,377**	**137,544,897**	**511,501,193**	**255,576,914**	**1,624,755,824**
Entity's revenue								**1,624,755,824**

58. Segment reporting (continued)

Expenditure								
Bulk purchases	-	-	(338,622,430)	-	-	(185,974,221)	-	(524,596,651)
Contracted services	(3,299)	(608,878)	(6,498,762)	(539,662)	(25,319,282)	(1,127,373)	(57,372,701)	(91,469,957)
Default expenses	(6,421,033)	-	1,669,898	979,052	(1,460,111)	6,990,612	(1,758,419)	(1)
Depreciation	(27,461)	(39,534,302)	(13,912,543)	(1,235,181)	(19,231,749)	(24,086,471)	1,241,528	(96,786,179)
Employee related costs	(5,952,571)	(19,694,271)	(24,170,179)	(35,568,121)	(11,862,380)	(20,814,601)	(230,170,022)	(348,232,145)
Impairment losses	(46,176,805)	-	(24,660,061)	(28,767,261)	(16,200,129)	(239,146,251)	(6,862,102)	(361,812,609)
Interest paid	-	-	(847)	(3,378,652)	-	-	(671,181)	(4,050,680)
Inventory Consumed	(81,881)	(3,475,970)	(9,212,930)	(5,230,680)	1,061,661	(3,831,504)	(5,673,022)	(26,444,326)
Loss on Disposal of Assets	-	-	-	110,790	124,142	-	(3,704,574)	(3,469,642)
Operating Leases	-	(3,351,357)	-	(3,832,300)	(2,033,809)	(218,504)	-	(9,435,970)
Operational costs	(245,717)	(500,076)	(3,284,950)	(1,825,073)	(904,523)	(2,802,635)	(29,993,142)	(39,556,116)
Remuneration of councillors	-	-	-	-	-	-	(19,947,189)	(19,947,189)
Transfers and Subsidies	-	-	-	-	-	-	(304,520)	(304,520)
Fair value adjustments	-	-	-	-	-	-	252,677	252,677
Total segment expenditure	**(58,908,767)**	**(67,164,854)**	**(418,692,804)**	**(79,287,088)**	**(75,826,180)**	**(471,010,948)**	**(354,962,667)**	**(1,525,853,308)**
Total segmental surplus/(deficit)	**179,033,934**	**(24,330,563)**	**(51,267,353)**	**(7,356,711)**	**61,718,717**	**40,490,245**	**(99,385,753)**	**98,902,516**

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

59. Budget differences

Material differences between budget and actual amounts

The excess of actual expenditure over the final budget of 15% (25% over approved budget) for the Health function was due to expenditures above the level approved by legislative action in response to the earthquake. There were no other material differences between the final budget and the actual amounts.

Differences between budget and actual amounts basis of preparation and presentation

Figures in Rand	2024	2023

59. Budget differences (continued)

The budget and the accounting bases differ. The audited annual financial statements for the whole-of-government are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The audited annual financial statements are consolidated statements that include all controlled entities, including government business enterprises for the fiscal period from to . The audited annual financial statements differ from the budget, which is approved on the cash basis and which deals only with the general government sector that excludes government business enterprises and certain other non-market government entities and activities.

The amounts in the audited annual financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. In addition, adjustments to amounts in the audited annual financial statements for timing differences associated with the continuing appropriation and differences in the entities covered (government business enterprises) were made to express the actual amounts on a comparable basis to the final approved budget. The amounts of these adjustments are identified in the following table.

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters. For details on these changes please refer to pages XX to XX in the annual report.

