



MAKHADO LOCAL MUNICIPALITY

DRAFT ANNUAL REPORT

2023/2024

Vision

A dynamic hub for socio-economic development by 2050

Mission

To ensure effective utilization of economic resources to address socio-economic imperatives through mining, tourism and agriculture.

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ANNEXURES A 1

2023/24 AUDIT REPORT

2023/24 AUDITED ANNUAL FINANCIAL STATEMENT

2023/24 AUDITED PERFORMANCE REPORT





GLOSSARY

ACDP	- African Christian Democratic Party
ADMD	- After Diversity Maximum Demand
AFS	- Annual Financial Statements
AG	- Auditor General
AGSA	- Auditor General South Africa
ANC	- African National Congress
APAC	- Audit and Performance Assessment Committee
B&T	- Budget and Treasury
CFO	- Chief Financial Officer
CIPRO	- Companies and Intellectual Property Registration Office
COGTA	- Cooperative Governance and Traditional Affairs
COGHSTA	- Department of Cooperative Governance, Human Settlement and Traditional Affairs
COPE	- Congress of the People
CPMD	- Consolidated Program for Management Development
DA	- Democratic Alliance
DCOMS	- Department Community Services
DCSS	- Department Corporate Services
DDP	- Department Development Planning
DTS	- Department Technical Services
EAP	- Employee Assistance Program
EEP	- Employment Equity Plan
ERM	- Enterprise Risk Management
EXCO	- Executive Committee
FBE	- Free Basic Electricity
FBS	- Free Basic Services
FBW	- Free Basic Water
GRAP	- General Recognized Accounting Practice
HH	- Households
ICT	- Information and Communication Technology
IDP	- Integrated Development Plan
IIA (SA)	- Institute of Internal Auditors (SA)
INEP	- Integrated National Electrification Program
IT	- Information Technology
KPA	- Key Performance Area
KPI	- Key Performance Indicator
LED	- Local Economic Development
LGSETA	- Local Government Sector Education & Training Agency
MFMA	- Municipal Finance Management Act
MLM	- Makhado Local Municipality
MM	- Municipal Manager
MPAC	- Municipal Public Accounts Committee
MSA	- Municipal Structures Act No.17 of 1998
MSA	- Municipal Systems Act No.32 of 2000
NERSA	- National Electricity Regulator South Africa
OHS	- Occupational Health and Safety

OPCA	-	Operation Clean Audit
PAC	-	Pan Africanist Congress of Azania
PMS	-	Performance Management System
RD	-	Refer to Drawer
RDP	-	Reconstruction and Development Program
SCM	-	Supply Chain Management
SDBIP	-	Service Delivery and Budget Implementation Plan
SDP	-	Skills Development Plan
SITA	-	State Information Technology Agency
SLA	-	Service Level Agreement
SMME	-	Small, Medium and Micro Enterprise
VDM	-	Vhembe District Municipality
WSA	-	Water Services Authority
WSP	-	Water Services Provider
WPSP	-	Work Place Skills Plan



CHAPTER 1

INTRODUCTION AND OVERVIEW

CHAPTER 1: INTRODUCTION AND OVERVIEW

COMPONENT A- MAYOR'S FOREWORD AND EXECUTIVE SUMMARY:

MAYOR'S FOREWORD



Her Worship Mayor
Cllr Mboyi M.D

I am pleased to introduce the Annual Report for the **2023/2024** financial year. This report provides an overview of our progress in meeting the goals we set during this period, highlights our key achievements, and offers valuable insight into the Municipality's performance for the benefit of our stakeholders and communities.

As we continue to align our mandate with the Local Government framework outlined in the South African Constitution, our responsibilities are shaped by the diverse expectations of our citizens, which we gather through public consultations as part of our Integrated Development Plan (IDP).

Our goal is to serve all our communities, regardless of their location. This report reflects our ongoing efforts to meet the service delivery expectations set in the **2023/2024** Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plans (SDBIP). We understand the importance of improving services, addressing challenges, and building on our successes as we continue to grow.

We are committed to establishing Makhado as a centre for socio-economic development by **2050**. This vision is based on the growth of key local industries such as mining, tourism, and agriculture. We aim to attract both local and international investors, making Makhado the preferred destination for investment in the northern region of Limpopo Province.

Our **Ward Committees** continue to be essential in engaging communities, ensuring that their needs are reflected in our plans. These committees remain key to planning, monitoring, and implementing services, even as we work through challenges such as the impact of the COVID-19 pandemic.

The **2023/2024** financial year has seen solid progress in key infrastructure projects. Our leadership and oversight committees are focused on making sure that public resources are used effectively. We are proud to report that:

- We achieved **100% utilization** of the Integrated National Electricity Program (INEP) and Municipal Infrastructure Grant (MIG) funds.
- The Disaster Grant was utilized 100% by mid-year, and we were awarded additional funds to further support critical initiatives.

- Despite challenges, we were able to secure an **unqualified audit opinion** with fewer findings, reflecting our improvements in financial management.

We are committed to further developing and maintaining vital infrastructure. In **2023/2024**, we have made important investments in:

- **Strategic roads:** Improving accessibility and connectivity for communities.
- **Stormwater systems:** Better managing water resources and reducing flood risks.
- **Electricity infrastructure:** Expanding access to reliable electricity for households and businesses.

These efforts are essential for supporting the growth of Makhado and improving the quality of life for all our residents.

The Municipality continues to work with the **Vhembe District Municipality**, **Provincial Government**, and **National Government** to improve service delivery. We are focused on planning together, sharing knowledge, and applying best practices to help overcome challenges and create a stronger, more sustainable community.

On behalf of the Executive Committee and the entire leadership of the municipality, I would like to thank all Councillors, staff members, especially the Municipal Manager and management team, traditional leaders, service providers, media, and labour unions for their continued hard work in serving the people of Makhado Local Municipality.

I also want to thank the **Office of the Speaker** and the **Chief Whip** for their continued support. Our collective efforts are our greatest strength as we move forward.

Looking back on the **2023/2024** year, we remain focused on the work ahead. With the cooperation of all our stakeholders, we are confident that we will continue to make significant progress toward realizing the vision of a prosperous and thriving Makhado Municipality.

Thank you.

Cllr. Dorcus Mboyi
Mayor: Makhado Municipality

COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER’S FOREWORD



Mr K.M Nemaname
Municipal Manager

Makhado Local Municipality 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. 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 South Africa at the same time as the Annual Financial Statements in August each year.

This report records the performance and progress made by Makhado Local Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the financial year 2023/2024. Municipal powers and functions of Makhado Local Municipality for the year 2023/24 is as depicted in the table below:

TABLE 1: POWERS AND FUNCTIONS

<ul style="list-style-type: none"> • Air pollution • Building regulations • Electricity reticulation • Local tourism • Municipal airports • Municipal planning • Municipal Public Transport • Municipal Public Works 	<ul style="list-style-type: none"> • Storm water management systems in built-up areas • Trading regulations • Billboards and the display of advertisements in public places • Cemeteries, funeral parlors and crematoria 	<ul style="list-style-type: none"> • Cleaning • Control of public nuisances • Facilities for the accommodation, care and burial of animals • Local amenities 	<ul style="list-style-type: none"> • Local Sport Facilities • Markets • Municipal parks and recreation • Municipal roads • Noise pollution • Ponds • Public places • Refuse removal, refuse dumps and solid waste disposal. • Street Trading • Street lighting • Traffic and Parking
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The municipality continues to improve the management of its risk as evidenced in the progress made in risk management processes which improved the risk management maturity level of the municipality.

Senior management positions were filled, except the Chief Financial Officer and the Technical Service Director who left her position during November 2023. The filling of these critical positions assisted in a greater way towards the achievement of the municipal objectives.

As of the 30 June 2024, the municipality managed to achieve 70% of its Key Performance Indicators within its Service Delivery and Budget Implementation Plan. This represents a continuous commitment in improving the services that the municipality renders to its community.

Regarding provision of basic services, the municipality managed to provide a total of 5150 households with access to basic electricity during the year under review.

In pursuit to improve municipal environment, municipality continued to provide access to refuse removal to a total of 9140 urban households. It is the view of the municipality, that basic services must be accessed by all citizens on an equal basis.

To improve municipal service delivery efficiency, forty (40) Skip bins, ten (10) heavy duty lawn mowers, twenty (20) brush cutters and four (04) chainsaw machines during 2023/2024 financial year.

During the year under review, the municipality has seen a slight increase in the debt book, especially with residential debtors. This increase in debt could be attributed to slower than expected economic activity in the municipal jurisdiction and the difficulty in paying for services in the Township. However, a boom in economic activity is expected in the future financial year enabling economic growth and eventually creating employment for local people.

At the end of the financial year the debt book amounted to R558 million, up from an amount of R478 million in the previous financial year. The increase in debtors during the financial year was R80 million, representing a 17% increase from the previous year.

The municipality continue to refer debt owed by some state organs to the Inter-Governmental Relations Forum. To date the major contributors to this debt are the Department of Rural

Development, Vleifontein Township, Dzanani Township, Waterval Township and communal properties (farms).

To enhance revenue collection efforts, the municipality is in the process of identifying revenue leakages within the municipal revenue value chain. The loss revenue could be addressed through the following processes:

- Review of revenue management policies and by – laws
- Audit of electricity meters
- Customer data cleansing
- Indigent management and free basic services
- Meter management and land use/ zoning.
- Cost of supply studies and
- Tariffs review.

Electricity remains the largest source of income and contributes 64% to municipal revenue excluding capital & operational grants, whilst property rates contributed 17% of municipal revenue, whilst 19% is derived from other revenue.

The municipality managed to close the 2023/24 financial year with a total of R 14.7 million. The municipality can settle short term obligations as they fall due. The municipality is in a healthy financial position.

Mr. K. M Nemaname
Municipal Manager

COMPONENT C: MUNICIPAL OVERVIEW

1. MUNICIPAL OVERVIEW

The Makhado Local Municipality is one of the local municipalities, within the Vhembe District, Limpopo Province in the Republic of South Africa. The main town Louis Trichardt is strategically located on N1 and is an important bypass for people travelling to Southern African Developing Countries (SADC), and this provides the municipality with good and attractive economic opportunities. The municipality borders Molemole and Blouberg Local Municipality, which are part of the Capricorn District Municipality, Greater Giyani and Greater Letaba Municipalities, whilst from the Southeast, it shares the borders Mopani District Municipality. The municipal area covers a total of 8310,586 km² (or 831 058, 64 Hectares) and has a total population of 502 397 majority of which can be classified as predominately rural.

FIGURE 1: LOCATION OF MAKHADO LOCAL MUNICIPALITY



The total population of Makhado has increased from 416 728 to 502 397 according to Census 2022. The number of households has increased from 116 371 to 140 338.

The Municipality is made up of five (05) formal towns namely, Louis Trichardt, Ha-Tshikota (Vleifontein), Tshikota, Waterval, Makhado A (Dzanani) and more than 200 villages. The main administrative office is situated in Louis Trichardt town with two supporting regional administrative offices in Dzanani and Waterval and a satellite office in Vleifontein.

TABLE 2: SERVICES BACKLOG

Waste Management	Electricity	Housing
131 198	4413	16 207
Households	Households	RDP Houses

According to the approved 2023/24 IDP, the service backlogs of the municipality stand as follows:

As per Statistics SA, 2022, 20,7% of households in MLM receive a weekly refuse removal service, 9140 (15,4%) of the 140 338 households receive a weekly refuse removal service. The backlog for weekly refuse removal thus equates to 131 198 households, or 84.6% of households, whilst 4413 households don't have access to electricity and 16 207 households needed RDP housing.

TABLE 3: FREE BASIC SERVICES

Indigent households	Receive free basic electricity	Debts owed to Municipality
5150	5150	R 558 million

Source: Annual Performance Report 2023/2024

According to the approved Annual Performance Report 2023/24 IDP, a total of 5150 indigent households within the municipality received free basic services including free basic electricity.

The total debt owed to the municipality stood at R 558 million.

CHAPTER 2

GOVERNANCE

CHAPTER 2: GOVERNANCE

COMPONENT A: GOVERNANCE STRUCTURES

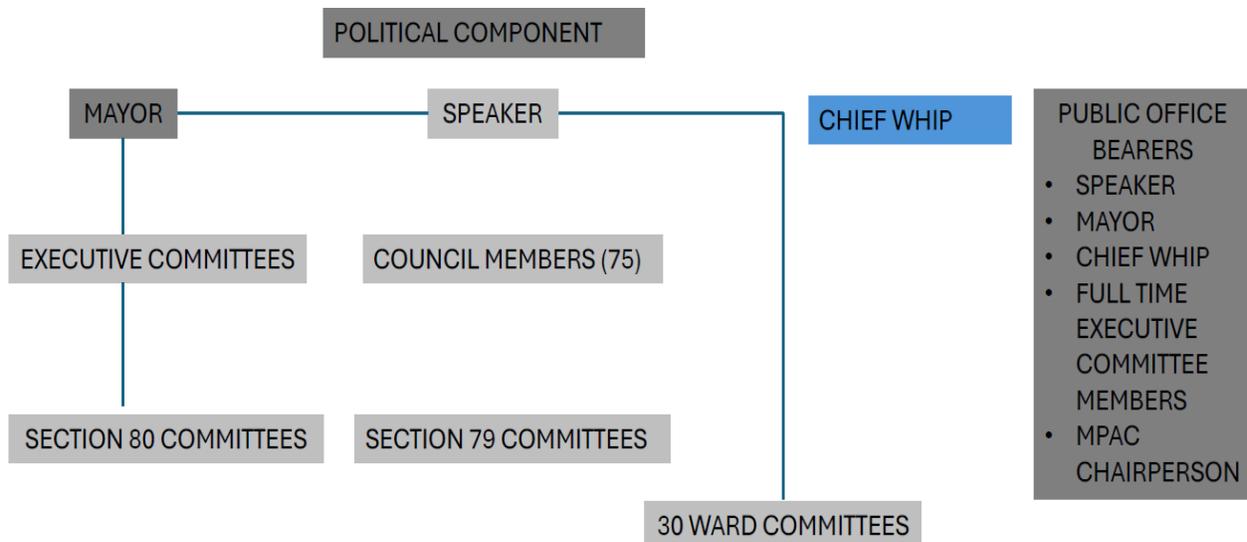
2.1. POLITICAL GOVERNANCE STRUCTURE

Chapter 7 of the Constitution of the Republic of South Africa, 1996 provides for the establishment of local government as an independent sphere of government. Section 151 of the Constitution states the following on the status of the municipality.

- 1) The local sphere of government consists of municipalities, which must be established for the whole of the territory of the Republic.
- 2) The executive and legislative authority of a municipality is vested in its Municipal Council.
- 3) A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.
- 4) The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

Section 52 (a) of the MFMA further entrusts the responsibility to the Mayor, in that: The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

FIGURE 2: POLITICAL STRUCTURES



2.2. GOVERNANCE ACTIVITIES

Makhado Local Municipality has an effective governance structure led by the Speaker of Council and Council committees. The structures include Council, Executive Committee, Section 79 Committees, Section 80 committees, Ward Committees, Municipal Planning Tribunal, Appeal Tribunal for Planning, Local Labour Forum, Audit Committee and Financial Disciplinary Board for Misconduct. The municipality makes use of these structures to improve service delivery to its communities, and to promote public accountability, institutional performance and good governance.

2.3. COUNCIL AND COMMITTEE

Makhado Municipality is a Category B municipality with 75 Councillors (37 proportionally elected and 38 Ward Councillors) as promulgated under General Notice No 264 of 2009 by the MEC for Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA) and published in Provincial Gazette Extraordinary No 1656 on 31 July 2009 and rated Grade 4 in terms of the criteria determined by the National Department of Cooperative Governance and Traditional Affairs (COGTA).

In terms of the Seat Calculation Summary per Municipality received from the Municipal Electoral Officer on 02 November 2021 the names of the elected parties and the number of the respective councillors elected are as follows:

TABLE 4: REPRESENTATION IN COUNCIL – POLITICAL PARTIES

PARTY	NUMBER OF WARD COUNCILLORS	NUMBER OF PROPORTIONAL REPRESENTATIVE COUNCILLORS	TOTAL
African National Congress (ANC)	37	25	62
Democratic Alliance (DA)	1	4	5
Economic Freedom Fighters (EFF)	0	4	4
Vryheidsfront Plus	0	1	1
African people Convention	0	1	1
African Christian Democratic Party	0	1	1
International Revelation Convention	0	1	1
Total	38	37	75

TABLE 5: SENIOR TRADITIONAL LEADERS IN COUNCIL

MEC for CoGHSTA has not designated- traditional leaders during 2023/24 financial year. The map below displays the boundaries of Makhado municipality and its 38 wards.

FIGURE 3 MAKHADO MUNICIPALITY AND ITS WARDS

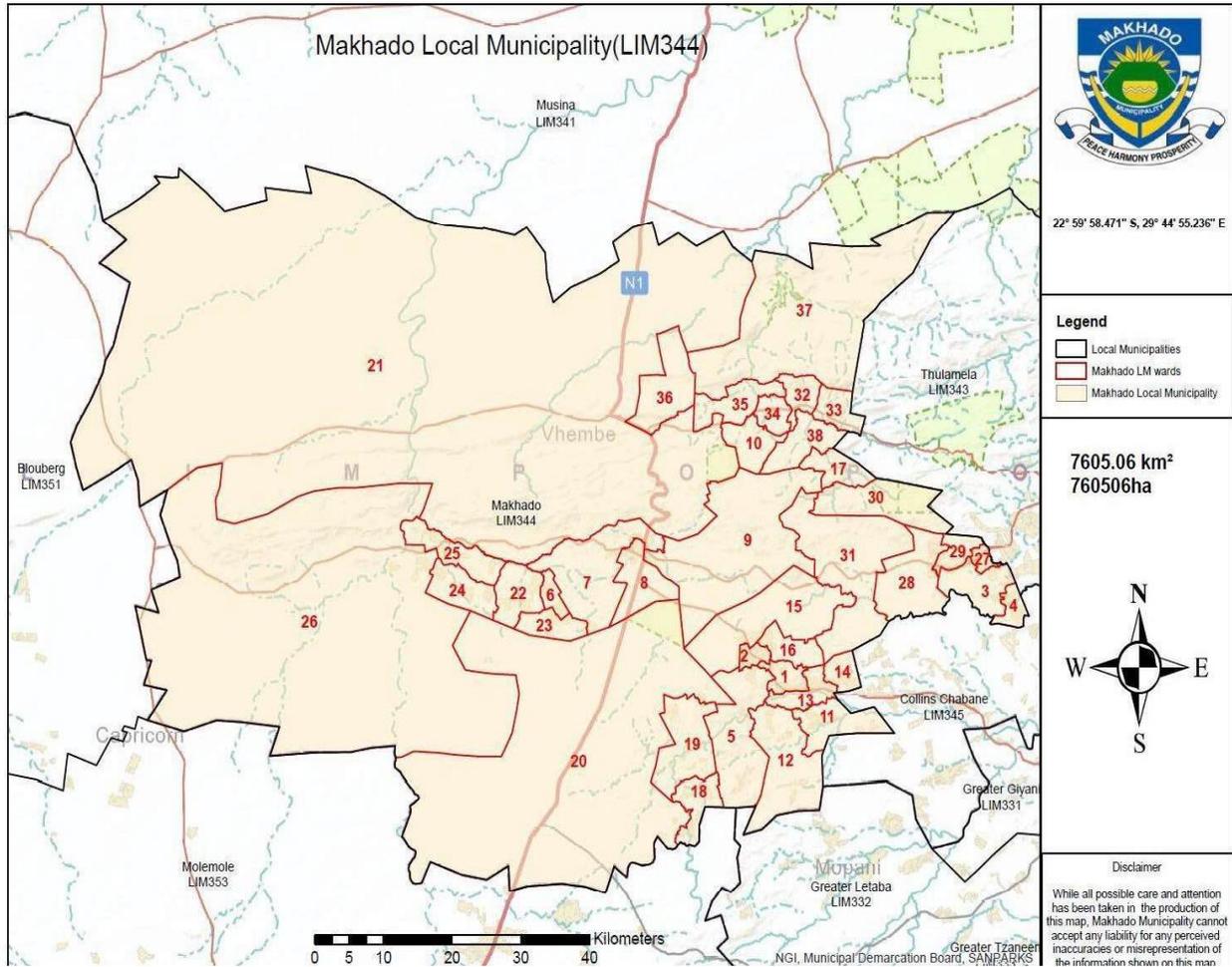


TABLE 6: NAMES OF COUNCILLORS AND THE NUMBER OF MEETINGS ATTENDED.

The table below depict Councilors of Makhado Municipality, and the number of meetings attended during the year under review from **July 2023 to June 2024**

	NAMES OF COUNCILLORS	NUMBER OF COUNCIL MEETINGS ATTENDED
1.	BALOYI, R	11
2.	BALOYI, R S	11
3.	BALOYI, S E	13
4.	CHILILO, N F	12
5.	DAVHANA, N D	10
6.	DZHIVHUHO, A S	10
7.	ESTERHUIZEN, W L	9
8.	FURUMELE, M G	12
9.	GABARA, M J	12
10.	HLANGWANI, B	11
11.	HLONGWANE, B F	8
12.	JONES, N B	8
13.	KUTAMA, N	11
14.	KUTAMA, T	13
15.	MABASA, W	10
16.	MABUDU, H G	11
17.	MADAVHA, A	11
18.	MADZHIGA, F N	12
19.	MAGADA, M R	12
20.	MAHOSI, N S	11
21.	MAINGO, R T	9
22.	MAKAMU, T T	11
23.	MAKHUBELE, F P	13
24.	MAKWALA, M R	6
25.	MALANGE, M C	13
26.	MALANGE, T M	10
27.	MALIVHA, N V	12
28.	MALULEKE, H G	11
29.	MAMAFHA, T C	9
30.	MAMAFHA, T J	11
31.	MANGANYE, K N	10
32.	MAPHAHLA, A Z	8
33.	MAPHAKELA, K P	11
34.	MAPHUBU, K	12
35.	MARAGA, M	10
36.	MASHAMBA, L	12

	NAMES OF COUNCILLORS	NUMBER OF COUNCIL MEETINGS ATTENDED
37	MASHAU, P	10
38	MASHAU, T C	11
39	MASIPA, P N	13
40	MASUKA, S	13
41	MATHALISE, L M	7
42	MATIDZA, T R	10
43	MATUMBA, N J	11
44	MBOYI, M D	13
45	MOKGOADI, M R	2
46	MPASHE, M J	13
47	MUDUNUNGU, N A	10
48	MUKHELI, K	11
49	MUKHUBA, R	12
50	MUKHUDWANA, R	11
51	MUKOSI, M	12
52	MUKOSI, M R	13
53	MUKWEVHO-MTILENI, G T	12
54	MULAUDZI, M E	11
55	MULEFU, M E	12
56	MUNYAI, N	10
57	MUNYAI, N S	7
58	MUSHANDANA, T T	12
59	NDOU, M D	10
60	NEMUDZIVHADI, N S	13
61	PHANGAMI, L	11
62	PHULUWA, M I	12
63	RALIPHADA, R	10
64	RAMALIVHANA, M	10
65	RAMALATA, T T	12
66	RAMALWA, M W	7
67	RAVELE, T R	9
68	SEBOLA, D J	13
69	SIMANGWE, N J	12
70	SINGO, M D	9
71	SITHI, E T	8
72	SMALLE, P	9
73	SWALIVHA, M	13
74	TSHIDAVHU, I A	5
75	TSHILAMBYANA, M S	10

2.4. COUNCIL MEETINGS

The Municipality's Council is effective and functional and continues to discharge its responsibility as expected. Table below depicts the number of council meetings held during year under review:

TABLE 7: COUNCIL MEETINGS HELD

	Ordinary Council Meetings	Special Council Meetings	Total Meetings
Number of meetings 2023/2024	4	9	13

A total number of thirteen (13) Council meetings were held comprising of four (4) ordinary meetings and nine (9) special council meetings during the year under review.

2.5. EXECUTIVE COMMITTEE

Makhado Local Municipality uses an Executive Committee system of governance. The Executive Committee is composed in line with the provisions of the Local Government: Municipal Structures Act, 1998. The Executive Committee consists of ten members; five full-time members and five part-time members as arranged by General Notice 94 of 2016 promulgated by the MEC for Cooperative Governance, Human Settlements and Traditional Affairs as published in the Provincial Gazette No. 2735 dated 22 July 2016.