The changes between the approved and final budget are a consequence of changes in the overall budget parameters. For details on these changes please refer to pages XX to XX in the annual report

Figures in Rand	2024	2023

60. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Buses and gym equipment were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Summary of deviations

Emergency	20,317,648	3,011,953
Other	-	179,367
Exceptional/Impractical	163,840	4,533,364
Sole supplier	491,911	669,203
Strip and quote	2,853,918	23,926
	23,827,317	**8,417,813**

Deviations 2024 financial year

Supplier	Voucher number	Date of payment	Description	Department	Reason	Classification	-
SELITEC	90040818	20230713	local radio station for broadcasting council meetings	Office of Municipal Manager	The only local radio station	Sole Supplier	35,000
MAN TRUCK AND BUS VEREENIGIN G	90040846	20230717	Repair of damaged alternator and belt	Cleansing	Strip and quote	Impractical	16,041
STEADFAST ENGINEERIN G	90040861	20230719	Repair of various vehicles	technical department	Strip and quote	Impractical	99,302
VAAL TOYOTA (VEREENIGIN G VA	90040862	20230719	Repair of compactor truck	Cleansing	Strip and quote	Impractical	23,099
VAAL TOYOTA (VEREENIGIN GVA	90040862	20230719	Repair of Hino replace reed switch	Cleansing	Strip and quote	Impractical	9,137
VAAL TOYOTA (VEREENIGIN GVA	90040862	20230719	Electrical repair on a fire engine	Fire	Strip and quote	Impractical	74,717

60. Deviation from supply chain management regulations (continued)

Supplier	Voucher number	Date of payment	Description	Department	Reason	Classification	-
MAWANDLA MAINTANANCE & PROJECTS PTY LTD	90041028	20230808	Deluging, disinfection and in let valves replacement along with fixing electrical and mechanical components	Civil	Emergency	Emergency	1,076,830
SELITEC	90041215	20230831	Radio broadcasting in local radio station	Office of Municipal Manager	The only local radio station	Sole Supplier	35,000
MASOBODO SERVICES (PTY) LTD	90041037	20230811	Funeral for three kids who passed away in a shack fire	Office of Speaker	impossible to advertise for 7days due to timelines In terms of funeral arrangements	Impractical	50,000
MASOBODO GROUP	90041101	20230822	Funeral for three kids who passed away in a shack fire	Office of Speaker	impossible to advertise for 7days due to timelines In terms of funeral arrangements		10,000
VAAL TOYOTA (VEREENIGIN G VAND	90041218	20230830	Repair of vehicle	Mechanical	Strip and quote	Impractical	41,639
STEADFAST ENGINEERIN G	90041255	20230914	Repairs of Bell 2706D Reg CZN 278FS	Cleansing	Strip and quote	Impractical	115,532
VAAL TOYOTA (VEREENIGIN G VAND	90041256	20230914	Replacement of timing belt, and service plus brakes on FWJ095FS	Finance	Strip and quote	Impractical	9,087
LESEDI LA MOTHEO HOLDINGS	90041365	20230927	Engine to be overhauled	Cleansing	Strip and quote	Impractical	51,950
GISWA ENGINEERIN G CC	90041375	20230928	Repair of various vehicles	Mechanical	Strip and quote	Impractical	100,885
VAAL TOYOTA (VEREENIGIN GVANDE	90041426	20231010	programming of electric operation of alternator	mechanical	Strip and quote	Impractical	23,059

BELL EQUIPMENT SALES SOUTH AF	90041432	20231011	Service for TLB	mechanical	agents of machine and machine still under guarantee	Sole supplier	28,841

60. Deviation from supply chain management regulations (continued)

Supplier	Voucher number	Date of payment	Description	Department	Reason	Classification	-
THE ASSESSMEN T TOOLBOX	90041456	20231016	Competency assessment for positions	Corporate service	As per the gazette no 37245 from COGTA	Sole supplier	51,750
GISWA ENGINEERIN G CC	90041580	20231025	Repair of garbage bin 2	mechanical	Strip and quote	Impractical	3,825
MASSTORES (PTY) LTD T/A MAKRO	90041528	20231019	Procurement of groceries for grade 12 matriculants	office of the speaker	value for money	emergency	-
JAQUARES REPAIRS	90041940	20231212	vehicle repairs	mechanical	Strip and quote	impractical	34,616
DEKRA AUTOMOTIVE	90041937	20231212	Testing of vehicles	Mechanical	Single Supplier	Sole Supplier	14,201
WHITE LEPARD SECURITY	90042073	20231221	Provision for security services	office of the municipal manager	Contract with the appointed services provider is terminated	emergency	1,500,000
METSIMAHOL O AND FEZILE DABI T	90041902	20231207	vehicle repairs	mechanical	Strip and quote	impractical	54,640
PDZ ELECTRICAL	90041895	20231205	repair of traffic light	electric department	Strip and quote	impractical	54,050
SELITEC	90041777	20231123	communicatio n	communicatio n	only local radio station	Sole supplier	35,000
PRO ENGINEERIN G AND HYDRAULIC	90041725	20231116	prop shaft repair	mechanical	Strip and quote	impractical	5,865
PRO ENGINEERIN G AND HYDRAULIC	90041720	20231116	Wheel studs	mechanical	agents of machine and machine still under guarantee	Sole supplier	11,482
NEW VAAL MOTORS (VER)	90041848	20231128	gear charge	mechanical	Strip and quote	impractical	29,099
LESEDI LA MOTHEO HOLDINGS	90041709	20231115	rebuild engine due to overheating czn261fs	mechanical	Strip and quote	impractical	45,010
PHANGAS MARKETING	90041668	20231108	mechanical repairs for plotter machine	ICT	Strip and quote	impractical	86,946
BALOW ENGINEERIN G CC	90041870	20231130	Onsite repair and welding of badrift station delivery pipe	Civil	Strip and quote	impractical	114,966

60. Deviation from supply chain management regulations (continued)

Supplier	Voucher number	Date of payment	Description	Department	Reason	Classification	-
METSIMAHOL O AND FEZILE DABI T	90041652	20231128	repair of a vehicle brakes and carbarater	mechanical	Strip and quote	impractical	25,741
VAAL TOYOTA (VEREENIGIN GVANDE	90041652	20231107	repairs of traffic vehicle alternator and rear brakes	mechanical	Strip and quote	impractical	28,682
SCHOLINGS INDUSTRIAL CC	90041651	20231107	repairing of repair of lawnmowers and brush cutter	mechanical	Strip and quote	impractical	151,710
PNEUMATIC RETAIL OPERATIONS A	90041654	20231107	Repair of prop shaft need to be refurbished	mechanical	Strip and quote	impractical	2,820
WHITE LEOPARD SECURITY	90042108	20240130	provision for security services Dec 2023	Municipal Manager	Contract terminated before contracted time due to unfair award of the tender.	Emergency	2,849,327
KHUMALO MOTOR TARVEN (PTY) LTD	90042165	20240131	Engine rebuild HJM284FS	Mechanical services	strip and quote	Impractical	77,788
MAYFAIR GEARBOX	90042122	20240131	Repair of a gearbox CZP072FS	Mechanical services	strip and quote	Impractical	22,425
METSIMAHOL O AND FEZILE DABI T	90042123	20240131	Body mechanical repairs CTK329FS	Mechanical services	strip and quote	Impractical	69,724
VAAL DOCUMENT MANAGEMEN T (PTY) LTD	90042157	20240131	Repair and service of copy machines	ICT	strip and quote	Impractical	146,519
LESEDI LA MOTHEO HOLDINGS	90042224	20240213	Repair of a starter	mechanical services	strip and quote	Impractical	36,900
GISWA ENGINEERIN G CC	90042203	20240208	Repair of a garbage bin	mechanical services	strip and quote	impractical	3,825
WHITE LEOPARD SECURITY	90042219	20240212	provision for security services Jan	municipal manager	Contract terminated before contracted time due to unfair award of the tender.	Emergency	2,849,327