The designation of full-time councilors in terms of the provisions of Section 18(4) of the Local Government: Municipal Structures Act, 117 of 1998 read with Part 14 of the General Notice No. 94 of 2016 published in the Provincial Gazette no. 2735 dated 22 July 2016, coupled with the concurrence of the MEC for CoGHSTA and Council Resolution of 23 November 2021 stipulated the composition of Exco as follows:

On 15 November 2023 under Council Resolution A.110.15.11.23 the Executive Committee were re-composed as follows:

Ten (10) Members of Executive Committee

	Name	Party	Portfolio	Capacity
1	Cllr M D Mboyi	ANC	Mayor	Full time
2	Cllr M R Magada	ANC	Finance and Budget	Full time
3	Cllr R Maingo	ANC	Community Services	
4	Cllr N Munyai	ANC	Development Planning	Full time
5	Cllr N J Matumba	ANC	Corporate Services	Full time
6	Cllr R Raliphada	ANC	Technical Services	Full time
7	Cllr E T Sithi	ANC	Youth & Special Programmes	
8	Cllr K Maphubu	ANC	Disaster and Moral Regeneration	
9	Cllr N B Jones	DA		
10	Cllr M W Ramalwa	EFF		

FIGURE 4 EXECUTIVE COMMITTEE MEMBERS



**Her Worship Mayor
Cllr MD Mboyi**

FULL- TIME EXECUTIVE COMMITTEE MEMBERS



**Portfolio Head
Corporate Services
Cllr N.J Matumba**



**Portfolio Head
Technical Services
Cllr R Raliphada**



**Portfolio Head
Budget & Treasury
Cllr MR Magada**



**Portfolio Head
Development & Planning
Cllr N Munyai**

PART-TIME EXECUTIVE COMMITTEE MEMBERS



**.... Portfolio Head
..... Disaster & Moral
.... Regeneration
..... Cllr K Maphubu**



**Portfolio Head
Community Services
.... Cllr RT Maingo**



**..... Exco Member
Cllr NB Jones**



**..... Exco Member
..... Cllr MW Ramalwa**



**..... Portfolio Head
Youth & Special
.....Cllr SA Sithi**

TABLE 8: EXECUTIVE COMMITTEE:

COMMITTEE	NAMES OF COUNCILLORS 2023/24	NUMBER OF MEETINGS ATTENDED
EXECUTIVE COMMITTEE	1. MUNYAI, N S (Chairperson) (resigned as Chairperson in November 2023)	9
	2. MUNYAI, N	17
	3. MATUMBA, N J	20
	4. MAGADA, M R	21
	5. MUKWEVHO, G T (resigned in November 2023)	8
	6. MAPHUBU, K	17
	7. RALIPHADA, R	15
	8. MAINGO, R T	2
	9. RAMALWA, M W	12
	10. JONES, N B	13
	11. SITHI E T (elected in November 2023)	13
	12. MBOYI M D (elected Chairperson in November 2023)	12

The number of meetings held by the Executive Committee were as follows:

TABLE 9: EXECUTIVE COMMITTEE MEETINGS HELD (July 2023 to June 2024):

2023/2024 FINANCIAL YEAR	NUMBER OF MEETINGS HELD
EXECUTIVE COMMITTEE	23

2.6. SECTION 79 OVERSIGHT COMMITTEES

TABLE 10: SECTION 79 OVERSIGHT COMMITTEE

	PORTFOLIO COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
1	TECHNICAL SERVICES	1. N S Nemudzivhadi (Chairperson) 2. M J Mpashe 3. K M Manganye 4. M D Singo 5. W L Esterhuizen 6. T C Mamafha 7. T C Mashau 8. M E Mulefu 9. P Mashau 10. N S Munyai 11. N Kutama	1 1 2 2 2 2 1 1 1 1
2	CORPORATE SERVICES	1. I A Tshidavhu (Chairperson) 2. P Smalle 3. R Mukhuba 4. T C Mashau 5. A S Dzhivhuwo 6. M Swalivha 7. T R Ravele 8. M S Tshilambyana (<i>elected 14 December 2021</i>)	7 7 9 10 6 8 3
3	FINANCE	1. T T Makamu (Chairperson) 2. A Madavha 3. F P Makhubele 4. L Mashamba 5. L Phangami 6. F N Madzhiga 7. B Hlangwani 8. W Mabasa 9. K M Manganye 10. M C Malange 11.	2 1 1 1 2 2 2 2 1 2
4	COMMUNITY SERVICES	1. N S Mahosi (Chairperson) 2. M J Mpashe 3. K M Manganye 4. M D Singo 5. L Phangami 6. M R Mokgoadi	1 1 1 0 0

	PORTFOLIO COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
		7. T Kutama 8. L Mashamba 9. M J Gabara 10. M I Phuluwa	0 0 0 1
5	DEVELOPMENT PLANNING	1. M D Ndou (Chairperson) 2. P Smalle 3. T T Ramalata 4. M E Mulefu 5. P N Masipa 6. B Hlangwani 7. R Baloyi 8. F P Makhubele	1 1 1 1 1 0 1 1
6	DISASTER, MORAL REGENERATION, SPORTS, ARTS AND CULTURE	1. M Makwala (Chairperson) 2. A Madavha 3. A Z Maphahla 4. T R Ravele 5. N Kutama 6. M Swalivha 7. R Mukhudwana 8. S Masuka	0 0 0 0 0 0 0 0
7	SPECIAL PROGRAMMES	1. L M Mathalise (Chairperson) 2. M G Furumele 3. M J Gabara 4. T T Mushandana 5. M Ramalivhana 6. H G Maluleke 7. M I Phuluwa 8. N A Mudunungu	1 1 0 1 1 0 1 0

The number of meetings conducted by the Section 79 Oversight Committees were as follows:

TABLE 11: OVERSIGHT COMMITTEE MEETINGS HELD (July 2023 to June 2024):

2023/2024 FINANCIAL YEAR COMMITTEE	NUMBER OF MEETINGS HELD
1. TECHNICAL SERVICES	2
2. CORPORATE SERVICES	11
3. FINANCES	2
4. COMMUNITY SERVICES	1
5. DEVELOPMENT PLANNING	1
6. DISASTER MANAGEMENT, MORAL REGENERATION AND SPORTS, ARTS AND CULTURE	0
7. SPECIAL PROGRAMS	1

SECTION 79 STANDING COMMITTEES

TABLE 11: SECTION 79 STANDING COMMITTEES

NO.	STANDING COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
1	MPAC	<ol style="list-style-type: none"> 1. N V Malivha (Chairperson) 2. M G Furumele 3. F B Hlongwane 4. K P Maphakela 5. H G Mabudu 6. S E Baloyi 7. D J Sebola 8. K Mukheli 9. M E Mulaudzi 10. M Mukosi 	<p>10</p> <p>6</p> <p>6</p> <p>4</p> <p>7</p> <p>10</p> <p>8</p> <p>10</p> <p>8</p> <p>10</p>
2	ETHICS	<ol style="list-style-type: none"> 1. M Maraga (Chairperson) 2. A Madavha 3. T J Mamafha 4. T T Mushandana 5. F P Makhubele 6. N D Davhana 7. M R Mukosi 8. T C Mashau 9. N A Mudunungu 	<p>3</p> <p>2</p> <p>1</p> <p>3</p> <p>3</p> <p>3</p> <p>3</p> <p>2</p> <p>0</p>
3	RULES	<ol style="list-style-type: none"> 1. N J Simangwe (Chairperson) 2. K P Maphakela 3. W Mabasa 4. R Baloyi 5. R Mukhuba 6. B Hlangwani 7. T T Ramalata 8. N F Chililo 9. L Mashamba 	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>

NO.	STANDING COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
4	WOMEN CAUCUS	<ol style="list-style-type: none"> 1. T M Malange (Chairperson) 2. H G Maluleke 3. L Mashamba 4. N J Simangwe 5. T T Mushandana 6. M R Mokgoadi (<i>passed away on 23 May 2024</i>) 7. N S Mahosi 8. M Swalivha 9. N B Jones 10. K N Manganye 11. K P Maphakela 12. M G Furumele 13. T C Mashau 14. M D Mboyi 15. R T Maingo 16. L M Mathalise 17. N J Matumba 18. T T Ramalata 19. G T Mukwevho-Mtileni 20. R Raliphada 21. M J Gabara 22. I A Tshidavhu 23. B Hlangwani 24. H G Mabudu 25. M S Tshilambyana 	0

The number of meetings conducted by the Section 79 Standing Committees were as follows:

TABLE 12: SECTION 79 STANDING COMMITTEE MEETINGS HELD:

2023/24 FINANCIAL YEAR COMMITTEE	NUMBER OF MEETINGS HELD
1. MPAC	10
2. ETHICS	3
3. RULES	0
4. WOMEN CAUCUS	0

Rules and Women Caucus Committees did not hold meetings in the year under review because these Committees meet when specific matters are referred to it for consideration.

SECTION 80 COMMITTEES

TABLE 13: SECTION 80 COMMITTEES:

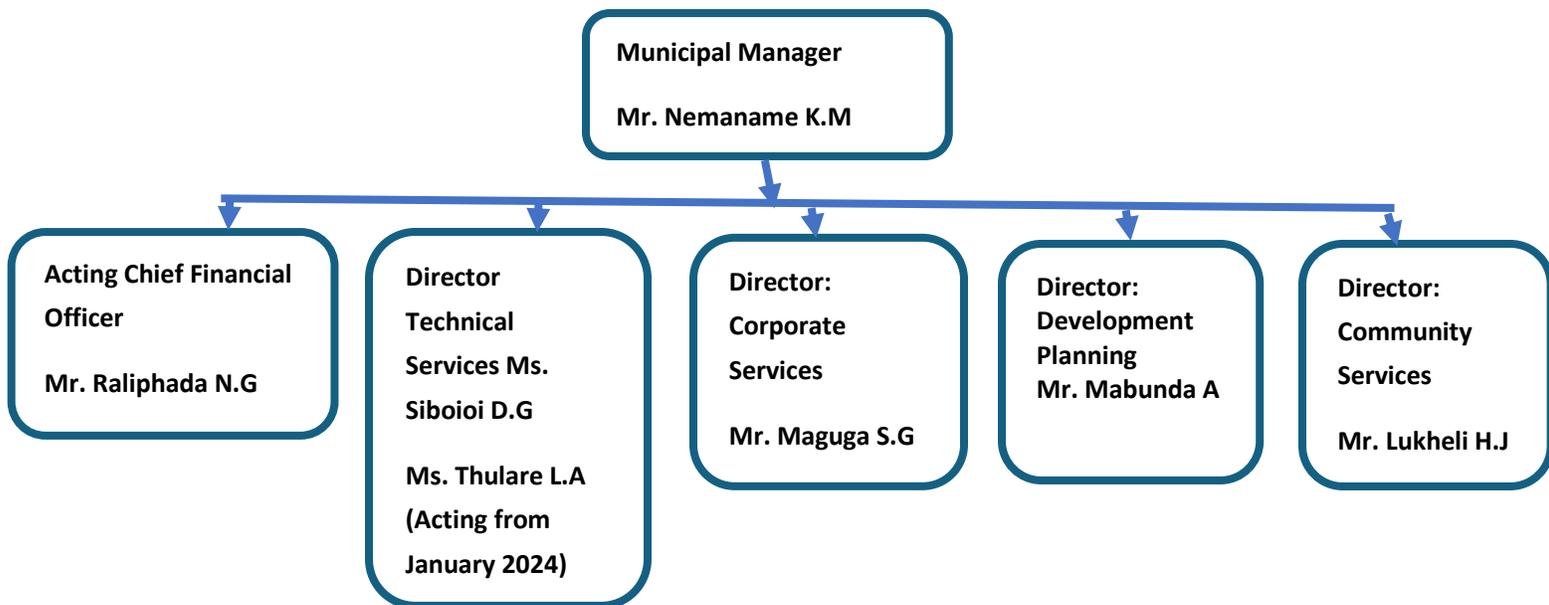
NO.	COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
1	GOVERNANCE AND FINANCIAL VIABILITY	M R MAGADA (CHAIRPERSON) M W RAMALWA N J MATUMBA	0 0 0
2	PUBLIC SAFETY AND SOCIAL DEVELOPMENT	R RALIPHADA (CHAIRPERSON) R MAINGO K MAPHUBU	0 0 0
3	DEVELOPMENT PLANNING AND MUNICIPAL INFRASTRUCTURE	N MUNYAI (CHAIRPERSON) G T MUKWEVHO (July to November 2023) N B JONES	0 0 0

Note: There were no Section 80 Committee meetings held. Section 80 Committees meets as and when the Executive Committee refers matters for consideration and no matters were referred to Section 80 committee in the year under review.

ADMINISTRATIVE GOVERNANCE STRUCTURE

MUNICIPAL MANAGER & SENIOR MANAGEMENT STRUCTURE 2023/24

FIGURE 5: MANAGEMENT STRUCTURE



Note: Director Technical Services, Ms DG Siboihi resigned in December 2023 and Ms LA Thulare was appointed to act as Director Technical Services from January to June 2024.

COMPONENT B

2.7. INTERGOVERNMENTAL RELATIONS:

Section 3 of the Municipal Systems Act requires that municipalities to exercise their executive and legislative authority within the constitutional system of co-operative governance as envisaged in the Section 41 of the Constitution.

The Municipality participates in the following IGR forums:

- Premier Mayor's Forum,
- District Mayor's Forum,
- District IGR Forum
- Provincial Monitoring and Evaluation forum
- Provincial Back to Basic Forum
- District Command Council
- District AIDS Council
- Local Communicators Forum
- District and Provincial Communicators Forums
- IDP Rep Forum

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality continued to hold its IDP Steering Committee meetings during the year under review with the IDP Representative Forum forming a base or platform for the public to make their contributions and hold the municipality accountable. An Imbizo is an initiative of the municipality where questions are answered; inputs are recorded, and advice are taken from the public about the municipality's programs and services. The Municipality held four Imbizos this financial year.

2.8. COMMUNICATION, PUBLIC PARTICIPATION AND FORUMS

Municipality introduced different platforms for Public Participation as listed herein below:

- Ward Based Public Participation Meetings
- Imbizos
- IDP Representative Forum meetings
- MPAC Public hearing meetings.
- Makhado Local Municipality Facebook Page
- Makhado Municipality Twitter handle
- Makhado Municipality Newsletter

- Makhado Municipality Instagram
- Website(www.makhado.gov.za) update
- Press/Media Statement broadcasts and publications
- Media Interviews reports and broadcasts

Imbizos, Ward based Public Participation meeting, IDP representative forum provide a platform for effective communication between the municipality and communities on service delivery issues, while MPAC public hearing meetings provides platform for financial accountability. Social media is another platform that the municipality uses to inform and update communities about municipal activities.

MUNICIPAL PUBLIC ACCOUNT COMMITTEE (MPAC)

The MPAC played an oversight role by exercising oversight of municipal expenditure and revenue in a transparent and accountable manner. The Municipal Public Account Committee (MPAC) was established by Council, comprising of ten (10) members for the term of the Municipal Council. MPAC was able to conduct ten (10) meetings and submitted forty-two (42) reports to Council for consideration. The MPAC conducted one (1) public hearing, one (1) public participation, four (4) inspection in loco and compiled MPAC oversight reports and submitted its recommendation to Council for approval within regulated timeframes.

COMPONENT D: CORPORATE GOVERNANCE

GENERAL COMMUNICATION

The Municipality has approved a Communication Strategy that is effective and provides guidelines for Communication unit operations.

Several media statements were produced, and radio interviews were conducted with Capricorn FM, Makhado FM, Energy FM, UNIVEN FM, Sekgosese FM, Vhembe FM, Munghana Ionene FM, and Phalaphala FM.

The municipality mainly uses Zoutpansberg and Mirror newspapers to advertise its outreach programs.

The Municipality uses social media to communicate and receive feedback on services being rendered. To this effect the Municipality uses Facebook and Twitter. The Municipality also has a functional website. We had 47 000 followers on Facebook and 1500 followers on Twitter.

INTEGRATED DEVELOPMENT PLANNING STEERING COMMITTEE

The municipality has a functional Integrated Development Plan (IDP) unit in place. The unit coordinates planning processes of the municipality in line with relevant regulations. The municipality annually reviewed

and adopts IDP process plan and IDP framework for implementation.

The IDP is a tool that helps the local municipality focus on the most important needs of local communities considering the resources available at local level. It helps identifies the least serviced and most impoverished areas and points to where municipal funds should be spent.

Implementation is made easier because the relevant stakeholders have been part of the process. The IDP provides deadlock-breaking mechanisms to ensure that projects and programmes are efficiently implemented. It is also worth reporting that the municipality managed to adopt its revised IDP and Budget within the stipulated timeframes.

INFORMATION TECHNOLOGY SERVICES STEERING COMMITTEE

The Municipality has a functional Information and Technology Steering Committee that is chaired by the Accounting Officer. Its main task is the provision of oversight and assistance with cyber-Security related issues, ICT Risk and further guide and advice Council on ICT governance matters.

Council constituted the Committee by Council Resolution A.175.15.12.14 as follows-

“1. THAT Council approves to appoint a subcommittee of the Audit Performance and Audit Committee who will perform the ICT Governance oversight function consisting of the following members -Designated specialist from the APAC, Municipal Manager and All section 56 Managers.”

The Terms of Reference (TOR) of the ICT Steering Committee is reviewed annually with the latest version approved in May 2024.

Amongst others the ICT Steering Committee must ensure a desirable culture in IT use in the municipal environment is designed to achieve the following 10 objectives.

Objectives:

1. The activities and functions of the IT Strategy are aligned to the business strategy. Opportunities to improve the use of IT within Makhado Local Municipality are identified and exploited.
2. Optimal investment is made in IT, costs are managed, and the return on investment is measured.
3. Synergies between IT initiatives are enabled, and IT choices are in the best interest of the municipality

as a whole and not only those of individual business units.

4. IT services are sourced optimally and legitimately.
5. IT risks are identified and adequately addressed. Assurance is obtained to ensure that an IT control framework is in place to address IT risks.
6. Information, IT assets and intellectual property contained in IT systems are protected and effectively managed and used.
7. IT has adequate business resilience arrangements in place for business continuity.
8. Information Management is a joint IT and business responsibility.
9. IT use conforms to IT related laws and related rules, codes and standards are considered.
10. IT use is sustainable with respect to the environment.

PERFORMANCE MANAGEMENT DEVELOPMENT SYSTEM

- 1.1 Management in the year under review implemented the Council approved performance management development system Policy.
- 1.2 All employees have signed their performance agreements and plans.

COMPONENT B: INTERGOVERNMENTAL RELATIONS:

Section 3 of the Municipal Systems Act requires that municipalities to exercise their executive and legislative authority within the constitutional system of co-operative governance as envisaged in the Section 41 of the Constitution.

The Municipality participates in the following IGR forums:

- Premier Mayor's Forum,
- District Mayor's Forum,
- District IGR Forum
- Provincial Monitoring and Evaluation forum
- Provincial Back to Basic Forum
- District Command Council
- District AIDS Council

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality continued to hold its IDP Steering Committee meetings during the year under review with the IDP Representative Forum forming a base or platform for the public to make their

contributions and hold the municipality accountable. An Imbizo is an initiative of the municipality where questions are answered; concerns are heard, and advice are taken from the public about the municipality's programs and services. The Municipality continues to hold the Imbizos as scheduled.

ANNUAL REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE (APAC)

INTRODUCTION

The Chairperson of the Audit and Performance Audit Committee has pleasure in submitting herewith the annual report of the Committee for the financial year ended 30 June 2024.

LEGAL FRAMEWORK GOVERNING THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

- Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act number 56 of 2003 as amended) (MFMA) requires from each municipality to have an audit committee.
- In terms of section 166(2)(a) of the MFMA the audit committee is an independent advisory body which must “amongst others” advise the municipal council on matters relating to-
 - ✓ Internal financial controls and internal audits;
 - ✓ Risk Management;
 - ✓ Accounting policies;
 - ✓ the adequacy, reliability and accuracy of financial reporting and information;
 - ✓ Performance Management;
 - ✓ Effective governance;
 - ✓ Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
 - ✓ Performance evaluation; and
 - ✓ any other issues referred to it by the municipality.
- In addition sections 166(2)(b), (c), (d) and (e) require from the committee to review the annual financial statements, respond to Council on any issues raised by the Auditor-General (South Africa) in the audit report, carry out such investigations into the financial affairs of the municipality and to perform such other functions as may be prescribed by the Council.
-

GOVERNANCE OF THE COMMITTEE

- All members of the Committee are non-executive members, and all meetings of the committee were held in accordance with the Charter of the committee as approved by Council. The Chief Audit Executive reports operationally to the Municipal Manager and functionally to the Audit and Performance Audit Committee per MFMA prescribes.
- The Audit and Performance Audit Committee (APAC) has executed its responsibilities in accordance with section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act number 56 of 2003 as amended).

ATTENDANCE OF MEETINGS

The table below illustrates the APAC members and number of meetings attended.

TABLE 14: APAC MEMBERS MEETINGS ATTENDED

Name	Position in APAC	NUMBER OF MEETINGS ATTENDED							
		04 August 2023	29 August 2023	20 September 2023	27 November 2023	01 December 2023	26 January 2024	13 May 2024	17 June 2024
Ms SJ.Masite	Chairperson	👍	👍	👍	👍	👍	👍	👍	👍
Ms MP Ramutsheli	Member	👍	👍	👍	👍	👍	👍	👍	👍
Mr A Tshikovhi	Member	👍	👍	👍	👍	👍	👍	👍	👍
Mr LJ Muthivhi	Member	👍	👍	👍	👍	👍	👍	👍	👍

👍	Meeting attended.
👎	Meeting not attended (Apology Submitted)
🚫	Meeting not attended (Apology Not Submitted)

INTERNAL CONTROLS

Internal Audit reported system weaknesses and recommended corrective actions for management to address the deficiencies. Management implemented internal audit recommendations to enhance the system of internal controls to an acceptable level.

INTERNAL AUDIT

The committee is satisfied that the internal audit unit has executed its per the Internal Audit charter as approved by the Audit and Performance Audit Committee. Further the committee approved the Risk Based Annual Audit plan for the 2023/2024 reporting period and was given the assurance that every effort will be made by the Accounting Officer to have all the resources available to properly execute the audit plan

All Internal Audit activities were completed in-house in accordance with the approved Internal Audit Charter and no compromise of the independence or objectivity of the function was observed throughout the year under review.

With Internal Audit follow-up reports, the committee has noted that management has implemented an appropriate tracking system in terms of which the various action plans by management to resolve the reported Internal Audit finding and recommendations and were tracked, managed, and reported to the APAC.

The committee noted an improvement in the percentage implementation of AG and Internal audit findings as resolved by management.

The committee confirms that Internal Audit has effectively carried out its mandate and responsibility in accordance with the MFMA and Approved Internal Audit Charter. Further, the one-on-one discussions with the Chief Audit Executive did not reveal any matters of concern.

RISK MANAGEMENT

The Audit and Performance Audit Committee has excised its oversight responsibility and satisfied that risk Management process was adequately designed although not effectively and efficiently implemented in some instances.

Further, the committee acknowledges the progress made in risk management processes which improved the risk management maturity level 3 of the municipality.

TABLE 15: RISK SCHEDULE

Top Seven institutional risks:

No.	Strategic Risk	Risk Movement	Level of satisfaction (Internal Control)	Risk Status
1.	Inadequate Services Delivery Imperatives and Maintenance		Satisfactory..... 	
2.	Unsustainable Financial Management		Satisfactory .. 	
3.	Inadequate ICT governance & ICT Delivery risk		Satisfactory 	
4.	Fraud, Theft and Corruption		Satisfactory 	
5.	Inadequate skill set due to inability to attract & manage talent		Satisfactory 	
6.	Health, Safety & Security risks and Environmental welfare		Satisfactory 	
7.	Ineffective Spatial Planning		Satisfactory 	

MATTERS OF CONCERN

- The Audit and Performance Audit Committee is concerned with debt owed by some of the state organs.
- The municipality needs to finalize the Revenue Enhancement Strategy where the emphasis will be areas that the municipality is not collecting as intended.
- Data Cleansing on Revenue management System need to be performed

PERFORMANCE MANAGEMENT

- The APAC considered performance management policy and procedure manual and recommended that Council to approve.
- The Audit and Performance Audit Committee monitored management's evaluation of identified "External Service Providers." as required by section 46 of the Municipal Systems Act, 2000.
- The Chief Audit Executive in terms of the MFMA/MSA regulations on a quarterly basis audited the reported performance information. All system weaknesses reported were brought to the attention of the Accounting Officer and committed to put systems in place.

COMPLIANCE WITH MFMA, THE ANNUAL DIVISION OF REVENUE ACT ANY LEGISLATION

- The Audit and Performance Audit Committee recommended improvement to the compliance system implemented by management. The Audit Committee recommended that, the system to monitor compliance with applicable laws and regulations be enhanced to ensure reliability. The Audit Committee also noted that compliance in some instances is not being addressed in a timely manner.
- The Council approved a materiality framework which provide for zero tolerance for non-compliance with laws and regulations.

REVIEW AND EVALUATION OF QUARTERLY, ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

The committee has:

- Reviewed and discussed the Annual Financial Statement together with Annual Performance Report with management and Auditor– General (SA), to be included in the Annual Report.
- Reviewed the Auditor-General's management report and management's responses thereto, Audit Report
- Reviewed the changes in the Accounting Policies and Practices.

AUDITOR-GENERAL (SOUTH AFRICA)

- The committee concurs with audit opinion (Unqualified Audit Opinion with matters).
- The Audit and Audit Performance Committee is concerned regarding continuous late submission of the Annual Financial Statements which constitutes non-compliance with the Municipal Finance Management Act 56 of 2003 (MFMA).
- The Audit and Audit Performance Committee also acknowledged the improvement made by management in implementation of the previous financial year's AGSA action plan which is integrated in the Annual Report in terms of which management is addressing the reported issues.
- The Committee has committed with the AG (SA) Office to closely monitor implementation of the current year's Audit Action Plan on a regular basis report to Council on the progress made by management
- The Audit and Performance Audit Committee also noted that there are no differences of opinion between the Auditor-General (South Africa) and the Accounting Officer.
- One-on-one discussions with the Auditor-General (South Africa) did not reveal any matters of concern.

INTERACTION WITH THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

- The Chairperson of the APAC has previously reported to the members of MPAC the processes followed by the Committee regarding the oversight evaluation of the Annual Report. The members of MPAC were also advised on the control system implemented by the Chief Audit Executive for purposes of tracking progress on the resolution of audit findings reported by the Internal Audit and all other Assurance Providers for the effective meetings the Audit Committee had.
- One-on-one discussions between the members of the APAC also did not reveal any matters of concern. Audit Executive and the Auditor-General (South Africa).

APPRECIATION

The Audit and Performance Audit Committee (APAC) acknowledges the co-operation and assistance by the Makhado Local Municipality for coordinating the activities of the Committee. We also acknowledge the commitment of the Accounting Officer in strengthening corporate governance and achieving the unqualified audit opinion with findings.

The Audit and Performance Audit Committee (APAC) further acknowledges the commitment by the Honorable Mayor Councilor Mboyi M.D in working towards clean administration and the contribution of the Speaker Councilor GT Mukwevho-Mitileni and committees of council.

Further express gratitude to the Chief Audit Executive, Auditor General and staff for the support and commitment in support to Audit and Performance Committee commendable work.

The Audit and Performance Audit Committee remains confident that all recommendations by the Internal Audit and Auditor General of South Africa shall continue to receive necessary attention in quest working towards clean administration.

SJ Masite
CIA, CMIIA, CICP, CFE
Audit and Performance Audit Committee

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

3. OVERVIEW OF SERVICE DELIVERY

Makhado Local Municipality is mandated to provide the following basic services:

- Electricity,
- Refuse Removal,
- Roads and Stormwater
- Housing (Coordination)

BACKLOGS

With regards to refuse removal, a total of 9140 households were given access to refuse removal during the year under review. This represents coverage of 15% of the total municipality households. The remaining 85% which is in rural areas are receiving attention through the annual allocation of skip bins.

The electricity backlog stood at 4413 households, including the Eskom distribution area, predominantly comprised of new developments and extensions. By the end of June 2024, 380 households were provided with electricity in the Municipality. An additional 5095 households were added to the backlog. Therefore, the current electricity backlog is 9508 households.

3.1. OVERVIEW OF CAPITAL PROJECTS IMPLEMENTED

3.1.1. ROAD INFRASTRUCTURE AND OTHER INFRASTRUCTURE PROJECTS

During the year (2023/2024) under review, the Municipality implemented a total of forty-six (46) road infrastructure and other projects which include upgrading of gravel to surfaced roads, bridge infrastructure project, rehabilitation of streets, sports facility, recreational parks, fencing and other building projects.

Out of the forty-seven projects, five (5) roads were upgraded, five (5) roads were rehabilitated and a new admin block at testing ground construction completed, twenty (20) other infrastructure projects complete, while fencing of five (5) cemeteries commenced during the year including twelve (11) other projects were under construction.

3.1.2. ELECTRICITY CONNECTIONS

Makhado Local Municipality provides electricity to the town of Makhado (Ward 7,8 & 9), Wards 20,22,24,26, 31,35, 36 & 37.

Currently the provision of basic electricity at household level to reduce the service backlog in both Municipal and Eskom licensed areas is done on an annual basis with funding from the Department of Energy (DoE) through the Integrated National Electrification Programme (INEP). Areas identified are formulated into projects that are incorporated into municipal IDP. Households in the advantaged areas are connected as and when application is received from individuals or developers.

During 2023/24, 380 households were connected to electricity, which represents an increase from the previous financial year.

TABLE 16: NUMBER OF HOUSEHOLDS ELECTRIFIED

Financial Year	Makhado Local Municipality	ESKOM	Total
2023/2024	30	350	380
TOTAL	30	350	380

The municipality electrified 380 households during the year under review.

The major challenge the municipality is experiencing is the mushrooming of households, mostly in areas where electrification projects have already been implemented; this creates a need for post-connections. Apart from the above-mentioned challenge, the municipality is facing more challenges daily that affect the electricity supply such as:

- Ageing infrastructure causing insulation failures
- Backlog in preventative maintenance
- Limited funding and resources to maintain and improve the existing infrastructure High electricity losses due to theft and failures of old infrastructure.
- Inaccessibility in most areas when it is raining.
- Illegal connections
- Mushrooming of informal settlements and settlements on private land Criminal activities (such as vandalism and theft)

3.1.3. ROADS UPGRADING AND REHABILITATION

The Makhado Local Municipality is also responsible for the provision and maintenance of road infrastructure. Upgrading and maintenance of roads and stormwater which improves accessibility within the municipality. The roads infrastructure networks and storm-water systems must be reliable, so as to improve economic conditions of the municipality.

The intention is to ensure that the public have usable roads, this can be achieved through effective spending and high-quality maintenance of our roads. The major challenge for the municipality, as road authority, is the ageing of infrastructure, backlog to upgrade from gravel to surfaced roads, insufficient funding, and skilled personnel to adequately maintain the road network.

By end of June 2024, the following projects were implemented:

TABLE 17: ROADS, STORMWATER AND BRIDGES PROJECTS

No.	Project Description	Status
1.	Rehabilitation of Rissik Street	100% completed
2.	Rehabilitation of Barnard Street	100 % completed
3.	Rehabilitation of Unika Street	100% completed
4.	Rehabilitation of Corner Krogh and Stubbs Street (paving)	100% completed
5.	Rehabilitation of Songozwi street	50% Construction
6.	Upgrading of Midoroni Clinic Ring Road	86% Progress
7.	Upgrading of Luvhalani to Dzananwa Access Roads	62 % Progress
8.	Makatu to Tshikota Access Road	98% Progress
9.	Development of roads and stormwater 164 new stands at Tshikota	13% completed
10.	Development of roads and stormwater at south of Pretorius 700 new stands	20.92% completed
11.	Upgrading of Tsianda Marundu to military base phase 1	31.5% completed
12.	Upgrading of Sivananda Street	50% progress
13.	Rehabilitation of Breda Street	100% Completed
14.	Lutanandwa Access Road and bridge Phase 2	100% completed
15.	Tshedza to Vuvha Access Road Phase 4	100% Completed
16.	Construction of Vleifontein Clinic Access Road	100% Completed
17.	Construction of Waterval Clinic Ring Road	100% Completed

TABLE 18: OTHER PROJECTS

1.	Construction of concrete palisade fence at Tshikota & Ltt cemeteries	78% progress
2.	Construction of Admin Block at Testing Ground	100% progress
3.	Construction of concrete palisade fence at Ramantsha cemeteries	78% progress
4.	Development of Dzanani Park Phase 2 (Installation of outdoor gym, playing equipment and swimming pool)	100% completed
5.	Construction of concrete palisade fence at Tshituni cemeteries	Construction
6.	Construction of concrete palisade fence at Maguvhuni	78% progress
7.	Kutama Sithumule Sports Facility	79% progress
8.	Construction of palisade fence at Waterval stores	80% progress
9.	Construction of palisade fence at Maduwa	50% progress
10.	Construction of Landfill Site at Makhado and Recycling Center (Additional Mega Cell and Stormwater Infrastructure)	100% progress
11.	Construction of Dzanani Taxi Rank and Market Stalls	29% progress
12.	Rehabilitation of Vondeling Landfill Site	100% complete
13.	Refurbishment change rooms, grandstand, and ablution facilities of Rabali stadium	100% complete
14.	Refurbishment of Muwaweni community Hall	100% complete
15.	Construction of ablution block at Waterval stores	100% complete
16.	Construction of 6 x guardroom and paypoint (Tshiozwi)	100% complete
17.	Construction of 6 x guardroom and paypoint (Matshavhawe)	100% complete
18.	Construction of 6 x guardroom and paypoint (Khomele)	100% complete
19.	Construction of 6 x guardroom and paypoint (Zamekomste)	100% complete
20.	Construction of 6 x guardroom and pay point (Tshiendeulu)	100% complete
21.	Construction of 6 x guardroom and paypoint (Mudimeli)	100% complete
22.	Construction of guardroom (Tshikota community hall)	100% complete
23.	Construction of guardroom (Ha Mutsha community hall)	100% complete
24.	Construction of guardroom (Makhado Municipality civic centre)	100% complete
25.	Construction of guardroom (Muduluni community hall)	100% complete
26.	Construction of guardroom (Swimming pool at Eltivillas)	100% complete
27.	Construction of Makhado Park sub switch room, guardroom and septic tank	100% complete
28.	Construction of Eltivillas sub switch room, guardroom and septic tank	100% complete

3.2. CHALLENGES

The major challenge experienced during the year is the communities demanding subcontracting work which delayed completion of some projects and delays due to high demands of royalties by tribal authorities for extracting gravel from the borrow-pit.

3.3.1 PROVISION OF ELECTRICITY SERVICES

In terms of Stats SA 2022, 95,7% of households in Makhado Local Municipality had access to electricity. The backlog therefore stands at 4.3%. The Municipality has a free basic electricity (FBE) policy which is designed to service the poor households or indigents.

Makhado Local Municipality is implementing an alternative source of energy program. PV Solar is rolled out across the entire municipality to non-grid customers. Engagements are at advanced stage with department of energy for funding as the cost per unit is out of approved norm.

During the year under review a total of **30** households were electrified within the municipality's licensed area. Makhado Local Municipality electrified **350** within Eskom's licensed area.

Table below detailed the names of villages benefited including source of funding and budget spent.

TABLE 19 ELECTRICITY CONNECTIONS

No	Village	Ward	Connections	Source of Funding
1	Mpheni		36	INEP
2	Magangeni		52	INEP
3	Mawoni		113	INEP
4	Dzivhalanombe		149	INEP
5	Maangani		7	Income
6	Tshiozwi		6	Income
7	Straighthardt		6	Income
8	Tshikota		5	Income
9	Ndouvhada		6	Income
TOTAL			380	

It should be noted that the municipality is doing well with regards to electrification projects and the municipality has a total of 7 intake points from the Eskom network with a combined Notified Maximum Demand (NMD) of 76MVA. The main intake point is Makhado/LTT which accounts for 84% of all energy purchases.

Electrical infrastructure support projects done during the 2023/2024 financial year included the procurement of Power Transformers, Ring Main Units, auto reclosers, poles, yoke boxes, meters, cables, aerial bundle conductors.

Preventative maintenance was also conducted on high and low voltage networks which included the replacement of rotten poles, insulators, long rods and bush clearing. The aim was to address unplanned electricity interruptions caused by ageing electricity infrastructure which is a continuous task on the networks. The following were the areas of focus: **Sinthumule, Kutama, Mara Farming Area, Levubu Farming Area, Bandelierkop Farming Area, Mara, Tshifhire and Ward 37.**

We had ensured the continuous maintenance of streetlights, and our streetlights are functional.

We have managed to energize 42 high mast's lights on the following villages:

- ✚ Maelula - Completed
- ✚ Mandiwana - Completed
- ✚ Tshikuwi - Completed
- ✚ Mulangaphuma - Completed
- ✚ Tshirangadzi - Completed
- ✚ Tshifhefhe - Completed
- ✚ Muwaweni - Completed
- ✚ Tshiswenda - Completed
- ✚ Funyufunyu - Completed
- ✚ Dzananwa - Completed
- ✚ Mangilasi - Completed
- ✚ Tshiswiswini - Completed
- ✚ Ndiitwani - Completed
- ✚ Kwekwe - Completed
- ✚ Tshitale - Completed
- ✚ Madombidzha zone 02 - Completed
- ✚ Madombidzha zone 01 - Completed
- ✚ Tshikhudo - Completed
- ✚ Tshikwarani - Completed
- ✚ Madabani - Completed

- ✚ Tshitavha – Completed
- ✚ Siloam - Completed
- ✚ Tshikumbu - Completed
- ✚ Mbhokota - Completed
- ✚ Riverplats - Completed
- ✚ Elim - Completed
- ✚ Nthabalala thondoni - Completed
- ✚ Madodonga - Completed
- ✚ Makhitha - Completed
- ✚ Ndouvhada - Completed
- ✚ Ramantsha - Completed
- ✚ Mashau thondoni - Completed
- ✚ Songozwi - Completed
- ✚ Makhado park - Completed
- ✚ Hendrick Potgieter Park - Completed
- ✚ Kameel Park - Completed
- ✚ Eltivillas Park - Completed
- ✚ Mimosa Park - Completed
- ✚ Tshiruluni Park - Completed
- ✚ Makhado Park- Completed
- ✚ Rose Park - Completed
- ✚ Meerkat Park - Completed

Table below represents the last three (3) years stats of fault attended.

FAULTS REPORTED AND ATTENDED

TABLE 20: ELECTRICITY FAULTS

Unplanned outages	2021/22	2022/23	2023/24
Reported and attended	12 852	17 863	20143

TABLE 21: CALL CENTRE STATISTICS – ELECTRICITY

MONTH	Total Number of Electricity Cases Reported	Total Number of Electricity Cases Resolved
JULY 2023	1701	1701
AUGUST 2023	1433	1433
SEPTEMBER 2023	1598	1598
OCTOBER 2023	1857	1857
NOVEMBER 2023	1509	1509
DECEMBER 2023	2712	2712
JANUARY 2024	1805	1805
FEBRUARY 2024	1429	1429
MARCH 2024	1429	1429
APRIL 2024	1638	1638
MAY 2024	1516	1516
JUNE 2024	1516	1516
TOTAL	20143	20143

ELECTRICITY LOSSES

Makhado Local Municipality electrical network has aged and as such various types of losses contribute negatively to the performance of the network, its efficiency, reliability, and safety. The NERSA norm on electricity losses is 10%. The primary causes of losses in networks include Inadequate maintenance, energy theft, tempering, thermal losses, outdated protection systems, mechanical failures, line losses, insulation deterioration and conductor degradation.

Table below is the last 3 years distribution (energy) loss.

TABLE 22: ELECTRICITY LOSSES

Year	2021/2	2022/23	2023/24
Losses	11%	11%	12%

PROVISION OF REFUSE REMOVAL SERVICES (WASTE MANAGEMENT)

Makhado Municipality provides a “boundary-to-boundary” waste management service in public areas. Property owners, organizations, business entities or individuals who occupy premises, are responsible for maintaining cleanliness and hygiene standards on their premises (on-site inside property boundaries), keeping with the norms determined by applicable by-laws.

Makhado’s own services are clustered per the following categories and the suite of services required for managing waste through a combination of an internal service mechanism:

1. General waste collection services, including the transportation of waste to a transfer station, or drop-off site for recyclables, or a disposal facility;
2. Cleaning/ cleansing, consisting of a wide range of cleaning services for all public spaces and streets under Municipal’s jurisdiction. This includes litter bin provision and servicing, street sweeping, litter picking, the clearing of illegal dumping and animal carcasses, cleaning of industrial pollution, waste and debris generated by acts of nature and processes;
3. Disposal services, which include the maintenance and operation of collection facilities, waste transfer station and landfill sites;
4. Technical support services: Makhado municipality operates a fleet of vehicles that are specially equipped for the task of waste collection, cleaning, and transportation of waste to landfill sites.
5. General management, contract management, customer relations, information, administrative and planning support: These are various services that are provided to manage and provide additional support for the operational services.

The Municipality has a responsibility to abide by statutes, policies and guidelines that are introduced by National and Provincial Departments from time to time. In this regard, Makhado municipality acknowledges the regulatory oversight that must be exercised in terms of legislative compliance as well as the allocation of funds in aid of achieving National and Provincial objectives at the local government level.

Conversely, these Departments have a responsibility to ensure that timeous communication and inter-governmental transfer of funds enables the Council to execute its duties and obligations.

The municipality has three (3) waste licenses/ permits which are for Makhado Waste Landfill site, Dzanani Waste transfer station and Vondeling Landfill Site (Closed). With regards to waste drop off facilities, the municipality has an existing six (6) drop off sites and 160 refuse skip bins are strategically located in 38 wards within the municipality.

As part of poverty alleviation, the municipality has appointed a total number of 350 work opportunities as part of Extended Public Works Program (EPWP).

As per our service standards, all domestic households in R293 towns are serviced once per week, whilst businesses were serviced twice per week. During the year under review a total number of 9140 in urban households were serviced, 1200 businesses were serviced twice per week, and Central Business District's (CBD) were serviced daily.

The Municipality has appointed service providers for the development of waste disposal mega cell and stormwater at Makhado Landfill site and Rehabilitation of the existing Vondeling Landfill Site Phase 2. During the year under review an additional 40 x 6 and 9 cubes refuse skip bins were purchased and allocated according to the demand in different villages as a way of extending refuse removal in rural areas. As a way of appreciating and encourage business owners to practice proper waste management practices at their premises, the municipality purchased 1000 x 240L Wheelie bins and distribute them to business within Makhado municipal area.

TABLE 23: WASTE MANAGEMENT PROGRAMMES

Item.	2021/2022	2022/2023	2023/2024
Nakisani Vhupo Hashu program	304 Workers	350 Workers	350 Workers
Cleaning of public open spaces	519 M ²	519 M ²	519 M ²

The municipality had planted 450 indigenous trees in schools, public facilities, and traditional offices as a way of fighting against climate change. The municipality has conducted 12 Environmental workshops and clean-up campaigns in all 4 Makhado municipality regions. As a way of encouraging communities to minimize waste, the municipality has formed a Local Recycling Forum with a committee to champion all waste recycling issues within the municipal area.

To comply with landfill site permit conditions the municipality drilled additional groundwater monitoring borehole at Vondeling landfill site, conducted a chemical laboratory test and external audit for both Vondeling and Makhado new Landfill site using an appointed service provider. The municipality also completed the regravelling of 4 km road to Makhado Landfill site which now makes the landfill site users to access the site easily.

TABLE 24: SOLID WASTE SERVIC DELIVERY

SOLID WASTE SERVICE DELIVERY LEVELS			
DESCRIPTION	HOUSEHOLDS		
	2021/2022	2022/2023	2023/2024
	ACTUAL NUMBER	ACTUAL NUMBER	ACTUAL NUMBER
<u>Solid Waste Removal: (Minimum level)</u>			
Removed at least once a week	9140	9140	9140
<i>Minimum Service Level and Above sub-total</i>	9140	9140	9140
<i>Minimum Service Level and Above percentage</i>	100%	100%	100%
<u>Solid Waste Removal: (Below minimum level)</u>			
Removed less frequently than once a week	-	12 787	29 101
Using communal refuse dump	-	1655	2776
Using own refuse dump	-	105 702	96 780
Other rubbish disposal	-	1374	1317
No rubbish disposal	-	12 552	5998
<i>Below Minimum Service Level sub-total</i>	-	134 070	135 975
<i>Below Minimum Service Level percentage</i>	-	83%	83%
Total number of households	-	134 889	140 338

Note: Of the total number of households (134 889) Makhado provides waste management services to approximately 9140 (formal) collection points and 159 (rural) collection points. 125 590 are not serviced as these are properties that are either in rural areas where they are serviced by way of a skip bin placed in different villages, vacant, open spaces or in other similar circumstances.

COMMUNITY & SOCIAL SERVICES

The Municipality has a total number of seven Halls which are strategically positioned in all regions for utilization by community members. These halls are income generating from bookings by members of the community facilitated by the department of development and planning. These halls are situated at Makhado Show Ground, Dzanani, Ha-Mutsha, Watervaal, Vleifontein, Njakanjaka and Muduluni. The halls are well maintained and cleaned for better service and safety of community members

MUNICIPAL PUBLIC LIBRARIES

The Municipality owns one (01) public library and plays a coordinating role in libraries that belongs to Provincial Government under the Department of Sport, Arts and Culture. The Municipality has coordinated ten(10) additional satellite libraries located within its jurisdiction. During the year under review the municipality also participated in various events of which amongst others, this includes readathon, library week, world book day and back to school campaigns.

TABLE 25: PUBLIC LIBRARY – BOOKS ISSUED AND MEMBERS

ACTIVITY	2020/2021	2021/2022	2022/2023	2023/2024
Books issued	308	811	1358	1623
Satellite Libraries	10	9	9	10
New Members	50	65	105	69

The Municipality is having one (01) main Library and ten (10) satellite libraries which is Emmanuel High School, Maluta High School, Kutama High School, LTT Prison, KIDS Academy, Litshovhu, Musekwa, Dzanani, Mukondeni, Tshifhire Primary School, however the municipality is in a process of establishing additional satellite library at Tshakhuma Community Hall. A total number of 1623 books were issued to library users and the number of new members increased by 69, during the year under review.

MUNICIPAL PARKS AND CEMETERIES

During the year under review, the Municipality managed to operate and maintain a total of twenty- nine (29) parks, four (4) sports facilities, six (6) cemeteries and municipal ablution facilities within its jurisdiction. The municipality obtained an Environmental Impact Assessment (EIA) authorization for the extension of both LTT and Tshikota Cemeteries. The extension of Tshikota cemetery by 2.9ha is already completed. However, the extension of LTT cemetery by 1.5ha is under construction. To achieve good park maintenance standard, the municipality purchased 11 new Tractor with complete mowing equipment and 14 Heavy-duty Lawnmower.

SPECIAL PROGRAMMES

Special Programmes are located in the Office of the Mayor and they include programs to promote the interest of youth, women, the aged, HIV/AIDS campaigns, Arts and Culture activities, Sports and Recreation activities, Moral Regeneration activities, Children, Traditional Affairs and Batho-Pele.

The council has established structures for each category which are governed in terms of national, provincial and local legislation and by laws respectively.

TABLE 26: SPECIAL PROGRAMMES

Financial Year	2023/2024	
	Target	Actual
Service Targets		
Technical AIDS meetings	4	4
Makhado AIDS Council meetings	4	4
Disability Forum meetings	4	4
Children Forum	3	3
Civil Society meetings	2	2
Youth Programmes	2	2
Stakeholders' engagement meeting on GBVF	1	1
Men`s Forum	4	4
Women`s Forum	4	4
Pastor`s forum	4	4
Moral Regeneration Movement	4	4
Older Person`s Forum	4	4

MUNICIPAL CREMATORIA AND HERITAGE

The municipality has one crematorium which is mostly used by the Hindu community. The municipality provides basic maintenance. A segment of crematorium which is used by Hindu Community was completely refurbished to comply with health standards.

DISASTER MANAGEMENT SERVICES

Regarding Disaster Management Services, the municipality had experienced a total number of forty-two (42) fire and hundred and twenty-three (123) storm/flood incidences, and such a total number of one hundred and sixty-five (165) disaster relief programs were conducted during the year under review.

TABLE 27: DISASTER INCIDENTS

Incidences	2021/2022	2022/2023	2023/2024
Fire Incidence	42	50	66
Storm/floods Incidence	123	181	91
Death Incidences	03	23	02
Burned Incident	0	2	00
Disaster relief programs	165	13	64

Variations in the above years were caused because of climate changes experienced in each year in comparison to the year under review.

SPORT, ARTS AND CULTURE

During the year under review, the municipality constructed Kutama-Sinthumule sport facilities. To promote community participation and environmental welfare the municipality refurbished change rooms, grandstand and ablution facilities at Rabali Stadium.

PROTECTION SERVICES

Protection Services Division is composed of Traffic Law Enforcement, Registering Authorities, Vehicle Testing Stations, Driving License Testing Canters and Pound Section. During the year under review the following activities were performed:

TRANSPORT: VEHICLE LICENSING & TRAFFIC SERVICES

Municipality is an agent of the Department of Transport and Community Safety for the issuing of vehicle licenses which also includes testing of vehicles as part of vehicle licensing procedure. For this task the Municipality retains 20% of revenue generated from these services which does not cover its operational costs to perform the function. The municipality continue to render registration of motor vehicles and fitness of vehicles, fitness of drivers on both theoretical and practical, pounding of stray animals together with traffic law enforcement services to ensure the maintenance of highest safety standards.

TABLE 28: TRAFFIC & LICENSING ACTIVITIES:

Activities	2021/2022		2022/2023		2023/2024	
	No. Notices	Amount	No. Notices	Amount	No. Notices	Amount
Written notices issued	6723	R3 666 340.00	9901	R6 002 150.00	8'996	R5 214 320.00
Department of Transport 80%	Actual		Actual		Actual	
	R18 476 513.23		R20 961 476.50		R14 975 034.36	
Municipality 20%	Actual		Actual		Actual	
	R4 619 128.31		R2 240 369.13		R3 743 758.56	

Out of the total of 8'996 written notices a total of R 1' 958,040.00 was collected.

To provide accessible basic and infrastructure services, the municipality managed to upgrade Makhado Driving License and Testing Centre (DLTC) and its associated infrastructures. New Motor Vehicle Breaking Testing System were also Installed at Makhado DLTC. During the year under review, New double story building was constructed to house all the six (6) sections and was officially opened for the purpose of continuous and efficient service delivery at the Centre.

HOUSING

The provision of housing is the function of the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA) and the municipality plays an active role in the coordination of the housing development projects by making land available for such development, providing lists of beneficiaries, identifying challenges, and resolving them with support from local stakeholders like Ward Committees and traditional leaders.

TABLE 29 HOUSING PROJECTS

Financial Year	2021/2022		2022/2023		2023/2024	
Service Targets	Target	Actual	Target	Actual	Target	Actual
Service Objectives	300	0	300	80	260	190

COGHSTA reduced twenty (20) units due to budget constraints. An additional twenty-four 24 unit had a geo-tech studies challenges whilst twenty-six (26) did not have stands.

DELIVERY OF FREE BASIC SERVICES

The Municipal Council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1)(b) and 153(b) of the Constitution.

Council has an approved Policy on Subsidy Scheme for Indigent Households.

The purpose of this policy is to ensure that the subsidy scheme for indigent households' forms part of the financial management system of Makhado Municipality and to ensure that the same procedure be followed for each individual case.

SERVICES SUBSIDISED:

ELECTRICITY

A subsidy of fifty (50) units of electricity per property per month will apply to all individual households. Where consumption exceeds fifty (50) units per month, the consumer will be charged for actual consumption exceeding fifty (50) units at the approved tariff.

REFUSE REMOVAL

A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

TABLE 30: SUPPORT: LOW INCOME HOUSEHOLDS

FINANCIAL YEAR		2021/2022		2022/2023		2023/2024	
SERVICE TARGETS		TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
<i>Provision of Free Basic Services</i>	Electricity	2668	2668	4250	3855	5092	5150
	Refuse Removal	2668	2668	4250	3855	5092	5150

ROADS AND STORM WATER DRAINAGE

The streets in Makhado town and the proclaimed townships are generally tarred and provided with storm water drainage systems. The total road and storm water management system backlog is estimated at approximately three thousand eight hundred- and fifty-four-point six (3854.60) km. The largest backlog is in Dzanani, Waterval and Levubu regions in which most of the villages are situated in mountainous, rocky, and clayish positions which aggravate the condition.

These regions require more surfacing to improve the accessibility. The Municipality has an annual program for the upgrading of roads from gravel to surfaced over a long term. In 2023/2024 financial year, the following roads were upgraded which contributed on the slight reduction of the backlog: Lutanandwa bridge & Access Road Phase 2, Rehabilitation of Breda Street, Tshedza to Vuvha Access road Phase 4, Upgrading of Vleifontein Clinic ring road, Upgrading of Waterval Clinic ring road. A total of 6.82km road upgraded.

TABLE 31: GRAVEL ROAD INFRASTRUCTURE

GRAVEL ROAD INFRASTRUCTURE				
KILOMETERS				
	Total Gravel Roads	New Gravel Roads Constructed	Gravel Roads Upgraded to Surface	Gravel Roads Graded / Maintained
2021/22	4270.00 Km	0	8.50 Km	3867.00 Km
2022/23	3867.00 Km	4.00 Km	5.277 Km	3861.72 Km
2023/24	3861.72 Km	0	6.82 Km	3854.60 Km

A total number of 6.82 kilometers of gravel roads has been upgraded to surface during the year under review.

ROAD MAINTENANCE PROGRAMME

Besides maintenance of surfaced roads, gravel roads are also maintained on a regular basis through our municipality road maintenance Program.

A total number of 3854.60km kilometers of gravel roads has been maintained during the year under review.

Operation Pfula Ndlela was launched during the third quarter of the financial year, and the main purpose is to accelerate maintenance of gravel roads within the municipality. The program was implemented by both in-house team and external service providers. A total of 70km of blading and 38 loads and levelling of 20km were allocated per each ward. To date we continue with grading streets as per the set schedules. We have seen a major improvement in the accessibility of access roads.

MUNICIPAL DISASTER GRANT EXPENDITURE

Makhado Municipality received the first allocation of R3,5 million meant for disaster projects which was utilised to construct low -level culvert bridges in various areas which were damaged by heavy rains. The object was to assist in storm water control to avoid further flooding and community cut-offs. Below is the list of areas where culverts were constructed:

TABLE 32: VILLAGES BENEFITTED FROM DISASTER PROJECTS

No	Village/ arears	Ward no	Status
1	Ravele	Ward 22	Completed
2	Madodonga	Ward 24	Completed
3	Magau	Ward 07	Completed
4	Madabani	Ward 24	Completed
5	Buysdorp	Ward 26	Completed
6	Maebane	Ward 25	Completed
7	Maname Paradise	Ward 36	Completed
8	Tshituni	Ward 35	Completed
9	Matsa	Ward 35	Completed
10	Khomela	Ward 37	Completed
11	Luvhalani	Ward 21	Completed
12	Biaba	Ward 10	Completed
13	Tshiozwi	Ward 06	Completed

The municipality has further received an additional funding of R18 000 000.00 in February 2024, and the following villages benefitted on the new construction of box culverts and other stormwater infrastructure:

TABLE 33: VILALGES BENEFITTED FROM ADDITIONAL FUNDING

Villages	Ward No	Project description	Status
Dzanani Region			
Phaphaphani	35	1,2 x 1,2 box culverts	Construction
Mulenga	35	1,2 x 1,2 box culverts	Construction
Watervall Region			
Mulweli	16	1,2 x 1,2 box culverts	Construction
Khamusi	16	1,2 x 1,2 box culverts	Construction
Kanana	19	1,2 x 1,2 box culverts	Construction
Mashamba lada	11	1,2 x 1,2 box culverts	Construction
Shirley	1	1,2 x 1,2 box culverts	Construction
Corner Lemana	5	1,2 x 1,2 box culverts	Construction
Vhutuwangadzhebu	16	1,2 x 1,2 box culverts	Construction
Magulule	15	1,2 x 1,2 box culverts	Construction
Vari	15	1,2 x 1,2 box culverts	Construction
Mpheni block C	15	1,2 x 1,2 box culverts	Construction
Mpheni Dilinde	15	1,2 x 1,2 box culverts	Construction
Valdezia Dzhiweni	15	1,2 x 1,2 box culverts	Construction
Mavhina	14	1,2 x 1,2 box culverts	Construction
Posaito	14	1,2 x 1,2 box culverts	Construction
Skhosana	14	1,2 x 1,2 box culverts	Construction
Tshivhade	14	1,2 x 1,2 box culverts	Construction
Nghonyameni	14	1,2 x 1,2 box culverts	Construction
Skhunyamani	14	1,2 x 1,2 box culverts	Construction

Helenic Side	14	1,2 x 1,2 box culverts	Construction
Luvuvhu region			
Mashamba Mangilasi	3	1,2 x 1,2 box culverts	Construction
Thondoni codessa	3	1,2 x 1,2 box culverts	Construction
Muongamunwe	3	1,2 x 1,2 box culverts	Construction
Tshivhazwaulu	3	1,2 x 1,2 box culverts	Construction
Dambuwo	3	1,2 x 1,2 box culverts	Construction
Mathugana	3	1,2 x 1,2 box culverts	Construction
Ramakuba siabege	4	1,2 x 1,2 box culverts	Construction
Nditwani	4	1,2 x 1,2 box culverts	Construction
Tribal	4	1,2 x 1,2 box culverts	Construction
Matidza	4	1,2 x 1,2 box culverts	Construction
Thondoni	4	1,2 x 1,2 box culverts	Construction
Dutch to Tshino	4	1,2 x 1,2 box culverts	Construction
Matidza Thondoni	4	1,2 x 1,2 box culverts	Construction
Lutanandwa	29	1,2 x 1,2 box culverts	Construction
Tshakhuma market	29	900 diameter pipes	Construction
Tshandila	29	1,2 x 1,2 box culverts	Construction
Takalani Nemusumani	29	1,2 x 1,2 box culverts	Construction
Luvhalani	29	Open V drain	Construction
Ludanani	29	1,2 x 1,2 box culverts	Construction

Municipality has constructed Mamvuka culverts bridge which was as a result of cut-off due to heavy rainfall. Community at Mamvuka village was left stranded when the only access point to their village was isolated due to heavy rainfall. As a short-term solution, municipality constructed a culvert bridge to link the isolated community with access to services.

MUNICIPAL INFRASTRUCTURE GRANT (MIG) EXPENDITURE

Makhado Local Municipality receives MIG funding for development of its infrastructure. In 2023/2024 financial year a total of R108 015 000 was allocated in this regard. Municipality was able to spend 100% on MIG funding.

TABLE 34: CAPITAL EXPENDITURE 2023/2024: ROAD SERVICES

PROJECT NAME	MIG FUNDING	ACTUAL EXPENDITURE
Tshedza to Vuvha Access road Phase 4 -VAT Variance	R4 558 108.22	R4 558 108.22
Lutanandwa Access Road and bridge Phase 2	R3 058 897.79	R3 058 897.79
Landfill site Makhado + recycling Centre (regravelling)	R4 778 312.41	R4 778 312.41
Kutama-Sinthumule Sports Facility	R11 582 653.73	R11 582 653.73
Makatu to Tshikota Access Road	R15 888 169.94	R15 888 169.94
Upgrading of Midoroni Clinic Ring Road	R25 312 382.20	R25 312 382.20
Tshivhuyuni Sports Facility	R7 876 929.21	R7 876 929.21
PMU Management Fees	R3 092 871.37	R3 092 871.37
TOTAL	R108 015 000	R108 015 000

DEVELOPMENT PLANNING

Development Planning plays a critical role in ensuring that the municipal vision to be realized. The strategic objectives of this unit cannot be isolated from the municipal vision and mission. In order to achieve the Vision there must be planned projects each and every financial year. The spatial plans must be implemented while taking into cognizance provincial and national plans.