60. Deviation from supply chain management regulations (continued)

Supplier	Voucher number	Date of payment	Description	Department	Reason	Classification	-
METSIMAHOL O AND FEZILE DABI T	90042355	20240228	Repair of cherry picker	mechanical services	strip and quote	impractical	30,615
GISWA ENGINEERIN G CC	90042226	20240213	repair of garbage bins	mechanical services	strip and quote	impractical	12,889
JAQUARES REPAIRS	90042316	20240221	Exhibition of stalls for local business tourism expo	mechanical services	strip and quote	impractical	45,026
SATOVITO	90042312	20240221	Exhibition of stalls for local business tourism expo	LED	The exhibition is organised by single provider	sole supplier	58,500
PRO ENGINEERIN G AND HYDRAULIC	90042210	20240208	Repair of rear spring CRK644FS	mechanical services	strip and quote	Impractical	12,952
LIMPHO PROJECTS	90042542	20240320	Water supply pipe got burst on the Eric Low road	Civil service	Water supply pipe got burst on the Eric Low road	Emergency	367,576
LESEDI LA MOTHEO HOLDINGS	90042472	20240318	Repair of injector, pumps and sensors FWD501FS	mechanical service	strip and quote	impractical	60,550
METSIMAHOL O AND FEZILE DABI T	90042460	20240315	Repair of CTK321FS multiple faults	mechanical service	strip and quote	impractical	99,684
LESEDI LA MOTHEO HOLDINGS	90042444	20240314	Repair of shaft recondition and balance	mechanical service	strip and quote	impractical	8,100
STEADFAST ENGINEERIN G	90042430	20240313	Repair of a grader DGR756FS	mechanical service	strip and quote	impractical	306,279
ADAPT IT	90042418	20240312	Caseware training for compilation of the AF	Finance	single supplier	sole supplier	183,715
WHITE LEOPARD SECURITY	90042411	20240311	Provision for security services (Feb)	Municipal Manager	Contract terminated before contracted time due to unfair award of the tender.	Emergency	2,849,327
PRO ENGINEERIN G AND HYDRAULIC	90042402	20240307	Repair of parabolic spring pack	mechanical service	strip and quote	impractical	37,864

60. Deviation from supply chain management regulations (continued)

Supplier	Voucher number	Date of payment	Description	Department	Reason	Classification	-
PRO ENGINEERIN G AND HYDRAULIC	90042402	20240307	repair of hydraulic hoses	mechanical service	strip and quote	impractical	37,864
VAAL TOYOTA (VEREENIGIN GVANDE	90042431	20240313	Repair of automatic gearbox FXB941FS	mechanical service	strip and quote	impractical	327,336
GISWA90042 536 ENGINEERIN G CC	90042479	20240320	Repair of slasher for parks	mechanical service	strip and quote	impractical	29,915
SMITH CAPITAL EQUIPMENT (PTY)	90042558	20240318	Repair of cherry picker	mechanical service	strip and quote	impractical	33,018
VAAL TOYOTA (VEREENIGIN GVANDE	90042711	20240327	Repair of faulty injector CZM43FS	mechanical service	strip and quote	impractical	56,677
FRAMA (PTY) LTD	90042711	20240422	Annual renewal remote meter setting	Records	Manufactures of the machine	sole supplier	3,421
SELITEC	90042587	20240409	Radio broadcast for special council meeting	office of the municipal manager/ Communicatio n	Only radio station in Metsimaholo	sole supplier	35,000
MAYFAIR GEARBOX	90042685	20240418	Strip and quote on Gearbox	Electrical	Strip and Quote	Impractical	41,101
GISWA ENGINEERIN G CC	90042618	20240410	Repairs	Mechanical	Strip and Quote	Impractical	48,850
AVANT GARDE AGRI SOLUTIONS	90042590	20240409	Pressure sealer machine repair	ICT	Strip and Quote	Impractical	19,450
PRO ENGINEERIN G AND HYDRAULIC	90042579	20240408	repairs and reupholster seat FWD518FS	Mechanical	Strip and Quote	Impractical	6,670
VAAL TOYOTA (VEREENIGIN GVANDE	90042683	20240418	Repair of gearbox	Mechanical	Strip and Quote	Impractical	14,928
White Leopard Security	90042623	20240415	Provision for security services	Office of MM	Contract with the appointed services provider is terminated due to none-compliance	emergency	2,849,327

60. Deviation from supply chain management regulations (continued)

Supplier	Voucher number	Date of payment	Description	Department	Reason	Classification	-
GIJIMA HOLDINGS	90042862	20240524	Competency Based Psychometric Assessment for candidates to be appointed.	Human resources	Service provider appointed by COGTA as per the government Gazette	Impractical	75,040
WHITE LEOPARD SECURITY	90042771	20240513	Provision for security services	office of the municipal manager	Contract with the appointed services provider is terminated due to none-compliance	emergency	2,849,327
PRO ENGINEERIN G AND HYDRAULIC	90042921	20240611	Provision of Spare parts	repair of front springpack and rear spring	strip and quote	Impractical	64,550
GIJIMA HOLDINGS	90042577	20240402	Competency Based Psychometric Assessment for candidates to be appointed.	Service provider	Service provider appointed by COGTA as per the government Gazette	Impractical	28,800
WHITE LEOPARD SECURITY	90042911	20240611	Provision for security services	office of the municipal manager	Contract with the appointed services provider is terminated due to none-compliance	emergency	2,927,527
TOTAL							**23,827,316**

61. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

Figures in Rand	2024	2023

61. Prior-year adjustments (continued)

30 June 2023

	Note	As previously reported	Correction of error	Restated
Inventories		1,668,732	-	1,668,732
Receivables form exchange transactions		130,004,079	124,113,679	254,117,758
Receivables from non-exchange transactions		42,914,767	7,335,300	50,250,067
VAT receivables		162,315,616	(162,315,616)	-
Cash and cash equivalents		160,687,820	(453,750)	160,234,070
Investment property		241,036,249	200,782,055	441,818,304
Property plant and equipment		1,391,227,276	26,826,367	1,418,053,643
Intangible assets		3,510,178	-	3,510,178
Heritage assets		4,428,972	-	4,428,972
Other financial assets		2,703,270	-	2,703,270
Receivables from exchange transactions		2,209,333	(2,181,536)	27,797
Payables from exchange transactions		(299,665,147)	(1,777,271)	(301,442,418)
VAT payable		-	(9,857,194)	(9,857,194)
Consumer deposit		(29,270,949)	-	(29,270,949)
Employee benefit obligation		(3,707,991)	-	(3,707,991)
Unspent grants and receipts		(6,902,000)	(2,374,373)	(9,276,373)
Provisions current		(88,026,335)	(8,282,037)	(96,308,372)
Employee benefit obligation		(45,444,132)	-	(45,444,132)
Provisions non-current		(15,328,588)	13,619,452	(1,709,136)
		1,654,361,150	**185,435,076**	**1,839,796,226**

Statement of financial performance

Figures in Rand	2024	2023

61. Prior-year adjustments (continued)

30 June 2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Service charges		875,648,750	-	-	875,648,750
Sale of goods and rendering of services		5,967,483	-	-	5,967,483
Rental of facilities		6,514,589	-	-	6,514,589
Interest on receivables		84,089,787	-	-	84,089,787
Interest on investments		13,828,863	(261,698)	-	13,567,165
Operational revenue		159,323	-	-	159,323
Dividends		132,794	-	-	132,794
Property rates		211,327,259	-	-	211,327,259
Services charges		3,770,284	-	-	3,770,284
Fines, Penalties and Forfeits		2,785,750	-	-	2,785,750
Licences and permits		6,980	-	-	6,980
Government grants and subsidies		396,717,837	(2,400,482)	-	394,317,355
Interest on receivables		16,149,465	-	-	16,149,465
Employee related costs		(337,088,489)	(5,211,657)	-	(342,300,146)
Remuneration of councillors		(19,947,189)	-	-	(19,947,189)
Depreciation and amortisation		(99,005,233)	2,219,054	-	(96,786,179)
Finance cost		(19,200,469)	9,217,789	-	(9,982,680)
Bulk purchases		(524,596,651)	-	185,974,221	(338,622,430)
Contracted services		(73,891,049)	(1,880,269)	-	(75,771,318)
Lease rentals on operating lease		(9,376,930)	(59,040)	-	(9,435,970)
Debt impairment		(417,721,762)	40,540,447	-	(377,181,315)
Transfers and subsidies		(256,730)	(47,790)	-	(304,520)
Operating costs		(39,540,980)	(345,076)	-	(39,886,056)
Inventory consumed		(13,147,194)	78,274	(186,015,733)	(199,084,653)
Repairs and maintenance		(12,816,958)	(558,449)	41,512	(13,333,895)
Loss on disposal of assets and liabilities		(14,618,973)	11,149,331	-	(3,469,642)
Fair value adjustments on investments		252,677	-	2,366,289	2,618,966
Actuarial gains/Losses		10,739,866	-	(2,366,289)	8,373,577
Inventories losses/write-downs		(421,026)	-	-	(421,026)
Surplus for the year		**46,462,074**	**52,440,434**	**-**	**98,902,508**