The Department consists of Local Economic Development Division, Town Planning, Building, Survey, Properties, Valuation, Environment, GIS, IDP and Housing sections. The Department plays a pivotal role in terms of developing plans, policies and strategies aimed at attracting developments, investors, and job creation, and it is also the main driver to the success of the Municipality vision.

AUTHORIZED OFFICIAL, MUNICIPAL PLANNING TRIBUNAL AND APPEAL AUTHORITY

AUTHORIZED OFFICIAL

In compliance with the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) and the Municipality Spatial Planning, Land Development and Land Use Management By- Law, 2016, and during the financial year under review the authorized official has considered 148 applications as compared to 154 applications during 2023/2024 financial year.

MUNICIPAL PLANNING TRIBUNAL

During the 2023/2024 financial year the Municipal Planning Tribunal considered four (04) land development and land use applications.

TABLE 35: LAND USE APPLICATIONS

No	ITEM	Land use Rights Approved
1	Township Establishment on Portion 5 and 12 of the farm Rondebosch 287 LS to be known as " Louis Trichardt Extension 17 Township "	Industrial Township
2	Township Establishment on Portion 7 of the Farm Serolle 204 MT to be known as " Boabab Hills Estate Township "	Residential Township
3	Rezoning and Subdivision of the proposed Portion of the Remainder of the Farm Waterval 45 LT	"Special" "Special" for (Filling Station, Transportation Hub and Hawkers facility)
4	Rezoning and Subdivision portion A of Farm Ledig No. 1172 LS	Filling Station and shops

APPEAL AUTHORITY

There were no applications considered by the Appeal Authority during 2023/2024 financial year. With regards to building and zoning plans, table below detailed the 2023/2024 achievements per category of applications:

TABLE 36. BUILDING AND ZONING PLANS (2023/2024)

Category	Number of new applications received
Building Control	234
Rezoning	17
Consolidation	05
Erven alienated	0
Subdivision	3
Consent	123
TOTAL	357

During the year under review a total of 357 applications were attended to. This included 234 building control, 17 rezoning, 05 consolidation, no erven alienated, 03 subdivision and 123 consent applications

LOCAL ECONOMIC DEVELOPMENT

The Municipality is also responsible for Local Economic Development and in partnership with the National Departments, Tshakhuma Community Fruit Market, Erf 210 Burgher stalls and Rathidili Incubation Centre have been completed. The Municipality is the Process of Constructing Market Stals at Dzanani.

The Municipality will continue to support and build on other short to medium public and private programmes like the Expanded Public Works Programme, establishment of cooperatives and SMME's in the tourism and agriculture sectors. It should be noted that there are several cooperatives that need funding as financial constraints remain a challenge.

TABLE 37: EPWP JOBS CREATED

YEAR	JOBS CREATED THROUGH EPWP PROJECTS	
2023/2024	CWP	1260
2023/2024	EPWP	851
TOTAL		2111

CHAPTER 4

MUNICIPAL PERSONNEL

CHAPTER 4 : MUNICIPAL PERSONNEL

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

As of 30 June 2024, Makhado Municipality had a total workforce of five hundred and ninety-two (592) employees, distributed to departments. The Table below depicts the number of employees and vacancies.

TABLE 38 EMPLOYEE NUMBERS AND VACANCIES

Description	No of Employees and Vacancies				
	2021/2022	2022/2023	2023/2024		
	No of Employees	No of Employees	No of Approved Posts	No of Employees	No of Vacancies
Municipal Manager's Office, Mayor, Chief whip & Speaker's Office	10	27	29	19	10
Corporate Services	60	50	86	59	27
Community Services	140	136	233	132	102
Technical Services	132	131	242	143	99
Development Planning	29	31	60	40	20
Budget & Treasury	52	62	108	70	38
Dzanani Regional Office	59	60	101	57	43
Waterval Regional Office	57	54	92	52	40
Luvuvu Regional Office	11	13	70	20	50
Zoutpansberg Regional Office			64	0	64
TOTAL	551	564	1085	592	493

The occupancy rate stands at 54.56% the vacancy rate is 45.44%. There is a need to fill vacancies, however the municipality must be cautious about the salary bill and not go beyond treasury threshold.

TABLE 39: EMPLOYEE AGE MIX

AGE PROFILE	MALE	FEMALE	Total
61-65 Years	40	30	70
51-60 Years	108	70	178
41-50 Years	119	66	185
31-40 Years	79	60	139
21-30 Years	9	11	20
TOTAL	355	237	592

Out of 592 employees, 70 are between the ages of 61-65, 178 are between the ages of 51-60, 185 are between the ages of 41-50, 139 are between the ages of 31-40, and 20 are between the ages of 21-30.

This represented a high number of the municipality ageing workforce which will require the municipality to develop a comprehensive succession plan.

TABLE 40. TURNOVER RATE

Table below depict the staff turnover rate, during the year under review:

Details	Total number of employees at the end of Financial Year	Terminations during the financial year	Turn-Over Rate %
2021/2022	551	28	5.08
2022/2023	564	23	4.08
2023/2024	592	34	5.70

The Municipality had a staff turnover of 5.70 %, which is 1.70 % higher than the previous financial year.

COMPONENT B: MANAGING MUNICIPAL WORKFORCE

The following policies amongst others guide the management of the municipal workforce.

TABLE 41. HUMAN RESOURCES POLICIES

	Name of Policies	Completed %	Reviewed
1	HIV Policy, 2023/2024	100%	31/05/2024
2	Succession Planning Policy, 2023/2024	100%	31/05/2024
3	Housing Allowances Policy, 2023/2024	100%	31/05/2024
4	Acting Allowance, 2023/2024	100%	31/05/2024
5	Appointment Procedures Policy, 2023/2024	100%	31/05/2024
6	Pension Fund and Medical Aid Policy, 2023/2024	100%	31/05/2024
7	Employee Assistance Program Policy, 2023/2024	100%	31/05/2024
8	Career Path, 2023/2024	100%	31/05/2024
9	Dress Code, 2023/2024	100%	31/05/2024
10	In-Service Training Policy, 2023/2024	100%	31/05/2024
11	Language Policy, 2023/2024	100%	31/05/2024
12	Placement Policy, 2023/2024	100%	31/05/2024
13	Retention Strategy Policy, 2023/2024	100%	31/05/2024
14	Training and Development Policy, 2023/2024	100%	31/05/2024
15	Employment Practices Policy, 2023/2024	100%	31/05/2024
16	Human Resources Strategy, 2023/2024	100%	31/05/2024
17	Employee Funeral Assistance Policy, 2023/2024	100%	31/05/2024
18	Tobacco Control Policy, 2023/2024	100%	31/05/2024
19	Occupational Health and Safety Policy, 2023/2024	100%	31/05/2024
20	Leave Policy, 2023/2024	100%	31/05/2024
21	Standby Policy, 2023/2024	100%	31/05/2024
23	Transfer of Staff Policy, 2023/2024	100%	31/05/2024
24	Overtime Policy, 2023/2024	100%	31/05/2024
25	Sports Team Policy, 2023/2024	100%	31/05/2024

26	Danger Allowance Policy, 2023/2024	100%	31/05/2024
27	Employment Equity Plan 2023/2024	100%	31/05/2024
28	Official Time Policy, 2023/2024	100%	31/05/2024
29	Skills Development Policy, 2023/2024	100%	31/05/2024
30	Travel Allowance Policy, 2023/2024	100%	31/05/2024

Council Policies are normally reviewed annually.

HEALTH AND SAFETY MATTERS

INJURY ON DUTY

During the year under review the Municipality recorded ten **(10)** injuries on duty.

TABLE 42 INJURIES RECORDED DURING THE YEAR

S/NO	DATE OF ACCIDENT	GENDER	PARTICULARS OF ACCIDENT	LEAVE PERIOD	NO OF DAYS
01	05/07/2023	Male	Sprain shoulder while lifting heavy object	05/07/2023-06/07/2023	01
02	17/07/2023	female	Soft tissue injury	21/08/2023-23/08/2023	03
03	20/11/2023	female	Left leg burnt with hot water	20/11/2023-27/11/2023	06
04	23/02/2024	male	Involved in a motor car incident	23/02/2024-28/06/2024	86
05	02/04/2024	male	Head& shoulder injured when slips on the ground	17/04/2024-07/05/2024	14
06	11/04/2024	female	Hand injured when the burst and the ring	11/04/2024-18/04/2024	06
07	11/04/2024	female	Soft tissue injury on right elbow and right arm	11/04/2024-18/04/2024	06
08	13/06/2024	male	Soft tissue injury	18/04/2024-20/05/2024	23
09	13/06/2024	female	Soft tissue injury	13/06/2024-17/06/2024	03
10	17/06/2024	male	Fell from the ladder	17/06/2024-01/07/2024	09

The table below depicts the cost incurred as a result of injuries on duty

TABLE 43: INJURY ON DUTY COSTS

NUMBER AND COST OF INJURIES ON DUTY				
Type of Injury	Injury Leave Taken	Employees Using Injury Leave	Average Injury Leave Taken Per Employee	Total Estimate Cost
	Days	No		Rand Value
Injuries that require basic medical attention only	34	07		R16 481,44
Temporary total disablement	123	03		R46 588,99
Permanent disablement	None	None		None
Fatal	None	None		None
TOTAL	157	10	15,7	R63 070,44

The average leave days taken for injury on duty is 157 divide by 10(number of employees), equates to 15,7

The Municipality has introduced mechanisms to address basic causes of all incidents and identify relevant management interventions for intensive and effective incident management such as induction and training of employees to reduce the high rate of incidents.

PUBLIC INCIDENTS

There were no public incidents reported for the period under review. This can be attributed to the fact that the Municipality has enforced compliance on construction safety. All Contractors appointed by the Municipality has been advised to display safety notices on the construction sites with the intention to prevent injuries and fatalities around construction sites by creating public awareness on health and safety issues. These notices contain vital precautionary information for communities in the areas where these projects take place.

ABSENCE DUE TO ILL HEALTH

4.2.1. SICK LEAVE

The employees are entitled to eighty days (80) sick leave in a three-year leave cycle in terms of the SALGBC Main Collective Agreement. Sick leave is managed through demanding sick notes from employees who are to go on sick leave or are in sick leave his is coupled by application letter for sick leave which is further captured in Sage People 300 system.

TABLE 44: EMPLOYEES LEAVE COST

Salary Band	No of sick leave days taken	No of Sick Leave without medical certificate	No of Employees granted sick leave	Average Scale	Total Employees in posts	Estimated Cost
MM and Section 57 1 2	0	0	0	R829 965.99	5	0
Management 3 4a	28	0	12	R732 898.62	37	R82 084.65
Highly Skilled Supervision 4b 5 6	87	8	46	R543 414.18	88	R189 108.13
Highly Skilled Production 7 8	132	0	15	R371 674.57	67	R196 244.17
Skilled 9 10 11 12	177	0	24	R248 807.37	212	R176 155.62
Unskilled 13 14 15	231	0	23	R168 920.03	183	R156 082.11
Total	655	8	120	R2 895 680.76	592	R799 674.68

table below depicts further information on sick leave statistics.

Estimated cost is calculated as follows

Average scale / 250 (no of working days per annum) * number of sick days leave taken.

DISCIPLINARY ACTION

TABLE 45 MISCONDUCT

The table below depicts employees who were charged with misconduct.

Job Title	Type of misconduct	Suspension	Sanction	Date of Outcome
Snr Clerical Assistant	Gross Dishonesty	None	Final Written Warning plus 7 days suspension	23 February 2024
Artisan Plumber	Theft and Gross Dishonesty	None	Dismissal	15 June 2024
Snr Clerk Cashiers	Theft	Suspended	Pending	-
Electricity Vendor	Bribery and Theft	None	Pending	-
Assistant Accountant Billing	Dereliction of Duty	None	Withdrawn	23 February 2024
Cashier	Dereliction of Duty	None	Withdrawn	23 February 2024
Manager Revenue	Negligence	None	Withdrawn	23 February 2024
Service Worker	Aggressive and fighting	None	Final Written Warning for period of 12 months	19 January 2024
Attendant Control Room	Gross Dishonesty	Suspended	Pending	-

In terms of the Employees Disciplinary procedure and code, employees who get themselves involved in misconduct may be suspended and appear before disciplinary committee. Only two(2) employees were suspended during the year under review.

TABLE 46. GRIEVANCES

The table below depicts grievances lodged during the year under review

Position	Nature of alleged grievance	Outcome the lodged grievance	Date Finalized
Traffic Officer	Re-instatement to the initial position	Withdrawn	13 November 2023
Traffic Officer	Re-instatement to the initial position	Withdrawn	13 November 2023
Traffic Officer	Re-instatement to the initial position	Withdrawn	13 November 2023
Snr Clerical Assistant	Promotion to higher position	Withdrawn	23 February 2024

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

SKILLS DEVELOPMENT AND TRAINING

The municipality develops its workforce by ensuring that there is sustainable capacity building. This was done by conducting skills audit. The skills audit produces skills audit assessment which assist the municipality in the development of Workplace Skills Plan and this plan was submitted to LGSETA. The skills audit assessment is a guiding tool on how training of Councilor's and officials was done during the year under review.

TRAINING

The tables below provide demographic details, gender and various training provided to both Councilors and employees.

Table 47: TRAINING PROVIDED FOR COUNCILLORS

Demography	Field of study	Female	Male
African	Talent Management	1	0
African	Municipal governance	4	2
African	Municipal Finance Management	1	4
African	Professionalization	3	5
African	Governance & performance management	1	3
African	Integrated councilor's Development Programme phase 1 (ICDP)	1	2
African	Advancing culture shift to achieve clean audit	0	1
African	Basic computing	0	2
African	Integrated Councilors Development Programme Level 3	1	3
African	Integrated Councilors Development Programme Level 5	3	9
African	Indigent Workshop	3	6
		19	36

In 2023/24 financial year training was provided for fifty-five (55) Councilors.

TABLE 48: TRAINING PROVIDED TO OFFICIALS

Demographic	Field of study	Female	Male
African	Internal Auditing	3	1
African	Supply Chain Management	1	0
African	Gap skills Training	1	0
African	Training Committee Induction	3	2
African	EPWP Infrastructure Sector Strategy Planning	0	1
African	Landscaping	0	1
African	EPWP Reporting System Version 2	0	1
African	Talent Management	1	0
African	New Generation Workplace	0	1
African	Bachelor of Accounting Science	10	5
African	Government Finance, Auditing & Risk	0	2
African	Skills Development Training	0	1
African	D-form Training	0	2
African	Operating High Voltage System (ORHVS)	1	18
African	Professionalisation	1	1
African/Indian	Municipal Governance	3	7
African	Governance & Performance Management Training	1	0
African	National Evaluation Seminar	0	1
African	Diploma Public Administration	0	1
African	Records Management	0	2
African	Occupational Health & Safety	0	2
African	Munsoft VAT	2	1
African	Assets Management Munsoft upgrade	2	2
African	Project Management Technical Workshop	2	2
African	LED Transformative Demonstration Learning	0	2
African	Performance, internal Audit, Internal Control and Risk Management	2	1
African	SMME funding opportunities	0	1
African	Rand Easter Show	0	1
African	POPI Act	2	9
African	Job Description, Evaluation Processes & PMDS	3	11
African	Municipal Finance management	8	8
African	Human Capital	0	1
	Peace Officer / Law Enforcement	3	12
Total		50	101

A total number of 151 officials were trained during the 2023/2024 financial year.

WORK INTERGRATED LEARNING AND INTERNSHIP PROGRAMME

Students who qualify were provided with an opportunity for experiential learning to meet their educational needs to graduate.

The table below provides details of the demographic breakdown of Work Integrated learning and Internship by Population Group, Field of Study and gender

TABLE 49: WORK INTEGRATED LEARNING AND INTERNSHIP BY POPULATION GROUP, GENDER, AND AREAS OF STUDY

Demographic	Field of study	Female	Male
African	Human Resources Management	3	1
African	Mechanical Engineering	5	2
African	Civil Engineering	7	12
African	Electrical Engineering	12	2
African	Business Administration	0	1
African	Urban & Regional Town planning	4	1
African	Public Administration	11	1
African	Accounting	11	1
African	Financial Management	1	1
African	Welding	2	0
African	Environmental Management	4	0
African	Information Technology	2	1
African	Computer science & Information Technology	0	2
African	Law	0	2
Total		62	27

The number of internships at any given time is stable, however, the numbers do fluctuate over quarters as the interns are on contracts and these contracts expire on different dates. Over and above, the Municipality has placed number of interns in its various departments as per the field of study.

The Municipality also receives funding from LGSETA for employees who want to further their studies. The table below depicts the information about employees who have received funding to further their studies.

TABLE 50: EMPLOYEES BURSARIES PER POPULATION GROUP, GENDER, AND AREAS OF STUDY

Demographic	Field of study	Female	Male
African	Bachelor of Business Administration	10	6
African	Bachelor of Accounting Science	1	2
African	National Diploma Accounting Science	1	0
African	National Diploma Public Management	0	1
Total		12	9

TABLE 51. CAPACITY BUILDING

Skills Matrix				
Levels	Gender	Councillors and Employees in post as at June 2024	Number of Skilled Councillors and employees as of 30 June 2024	
		No	Skill program and other training (Conferences, seminars etc.)	
			Target	Actual
Councillors	Males	47	47	44
	Females	28	28	26
MM and Directors	Males	5	5	5
	Females	1	1	1
Managers & Assistant Managers	Males	27	27	22
	Females	10	10	9
Professionals	Males	93	93	34
	Females	26	26	22
Administrators	Males	124	124	16
	Females	96	96	23
Elementary	Males	103	103	14
	Females	104	104	5
TOTAL		662	662	221

All 75 Councillors and 151 officials were targeted for capacity building in the year under review. However, the municipality managed to train 70 councillors and 151 officials

COMPONENT D: MANAGING MUNICIPAL WORKFORCE EXPENDITURE:

During the year under review, the salary bill of the Municipality was **R 382 244 870**. This represented an increase of **R52 878 292** as compared to the **R329 366 578 which was reported** in the 2022/2023 Financial year, this increase is due to the new employees who were appointed during the year under review.

The overall adjusted Expenditure Budget for the year under review was **R1 391 622 000**. This means that the workforce expenditure of the Municipality was at **27.5 %** of the total Municipality Expenditure budget which is less than the norm of **36.0%** set out by the National Treasury.

CHAPTER 5

STATEMENT OF FINANCIAL PERFORMANCE

CHAPTER 5: FINANCIAL PERFORMANCE

Sound financial management practices are essential to the long-term sustainability of the municipality. They underpin the process of democratic accountability. Weak or opaque financial management practices and reports result in misdirected and underutilization of resources. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernize municipal financial management. The municipality had during the year under review, implemented financial management practices that seek to effectively and efficiently manage municipality resources.

The chapter comprises four components:

Component A: Statement of Financial Performance

Component B: Spending against Capital Budget

Component C: Cash Flow Management and Investment

Component D: Other Financial Matters

The municipal overall operating results achieved for the past financial year closed off with a deficit of R651 thousand compared to a budgeted surplus of R123.3 million as well as the 2022/23 profit of R7.5 million. Operating revenue for the year was R1.31 billion (2023: R1.19 billion), which reflects an increase of 10% from previous financial period. The operating expenditure for the year was R1.31 billion (2023: R1.18 billion), which indicates a 11% increase from previous financial period.

The total capital expenditure capitalized for the year in respect of property, plant, and equipment amounted to R261.8 million (2023: R265.9 million). This includes R115 million from government grants, and R146.8 million from our own cash resources.

5.1.1. INTRODUCTION TO FINANCIAL PERFORMANCE

Operating revenue excluding capital grants and subsidies for the year was R1.2 billion (2023: R1.07 billion), which shows an increase of 12% from the previous financial period. Included in the above figure are operating government grants to the amount of R504.6 million (2023: R451.8 million), which constitute 38% of total revenue as shown in the table below:

TABLE 52: GRANT SCHEDULE

NAME OF GRANT	R
Equitable Share	481 943 000
Financial Management Grant	1 950 000
Expanded Public Works	2 768 000
Disaster Management Grant	16 941 539
LGSETA	962 404
TOTAL	504 564 943

Service charges jointly comprise 35% of total revenue and increased by R68.8 million from (2023: R 385.7 million) to R454.4 million in the current financial year. Electricity remains the largest source of income and contributes 64% to municipal revenue excluding capital & operational grants. Furthermore, electricity revenue increased by 18% from R371.3 million in the previous financial year to R439.2 million in the current year.

Property rates constitute 17% of municipal revenue and increased by 24% from R96.3 million in the previous financial year to R120.7 million in the 2023/24 financial year.

Interest received from financial institutions has decreased by 43% from R9.6 million in the previous financial year to R5.5 million in the current year.

The operating expenditure for the year was R1.31 billion (2023: R1.18 billion), which indicates an increase of 11% from the previous financial year. This was mainly due to increases in the following expenses:

- Depreciation & amortization increased by 13% from R140.2 million in the previous year to R158.0 million.
- Employee-related costs increased by 17% from R327.1 million in the previous year to R381.7 million in the current year.
- Councilor's remuneration increased by 6% from R28.2 million in the previous financial year to R30.0 million in the current financial year.
- General expenses increased by 5% from R102.7 million in the previous year to R108.2 million in the current year.
- Bulk purchases decreased by 24% from R299.1 million in the previous financial year to R372.0 million in the current year.

The major expenditure items during the financial year ended 30 June 2024 were as stated above.

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The following represent the financial summary of the municipality as audited:

5.2.FINANCIAL SUMMARY OF THE MUNICIPALITY AS AUDITED

Table 53: FINANCIAL SUMMARY

LIM344: Makhado Local Municipality

Description R thousands	2022/23	Current Year 2023/24				
	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustment Budget %
Financial Performance						
Property rates	97 300	122 247	125 077	120 692	99%	96%
Service charges	385 664	623 568	631 932	454 446	73%	72%
Interest from financial institutions	9 569	9 536	7 229	5 457	57%	75%
Transfers recognised - operational	451 799	493 825	515 161	504 565	102%	98%
Other own revenue	123 842	146 701	145 695	109 874	75%	75%
Total Revenue (excluding capital transfers and contributions)	1 068 175	1 395 877	1 425 094	1 195 034	86%	84%
Employee costs	327 125	349 488	382 488	381 664	109%	100%
Remuneration of councillors	28 209	31 004	32 000	29 990	97%	94%
Depreciation & asset impairment	144 860	147 420	162 420	162 269	110%	100%
Finance charges	17 252	12 762	19 762	17 919	140%	91%
Debt impairment	50 881	83 677	73 677	41 600	50%	56%
Materials and bulk purchases	299 071	397 742	374 092	371 986	94%	99%
Contracted services	184 519	236 753	229 725	180 305	76%	78%
Other expenditure	131 514	109 600	135 658	124 966	114%	92%
Total Expenditure	1 183 432	1 368 446	1 409 822	1 310 700	96%	93%
Surplus/(Deficit)	(115 256)	27 431	15 272	(115 666)	-422%	-757%
Transfers recognised - capital	122 717	115 757	108 015	115 015	99%	106%
Surplus after capital transfers & contributions	7 461	143 188	123 287	(651)	0%	-1%
Surplus for the year	7 461	143 188	123 287	(651)	0%	-1%

5.2.2. GOVERNMENT CAPITAL GRANTS

The municipality received and spent capital grants during the financial year, which normally have conditions attached. The following table shows the various capital grants receipts and spending for the year ended 30 June 2024.

Table 54: CAPITAL GRANTS RECEIVED AND SPENT

GRAND TYPE	OPENING BAL	RECEIPTS	EXPENDITURE	CLOSING BAL
MIG	-	108 015 000.00	-108 015 000.00	-
INEP	-	7 000 000.00	- 7 000 000.00	-
GRAND TOTAL	-	115 015 000.00	- 115 015 000.00	-

5.2.3. MUNICIPALITY APPROVED POLICIES

Over and above the direct requirements of different sections of the Local Government: Municipal Finance Management Act, 2003 and its Regulations, the Council also adopted the budget related policies in respect of the 2023/24 financial year. The following are the policies:

Table 55: Budget Related Policies

COUNCIL APPROVED POLICIES	
Budget policy	Budget Virement
Uniform Credit Control & Debt Collection policy	Uniform Credit Control & Debt Collection by-law
Borrowing Policy	Expenditure Management Policy
Framework for Cash-flow Management Policy	Funding and Reserves Policy
Tariff and Free Basic Services Policy	Policy on Subsidy Scheme for Indigents
Investment of Funds Policy	Revenue Management Policy
Petty Cash Policy	Travel and Subsistence Policy
Principles of Writing-off of Irrecoverable Debt	Asset Management Policy
Property Rates Policy	Property Rates by-law
Supply Chain Management Policy	

5.2.4. THE ASSESSMENT OF ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES

The municipality considers effective revenue management to be important for a financially sound institution. The municipality monitors its debt book on monthly basis through the MFMA Section 71 reports and regular debtors' reconciliations. The indigent policy follows the government policy that makes provision for free basic services. This policy is further extended to the indigent and poor people of the municipality who are unemployed, depending on government grant and some are child headed. The number of indigent households that benefited during the year from both Eskom and the municipality was 2 835 and 2 540 respectively and the total cost incurred was R1 711 665. The breakdown of the municipality indigents are as follows, old age 2 218, below threshold 42, child headed family 05, unemployed 206 and disability 69.

In the year under review, the municipality has seen an increase in the debt book, especially with residential debtors. Management has implemented measures to ensure that amounts owed to the municipality are recovered timeously.

As at the end of the financial year the debt book amounted to R558 million. The debt has increased from R478 million to R558 million. The increase in debtors during the financial year was R80 million, representing a 17% increase from previous year.

Below is the detail for the current financial year debt book per area,

TABLE 56: DEBT BOOK PER AREA

AREA	2022/23 AMOUNT(R)	2023/24 AMOUNT(R)	%
Louis Trichardt	209 million	248 million	19
Dzanani	25 million	28 million	12
Vleifontein	41 million	42 million	2
Waterval	78 million	89 million	14
Tshikota	11 million	15 million	36
Farms	114 million	136 million	19
TOTAL	478 million	558 million	17

The municipality also established better communication with national and provincial government as a stakeholder through IGR forums, thus enabling a simplified manner of debt collection for government accounts. The collection rate from government departments averages 54% as at 30 June 2024.

The municipality still has room for improvement with regards to its collection rate. Now we have undertaken the exercise to replace conventional meters with prepaid meters.

The municipality had an overall debt collection rate of 88% for the 2023/24 financial year.

5.2.5. ASSET MANAGEMENT

The Municipality has an asset management policy that complies with all relevant legislative requirements and standards specified by the Accounting Standards Board.

The municipality has developed and maintained an asset register containing key financial data on each item of property, plant, or equipment that satisfies and complies with GRAP standards.

The municipality had non-current assets with a total cost of R3 644 898 346 as at 30 June 2024 as compared to the previous financial year balance of R3 429 751 920, which reflected 6% increase, this was due to capitalization during the year of R303 991 289 (2023: R265 950 330). The capitalization increased by 14% from the previous financial year.

Major asset categories such as Infrastructure assets constituted a greater portion of the total cost with an amount of R2 691 356 880 (2023: R2 568 463 532), representing 74% of the total asset cost, Work in progress cost of R217 222 280 (2023: R193 285 658) was 6% of total assets value, Community assets of R174 837 101 (2023: R164 335 556) was 5% of total assets value and transport assets of R83 565 126 (2023: R83 435 257) was 2% of the total assets value at the end of the financial reporting period.

The total carrying value of municipal assets was R1 945 067 780 (2023: R1 842 592 633) for the year ended 30 June 2024.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2023/24

TABLE 57: THREE LARGEST ASSETS

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED: FIN YEAR 2023/24				
Asset One				
Name	Kutama Sinthumule Sports Facility			
Description	Construction of Kutama Sinthumule Sports Facility			
Asset Type	Sports Facility			
Key Staff Involved	PMU Manager and Director Technical Services			
Staff Responsibilities	Project Manager and Civil Engineering Technician			
	2023/24			
Cumulative Asset Value	R 46 824 700			
Capital Implications	Upgrading of road from gravel to tar road and stormwater			
Future Purpose of Asset	Provision of sports facility			
Describe Key Issues	Construction of sports facility including concrete pallisade fence			
Policies in Place to Manage Asset	Yes			
Asset Two				
Name	Makatu to Tshikota Access Road			
Description	Construction of Makatu to Tshikota access Road including stormwater including infrastructure			
Asset Type	Roads and Storm Water			
Key Staff Involved	PMU Manager and Director Technical Services			
Staff Responsibilities	Project Manager and Civil Engineering Technician			
	2023/24			
Cumulative Asset Value	R 40 500 124			
Capital Implications	Upgrading of road from gravel to tar road and stormwater			
Future Purpose of Asset	Provision of access road to Community and Storm Water Management			
Describe Key Issues	Construction of road and associated storm-water management			
Policies in Place to Manage Asset	Yes			
Asset Three				
Name	Lutanandwa bridge & access road Phase 3			
Description	Construction of Lutanandwa bridge & access road			
Asset Type	Roads and Stormwater			
Key Staff Involved	PMU Manager and Director Technical Services			
Staff Responsibilities	Project Manager and Civil Engineering Technician			
	2023/24			
Cumulative Asset Value	R 41 845 623			
Capital Implications	Construction of access road and bridge			
Future Purpose of Asset	Provision of access road to Community and Storm Water Management			
Describe Key Issues	Construction of road and associated storm-water management			
Policies in Place to Manage Asset	Yes			

FINANCIAL RATIOS BASED ON KEY FINANCIAL INDICATORS

TABLE 58: FINANCIAL RATIOS

RATIO	FORMULA	NORM/ RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	COMMENTS	
Asset Management/Utilisation						
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	10% - 20%		17%	The capital expenditure incurred during the year was 17% of total expenditure. This is reasonable based on the maximum norm of 20%.
				Total Operating Expenditure	1 310 700 693	
				Taxation Expense		
		Total Capital Expenditure	261 777 750			
Debtors Management						
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	95%		81%	The municipality's collection rate is 81% for the year under review. Collection efforts are being intensified in order to recover outstanding debt amounts.
				Gross Debtors closing balance	558 418 829	
				Gross Debtors opening balance	477 509 557	
				Bad debts written Off		
		Billed Revenue	454 445 770			
Liquidity Management						
2	Current Ratio	Current Assets / Current Liabilities	1.5 - 2:1		0.93	Municipality was able to settle short term obligations due to the availability of current assets to cover payments to creditors. The ratio is favourable.
				Current Assets	295 520 263	
		Current Liabilities	316 118 979			

RATIO	FORMULA	NORM/ RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	COMMENTS
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Liability Management

1	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	45%		0%	Municipality had no significant borrowings during the year under review. The outstanding obligation of R322 046 relates to leasing of photocopier machines.
				Total Debt	2 966 508	
				Total Operating Revenue	1 310 048 934	
				Operational Conditional Grants	451 799 240	

Revenue Management

1	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue) / previous period's Total Revenue) x 100	= CPI		12%	Municipality achieved revenue increase of 12% from previous financial year. The revenue figures excludes grants & subsidies.
				CPI	12%	
				Total Revenue (Previous)	616 375 873	
				Total Revenue (Current)	690 468 991	

Expenditure Management

2	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	25% - 40%		31%	Employee costs was 31% of the total expenditure. The ratio is favourable.
				Employee/personnel related cost	381 663 826	
				Councillors Remuneration	29 989 937	
				Total Operating Expenditure	1 310 700 693	
				Taxation Expense	-	

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.3. SPENDING ON 5 LARGEST PROJECTS

The following represent the capital spending against the capital budget:

Table 59: CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*						R' 000
Name of Project	Current: Year 2023/2024			Variance: Current Year 2023/24		
	Project Cost	Original Budget	Adjustment Budget	Actual Expenditure	Adjustment variance (%)	
A - Kutama Sinthumule Sports Facility	44 546 864	23 278 552	31 345 548	26 409 075	15.7%	
D - Makatu to Tshikota Access Road	42 221 448	5 000 000	16 876 457	10 069 644	40.3%	
B - Lutanandwa access road & bridge Phase 3	40 514 024	33 100 000	23 230 226	23 140 223	0.4%	
C - Makhado New landfill site development (Mega Cell + stormwater)	13 070 280	14 970 000	16 564 198	14 585 263	11.9%	
E - Makhado Municipal Fencing of Cemeteries in Various villages	7 921 650	8 500 000	8 330 975	7 921 650	4.9%	
Name of Project - A: Kutama Sinthumule Sports Facility						
Objective of Project: To promote socio-economic through sports activities						
Delays			None			
Future Challenges: none						
Anticipated citizen benefits: promote good health by participating on various sporting codes; and further accessible for any community and social events.						
Name of Project - B: Makatu to Tshikota Access Road						
Objective of Project: To ensure easy access to roads by the community.						
Delays			None			
Future Challenges: None						
Anticipated citizen benefits: Easy and comfortable access to and from areas within municipal areas						
Name of Project - C: Lutanandwa access road & bridge Phase 3						
Objective of Project: To ensure easy access to roads by the community.						
Delays			None			
Future Challenges: Roads infrastructure costs rapidly increasing						
Anticipated citizen benefits: Easy and comfortable access to and from areas within municipal areas						
Name of Project - D: Makhado New landfill site development (Mega Cell + stormwater)						
Objective of Project: To ensure easy access to roads by the community.						
Delays			Shortage of construction materials.			
Future Challenges: None						
Name of Project - E: Makhado Municipal Fencing of Cemeteries in Various villages						
Objective of Project: To ensure that municipal cemeteries are protected by way of fencing them						
Delays			Shortage of construction materials.			
Future Challenges: None						

Table 60: CAPITAL EXPENDITURE

Capital Expenditure - Funding Sources: Year 2023/24						R' 000
Details	Year 2022/23	2023/24				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Actual to AB Variance (%)	
Source of finance						
Grants and subsidies	122 717	115 757	108 015	115 015	6%	
Internal	143 233	388 120	379 003	146 763	61%	
Total	265 950	503 877	487 018	261 778	46%	
Capital expenditure						
Governance and administration	68 524	129 827	125 483	67 449	-46%	
Community and public safety	5 870	11 122	10 750	5 778	46%	
Economic and environmental services	125 743	238 236	230 265	123 770	46%	
Trading services	65 813	124 692	120 520	64 781	46%	
Total	265 950	503 877	487 018	261 778	46%	

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS**5.4. CASH MANAGEMENT**

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality's financial position and health. Cash flow projections are done monthly, and cash not immediately required is invested for a better return on the short term.

With regards to municipality borrowings, the municipality had no significant borrowings during the financial year ended 30 June 2024.

The municipality is leasing photocopier machines, whereby it is paying monthly instalment for the use of the machines. These transactions resulted in recognition of Finance Lease obligations in the accounting records. As of the end of the financial year 30 June 2024, R2.9 million was outstanding.

The below table analyses the municipality borrowings made during the year and previous years.

TABLE 61: BORROWINGS

Actual Borrowings: Year -2022 to Year -2024			
R' 000			
Instrument	2021/22	2022/23	2023/24
Financial Leases	1 058	322	2 967
Total	1 058	322	2 967

5.4.4. CASH AND CASH EQUIVALENTS

The below table shows the cash and cash equivalents of the municipality comparing the budgeted amounts vis-à-vis the actual cash flows.

TABLE 62: STATEMENT OF CASH FLOW

Statement of Cash flow				
R'000				
Description	2022/23	2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	73 727	90 449	90 449	88 155
Service charges	437 295	698 761	617 851	507 359
Grants	578 016	609 582	623 176	620 638
Other receipts	151 841	145 075	142 768	119 076
Payments				
Suppliers and employees	(1 046 777)	(1 032 273)	(992 218)	(1 173 712)
Finance charges	-	(100)	(100)	(916)
NET CASH FROM/(USED) OPERATING ACTIVITIES	194 102	511 494	481 926	160 601
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1 951	-	-	-
Payments				
Capital assets	(249 995)	(503 877)	(484 502)	(291 381)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(248 044)	(503 877)	(484 502)	(291 381)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments				
Finance lease payments	(786)	-	-	(1 154)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(786)	-	-	(1 154)
NET INCREASE/ (DECREASE) IN CASH HELD	(54 728)	7 617	(2 576)	(131 934)
Cash/cash equivalents at the year begin:	201 324	150 567	146 596	146 596
Cash/cash equivalents at the year end:	146 596	158 184	144 020	14 662

5.4.5. COMMENT ON CASH FLOW

The cash flow from operating activities indicates a positive cash flow of R160.6 million. Further, R291.4 million was utilized on investment activities mainly to purchase property, plant, and equipment.

The cash flow from financing activities indicated an outflow of R1 154 thousand, which is mainly attributable to the repayments on finance leases (photocopiers).

Considering the above movements, the net cash position at financial year-end was R14.7 million. The municipality has adequate cash resources to settle short-term obligations as they fall due.

COMPONENT D: OTHER FINANCIAL MATTERS

5.5. SUPPLY CHAIN AND EXPENDITURE MANAGEMENT

The Council has adopted a Supply Chain Management Policy and practices in compliance with the guidelines set out by the Supply Chain Management Regulations, 2005. The Preferential Procurement Regulations, 2017, with effect from 01 April 2017, was incorporated in the policy and adopted.

The SCM Policy incorporating the above-mentioned regulations, as well as all other relevant pieces of legislation, regulations, and circulars are annually reviewed during the budget process.

The municipality has established the three (3) bid committee system. No councilors are members of any committee of the committees handling supply chain processes.

The supply chain officials are currently attending accredited training modules to meet the requirements of the minimum competency levels.

COMPETITIVE BIDDING PROCESSES ACTIVITY

TABLE 63: COMPETITIVE BIDDING

ACTIVITY	Bids Advertised	Evaluated	Adjudicated	Awarded	BBB-EE	Cancelled and re-adverts
Balance B/F	17	-	-	-	-	-
1 st Quarter	08	16	16	16		
2 nd Quarter	34	11	11	11		
3 rd Quarter	06	07	07	07		15
4 th Quarter	09	19	19	19		
TOTAL	74	53	53	53		15
ANNEXURE	A	B	C	D	E	F

All requests for adverts were processed. As at 30 June 2024, the following 6 bids were not awarded:

TABLE 64: BIDS NOT AWARDED

NO	BID NO	DESCRIPTION	CLOSING DATE	COMMENTS
01	79 OF 2023	Lease of portion of erf 3403 in Louis Trichardt Extension 12 Township for Agricultural purposes	23-Oct-23	In Evaluation
02	05 of 2024	Supply and Delivery of refuse plastic bags for the period of three years	15-March-2024	In Evaluation
03	11 of 2024	Panel of contractors for hiring and operate of machines (wet engine) for three years as and when required	08 May 2024	In Evaluation
04	16 of 2024	Renew four server warranty	19 June 2024	In evaluation
05	13 of 2024	Provision of Banking services for the period of five (05) years	25 June 2024	In Evaluation
06	15 of 2024	Cellphones and tablets contract package for the period of twenty-four (24) months	08 July 2024	On Advert

FORMAL WRITTEN QUOTATIONS AS AT 30 JUNE 2024

TABLE 65: FORMAL WRITTEN QUOTATIONS

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded	Re-advertised
1st QUARTER	19	17	17	2
2nd QUARTER	34	33	33	1
3rd QUARTER	28	17	17	11
4th QUARTER	24	15	15	9
TOTAL	105	82	82	23

5.5.1. PROCUREMENT STATISTICS

The municipality had 74 bids advertised in the 2023/24 financial year. Of the total bids advertised, 53 of them were evaluated and adjudicated. The bids awarded were 72% of the bids advertised 'during the financial year ending 30 June 2024.

The companies that responded to the bids advertised during the year comprised of 77% male directors and 23% female directors. Furthermore, 95% those companies were 100% black owned, whilst 5% were mixed race.

There were no bidders with any disability since no bidder indicated disability in their bids during the year under review.

5.5.2. SUMMARY OF PROCUREMENT STATISTICS

TABLE 66: PROCUREMENT STATS

MALE DIRECTORS	FEMALE DIRECTORS	TOTAL
89	26	115
77%	23%	100%
100% BLACK OWNED	OTHER	TOTAL
95	05	100
95%	05%	100%
DISABLED	ABLED	TOTAL
0	115	115
0%	100%	100%

5.5.3. EXPENDITURE

The Municipal Finance Management Act, (Act 56 of 2003) read together with the Municipal Budget and Reporting Regulations, provides the legislative framework within which any expenditure related transactions must take place.

Section 11 of the Municipal Finance Management Act, (Act 56 of 2003) specifically provides the legislative framework for any withdrawals from any bank account in the name of Makhado Municipality.

The turnaround time for processing payments is 30 days and the municipality is complying with MFMA Section 65(e).

5.5.4. GRAP COMPLIANCE

The municipality prepared its annual financial statement in line with GRAP Standards. The objectives of GRAP are the following:

1. To ensure consistency in the accounting treatment of transactions and classification of account balances in municipalities
2. To enhance comparability between similar-sized municipal bodies on a national basis
3. To enable users of financial statements to make more accurate assessments of risks and returns.

5.5.5. MSCOA IMPLEMENTATION

MSCOA System is a fully Integrated Financial Management System which is 100% South African, developed on the latest development trends and based on international open standards.

The municipality has fully complied with MSCOA regulations and started transacting live on the 01st of July 2016. This is the fifth year of transacting on MSCOA, and the municipality has achieved unqualified audit opinion.

Budgeting is also being done on MSCOA which improves financial planning and reporting. Municipality is also complying on the Section 71 reporting using MSCOA

AUDIT REPORT

Report of the auditor-general to provincial legislature and the council on Makhado Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Makhado Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in net assets, cash flow statement and the 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, the financial statements present fairly, in all material respects, the financial position of the Makhado 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 (Standards of GRAP) and the requirements of the Municipal Finance Management Act of 56 of 2003 (MFMA) and the Division of Revenue Division of Revenue Act 5 of 2023 (DoRA)

Basis for opinion

3. 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.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Material losses - electricity

7. As disclosed in note 38 to the financial statements, material electricity losses of R45 848 926 (2022-2023: R32 725 648) was incurred, which represents 12% (2022-2023: 11%) of total electricity purchased. Non-technical losses amounted to R45 848 926

(2022-23: R32 725 648) and were due to illegal connections to electricity network and bridging of meters by consumers.

Material impairments

8. As disclosed in note 37 to the financial statements, material losses of R41 600 405 was incurred as a result of an impairment of irrecoverable debtors.

An uncertainty relating to the future outcome of litigations

9. With reference to note 46 to the financial statements, the municipality is the defendant in various lawsuits. The municipality is opposing these claims, as it believes that the claims have no basis. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Other matters

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

Unaudited supplementary schedules

11. The supplementary information as set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion on them.

Unaudited disclosure notes

12. In terms of section 125(2) (e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirements 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

13. 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.
14. 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

15. 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.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

17. 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 areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following key performance areas presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected performance areas that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key performance area	Page numbers	Objective
Basic service delivery	[XX]	Accessible basic and infrastructure services
Local economic development	[XX]	Invest in local economy

19. I evaluated the reported performance information for the selected performance areas 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.
20. 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.
 - 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.
- There is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

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

22. I did not identify any material findings on the reported performance information for the selected key performance areas.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. 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.

25. The municipality plays a key role in delivering services to South Africans. The table that follows provides information on the achievement of planned targets and list 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].

Material misstatements

26. We identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was in the reported performance information of basic service delivery key performance area. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Basic service delivery

<i>Targets achieved: 67%</i>		
<i>Budget spent: 61%</i>		
Key indicators not achieved	Planned target	Reported achievement

Number of High Mast Lights Installed	37 high mast lights installed by 30 June 2024	0 high mast lights installed
Upgrade of Emmarentia and Boom Park Substations Phase-2 (Fencing and breaker)	Upgrading of Emmarentia and Boom Park Substations Phase-2 (Fencing and breaker) completed by 30 June 2024	Upgrading of Emmarentia and Boom Park Substations Phase-2 (Fencing and breaker) not completed
Upgrade of Main Substation Phase3 - (breakers & control panels)	Upgrading of Main Substation Phase 3 - (breakers & control panels) completed by 31 March 2024	Upgrading of Main Substation Phase 3 - (breakers & control panels) not completed
Upgrade of Roodewaal Substation Phase-1	Upgrading Roodewaal substation Phase- 1(2x22kv Breakers) completed by 30 June 2024	Upgrading Roodewaal substation Phase- 1(2x22kv Breakers) not completed
Installation of Solar Panels	Installation of 3 X 50kw solar panels completed by 30 June 2024	Installation of 3 X 50kw solar panels not completed
Upgrade of Main Substation Phase 2 - (line breakers & line control panels)	Upgrading of Main Substation Phase 2 - (line breakers & line control panels) completed by 30 June 2024	Upgrading of Main Substation Phase 2 - (line breakers & line control panels) not completed
Upgraded Pretorius Substation(2 x 5MVA TRFR)	Upgraded Pretorius Substation (2 x 5MVA TRFR) completed by 30 June 2024	Upgraded Pretorius Substation (2 x5MVA TRFR) not completed
Installation of moving violation recorder (MVR) Prolaser 4 eye witness fitted on a high speed Performance vehicle with siren and radio.	Installed Moving Violation Recorder (MVR) Prolaser 4 completed by 30 June 2024	Installation of Moving Violation Recorder (MVR) Prolaser 4 not completed
Percentage completion of constructed Tshivhuyuni Sports Facility	100% Completion of constructed Tshivhuyuni Sports Facility by 30 June 2024	52% Progress of constructed Tshivhuyuni Sports Facility
Percentage completion of Constructed Kutama- Sinthumule Sports Facility	100% completion of constructed Kutama- Sinthumule Sports Facility by 31 December 2023	98% Completion of constructed Kutama- Sinthumule Sports Facility
Percentage completion of Constructed Dzanani Taxi Rank and Market Stalls	40% construction progress of Dzanani Taxi Rank and Market Stalls by 30 June 2024	23% construction progress of Dzanani Taxi Rank and Market Stalls

Percentage completion of Songozwi street	100% completion on rehabilitated of Songozwi street by 30 June 2024	46% Progress completion on rehabilitated of Songozwi street
Percentage completion of Rehabilitation of Hospital and Ruh street	100% completion on Rehabilitation of Hospital and Ruh Street by 30 June 2024	0% completion on Rehabilitation of Hospital and Ruh Street
Percentage completion of Rehabilitation of Malva street	100% completion on Rehabilitation of Malva street by 30 June 2024	0% completion on Rehabilitation of Malva street
Percentage completion of Rehabilitation of Synman street	100% completion on Rehabilitation of Synman street by 30 June 2024	0% completion on Rehabilitation of Synman street

Local Economic development

<i>Targets achieved: 50%</i>		
<i>Budget spent: 50 %</i>		
Key indicators not achieved	Planned target	Reported achievement
Number of LED projects supported	10 projects supported by 30 June 2024	4 projects supported

Report on compliance with legislation

27. 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.

28. 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.

29. 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.

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

Annual financial statements

31. 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 expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
32. The annual financial statements were not submitted to the Auditor-General, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

Other information in the annual report

33. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.
34. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do 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.
35. 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 key performance areas presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. 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

37. 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.
38. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on compliance with legislation included in this report.

39. The accounting officer did not implement adequate internal controls to ensure the preparation of accurate financial statements as material misstatements were identified.
40. The accounting officer did not adequately review and monitor compliance with applicable laws and regulations.

Auditor General

Polokwane

30 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance areas objectives and on the Municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's

report. However, future events or conditions may cause the Municipality to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003)	<p><u>AFS, APR, Annual report</u></p> <p>Sections:122(1), 122(2),126(1)(a), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 127(2), 127(5)(a)(i),127(5)(a)(ii), 129(1), 129(3)</p> <p><u>Assets Management</u></p> <p>Sections:63(2)(a), 63(2)(c), 13(2), 14(1), 14(2)(a),14(2)(b)</p> <p><u>Consequence Management</u></p> <p>Sections:32(2), 32(2)(a), 32(2)(a)(ii), 32(2)(a)(i), 32(2)(b), 170, S1 - paragraph (a), (b) & (d) of the definition: irregular expenditure, 171(4)(a), 171(4)(b)</p> <p><u>Expenditure Management</u></p> <p>Sections: 65(2)(e), 11(1), 65(2)(a), 65(2)(b), 65(1)(d), 62(1)(d), 15, 28(1), 29(1), 29(2)(b)</p> <p><u>Revenue Management</u></p> <p>Sections: 62(1)(f)(i), 62(1)(f)(iii), 62(1)(f)(ii), 64(2)(e), 64(2)(f), 64(2)(b), 64(2)(c), 64(2)(g)</p> <p><u>Strategic Planning and Performance</u></p> <p>Sections:1, 53(1)(c)(ii), 72(1)(a)(ii), 24(2)(c)(iv), 54(1)(c)</p> <p><u>Procurement and contract management</u></p> <p>Sections: 117, 116(2)(b), 116(2)(c)(ii), 112 (1)(j)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	<p><u>Expenditure Management</u></p> <p>Regulations: 71(1)(a), 71(1)(b), 71(2)(a), 71(2)(b), 71(2)(d)</p>
MFMA: Municipal Investment Regulations, 2005	<p><u>Assets Management</u></p> <p>Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)</p>
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	<p><u>Consequence Management</u></p> <p>Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)</p>

Legislation	Sections or regulations
MFMA: Municipal Supply Chain Management Regulations, 2017	<p><u>Procurement and contract management</u></p> <p>SCM Regulations: 12(1)(c), 17(1)(a) & 17(1)(c), 16(a), 17(1)(a) & 17(1)(b), 13(c), 43, 19(a) & (b), 36(1)(a), 12(3), 27(2)(a)&(e), 22(1)(b) & 22(2), 28(1)(a)(i), 21(b), 29(1) (a) & (b), 29(5)(a)(ii) & (b)(i), 13(c), 43, 13(c), 38(1) (c.), 38(1)(d)(ii) & (g)(iii), 38(1)(e.), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(d)(ii) & (g)(iii), 38(1)(e.), 38(1)(g)(i), 38(1)(g)(ii), 32, 5, 44, 46(2)(e), 46(2)(f)</p>
Municipal Systems Act, 2000 (Act No. 32 of 2000)	<p><u>Revenue Management</u></p> <p>Sections: 74(1), 96(b)</p> <p><u>Strategic Planning and Performance</u></p> <p>Sections: 29(1)(b)(ii), 29(1)(3)(b), 42, 25(1), 26(a), 26(c), 26(i), 26(h), 41(1)(a), 43(2), 41(1)(b), 34(a) and 41(1)(c)(ii), 34(b), 38(a)</p> <p><u>HR Management</u></p> <p>Sections: 57(6)(a), 56(1)(a), 66(1)(b), 54A(1)(a), 66(1)(a), 67(1)(d), 57(2)(a)</p> <p>Regulations: 7(1), 31</p> <p><u>Procurement and contract management</u></p> <p>Schedule 1: Code of conduct for councilors' section 5(2), 7(1) & (2)</p> <p>Schedule 2: Code of conduct for municipal staff members section 5(1) and 5A (1) & (2).</p>
MSA: Municipal Planning and performance Management Regulations, 2001	<p><u>Strategic Planning and Performance</u></p> <p>Regulations: 15(1)(a)(i), 2(1)(e), 2(3)(a), reg 9(1)(a), reg 10(a), 12(1), 3(4)(b) and 15(1)(a)(ii), 3(6)(a), 3(3), 8, 7(1)</p>
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	<p><u>HR Management</u></p> <p>Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)</p>
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	<p><u>HR Management</u></p> <p>Regulations: 17(2), 36(1)(a)</p>

Legislation	Sections or regulations
MSA: Disciplinary Regulations for Senior Managers, 2011	<u>Consequence Management</u> Regulations: 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	<u>Conditional Grants</u> Sections: 16(1), 12(5)
Construction Industry Development Board Act 38 of 2000	<u>Procurement and contract management</u> Section 18(1)
Construction Industry Development Board Regulations	<u>Procurement and contract management</u> Regulations 17, 25(7A)
Municipal Property Rates Act, 2004 (Act No. 6 of 2004)	<u>Revenue Management</u> Sections 3(1)
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	<u>Procurement and contract management</u> Sections:2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	<u>Procurement and contract management</u> Regulations: 6(1), 7(1), 6(8), 7(8), 10(1)&(2) & 11(1), 5(1) & 5(3), 5(6), 5(7), 9(1), 8(2), 8(5)
Preferential Procurement Regulations, 2022	<u>Procurement and contract management</u> Regulations: 4(1), 5(1), 4(4), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	<u>Consequence Management</u> Section: 34(1)

APPENDIX 1:

ANNUAL PERFORMANCE REPORT



MAKHADO LOCAL MUNICIPALITY

ANNUAL PERFORMANCE REPORT

(2023/2024)

“A dynamic hub for socio-economic development by 2050”

1. INTRODUCTION

Municipal organizational performance monitoring, evaluation and reporting forms part of governance, a good practice and also a statutory requirement in the South African government. The purpose of this Annual Performance Report is to record, disclose and account on the results of the assessment of actual service delivery achievements as measured against predetermined objectives for the 2023/2024 reporting period.

The Performance Management Framework at Makhado Local Municipality integrates organizational strategic management, service delivery, performance measurement and evaluation, and the associated reporting. The performance management function allows the municipality to track service delivery progress towards achieving the municipal objectives set in the Integrated Development Plan (the “IDP”) with its linked Medium-Term Revenue and Expenditure Framework (“MTREF”).

The municipality’s 2023/2024 Annual Performance Report focuses on service delivery performance information relating to the key deliverables recorded in the 2023/2024 Integrated Development and Planning implemented through the 2023/2024 Service Delivery and Budget Implementation Plan (the “SDBIP”).

2. LEGISLATIVE BACKGROUND

Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (the “MFMA”) mandates the municipality to prepare an Annual Report indicative of records of activities of the municipality during the 2023/24 reporting period. The report must also give an account on performance against the budget of the municipality and promote accountability to the local community for the decisions made by the municipality.

According to the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), *Section 46(1)* of as well as MFMA *Circular 11* on reporting annual performance of the municipality, the compilation of the annual performance report must include an assessment of external providers, a comparison of the performance with targets set for and performance in the previous financial year and measures taken to improve unacceptable performance.

3. PERFORMANCE MEASUREMENT AT MAKHADO LOCAL MUNICIPALITY

Performance measurement of the municipality deals with collection, analysing and/or reporting information regarding the performance of an individual, group, organization. During the reporting the municipality used the manual system to monitor its performance and manage its performance information. This manual system was guided by the Performance Management Framework, Policy and Procedure Manual.

The basic functioning of the performance monitoring system is to compare actual performance achievements with quarterly performance projections; to determine the deviations of the actuals against the projections; to express those deviations.

The system also provides management information in the form of graphical representations when the actual achievements are compared against the quarterly projections.

These graphical representations are used for performance and trend analyses to reflect on progress meeting predetermined objectives and targets; and for the purposes of early warning indicators of where corrective actions are required. The system also provides for accounts in the form of explanations for actual achievements, putting these achievements into context; and proposed actions for improvement where performance targets and projections were not achieved.