Errors

Receivables from exchange transaction.

Receivables from exchange was adjusted due to municipality aligning the impairment calculation to impairment methodology approved by council. This resulted to decrease in net balance of receivables from exchange transactions.

Receivables from non-exchange transaction

Receivables from non-exchange was adjusted due to municipality aligning the impairment calculation to impairment methodology approved by council. This resulted to decrease in net balance of receivables from non-exchange transactions.

VAT receivables

Municipality aligned the VAT input accrued to suppliers' invoices, VAT output to age analysis and cash basis to SARS statement as at the end of each financial reporting period. VAT on impairment was also adjusted based on application of approved impairment methodology by municipal council.

Cash and cash equivalent

Correction of interest on closing balances on investments as at 30 June 2023 that could not be verified with bank statements and accrual interest.

Figures in Rand	2024	2023

61. Prior-year adjustments (continued)

Investment property

Reclassification of assets as per use within categories.

Property plant and equipment

Reclassification of assets as per use within categories.

Payables from exchange transactions

Restated bonus accrual and leave accrual due to transpose error on journal entry processed on 30 June 2023. Accounting of prior year invoices that were found during 30 June 2024 processing period.

Unspent conditional grant and receipts

This was due to municipality obtaining invoices to support spent portion on 30 June 2023 that was not found in 30 June 2023.

Provisions

Aligning provision for landfill site to engineer’s report in prior year balances.

Interest on investments

Correction of interest on closing balances on investments as at 30 June 2023 that could not be verified with bank statements and accrual interest.

Government grants and subsidies

This was due to municipality obtaining invoices to support spent portion on 30 June 2023 that was not found in 30 June 2023.

Employee related costs

Accounting for acting allowances and back-pay in the correct financial year.

Depreciation

Reversal of depreciation on assets accounted outside the fixed assets module in the prior year.

Finance costs

Aligning provision for landfill site to engineer’s report in prior year balances.

Bulk purchases

Reclassification of water inventory consumed to inventory consumed line item on the statement of financial performance.

Contracted services

Accounting of prior year invoices that were found during 30 June 2024 processing period.

Lease rentals on operating leases

Accounting of prior year invoices that were found during 30 June 2024 processing period.

Debt impairment

61. Prior-year adjustments (continued)

Debt impairment was adjusted due to municipality aligning the impairment calculation to impairment methodology approved by council.

Transfers and subsidies

Accounting of prior year invoices that were found during 30 June 2024 processing period. Operating costs

Accounting of prior year invoices that were found during 30 June 2024 processing period. Inventory

consumed

Reclassification of water inventory consumed to inventory consumed line item on the statement of financial performance. Accounting of prior year invoices that were found during 30 June 2024 processing period.

Repairs and maintenance

Accounting of prior year invoices that were found during 30 June 2024 processing period and reclassification of inventory consumed per category to repairs and maintenance from inventory consumed.

62. Other liability 3