4. 2023/2024 ANNUAL ORGANIZATIONAL PERFORMANCE RESULTS

The 2023/2024 Service Delivery and Budget Implementation Plan on which this Performance Report is based, comprises 77 key performance indicators with its concomitant performance targets. As an organisation, Makhado Local Municipality in the 2023/2024 reporting period achieved 54 of the performance targets set and 23 were not achieved. This accounts for 70% target achievement, translating to a negative variance of 30%

The table below reflects the actual performance per key performance area

Criteria	KPA 1: Municipal Institutional Development and Transformation	KPA 2 : Basic Service Delivery and Infrastructure Development	KPA 3: Municipal Financial Viability and Management	KPA 4: Local Economic Development	KPA 5: Spatial Rationale	KPA 6: Good Governance and Public Participation	Total
Number of Key Indicators	7	46	12	2	1	9	77
Number of Targets Achieved	5	30	8	1	1	9	54
Number of targets Not Achieved	2	16	4	1	0	0	23

5. COMPARATIVE ANALYSIS OF ORGANIZATIONAL PERFORMANCE INDICATORS 2022/2023 AND 2023/2024

The following table compares the Organizational Performance of 2022/2023 with 2023/2024

DESCRIPTION	2022/2023 Financial Year			2023/2024 Financial Year		
	KPIs	Achieved	Not Achieved	KPIs	Achieved	Not Achieved
KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	7	6	1	7	5	2
KPA 2 : BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	48	35	13	46	30	16
KPA 3: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	12	11	1	12	8	4
KPA 4: LOCAL ECONOMIC DEVELOPMENT	2	1	1	2	1	1
KPA 5: SPATIAL RATIONALE	N/A	N/A	N/A	1	1	0
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	9	7	2	9	9	0
TOTAL	78	60	18	77	54	23

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
1. MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION															
Integrated Development Planning	Good governance and administrative excellence	Reviewed Integrated Development Plan (Annual)	Adopted 202/23 - 2026/27 Integrated Development Plan	Reviewed 2024/25 Integrated Development Plan by 31 May 2024	Target Achieved	Reviewed 2024/25 Integrated Development Plan by 31 May 2024	None	None	IDP Review	All Wards	Income (Own Funding)	Operational	Council resolutions, Final IDP, Invitations and attendance register for IDP consultation	MM	1
Performance Management	Good governance and administrative excellence	Approved 2024/25 SDBIP	Approved 2023/2 4SDBIP	Approved 2024/25 SDBIP by 28 June 2024	Target Achieved	Approved 2024/25 SDBIP by 28 June 2024	None	None	SDBIP Development	All Wards	Income (Own Funding)	Operational	Approved 2024/25 SDBIP	MM	2
Performance Management	Good governance and administrative excellence	Adjusted 2023/24 SDBIP	Adjusted 2022/23 SDBIP	Adjusted 2023/24 SDBIP by 28 February 2024	Target Achieved	Adjusted 2023/24 SDBIP by 28 February 2024	None	None	SDBIP Review	All Wards	Income (Own Funding)	Operational	Adjusted 2023/24 SDBIP	MM	3
Performance Management	Good governance and administrative excellence	Approved 2023/24 SDBIP Mid-Year Report	Approved 2022/23 Mid-Year Report	Approved 2023/24 SDBIP Mid-Year Report by 30 January 2024	Target Achieved	Approved 2023/24 Mid-Year Report by 30 January 2024	None	None	Mid-Year Report	All Wards	Income (Own Funding)	Operational	Approved 2023/24 Mid-Year Report	MM	4
Performance Management	Good governance and administrative excellence	Approved 2022/23 Annual Report	Approved 2020/21 Annual Report	Approved 2022/23 Annual Report by 31 March 2024	Target not Achieved	2022/23 Annual Report not approved by 31 March 2024	Council adjourned before considering the 2022/23 annual report	Continue to submit the annual report to council for approval	Annual Report	All Wards	Income (Own Funding)	Operational	Approved Final 2022/23 Annual Report	MM	5
Human Resources and Organizational Development	Invest in human capital	Number of employees trained	150 employees trained	110 employees trained by 30 June 2024	Target Achieved	149 Employees trained	Unplanned COGHSTA PMDS and POPI Act Trainings	None	Employees Training	All Wards	Income (Own Funding)	Operational	Attendance Registers	CORP	6
		Number of councillors trained	75 Councillors Trained	75 Councillors trained by 30 June 2024	Target not Achieved	46 Councillors trained	Councillor attend multiple training but only counted once	Review the annual target to 16 per financial year. This will allow all councillors to be trained in 5 years.	Councillors Training	All Wards	Income (Own Funding)	Operational	Attendance Registers	CORP	7
2. BASIC SERVICE DELIVERY															

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
Electricity Provision	Accessible basic and infrastructure services	Number of households electrified	1171 Households	350 Households electrified by 30 June 2024	Target Achieved	350 Households electrified	None	None	Electrification of households	Ward 5,10,16	INEP	7 000 000	Completion Certificate	TECH	8
Electricity Provision	Accessible basic and infrastructure services	Number of Households serviced with electricity post connections	282 Households	30 Households serviced with electricity post connections by 30 June 2024	Target Achieved	30 Households serviced with electricity post connections	None	None	Electricity Post-Connections	Ward	Income (Own Funding)	600 000	Completion Certificate	TECH	9
Electricity Provision	Accessible basic and infrastructure services	Number of High Mast Lights installed	37	37 high mast lights installed by 30 June 2024	Target not Achieved	0 high mast lights installed	Budget constraints	Project rolled-over to 2024/2025 financial year	High Mast Lights	All Wards except 8	Income (Own Funding)	16 000 000	Completion Certificate	TECH	10
Electricity Provision	Accessible basic and infrastructure services	Upgrade of Emmarentia and Boom Park Substations Phase-2 (Fencing and breaker)	Emmarentia and Boom Park Substations Phase-1	Upgrading of Emmarentia and Boom Park Substations Phase-2 (Fencing and breaker) completed by 30 June 2024	Target not Achieved	Upgrading of Emmarentia and Boom Park Substations Phase-2 (Fencing and breaker) not completed	Contractor terminated during the 3rd Quarter due to non-performance	New contractor to be appointed in the next financial year (2024/25) to complete the project.	Emmarentia and Boom Park Substations	Ward 8	Income (Own Funding)	4 701 591	Completion Certificate	TECH	11
Electricity Provision	Accessible basic and infrastructure services	Upgrade of Main Substation Phase3 - (breakers & control panels)	Main Substation (Phase 1)	Upgrading of Main Substation Phase 3 - (breakers & control panels) completed by 31 March 2024	Target not Achieved	Upgrading of Main Substation Phase 3 - (breakers & control panels) not completed	Delay due to lead time on material acquisition	Extension of time granted and project to be completed by the 31 December 2024	Main Substation Phase	Ward 9	Income (Own Funding)	11 000 000	Completion Certificate	TECH	12
Electricity Provision	Accessible basic and infrastructure services	Upgrade of Roodewaal Substation Phase-1	Old Roodewaal Substation	Upgrading Roodewaal substation Phase-1(2x22kv Breakers) completed by 30 June 2024	Target not Achieved	Upgrading Roodewaal substation Phase-1(2x22kv Breakers) not completed	Delay due to lead time on material acquisition	Extension of time granted and project to be completed by the 31 December 2024	Roodewaal substation	Ward 9	Income (Own Funding)	1 400 000	Completion Certificate	TECH	13
Electricity Provision	Accessible basic and infrastructure services	Upgrade of Cricket Club substation (Fencing)	Cricket Club substation old transformer upgraded	Upgraded Cricket Club substation (Fencing) completed by 30 June 2024	Target Achieved	Cricket Club substation Fencing completed	None	None	Cricket Club substation	Ward 8	Income (Own Funding)	239 200	Completion Certificate	TECH	14

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
Electricity Provision	Accessible basic and infrastructure services	Upgrade of Levubu 1 Line (Wooden poles to cement poles)	Levubu 1 Line	Upgrade Levubu 1 - Line (245 Wooden poles to cement poles) completed by 30 June 2024	Target Achieved	Upgrade Levubu 1 - Line (245 Wooden poles to cement poles) completed	None	None	Levubu 1 Line	Ward 9	Income (Own Funding)	21 693 258.25	Completion Certificate	TECH	15
Electricity Provision	Accessible basic and infrastructure services	Installation of Solar Panels	None	Installation of 3 X 50kw solar panels completed by 30 June 2024	Target not Achieved	Installation of 3 X 50kw solar panels not completed	No qualifying bidder	Tender to be readvertised during the first quarter of 2024/2025 FY	Solar Panel	Ward 8	Income (Own Funding)	3 500 000	Completion Certificate	TECH	16
Electricity Provision	Accessible basic and infrastructure services	Number of electricity poles replaced	650	650 electricity poles replaced by 30 June 2024	Target Achieved	650 electricity poles replaced	None	None	Electricity Poles	Ward 9,31,20,7, 6,22,26,27 ,37	Income (Own Funding)	27 534 000	Completion Certificate	TECH	17
Electricity Provision	Accessible basic and infrastructure services	Upgrade of Main Substation Phase 2 - (line breakers & line control panels)	Main Substation	Upgrading of Main Substation Phase 2 - (line breakers & line control panels) completed by 30 June 2024	Target not Achieved	Upgrading of Main Substation Phase 2 - (line breakers & line control panels) not completed	Installation challenges due to adverse weather conditions	Extension of time granted	Main Substation	Ward 9	Income (Own Funding)	30 284 47	Completion Certificates	TECH	18
Electricity Provision	Accessible basic and infrastructure services	Upgraded Pretorius Substation(2 x 5MVA TRFR)	Appointment, site handover at Pretorius Substation completed	Upgraded Pretorius Substation (2 x 5MVA TRFR) completed by 30 June 2024	Target not Achieved	Upgraded Pretorius Substation (2 x 5MVA TRFR) not completed	Adverse weather conditions	Extension of time granted	Pretorius Substation	Ward 8	Income (Own Funding)	9 350 000	Completion Certificate	TECH	19
Traffic and Licencing	Promote community and environmental welfare	Installation of moving violation recorder (MVR) Prolaser 4 eye witness fitted on a high speed performance vehicle with siren and radio.	N/A	Installed Moving Violation Recorder (MVR) Prolaser 4 completed by 30 June 2024	Target not Achieved	Installation of Moving Violation Recorder (MVR) Prolaser 4 not completed	Delay with SCM processes	Follow up, Specification processes shall follow.	Moving Violation (MVR) Prolaser 4	Ward 8	Income (Own Funding)	1 500 000	Completion Certificate	COMM	20
Traffic and Licencing	Promote community and environmental welfare	Installation of CCTV surveillance security	N/A	Installed CCTV surveillance security camera	Target Achieved	Installed CCTV surveillance security camera system	N/A	N/A	CCTV surveillance security camera system	Ward 8	Income (Own Funding)	7000 000.00	Completion Certificate	COMM	21

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
		camera system		system by 30 June 2024											
Free Basic Services Access	Accessible basic and infrastructure services	Number of Indigents with access to free electricity	4250	5092 Indigents with access to free electricity by 30 June 2024	Target Achieved	5150 Indigents with access to free electricity	Increased awareness and ward outreach.	None	Free Basic Services	All Wards	Income (Own Funding)	Operational	Updated Indigent Register	B&T	22
Waste Management	Promote community and environmental welfare	Number of households in urban areas with access to refuse removal	9140 Households	9140 Households accessing refuse removals by 30 June 2024	Target Achieved	9140 household accessing refuse removals.	N/A	N/A	Waste Management	Ward 7,8,10,16, 20	Income (Own Funding)	Operational	Signed Collection Slips	COMM	23
Waste Management	Promote community and environmental welfare	Number of skip bins and cover nets delivered	40	Forty (40) Skip bin and cover nets delivered by 30 June 2024	Target Achieved	40 skip bin and cover nets delivered	N/A	N/A	Waste Management	All Wards	Income (Own Funding)	2 000 000	Delivery Note	COMM	24
Waste Management	Promote community and environmental welfare	Percentage completion of Construction of a Mega Cell and Stormwater at Makhado Landfill Site	Makhado Landfill site	100% Completion of constructed Mega Cell and Stormwater at Makhado Landfill site by 31 December 2023	Target Achieved	100% Completion of constructed Mega Cell and Stormwater at Makhado Landfill site	None	None	Makhado Landfill Site	Ward 9	MIG	13 070 270.90	Completion Certificate	TECH	25
Parks & Recreation	Promote community and environmental welfare	Percentage completion of constructed Tshivhuyuni Sports Facility	Old Soccer Field	100% Completion of constructed Tshivhuyuni Sports Facility by 30 June 2024	Target not Achieved	52% Progress of constructed Tshivhuyuni Sports Facility	Poor performance of the contractor due to the financial constraints	The contractor was penalised	Tshivhuyuni Sports Facility	Ward 12	Income (Own Funding)	20 454 071.82	Completion Certificate	TECH	26
Parks & Recreation	Promote community and environmental welfare	Development of Potgieter Park	Existing Park	15% progress of developed Potgieter Park	Target Achieved	20% progress of developed Potgieter Park	Increased production due to additional plant on site	None	Potgieter Park	Ward 9	Income (Own Funding)	7000 000	Progress Report	COMM	27
Parks & Recreation	Promote community and environmental welfare	Number of heavy duty lawn mowers, brush cutters, Chainsaw	Old Lawnmowers	Ten (10) heavy duty lawnmowers, twenty (20) brush cutters, four (4)	Target Achieved	Ten (10) heavy duty lawnmowers, twenty (20) brush cutters, four (4)	None	None	Grass Cutting Machines	All Wards	Income (Own Funding)	1 331 960	Progress Report	COMM	28

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
		machines purchased		Chainsaw machine purchased by 30 June 2024		Chainsaw machine purchased									
Building and Construction	Accessible and infrastructure	Percentage completion of Constructed Kutama-Sinthumule Sports Facility	70% Construction Progress	100% completion of constructed Kutama-Sinthumule Sports Facility by 31 December 2023	Target not Achieved	98% Completion of constructed Kutama-Sinthumule Sports Facility	Change of scope due to lack of underground water	To apply for budget maintenance from COGHSTA for change of scope and additional funding	Kutama-Sinthumule Sports Facility	Ward 24	MIG	16 235 179.92	Progress Report	TECH	29
Building and Construction	Accessible and infrastructure	Percentage completion of Constructed Dzanani Taxi Rank and Market Stalls	Dilapidated Dzanani Taxi Rank and Market Stalls	40% construction progress of Dzanani Taxi Rank and Market Stalls by 30 June 2024	Target not Achieved	23% construction progress of Dzanani Taxi Rank and Market Stalls	Delay by the community demanding for subcontracting	Intervention made and construction currently underway	Dzanani Taxi Rank and Market Stalls	Ward 10	Income (Own Funding)	11000 000.00	Completion Certificate	TECH	30
Building and Construction	Accessible and infrastructure	Percentage completion of Constructed Makhado Licencing and Testing Admin Block	98% progress by end of June 2023	100% completion of Admin block traffic station by 30 June 2024	Target Achieved	100% completion of Admin block traffic station	None	None	Construction of Admin Block at Testing Ground	Ward 8	Income (Own Funding)	2 300 000	Completion Certificate	TECH	31
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Constructed Tshedza to Vuvha Access Road (Phase 4)	Tshedza to Vuvha Access Road (Phase 3)	100% Completion of constructed Tshedza to Vuvha Access Road (Phase 4) by 30 June 2024	Target Achieved	100% Completion of constructed Tshedza to Vuvha Access Road (Phase 4)	None	None	Tshedza to Vuvha Access Road	Ward 25 and 26	MIG	4 810 574 .68	Completion Certificate	TECH	32
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of constructed Tsianda Marundu to Military Base Road Phase 1	Gravel Road	30% construction Progress Tsianda Marundu to Military Base Road Phase 1 by 30 June 2024	Target Achieved	31,5% construction Progress Tsianda Marundu to Military Base Road Phase 1	Increased production due to contractor working extra hours	None	Tsianda Marundu to Military Base Road Phase 1	Ward 3	MIG	14 430 215.54	Progress Report	TECH	33

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of constructed Luvhalani to Dzananwa Access Road	Gravel Road	50% construction Progress of Luvhalani to Dzananwa Access Road by 30 June 2024	Target Achieved	62% construction Progress of Luvhalani to Dzananwa Access Road	Increased production due to contractor working extra hours	None	Luvhalani to Dzananwa Access Road	Ward 29	MIG	15 000 000	Progress Report	TECH	34
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of constructed Midoroni Clinic ring road	Gravel Road	85% construction Progress of Midoroni Clinic ring road by 30 June 2024	Target Achieved	86% construction Progress of Midoroni Clinic ring road	Increased production due to contractor working extra hours	None	Midoroni Clinic Ring Road	Ward 25	MIG	14 656 461.58	Progress Report	TECH	35
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Constructed Vleifontein Clinic Access Road	Gravel Road	100% completion on construction of Vleifontein Clinic Access Road by 30 December 2023	Target Achieved	100% completion on construction of Vleifontein Clinic Access Road	None	None	Vleifontein Clinic Access Road	Ward 20	Income (Own Funding)	10 574 714.64	Completion Certificate	TECH	36
Building and Construction	Accessible basic and infrastructure services	Percentage completion of Constructed Makatu to Tshikota Road	30% Construction Progress	95% progress on constructed Makatu to Tshikota Road by 30 June 2024	Target Achieved	99.5% progress on constructed Makatu to Tshikota Road	Increased production due to contractor working extra hours	None	Makatu to Tshikota Road	Ward 33	MIG Income	20 707 883 .19	Progress Report	TECH	37
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Construction of Lutanandwa Access Road and Bridge (Phase 2)	Lutanandwa Access Road Bridge (Phase 1)	100% completion on construction of Lutanandwa Access Road and Bridge (Phase 2) by 30 June 2024	Target Achieved	100% completion on construction of Lutanandwa Access Road and Bridge (Phase 2)	None	None	Lutanandwa Access Road and Bridge (Phase 2)	Wad 28	MIG/ INCOME	9 471 515.53	Completion Certificate	TECH	38
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Constructed Waterval Clinic ring Road	Gravel Road	100% completion on construction of Waterval Clinic ring Road by 30 March 2024	Target Achieved	100% completion on construction of Waterval Clinic ring Road	None	None	Waterval Clinic ring Road	Ward 2	Income (Own Funding)	12 181 600.80	Completion Certificate	TECH	39
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Constructed Sivananda str	Gravel Road	Site handover of Sivananda Street by 30 June 2024	Target Achieved	Site handover of Sivananda Street done	None	None	Sivananda Street	Ward 9	INCOME	5 000 000	Site handover minutes	TECH	40

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Constructed Waterval Sports Facility Phase 2	Incomplete Waterval Sports Facility	20% construction of Waterval Sports Facility by 30 June 2024	Target Achieved	20% construction of Waterval Sports Facility	None	None	Waterval Sports Facility Phase 2	Ward 2	INCOME	7 000 000	Progress Report	TECH	41
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Rehabilitation of Four ways stop at Stubbs and Krogh street (Paving)	Dilapidated Four ways stop at Stubbs and Krogh street	100% completion of rehabilitation on Four ways stop at Stubbs and Krogh street (Paving) by 30 June 2024	Target Achieved	100% completion of rehabilitation on Four ways stop at Stubbs and Krogh street (Paving)	None	None	Four ways stop at Stubbs and Krogh street	Ward 8	Income (Own Funding)	3 619 54.51	Completion Certificate	TECH	42
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Rehabilitation of Rissik Street	Dilapidated Rissik Street	100% completion of rehabilitation on Rissik Street by 30 June 2024	Target Achieved	100% completion of rehabilitation on Rissik Street	None	None	Rissik Street	Ward 8	Income (Own Funding)	5 000 000	Completion Certificate	TECH	43
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Songozwi street	Dilapidated Songozwi street	100% completion on rehabilitated of Songozwi street by 30 June 2024	Target not Achieved	46% Progress completion on rehabilitated of Songozwi street	Slow progress by the contractor	A slow progress correspondence was issued to the contractor	Songozwi street	Ward 8	Income (Own Funding)	6 000 000	Progress report	TECH	44
Parks & Recreation	Promote community and environmental welfare	Percentage completion of Rehabilitation of Unica street (Paving)	Dilapidated Unica street	100% completion on Rehabilitation of Unica Street (Paving) by 30 June 2024	Target Achieved	100% completion on Rehabilitation of Unica Street (Paving)	None	None	Unica street	Ward 8	Income (Own Funding)	8 044 411 .78	Completion Certificate	TECH	45
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Rehabilitation of Hospital and Ruh street	Dilapidated Hospital and Ruh street	100% completion on Rehabilitation of Hospital and Ruh Street by 30 June 2024	Target not Achieved	0% completion on Rehabilitation of Hospital and Ruh Street	Delay in the submission of designs by the engineer	RAL took over the project	Hospital and Ruh Street	Ward 8	Income (Own Funding)	6 000 000	Appointment letter	TECH	46
Building and Construction	Accessible basic and infrastructure services	Percentage completion of Rehabilitation of Malva street	Dilapidated Malva street	100% completion on Rehabilitation of Malva street by 30 June 2024	Target not Achieved	0% completion on Rehabilitation of Malva street	Delay in the submission of designs by the engineer	RAL took over the project	Malva street	Ward 8	Income (Own Funding)	6 000 000	Appointment letter	TECH	47

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of rehabilitation of Barnard street	Dilapidated Barnard street	100% completion on rehabilitated of Barnard street by 30 June 2024	Target Achieved	100% completion on rehabilitated of Barnard street	None	None	Barnard street	Ward 8	Income (Own Funding)	5 885 276.13	Completion Certificate	TECH	48
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of rehabilitation of Snyman street	Dilapidated Snyman street	100% completion on rehabilitated of Snyman street by 30 June 2024	Target not Achieved	0% completion on rehabilitated of Snyman street	Delay in the submission of designs by the engineer	RAL took over the project	Snyman street	Ward 8	Income (Own Funding)	5 500 000	Appointment letter	TECH	49
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Development of roads and stormwater at Tshikota 164 new Percentage of completion of constructed stands	Gravel Road	10% Construction Progress roads and stormwater at Tshikota 164 new stands by 30 June 2024	Target Achieved	12,11% Construction Progress roads and stormwater at Tshikota 164 new stands	Increased production due to contractor working extra hours	None	Development of roads and stormwater at Tshikota 164 new stands	Ward 7	Income (Own Funding)	11 980 000	Progress Report	TECH	50
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of constructed roads and stormwater at South of Pretorius for 700 new stands	Gravel Road	10% construction progress of roads and stormwater at South of Pretorius for 700 new stands by 30 June 2024	Target Achieved	20,92% construction progress of roads and stormwater at South of Pretorius for 700 new stands	Increased production due to contractor working extra hours	None	Development of roads and stormwater at South of Pretorius for 700 new stands	Ward 8	Income (Own Funding)	12 000 000	Progress Report	TECH	51
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Rehabilitation of Vondeling	80% progress by end of June 2023	100% completion of Vondeling landfill by 30 June 2024	Target Achieved	100% completion of Vondeling landfill	None	None	Vondeling Site	Ward 9	Income (Own Funding)	14 117 738.00	Completion Certificate	TECH	52
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Percentage completion of Rehabilitation of Breda Street	51% progress by end of June 2023	100% completion of Rehabilitation of Breda Street by 30 June 2024	Target Achieved	100% completion of Rehabilitation of Breda Street	None	None	Rehabilitation of Breda Street	Ward 8	Income (Own Funding)	7 521 614 .47	Completion Certificate	TECH	53

3. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
Financial Statements	Sound Financial Management and viability	Audit opinion for the 2022/23 financial year	Unqualified audit opinion (2021/22)	Unqualified Audit Opinion on the 2022/23 financial year by 30 November 2023	Target Achieved	Unqualified Audit Opinion on the 2022/23 financial year by 30 November 2023	None	None	Audit Opinion	All Wards	Income (Own Funding)	Operational	AG Report and Management Letter	B&T	54
Financial Statements	Sound Financial Management and viability	Prepared Interim Financial Statement (FS)	2022/23 Interim Financial Statements	Developed and Submitted 2023/24 Interim Financial Statement by 30 April 2024	Target Achieved	2023/24 Interim FS developed and submitted by 30 April 2024	None	None	Interim Financial Statements	All Wards	Income (Own Funding)	Operational	2023/24 Interim Financial Statements	B&T	55
Financial Statements	Sound Financial Management and viability	Prepared and Submitted Annual FS for 2022/23 Financial Year	Annual Financial Statement 2021/2022	Developed and submitted 2022/23 AFS by 31 August 2023	Target not Achieved	Developed and submitted 2022/23 AFS by 01 September 2023	A network failure affected the processing of a critical journal on the 31st August 2023.	To have a fail-over internet service provider as back up in case of primary network downtime.	Annual Financial Statements	All Wards	Income (Own Funding)	Operational	Annual Financial Statements	B&T	56
Expenditure management	Sound Financial Management and viability	Percentage Expenditure on MIG	100% 2022/23 MIG spent	100% MIG Expenditure by 30 June 2024	Target Achieved	100% MIG Expenditure	None	None	MIG		MIG	108 015 000	Section 71 and Quarterly Financial Reports	TECH	57
Expenditure management	Sound Financial Management and viability	Percentage Expenditure on INEP Grant	100% 2022/23 INEP Spent	100% INEP Expenditure by 30 June 2024	Target Achieved	100% INEP Expenditure	None	None	INEP	All Wards	INEP	7000 000	Section 71 and Quarterly Financial Reports	TECH	58
Expenditure management	Sound Financial Management and viability	Percentage Expenditure of Financial Management Grant	100% of 2022/23 Financial Management Grant Spent	100% of 2023/24 Financial Management Grant spent by 30 June 2024	Target Achieved	100% of 2023/24 Financial Management Grant spent	None	None	FMG Expenditure	All Wards	FMG Funding	1 950 000	Approved and Submitted Expenditure Report	B&T	59
Expenditure management	Sound Financial Management and viability	Percentage of Electricity distribution loss	11%	10% of Electricity Distribution loss (As per Treasury Regulations) by 30 June 2024	Target not Achieved	12% of Electricity Distribution loss (As per Treasury Regulations)	Technical and non-technical losses	Currently finalizing institutional energy masterplan with DBSA	Electricity Distribution Loss	All Wards	Income (Own Funding)	Operational	Monthly Expenditure and Revenue Reports	B&T	60

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
Budget and Reporting	Sound financial management and viability	Approved 2024/25 budget	Approved 2023/24 Budget	Approved 2024/25 Budget by 31 May 2024	Target Achieved	Final budget approved by Council on the 31 May 2024	None	None	Approved Budget	All Wards	Income (Own Funding)	Operational	Approved budget and Council Resolution	B&T	61
Budget and Reporting	Sound financial management and viability	Number of section 71 reports submitted to Treasury within 10 days after the end of the month	12 Reports Submitted during 2022/23	12 Section 71 Reports submitted by 30 June 2024	Target Achieved	12 Section 71 Reports submitted	None	None	Section 71 Reports	All Wards	Income (Own Funding)	Operational	Copy of acknowledgment of receipt by Treasury and COGHSTA	B&T	62
Supply Chain Management	Sound financial management and viability	Percentage of Tenders processed within 90 days (From closing date in the advert)	95%	95% of Tenders Processed within 90 Days after bid closing date by 30 June 2024	Target not Achieved	73% of Tenders Processed within 90 Days after bid closing date	Increased volume of tenders to be evaluated and adjudicated	Committee meetings were also scheduled for after hours and weekends	Tenders	All Wards	Income (Own Funding)	Operational	Advertisements, Minutes of Adjudication Committee	B&T	63
Supply Chain Management	Sound financial management and viability	Percentage of Invoices Paid within 30 days of receipt	100%	100% of Invoices paid within 30 days of receipt by 30 June 2024	Target Achieved	100% of Invoices paid within 30 days of receipt	None	None	Invoices Payment	All Wards	Income (Own Funding)	Operational	Monthly Expenditure Reports	B&T	64
Revenue Management	Sound financial management and viability	Revenue Collection Rate	92%	90% of Revenue Collected during 2023/24 Financial Year by 30 June 2024	Target not Achieved	88% Revenue Collected during 2023/24 Financial Year	Inability to collect the revenue from farms properties and R293 towns.	Introduced Revenue protection committee which meets every Monday to deal with collection of revenue.	Revenue Collection	All Wards	Income (Own Funding)	Operational	Collection Rate reports	B&T	65

4. LOCAL ECONOMIC DEVELOPMENT

Local Economic Development	Invest in local economy	Number of LED projects supported	Six (06) Projects	Ten (10) Projects Supported by 30 June 2024	Target not Achieved	Four (4) Projects Supported	Couldn't find a service provider to deliver required goods and services	Six (6) projects rolled-over to 1st Quarter 2024/2025	LED Projects	All Wards	Income (Own Funding)	1 000 000	Close-up reports	DEVP	66
Local Economic Development	Invest in local economy	Number of job opportunities created	400	800 job opportunities created by 30 June 2024	Target Achieved	853 job opportunities created	Contractors employ more people to increase production on site	None	Employment Opportunities	All Wards	Income (Own Funding)	Operational	EPWP, CWP, and Community Projects employment register	DEVP	67

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
5.SPATIAL RATIONALE															
Development Planning	Advanced Spatial Planning	Tshikota Extension 2 and 3 (establishment of 500 sites)	Layout Plan	500 Sites pegged by 30 June 2024	Target Achieved	500 Sites pegged	None	None	Pegging of Sites (Survey)	Ward 07	Income (Own Funding)	1 200 000	Approved General Plan	DDP	68
6. GOOD GOVERNANCE AND PUBLIC PARTICIPATION															
Risk Management	Good Governance and Administrative Excellence	Reviewed and Developed Strategic and Operational Risk Assessment Register	Reviewed and Developed 2023/24 Strategic and Operational Risk Assessment Register	Reviewed and Developed 2024/25 Strategic and Operational Risk Assessment Register by 30 June 2024	Target Achieved	Reviewed and Developed 2024/25 Strategic and Operational Risk Assessment Register	None	None	Strategic and Operational Risk Register	Ward 8	Income (Own Funding)	Operational	Approved Strategic and Operational risk register	MM	69
Risk Management	Good governance and Administrative Excellence	Coordinate risk management activities	100% of Fraud and Anti-Corruption cases attended	100% of Fraud and Anti-Corruption cases attended by 30 June 2024	Target Achieved	100% of Fraud and Anti-Corruption cases attended	None	None	Fraud and Anti-Corruption	Ward 8	Income (Own Funding)	Operational	Investigation Reports / Case Register	MM	70
Internal Audit	Good governance and Administrative Excellence	Percentage implementation of action plans to address External Audit findings.	93%	100% of External Audit Findings resolved by 30 June 2024	Target Achieved	100% of External Audit Findings resolved	None	None	External Audit Findings	Ward 8	Income (Own Funding)	Operational	Management Action Plan to address AG(SA) findings.	MM	71
Internal Audit	Good governance and Administrative Excellence	Percentage implementation of approved Risk based Annual Internal Audit Plan.	100%	100% of Risk based Annual Internal Audit Plan Implemented by 30 June 2024	Target Achieved	100% of Risk based Annual Internal Audit Plan Implemented	None	None	Risk based Annual Internal Audit Plan.	Ward 8	Income (Own Funding)	Operational	Internal Audit progress report.	MM	72
Internal Audit	Good governance and Administrative Excellence	Approved Risk based three (03) year internal Audit rolling plan.	Approved Risk based three (03) year internal Audit rolling plan 2022/23	Approved three (03) year internal Audit rolling plan by 30 June 2024	Target Achieved	Approved Risk based three (03) year internal audit rolling plan	None	None	Risk based three (03) year internal Audit rolling plan.	Ward 8	Income (Own Funding)	Operational	Risk based three (03) year internal audit rolling plan	MM	73
Information Technology	Good governance and Administrative Excellence	Number of IT projects completed	10 IT Projects Implemented during in 2022/23 Financial Year	10 (Ten) Information Technology Projects	Target Achieved	11 Information Technology Projects completed	One project was rolled over from the 2022/23	None	IT Projects	Ward 8	Income (Own Funding)	3 871 733	Appointment letters and Close-out report	CORP	74

Priority Issue/ Programme	Development Objectives	Key Performance Indicators	Baseline	Annual Targets	Performance Remark	Actual Performance	Reason for variance	Measures taken to improve performance	Project Name	Location	Funding Source	Budget 2022/23	Portfolio Of Evidence	Dept	ID No.
				completed by 30 June 2024			financial year								
Council Services	Good governance and Administrative Excellence	Percentage Implementation of Council Resolutions	98% Council Resolutions Implemented	90% of Council Resolutions Implemented by 30 June 2024	Target Achieved	93% of council resolutions implemented	Directorates improved implementation of council resolutions	None	Council Resolutions	Ward 8	Income (Own Funding)	Operational	Resolutions Register	CORP	75
Council Services	Good governance and Administrative Excellence	Number of Council Meetings held	Four (4) Council Meetings held during 2022/23 Financial Year	Four (4) Council Meetings held by 30 June 2024	Target Achieved	12 Council meetings held	8 Special Council meeting took place	None	Council Meetings	Ward 8	Income (Own Funding)	Operational	Minutes, Attendance register, notice of invitations.	CORP	76
Public Participation	Good governance and Administrative Excellence	Number of Imbizos convened	One (1) Imbizo held during 2022/23 Financial Year	Four (4) Imbizos held by 30 June 2024	Target Achieved	4 Imbizos held	None	None	Public Participation	All Wards	Income (Own Funding)	Operational	Invitations, Attendance Registers	CORP	77

6.1 SUMMARY: MUNICIPAL PERFORMANCE

A total number of 77 performance targets were included in the SDBIP for the financial year. Out of these, 54 were achieved. This accounts for 70% target achievement. The number of targets not achieved were 23 translating to a negative variance of 30%. Compared to prior year overall achievement of 77%, current year achievement of 70% reflects a regression in overall performance. The comparable drop in performance is attributable to some of the projects being rolled-over due to amongst others, delayed progress on site owing to unpredictable weather conditions and budget constraints.

6.2 CONCLUSION

Amidst dwindling revenue base, the municipality continues to ensure that the delivery of quality services is being realized owing to its clearly defined targets to be achieved, using a service delivery budget implementation plan which is aligned to the municipality's annual budget.

Effective and efficient in-year performance reporting, continues to assist the municipality in accurately tracking progress thereby identifying early warnings and activities that are lagging behind, thereby helping in determining the interventions required and practical corrective actions to be implemented to remedy the anomaly.

7.1 SERVICE PROVIDERS PERFORMANCE REPORT

As provided for in Section 76(b) of the Municipal System Act, 32 of 2000, municipal services can be rendered by entering into a Service Delivery Arrangement with an external service provider. The Municipality is responsible for monitoring and evaluating the execution of the agreement, including the performance of the service provider in compliance with Section 41 of the Municipal Systems Act, 32 of 2000.

The performance of service providers that have been selected to provide assistance in the provision of a municipal service, otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies, is required, by section 116 of the Municipal Finance Management Act, to be monitored and reported on.

APPENDIX 2:

SERVICE PROVIDER PERFORMANCE

ANNUAL ASSESSMENT OF PERFORMANCE OF CONTRACTED SERVICE PROVIDERS REPORT 2023/2024

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DFS	75/2018	Provision of Banking Services for a period of five years	First Rand bank limited	24/06/2019	23/06/2024		not applicable	5	5	5	5
DTS	71 of 2019	Panel of service providers to supply and delivery of electrical materials (Group C) for the period of three years	Ramsmushavhi General Trading	02/09/2020	01/09/2023		contract expired	5	-	-	-
			TMMR Trading Enterprise	02/09/2020	01/09/2023		No service rendered for 1st quarter and contract expired	-	-	-	-
			Conan Consulting and Projects	02/09/2020	01/09/2023		No service rendered for 1st quarter and contract expired	-	-	-	-
			Nrath Trading (Pty)ltd	02/09/2020	01/09/2023		contract expired	5	-	-	-
			Masgac Trading Enterprise	02/09/2020	01/09/2023		contract expired	5	-	-	-
			Best Enough Trading Projects	02/09/2020	01/09/2023		No service rendered for 1st quarter and contract expired	-	-	-	-
			Mphuma Supply and Services	02/09/2020	01/09/2023		No service rendered for 1st quarter and contract expired	-	-	-	-
			Mapondo Trading and projects	02/09/2020	01/09/2023		contract expired	5	-	-	-
			Angoni Capital	02/09/2020	01/09/2023		contract expired	5	-	-	-
			Cloud One Trading	02/09/2020	01/09/2023		contract expired	1	-	-	-
			Aarotec (Pty)ltd	02/09/2020	01/09/2023		No service rendered for 1st quarter and contract expired	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider				
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period				
								Quarter 1	Quarter 2	Quarter 3	Quarter 4	
DTS	63 of 2019	Supply and delivery of Air Conditioners for the period of three (03) years	Mpho's Aircondition	08/09/2020	07/09/2023		contract expired	1	-	-	-	
			Ramsmushavhi General Trading	08/09/2020	07/09/2023		contract expired	5	-	-	-	
			Nrath Trading (Pty)ltd	08/09/2020	07/09/2023		contract expired	1	-	-	-	
			Tsuamo Civils (Pty)ltd	08/09/2020	07/09/2023		contract expired	1	-	-	-	
DFS	24/2020	Provision of Short-term insurance for the period of 3 years	Kunene Makopo Risk Solutions	30/09/2020	29/09/2023		contract expired	3	-	-	-	
DCOMS	14 of 2020	Provision of security services to Municipal properties for a period of three years	Collins Sebola Financial Services	11/09/2020	10/09/2023		contract expired	5	-	-	-	
			Tshakhwilo Trading Enterprise	11/09/2020	10/09/2023		contract expired	5	-	-	-	
			Ditiro Tsaka Security Services	11/09/2020	10/09/2023		contract expired	5	-	-	-	
			Vhugi Protection Services	11/09/2020	10/09/2023		contract expired	5	-	-	-	
			Backline Security Services	11/09/2020	10/09/2023		contract expired	5	-	-	-	
DCORP	16 / 2020	Supply,delivery,installation and commissioning of 19 rental photocopiers and two coin controllers for a period of 03 years	Todani Development and Consultancy	01/10/2020	30/09/2023		contract expired	4	-	-	-	
MM	33 of 2020	Appointment for a Panel of Legal Services for the period of three (03) years	TT NGOGENI ATTORNEYS INC	11/01/2021	10/01/2024		contract expired	5	5	5	-	
			KGOROEA DIRA MUDAU INC	11/01/2021	10/01/2024		contract expired	5	5	5	-	
			GROUP A- LITIGATION	MAKHUVHA E.M ATTORNEY	11/01/2021	10/01/2024		contract expired	5	5	5	-
			RERANI MAWILA JV	11/01/2021	10/01/2024		contract expired	5	5	5	-	
			MUDAU AND NETSHIPISE ATTORNEYS	11/01/2021	10/01/2024		contract expired	5	5	5	-	

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			MUEDI ATTORNEYS INC	11/01/2021	10/01/2024		contract expired	5	5	5	-
			GOGOME NDOU ATTORNEYS J/V	11/01/2021	10/01/2024		contract expired	5	5	5	-
			DUBISHI NTHAMBELENI ATTORNEYS	11/01/2021	10/01/2024		contract expired	5	5	5	-
MM	33 of 2020	Appointment for a Panel of Legal Services for the period of three (03) years	LEBEA & ASSOCIATES	11/01/2021	10/01/2024		No service rendered this 1st, 2nd and 3rd quarter (Not rated), contract expired	-	-	-	-
			LRM AND ASSOCIATES INCORPORATED	11/01/2021	10/01/2024		contract expired	5	5	5	-
		GROUP B -LABOUR MATTERS	MUEDI ATTORNEYS INC	11/01/2021	10/01/2024		contract expired	5	5	5	-
MM	33 of 2020	Appointment for a Panel of Legal Services for the period of three (03) years	DABISHI NTHAMBENI INC	11/01/2021	10/01/2024		contract expired	5	5	5	-
			MUNONDE ATTORNEYS	11/01/2021	10/01/2024		contract expired	5	5	5	-
		GROUP C - CONVEYANCERS	POPELA MAAKE ANCORATED	11/01/2021	10/01/2024		contract expired	5	5	5	-
			MAKAMU AND MUNYAI INC	11/01/2021	10/01/2024		contract expired	5	5	5	-
DFS	47 of 2020	air Travel and accomodation	Exila Travels	15/12/2020	14/12/2023		contract expired	5	5	-	-
			Nyeleti Travels	15/12/2020	14/12/2023		contract expired	3	3	-	-
			Pheto Travels	15/12/2020	14/12/2023		No service rendered this 1st and 2nd quarter (Not rated), contract expired	-	-	-	-
			Ariye Travels	15/12/2020	14/12/2023		No service rendered this 1st and 2nd quarter (Not rated), contract expired	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DFS	38/2020	Panel of service providers to supply and delivery of refuse plastic bags for the period of three years	Umanza Business Enterprise	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Savelot	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Wauluga (pty)ltd	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Angoni Capital	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	3	5	-
			MMC Consultants (PTY) LTD	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Moleke Projects	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Enge Security Services and Projects (PTY) LTD	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Muponi Property Management	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			SEOMC Trading Enterprise	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Nendila General Supply	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Mboholowo General Trading and Gardening	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Linubrite	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Kondelelani Zwidoitea Construction and General Supply	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Culis Tent Chairs and Tables Hire	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
			Annah and Son Trading and Projects	15/06/2021	14/06/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	5	-	5	-
DCORP	16/2021	appointment of service provider for mime cast cyber resilience foundation plan, upgrade from g1 to m2r for 350 users and licensing for the period of three (03) years	Ndila Information Systems (pty) ltd	30/04/2021	29/04/2024		contract expired in the 4th quarter	5	5	5	5
DCORP	21/2021	renew Microsoft office 365 apps for business license for the period three (03) years.	QSmart Services	30/04/2021	29/04/2024		contract expired in the 4th quarter	5	5	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	10/2021	re-advertisement: repairs of small equipment for the period of the two (03) years	Justfix Auto Electrix	19/05/2021	18/05/2024		contract expired in the 4th quarter	4	4	4	4
DTS	06/2021	supply and delivery of spares for repairs and maintenance for makhado local municipality fleet for the period of two (03) years	Justfix Auto Electrix	19/05/2021	18/05/2024		contract expired in the 4th quarter	4	4	4	4
DTS	64/2020	Appointment of panel of electrical contractors for emergency and preventative maintenance for the period of three (03) years	Avax SA 222 CC	29/04/2021	28/04/2024		No service rendered for 2nd quarter (Not rated), however contract expired in the 4th quarter	4	-	5	5
			FFM Engineering (pty) ltd	29/04/2021	28/04/2024		No service rendered for 2nd, 3rd and 4th quarter (Not rated), however contract expired in the 4th quarter	4	-	-	-
			Shudu Trading and Projects	29/04/2021	28/04/2024		contract expired in the 4th quarter	4	4	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Hwali Business Enterprise	29/04/2021	28/04/2024		No service rendered for 2nd, 3rd and 4th quarter (Not rated), however contract expired in the 4th quarter	4	-	-	-
			KMA Consulting CC	29/04/2021	28/04/2024		No service rendered for 2nd and 4th quarter (Not rated)	4	-	5	-
			Tsire Consulting JV Masgac Trading Enterprise	29/04/2021	28/04/2024		No service rendered for 2nd quarter (Not rated), however contract expired in the 4th quarter	4	-	5	5
			Capotex Trading Enterprise CC	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Denzhe Electrical CC	29/04/2021	28/04/2024		No service rendered for 2nd, 3rd and 4th quarter (Not rated), however contract expired in the 4th quarter	4	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Miluwani Electrical and House Wiring	29/04/2021	28/04/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	4	-	5	-
			TM Consortium (pty) ltd	29/04/2021	28/04/2024		No service rendered for 2nd, 3rd and 4th quarter (Not rated), however contract expired in the 4th quarter	4	-	-	-
			Rivisi Electrical Contractors	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			NSK Electrical and Construction Managers (Pty)Ltd	29/04/2021	28/04/2024		No service rendered for 2nd and 4th quarter (Not rated), however contract expired in the 4th quarter	4	-	5	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			IPSUM Engineering Solutions	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
DCOMS	22/2021	Panel of service providers to provide a service of grass cutting, litter picking in makhado municipality parks, empty stand and open spaces as and when required basis for period of three years	MVR Consulting and Projects Managers	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Velaphe Transport and Projects JV seithuto Trading	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			MNN Landscaping	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Kaybee Consulting and Projects	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			UB16 Investment and Projects (pty) ltd	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			N and C Civils	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			KMA Consulting CC	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Muponi Property Management	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Mvelaphandle Trading and Projects	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Vhashumza Trading (pty) ltd	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Zabest Construction (pty) ltd	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			PRR Solutions	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Ramashu Supply and services	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
DTS	18/2021	rehabilitation and resealing of roads, emergency potholes patching within makhado local municipality for the period three years as and when required basis.	Swadawada (pty) ltd	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Mvuno geo-environmental civil and construction	29/04/2021	28/04/2024		No service rendered for 1st and 2nd quarter (Not rated), however contract expired in the 4th quarter	-	-	5	5

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								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Dzina 10 Trading (pty) ltd	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			MH Construction	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Rixongile Consulting Engineers	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Edgar Mul Holdings	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Nrath Trading (pty) ltd JV Makawana Solutions	29/04/2021	28/04/2024		No service rendered for 1st and 2nd quarter (Not rated), however contract expired in the 4th quarter	-	-	5	5
			Gerson Matamela Holdings	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			IFWS Projects (Pty) ltd	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Muponi Property Management	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Courtesy Management (pty) ltd	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
			Pakani Trading Enterprise	29/04/2021	28/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
DTS	65/2020	Appointment of panel of Engineering Consultants for Electrical projects for the three (03) years	Shumba Engineering Services	21/04/2021	20/04/2024		contract expired in the 4th quarter	4	5	5	5
			NSK Electrical and Construction Managers (Pty)Ltd	21/04/2021	20/04/2024		contract expired in the 4th quarter	4	5	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Risima Projects Management	21/04/2021	20/04/2024		No service rendered for 1st quarter (Not rated), however contract expired in the 4th quarter	-	4	5	5
			Winding Technologies (pty) ltd	21/04/2021	20/04/2024		In the 4th quarter consultant abandon the site, however contract expired in the 4th quarter	4	4	4	1
			AES Consulting	21/04/2021	20/04/2024		No service rendered from 1st quarter to 4th quarter (Not rated), however contract expired in the 4th quarter	-	-	-	-
DFS	31/2021	Re-Advertisement : Provision of Fleet Tracking System for the period of three (03) years	Just Fix Auto Electrix	19/05/2021	18/05/2024		contract expired in the 4th quarter	4	4	4	4
DFS	47/2021	Re-advertisement of Provision of assets management in compliance with MFMA and GRAP standard for the period of three (03) years	PMT Management Consultant	15/06/2021	14/06/2024		contract expired in the 4th quarter	4	4	4	5
DTS	45 of 2020	Appointment of contractor for admin block (testing ground)	MTTP Construction	28/01/2021	30/05/2022	29/03/2024	project completed in 3rd quarter	3	3	3	

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	48 of 2021	Re-advertisement of Appointment of panel of electrical Contractors for electrification of villages for the period of three (03) years	HLTC/ Splish Splash Construction JV	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Rems Electrical Construction	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Seshego Electrical Constructors Cc	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Shonisani Rambau Construction	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Kotlolo Engineering	22-09-2021	21/09/2024		No service rendered for 1st quarter (Not rated)	-	4	5	5
			Blessed Engineering Solutions	22-09-2021	21/09/2024		No service rendered for 1st quarter (Not rated)	-	5	5	5
			Kgashane Electrical	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Conan-Consulting And Projects JV Nu Era	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Gerson Matamela Holdings	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Ravha Trading Enterprises	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Muthanyi Engineering	22-09-2021	21/09/2024		No service rendered from 1st quarter to 3rd quarter (Not rated)	-	-	-	5
			777 MPS Logistics	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Machavi BUKUTA BUSINESS ENTERPRISE	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Marungane Projects (Pty) Ltd	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
DTS	55 /2021	Panel of contractors for regrading and regravelling of villages for the period of three (03) years	Maltec Business Connection	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	5
			Makawana Solution	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	4

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			T And C Civils	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	5
			Ndzalama Projects Engineering (Pty) Ltd	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	5
			Mudzusi Wavhutali Civils	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	5
			Tsuamo Civils	22-09-2021	21/09/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Tshiten Property Investment (Pty) Ltd	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	5
			Mulisa Projects (Pty) Ltd	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	5
			Kgompho Civils	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	5
			N And C Civils	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Tshira Tshashu Trading And Enterprise	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	5
			Swadawada	22-09-2021	21/09/2024		The 1st and 2nd quarters were not rated; however, the 4th quarter the contractor received a letter of intention to cancel the contract.	-	-	3	1
			Khatha Khatha Trading	22-09-2021	21/09/2024		The 1st and 2nd quarters were not rated; however, the 4th quarter the contractor received a letter of intention to cancel the contract.	-	-	3	1
			Znms Jv Cloud One	22-09-2021	21/09/2024		The 1st and 2nd quarters were not rated; however, the 4th quarter the contractor received a letter of intention to cancel the contract.	-	-	3	1
			Tsire Construction Jv Masgec	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	3

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Gumbu Holdings (Pty) Ltd	22-09-2021	21/09/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	3	4
			Mudugwe Projects	22-09-2021	21/09/2024		The 1st and 2nd quarters were not rated; however, the 4th quarter the contractor received a letter of intention to cancel the contract.	-	-	3	1
DCOMS	62/2021	Provision of additional security services for remaining period ending Septmber 2023	Tshira Tshashu Trading And Enterprise	29/10/2021	30/09/2023		Contract expired	5	-	-	-
			Divhazwau Security	29/10/2021	30/09/2023		Contract expired	5	-	-	-
			Tshitangu security services	29/10/2021	30/09/2023		Contract expired	5	-	-	-
			KBMP JV Tasmanian	29/10/2021	30/09/2023		Contract expired	5	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DFS	17/09/02/2004	Municipal financial system and preparation of annual financial statement	MUNSOFT(PTY)LTD	30/06/2022	30/06/2025		not applicable	5	5	5	5
DTS	74 of 2021	Panel of civil contractors for Supply ,delivery ,Installation of culverts pipes maintenance of existing storm water drainage ,pipe and V-drains for the period three years	Courtesy Management (pty) ltd	10/11/2021	09/11/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	2	5
			Edgar Mul Holdings	10/11/2021	09/11/2024		not applicable	5	5	5	5
			Rixongile Consulting Engineers	10/11/2021	09/11/2024		No service rendered for 1st and 2nd quarter (Not rated)	-	-	5	5
			SMA Business Enterprise	10/11/2021	09/11/2024		not applicable	4	5	5	5
			Phem Consulting and projects managers	10/11/2021	09/11/2024		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
DFS	61 of 2021	Supply and delivery of protective clothing for a period of three years	N And C Civils	30/12/2021	29/12/2024		not applicable	5	5	5	4
			SMA Business Enterprise	30/12/2021	29/12/2024		not applicable	5	5	5	4

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Nrath Trading (Pty)Ltd	30/12/2021	29/12/2024		not applicable	5	5	5	4
DFS	65 of 2021	Supply and delivery of Cold mix asphalt for a period of three years	Nrath Trading (Pty)Ltd	30/12/2021	29/12/2024		not applicable	5	5	3	5
			SMA Business Enterprise	30/12/2021	29/12/2024		not applicable	5	5	5	5
			MajestyM (Pty)Ltd	30/12/2021	29/12/2024		not applicable	5	5	2	5
			Moloufu (Pty)Ltd	30/12/2021	29/12/2024		not applicable	5	5	2	4
			New Honey Administrators	30/12/2021	29/12/2024		not applicable	3	5	3	2
DCORP	53 of 2021	Call Centre and ticketing system for municipality call centre for a period of three years	Umbono Cloud Services	30/12/2021	29/12/2024		not applicable	5	5	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DCORP	84 of 2021	Supply, Delivery, Install, Configure and commissioning Conversion from analogue to Voip telephone system for the period of three years	Yello Solution Technology CC	04/03/2022	03/03/2025		not applicable	3	3	4	4
DFS	08 of 2022	Cellphone and Tablet contract package for the period of two years	Vodacom PTY LTD	23/03/2022	22/03/2024		contract expired in the 3rd quarter	4	4	4	-
DCOMS	71 of 2021	Appointment of services provider for rendering waste material recovery (recycling) at Makhado waste disposal facilities for the period of three years	Trash Converters	04/03/2022	03/03/2025		not applicable	5	5	5	5
			Waste Aside	04/03/2022	03/03/2025		not applicable	5	5	5	5
DFS	56 of 2021	Debt collectors for the provision of services regarding the debt collection for outstanding debts for the period of three years	Kamohelo entle trading JV KRM Inc	02/02/2022	01/02/2025		not applicable	4	4	5	4

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Ramatshila -muregi Attorney Inc	02/02/2022	01/02/2025		not applicable	4	4	5	4
DFS	100 of 2021	Panel of service provider for publishing notice and adverts on different newspaper for the period of three years	Aredzi trading and projects	05/04/2022	04/04/2025		not applicable	5	5	5	5
			N and C Civils	05/04/2022	04/04/2025		not applicable	5	5	5	5
			Makgopo Holdings	05/04/2022	04/04/2025		not applicable	5	5	5	5
			LLM Auto Trading (Pty)Ltd	05/04/2022	04/04/2025		service provider unable to publish two adverts and failed to notify the municipality	5	1	1	-
DFS	11 of 2022	providing of fuel and lubricants for yellow and small equipment for Makhado local municipality for the period of three (03) Years	Class A Trading 514 t/a Total Makhado	09/05/2022	08/05/2025		No service rendered for 4th quarter (Not rated)	4	4	4	-
DCS	10 of 2022	Occupational Medical Services for Makhado local municipality employees for the period of three (03) years	Afrimed Business solutions cc	09/05/2022	08/05/2025		not applicable	5	5	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
MM	07 of 2022	Appointment of a services provider/consultants to render assignment for internal audit unit makhado municipality for the period of three years	Morar Incorporated	23/05/2022	22/05/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			Tumisong (Pty)Ltd	23/05/2022	22/05/2025		not applicable	5	5	5	5
			Jofani Accounting Consulting	23/05/2022	22/05/2025		No service rendered for 2nd and 3rd quarters (Not rated)	5	-	-	5
			Thuso financial consultants (pty)ltd	23/05/2022	22/05/2025		No service rendered for 2nd and 3rd quarters (Not rated)	5	-	-	5
			Shumba Inc	23/05/2022	22/05/2025		No service rendered for 1st and 2nd quarter (Not rated)	-	-	5	5
			AVC Corporated Advisory Services	23/05/2022	22/05/2025		No service rendered from 2nd quarter to 4th quarter (Not rated)	5	-	-	-
DTS	97 of 2021	Supply deliver and commissioning of 3x Voltage Regulators at Tshipise	TM Consortium (pty) ltd	15/06/2022	15/11/2022		Contractor terminate the contract 97 of 2021.	1	1	-	-
DCS	15 of 2022	Refresh backup hardware and software (secondary server environment) and inclusive of three years warranty and service plan	Luucole Holding (Pty)	15/06/2022	15/06/2025		not applicable	3	3	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	35 of 2022	Construction of Iutanandwa access road phase 2	LUZUKO TRADING ENTERPRISE CC	16/09/2022	15/05/2023	29/03/2024	project completed in 3rd quarter	4	5	5	-
DCS	36 OF 2022	Construction of Kutama Sinthumule Sports Facility	Muswobi Building Construction	26/09/2022	26/09/2023	15/02/2024	slow progress at site in 4th quarter	4	4	3	3
DTS	33 OF 2022	RE-ADVERTISEMENT : APPOINTMENT OF PANEL OF CONSULTANTS FOR PROFESSIONAL CIVIL ENGINEERING RELATED SERVICES FOR THE PERIOD OF THREE (03) YEARS	Morula Consulting engineer and projects	19/09/2022	18/09/2025		not applicable	5	4	4	3
			Nemorango Consulting Engineers	19/09/2022	18/09/2025		not applicable	5	4	4	4
			Sizeya Consulting Engineers	19/09/2022	18/09/2025		not applicable	5	4	4	4
			MJT Consulting Engineers (Pty)Ltd	19/09/2022	18/09/2025		not applicable	5	4	4	4
			Mamadi and Company SA (Pty)Ltd	19/09/2022	18/09/2025		not applicable	5	4	4	4
			Phamela Engineering Services	19/09/2022	18/09/2025		not applicable	5	4	4	4

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Mont Consulting Engineers	19/09/2022	18/09/2025		not applicable	5	4	4	5
			Risima Projects Management	19/09/2022	18/09/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			DKW Engineering and project managers	19/09/2022	18/09/2025		not applicable	5	3	4	4
			TQM Project engineers	19/09/2022	18/09/2025		not applicable	5	4	4	4
			Rendeals four consulting (Pty)Ltd	19/09/2022	18/09/2025		not applicable	5	4	4	4
			Phunga Consulting Engineers	19/09/2022	18/09/2025		not applicable	5	4	3	3
			MVE Consulting engineers	19/09/2022	18/09/2025		not applicable	5	4	4	4
			Tshashu Consulting and projects managers	19/09/2022	18/09/2025		not applicable	5	4	4	4
			MLTS Engineers	19/09/2022	18/09/2025		not applicable	5	5	5	4
			Tshino Consulting engineers	19/09/2022	18/09/2025		not applicable	5	4	4	5
			Rixongile Consulting Engineers	19/09/2022	18/09/2025		not applicable	5	5	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			EKS Consulting engineers	19/09/2022	18/09/2025		not applicable	5	4	4	4
			AGC Consulting engineers	19/09/2022	18/09/2025		not applicable	5	3	4	4
			Mulanga Consulting Engineers	19/09/2022	18/09/2025		not applicable	5	4	4	4
			T2-Tech engineering	19/09/2022	18/09/2025		not applicable	5	4	4	4
			limgroup consulting services	19/09/2022	18/09/2025		not applicable	5	3	4	4
DTS	41 OF 2022	Appointment of electrical contractor to supply, delivery, install and commissioning of 1xnew 22/66KVA 10MVA Transformer at Main substation	CONAN CONSULTING JV NU ERA	19/09/2022	31/07/2023	30/11/2023	contract terminated	3	3	-	-
DTS	43 OF 2022	APPOINTMENT OF SERVICE PROVIDER FOR OPERATION AND MAINTENANCE OF MAKHADO NEW LANDFILL SITE FOR THE PERIOD OF THREE (03) YEARS	MASCON TRADING	15-09-2022	14/09/2025		not applicable	3	4	4	4

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DCORP	44 OF 2022	APPOINTMENT OF PANEL OF SERVICE PROVIDER FOR SKILLS DEVELOPMENT PROGRAMMES (SKILLS DEVELOPMENT PROVIDER) FOR THE PERIOD OF THREE YEARS (GROUP:7 MFMP UNIT STANDARD ID:48965 NQF LEVEL6)	EDU HOUSE SOUTH AFRICA PTY LTD	26-09-2022	25/09/2025		No service rendered for 3rd and 4th quarter (Not rated)	5	5	-	-
			WE INVEST INVESTMENT	26-09-2022	25/09/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			SUMMAT TRADING INSTITUTE	26-09-2022	25/09/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			EXCELLENT MINDS INSTITUTE	26-09-2022	25/09/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			KGOLO INSTITUTE	26-09-2022	25/09/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
		(GROUP:12 MUNICIPAL GOVERNANCE UNIT STANDARD ID:67467 NQF LEVEL 5)	WE INVEST INVESTMENT	26-09-2022	25/09/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			SUMMAT TRADING INSTITUTE	26-09-2022	25/09/2025		No service rendered for 1st and 3rd quarter (Not rated)	-	5	-	5
			EXCELLENT MINDS INSTITUTE	26-09-2022	25/09/2025		No service rendered for 4th quarter (Not rated)	5	5	5	-
		GROUP 14: ORHV/HVO-04 UNIT STANDARD ID: 242766 NQF LEVEL 5 SKILLS PROGRAMME	HV TEST ACADEMY(PTY)LTD	26-09-2022	25/09/2025		No service rendered for 1st and 4th quarter (Not rated)	-	5	5	-
		GROUP 17: RECORDS & ACHIEVES MANAGEMENT UNIT STANDARD ID: 110009 NQF LEVEL 4 SKILLS PROGRAMME	KGOLO INSTITUTE	26-09-2022	25/09/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
		GROUP 67: N C: LOCAL ECONOMIC DEVELOPMENT UNIT STANDARD ID: 36438 NQF LEVEL 5 LEARNERSHIP	KGOLO INSTITUTE	26-09-2022	25/09/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
		GROUP 74: END USER COMPUTING PACKAGE/ COMPUTER LITERACY UNIT STANDARD ID: 117924, 116937, 117923, 116945 NQF LEVEL 2 SKILLS PROGRAMME	KGOLO INSTITUTE	26-09-2022	25/09/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			EDU HOUSE SOUTH AFRICA PTY LTD	26-09-2022	25/09/2025		No service rendered for 3rd and 4th quarter (Not rated)	3	3	-	-
DTS	34 OF 2022	PANEL OF ELECTRICAL CONTRACTORS FOR SUPPLY AND ERECTION OF HIGHMASTS FOR THE PERIOD OF THREE YEARS	777 MPS LOGISTICS	1-10-2022	30/09/2025		No service rendered for 4th quarter (Not rated)	4	5	5	-
			SHONISANI RAMBAU	1-10-2022	30/09/2025		No service rendered for 3rd and 4th quarter (Not rated)	4	5	-	-
			MUTHANYI ENGINEERING	1-10-2022	30/09/2025		No service rendered for 3rd and 4th quarter (Not rated)	4	5	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			KOTLOLO ENGINEERING	1-10-2022	30/09/2025		No service rendered for 3rd and 4th quarter (Not rated)	4	5	-	-
			KMA BUSINESS CONSULTING	1-10-2022	30/09/2025		No service rendered for 3rd and 4th quarter (Not rated)	4	5	-	-
			MADZ ELECTRICAL	1-10-2022	30/09/2025		not applicable	4	3	5	5
			TAROWOX PTY LTD	1-10-2022	30/09/2025		not applicable	4	3	4	4
			RISIMA PROJECTS	1-10-2022	30/09/2025		No service rendered for 2nd, 3rd and 4th quarter (Not rated)	4	-	-	-
			NDUMASEKHO PROJECTS	1-10-2022	30/09/2025		not applicable	3	3	1	3

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	32 OF 2022	PANEL OF SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS	ALL 5 GROUP AND PROJECTS	28-10-2022	27/10/2025		No service rendered for 1st quarter (Not rated)	-	4	5	3
			MUKWITA HOLDINGS	28-10-2022	27/10/2025		No service rendered for 1st, 2nd and 3rd quarter (Not rated)	-	-	-	2
			MUKHOMI HARDWARE AND PROJECTS	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			DREAMFINDERS TRADING AND PROJECTS	28-10-2022	27/10/2025		No service rendered for 1st and 2nd quarter (Not rated)	-	-	5	5
			SMA BUSINESS ENTERPRISES	28-10-2022	27/10/2025		No service rendered for 1st quarter (Not rated)	-	2	2	2
			Enge Security Services and Projects (PTY) LTD	28-10-2022	27/10/2025		No service rendered for 1st quarter (Not rated)	-	2	2	2
			AAROTEC PTY LTD	28-10-2022	27/10/2025		No service rendered for 1st quarter (Not rated)	-	2	3	4
			MUSPAT TRADING	28-10-2022	27/10/2025		No service rendered for 1st quarter (Not rated)	-	4	5	3

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			MASEWA CONSTRUCTION AND GENERAL SUPPLY	28-10-2022	27/10/2025		No service rendered from 1st, 2nd and 3rd quarter (Not rated)	-	-	-	5
			1 DAISY GENERAL DEALER 001 PTY LTD	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			LET US GO TRADING	28-10-2022	27/10/2025		No service rendered from 1st, 2nd and 3rd quarter (Not rated)	-	-	-	1
			REMBU CONSTRUCTION	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			MAITAZWITOMA ELECTRICAL AND CIVIL SERVICES	28-10-2022	27/10/2025		No service rendered from 1st, 3rd and 4th quarter (Not rated)	-	1	-	-
			MAKGOPO HOLDINGS	28-10-2022	27/10/2025		No service rendered from 1st, 2nd and 3rd quarter (Not rated)	-	-	-	5
			NDALAMO ENGINEERING	28-10-2022	27/10/2025		No service rendered for 1st and 4th quarter (Not rated)	-	3	3	-
			ANDISANI MANAGEMENT	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			PRR SOLUTIONS	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			FARO GLOBAL SOLUTIONS AND PROJECTS	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			NKAVELO NSUKU TRADING AND PROJECTS	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			N AND C CIVILS	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			LASVITO EVENT MANAGEMENT AND LOGISTICS	28-10-2022	27/10/2025		No service rendered for 1st quarter (Not rated)	-	4	5	5
			LUPHUSE SERVICES	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			ANGONI CAPITAL	28-10-2022	27/10/2025		No service rendered for 1st and 2nd quarter (Not rated)	-	-	2	2
			SAVELOT	28-10-2022	27/10/2025		No service rendered for 1st quarter (Not rated)	-	5	5	4
			TSHAMBILA ENV CONSULTANT (PTY)LTD	28-10-2022	27/10/2025		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			MUROLMA ELECTRICAL MECHANICAL	28-10-2022	27/10/2025		No service rendered for 1st and 4th quarter (Not rated)	-	2	5	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			NGP ENGINEERING	28-10-2022	27/10/2025		No service rendered for 1st and 2nd quarter (Not rated)	-	-	5	2
			ACTOM (PTY)LTD	28-10-2022	27/10/2025		No service rendered for 1st quarter (Not rated)	-	5	5	2
DTS	56 OF 2022	CONSTRUCTION OF TSHEDZA TO VUVHA ACCESS ROAD PHASE 4	PJMJ ENGINEERING AND PLANT HIRE	7-10-2022	30/04/2023	29/04/2024	project completed	2	2	3	-
DTS	38 OF 2022	PANEL OF SERVICE PROVIDERS TO SUPPLY AND DELIVER ICT END USER EQUIPMENT	YELLO SOLUTIONS	29-11-2022	28/11/2025		not applicable	3	3	4	4
			MUKWITA COMMUNICATIONS	29-11-2022	28/11/2025		not applicable	4	3	5	4
			LMF TECH	29-11-2022	28/11/2025		not applicable	4	3	5	4
DTS	58 OF 2022	UPGRADING OF ROADS TO VLEIFONTEIN	ZABEST PROPERTIES (PTY)LTD	18-11-2022	30/08/2023	30/11/2023	project completed	5	5	-	-
DCOMS	43 OF 2022	PROVISION OF HEALTHCARE RISK WASTE COLLECTION AND TREATMENT SERVICES FOR THE PERIOD OF THREE YEARS	GONYANI TRADING	21-11-2022	20/11/2025		contract terminated	5	5	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	69 OF 2022	CONSTRUCTION OF LANDFILL SITE MAKHADO AND RECYCLING CENTRE (ADDITIONAL MEGA CELL AND STORMWATER INFRACTURE)	HTE CONSTRUCTION	9-12-2022	09/09/2023		project completed in the 2nd quarter	4	5	-	-
DTS	71 OF 2022	REHABILITATION OF BREDA STREET	YISIMA PROJECTS	9-12-2022	31/07/2023	29/04/2024	project completed in the 3rd quarter	3	3	3	-
DTS	68 OF 2022	CONSTRUCTION OF THE ASSOCIATED WORKS FOR THE REHABILITATION AND CLOSURE OF VONDELING LANDFILL SITE	HLEKETANI CONSTRUCTION	9-12-2022	30/11/2023	29/04/2024	project completed in the 3rd quarter	4	3	5	-
DTS	70 OF 2022	MAKATU TO TSHIKOTA ACCESS ROAD	TSHIAMISO TRADING	21-11-2022	30/09/2023		not applicable	4	4	4	4
DFS	81 OF 2022	PROVISION OF METER READING (ELECTRIC) AND CREDIT CONTROL FOR THE PERIOD THREE (03) YEARS FOR MAKHADO MUNICIPALITY LICENSED ARE	KMA BUSINESS CONSULTING	13-01-2023	12/01/2026		not applicable	4	4	4	4
DTS	80 of 2022	PROVISION OF UNDERGROUND ELECTRICAL RETICULATION NETWORK FOR TSHIKOTA	NSK ELECTRICAL AND CONSTRUCTION MANAGERS	30-01-2023	29/09/2023		vandalism and theft reported in 4th quarter	4	2	4	4

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DFS	02 OF 2023	PRINTING,MAIL PROCESSING AND POSTING OF CONSUMER STATEMENTS FOR THE PERIOD OF THREE (03) YEARS	MAILTRONIC DIRECT MARKETING CC	20-02-2023	19/02/2026		not applicable	4	5	5	5
DTS	94 OF 2022	CONSTRUCTION OF DZANANI TAXI RANK	CHAUKE BUSINESS ENTERPRISE	20-02-2023	22/11/2023		certain community members stoping the project in 4th quarter	3	2	3	3
DTS	04 OF 2023	SUPPLY DELIVERY OF MATERIALS AND LABOUR FOR PAVING OF MAKHADO CIVIC CENTRE PARKING AREA AND CONSTRUCTION OF GUARD ROOM	MVUNO GEO-ENVIRONMENTAL CIVIL	23-03-2023	30/10/2023		project completed in the 4th quarter	4	5	3	4
DTS	95 OF 2022	UPGRADING OF WATERVAL CLINIC RING ROAD	TODANI (PTY)LTD	23-03-2023	22/11/2023	29/04/2024	project completed in the 3rd quarter	4	4	5	-
DTS	30 OF 2023	REFURBISHMENT OF RABALI STADIUM	NRATH TRADING (PTY)LTD	2-05-2023	30-11-2023		project completed in the 4th quarter	3	4	4	4

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DCORP	89 OF 2022	MANAGE ENGINE PATCH MANAGER PLUS ENTERPRISE SOFTWARE TO MONITOR AND REPORT ON WINDOWS SECURITY PATCHES UPDATES FOR A PERIOD OF THREE YEARS	PHANDU COMMUNICATIONS	25-04-2023	24-04-2026		not applicable	4	4	5	5
DCORP	90 OF 2022	SUPPLY AND DELIVERY ,INSTALATION ,COMMISSIONING AND LICENCING FOR SECURITY FIREWALL BACKUP PRODUCTS	MUNSOFT (PTY)LTD	25-04-2023	30-11-2023		not applicable	4	4	5	5
DCORP	93 OF 2023	SUPPLY,DELIVERY AND COMMISSIONING OF SOUND AND RECORDING SYSTEM FOR COUNCIL CHAMBER	SHONDONI INVESTMENTS T/A SHONDO TECHNOLOGIES	25-04-2023	30-11-2023		project completed in the 2nd quarter	4	4	-	-
DCORP	07 OF 2023	ACTIVE DIRECTORY AUDIT PLUS SOFTWARE TO MONITOR AND REPORT ON MUNICIPAL COMPUTER DOMAIN	AGILE INFO WORXS	22-06-2023	30-09-2023		not applicable	3	3	5	5
DCOMS	18 OF 2023	APPOINTMENT OF SERVICE PROVIDER TO PROVIDE ADMINISTRATION OF THE TRAFFIC CONTRAVENTION MANAGEMENT SYSTEM FOR THE PERIOD OF THREE YEARS	TOTAL COMPUTER SERVICES (PTY)LTD	30-06-2023	29-06-2026		not applicable	5	5	5	5
DTS	31 OF 2023	SUPPLY ,DELIVERY,INSTALLATION AND REPAIRS OF MOBILE RADIO AND PORTABLE RADIO FOR THE PERIOD OF THREE YEARS	AGILE INFO WORX	18-05-2023	17-05-2026		No service rendered for 3rd and 4th quarter (Not rated)	3	5	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	40 OF 2023	REFURBISHMENT OF ABLUTION BLOCK AT WATERVAAL OFFICE	LONDWA GROUP (PTY)LTD	13-06-2023	31-10-2023		project completed in the 2nd quarter	4	5	-	-
DTS	53 OF 2023	ELECTRICAL CONTRACTOR FOR SUPPLY,CONSTRUCTION AND COMMISSIONING OF NEW LINE FORM MARA 22 KV LINE TO MAKHITHA VILLAGE	SHUDU TRADING AND PROCETS (PTY)LTD	13-06-2023	31-10-2023		project completed in the 2nd quarter	5	5	-	-
DTS	35 OF 2023	ELECTRICAL CONTRACTOR FOR THE UPGRADE OF SOUTH OF PRETORIOUS SUBSTATION	MADZ ELECTRICAL	7-06-2023	28-02-2024	30/12/2024	not applicable	4	5	5	5
DTS	38 OF 2023	SUPPLY,DELIVEY OF MATERIALS ,LABOUR AND CONSTRUCTION OF FENCE OF EXTENDED TSHIKOTA AND LTT CEMENTRIES	FARISA CONSTRUCTION	7-06-2023	31-10-2023	30/12/2024	not applicable	5	5	4	3
DTS	41 OF 2023	REFURBISHMENT OF MUWAWENI COMMUNITY HALL	NRATH TRADING (PTY)LTD	7-06-2023	31-10-2023	29/04/2024	project completed in the 3rd quarter	5	5	5	-
DFS	48 OF 2023	PROVISION OF VETTING SYSTEM FOR THE PERIOD OF THREE YEARS	EKHAYA SEARCH (PTY)LTD	7-06-2023	6-06-2026		not applicable	5	5	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DCOM	46 OF 2023	SUPPLY,DELIVERY AND INSTALLATION AND MAINTENANCE OF CCTV CAMERAS	KRAZY CABLING SOLUTIONS	13-06-2023	12-06-2026		not applicable	4	5	5	5
DDP	99 of 2021	COMPILATION AND MAINTENANCE OF THE GENERAL VALUATION ROLL AND SUPPLEMENTARY VALUATION ROLLS	DDP VALUER (PTY)LTD RF	1-07-2022	30-06-2025		not applicable	5	5	5	5
DDP	87/2022	Panel of registered town or technical planners for the period of three years	Liberty Town Planners	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Nkanivo Development Consultants	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Rondo Group	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	3	3	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Matete And Associates Consultants	04/04/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Elmon Consulting	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Acute Innovation	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Ditsamai Investments and Projects	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Bushland Developments	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	3	3	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Mahlori Development Consultants	03/04/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Ngoti Development	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Pfukani Kusile Consultant	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	3	3	-
DDP	88 OF 2022	Panel of registered environmental consultants for the period of three years	Mang Geoenviro Services	18/04/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Temitope And Tshilidzi Trading	17/04/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Mulondi Sheq Solutions	18/04/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-			-
			MKA Consultants	17/04/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Matete And Associates Consultants	04/04/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Trona Environ @Geo Science	04/04/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			Kalahari Safety Health and Environmental Consultant	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			Russel Properties	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	5	5	-
			SHE Efficiency Consultants (Pty)Ltd	04/04/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
DDP	86 OF 2022	Panel of registered land surveyors for the period of three years	TC Setati Incorporated	31/03/2023	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	4	4	-
			LM Geomatics (Pty) Ltd	31/03/2023	10/04/2026		No service rendered for 4th quarter (Not rated)	4	5	5	-
			Pilo GP System	31/03/2024	10/04/2026		No service rendered for 1st and 4th quarter (Not rated)	-	3	3	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DCORP	36 OF 2023	RE-ADVERTISEMENT: NETWORK REFRESHER PROJECT AND SUPPLY, DELIVERY AND INSTALLATION OF NETWORK SWITCHES, FIBRE CABLE, SPLICING AND UPS FOR THE PERIOD OF THREE (03) YEARS	INFOTECH IT SOURCE	17-07-2023	16-07-2026		No service rendered for 1st quarter (Not rated)	-	5	5	5
DFS	51 OF 2023	PROVISION OF SHORT TERM INSURANCE FOR THE PERIOD OF THHREE (03) YEARS	KUNENE MAKOPO RISK SOLUTION PTY LTD	28-09-2023	27-09-2026		No service rendered for 1st quarter (Not rated)	-	4	4	4
DTS	52 OF 2023	APPOINTMENT FOR A PANEL OF CONTRACTORS FOR ROAD MAINTENANCE AND RELATED SERVICES IN MAKHADO LOCAL MUNICIPALITY FOR THE PERIOD OF THREE (03) YEARS	NRATH TRADING	12-07-2023	11-07-2026		No service rendered for 1st and 4th quarter (Not rated)	-	3	4	-
			ISHE TRADING AND PROJECTS JV MAPHADEMA ENTERPRISE	12-07-2023	11-07-2026		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
			SMA BUSINESS ENTERPRISE	12-07-2023	11-07-2026		No service rendered for 1st and 4th quarter (Not rated)	-	5	5	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			SILVERWELL BUSINESS ENTERPRISE	12-07-2023	11-07-2026		delay to execute planned work	-	3	2	3
			PJM ENGINEERING JV 1 DAISY GENERAL	12-07-2023	11-07-2026		No service rendered for 1st and 4th quarter (Not rated)	-	5	5	-
			N AND C CIVILS	12-07-2023	11-07-2026		No service rendered for 1st and 4th quarter (Not rated)	-	5	5	-
			LUZUKO TRADING ENTERPRISE CC	12-07-2023	11-07-2026		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
DTS	58 OF 2023	SUPPLY, DELIVERY OF MATERIAL, LABOUR AND CONSTRUCTION OF TSHIOZWI PAYPOINT OFFICE, GUARDROOM OFFICE AND SEPTIC TANK	GANZHE CONSTRUCTION	12-07-2023	31-10-2023		project completed	5	5	-	-
DTS	62 OF 2023	UPGRADING OF MIDORONI CLINIC RING ROAD	MABATIHAVI TRADING 43	18-07-2023	31-12-2024		not applicable	5	5	5	5
DTS	63 OF 2023	CONSTRUCTION OF TSHUVHUYUNI SPORT FACILITY	GOMBAMENI RISK AND EVENT MANAGEMENT	18-07-2023	30-09-2024		slow progress at site in 4th quarter	4	4	3	2
DTS	65 OF 2023	UPGRADING OF LUVHALANI TO DZANANWA ACCESS ROAD	NECKMAY TRADING ENTERPRISES PTY LTD	18-07-2023	31-12-2024			4	5	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DFS	56 OF 2023	RE-ADVERTISEMENT: AUCTIONEERING SERVICES ON MUNICIPAL ASSETS FOR THE PERIOD OF THREE YEARS	FIVE STAR TRADING ENTERPRISE CC	2-08-2023	1-08-2026		No service rendered from 1st quarter to 4th quarter (Not rated)	-	-	-	-
DTS	66 OF 2023	DEVELOPMENT OF ROADS AND STORMWATER AT SOUTH OF PRETORIUS 700 NEW STANDS	TSHIAMISO TRADING 135	21-09-2023	28-02-2025		No service rendered for 1st quarter (Not rated)	-	3	3	4
DTS	67 OF 2023	DEVELOPMENT OF ROADS AND STORMWATER AT TSHIKOTA 164 NEW STANDS	TARCRON PROJECTS PTY LTD	21-09-2023	28-02-2025		No service rendered for 1st quarter (Not rated)	-	3	3	3
DTS	70 OF 2023	RE-ADVERTISEMENT: UPGRADING OF ROAD TSIANDA MARUNDU TO MILITARY BASE PHASE 1	LUZUKO TRADING ENTERPRISE CC	21-09-2023	28-02-2025		No service rendered for 1st quarter (Not rated)	-	5	5	4
DCOMS	50 OF 2023	PANEL FOR PROVISION OF SECURITY SERVICES FOR THE PERIOD OF THHREE (03) YEARS	UNA SECURITY PTY LTD	28-07-2023	27/07/2026		not applicable	-	5	5	5
			COLLINS SEBOLA FINANCIAL SERVICES	28-07-2023	27/07/2026		not applicable	-	5	5	5
			SPARROW SECURITY JV TSHITANGU SECURITY	28-07-2023	27/07/2026		not applicable	-	5	5	5
			VHUGI PROTECTIOM SERVICES	28-07-2023	27/07/2026		not applicable	-	5	5	5
			TSHAKHWILO TRADING ENTERPRISE	28-07-2023	27/07/2026		not applicable	-	5	5	5
			DIVHAZWAU SECURITY	28-07-2023	27/07/2026		not applicable	-	5	5	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			MAMYILA TRADING ENTERPRISE	28-07-2023	27/07/2026		not applicable	-	5	5	5
			VIMTSIRE PROTECTION SERVICES	28-07-2023	27/07/2026		not applicable	-	5	5	5
DCORP	43 OF 2023	SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF RENTAL PHOTOCOPIER AND COIL CONTROLLERS MACHINES FOR THE PERIOD OF THREE (03) YEARS	MUKWITA HOLDINGS	1-11-2023	30/10/2026		not applicable	-	5	5	5
DTS	69 OF 2023	SUPPLY ,DELIVERY,INSTALLATION AND COMMISSIONING OF 50KVA 3PH GENERATOR AT DZANANI REGIONAL OFFICE	MASGAC TRADING ENTERPRISE	30/10/2023	30/12/2023		Project completed	-	5	-	-
DCORP	71 OF 2023	SUPPLY ,DELIVERY,REFILL AND SERVICE OF COUNCIL FIRE EXTINGUISHERS CABINETS FOR THE PERIOD OF THREE YEARS	VERITAS ENGINEERING AND PROJECT MANAMENT	27/10/2023	26/10/2026		No service rendered for 4th quarter (Not rated)	-	5	5	-
DCORP	73 OF 2023	DESIGN,PRINTING ,SUPPLY AND DELIVERY OF DIARIES ,POSTERSAND CALENDERS	IFWS PROJECTS (PTY)LTD	27/10/2023	31/01/2024		project completed in 3rd quarter	-	5	5	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	75 OF 2023	SUPPLYAND DELIVERY OF MUNICIPAL FLEET (EARTHMOVING AND TRUCKS)SPARES ,MAINTENANCE AND HAULING FOR THE PERIOD OFN THREE (03) YEARS	RED ROCK ENGINEERING	27/10/2023	26/10/2026		not applicable	-	5	5	5
DTS	76 OF 2023	UPGRADING OF MAKHADO MAIN SUBSTATION PHASE 03	NSK ELECTRICAL JV FTECH SERVICES	27/10/2023	30/06/2024		not applicable	-	5	5	5
DDP	77 OF 2023	SUPPLY AND DELIVERY OF GPS SYSTEM	AGILE INFO WORKS	27/12/2023	29/04/2024		project completed in 3rd quarter	-	-	5	
DTS	81 OF 2023	ELECTRICAL CONTRACTOR FOR UPGRADING OF CRICKET CLUB SUBSTATION FENCING	RAMASHU SUPPLY 77	27/12/2023	26/06/2024		project completed	-	-	5	
DTS	82 OF 2023	ELECTRICAL CONTRACTOR FOR UPGRADING OF 66KV BREAKERS AT LEVUBU AND BEAUFORT SUBSTATION	MASGAC TRADING ENTERPRISE	27/12/2023	31/07/2024		No service rendered for 2nd quarter (Not rated)	-	-	3	4

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	83 OF 2023	ELECTRICAL CONTRACTOR FOR UPGRADING OF LEVUBU 1 LINE FROM WOODEN POLES TO CEMENT	LEFHUMO LWA BAREMA TRADING ENTERPRISES	27/12/2023	31/07/2024		No service rendered for 2nd quarter (Not rated)	-	-	5	5
DTS	92 OF 2023	DEVELOPMENT OF POTGIETER PARK	KUMBATIA HOLDINGS JV 1 DAISY	27/12/2023	31/10/2024		No service rendered for 2nd quarter (Not rated)	-	-	5	5
DTS	94 OF 2023	SUPPLY AND DELIVERY OF MUNICIPAL LIGHT VEHICLES SPARES,REPAIRS AND MAINTENANCE FOR THE PERIOD OF THREE YEARS	RED ROCK ENGINEERING	27/12/2023	26/12/2026		No service rendered for 2nd quarter (Not rated)	-	-	5	5
DTS	78 OF 2023	SUPPLY AND DELIOVERY OF PEDESTRIAN ROLLER	ANGONI CAPITAL	26-02-2024	Once off		not applicable	-	-	3	5
DCORP	85 OF 2023	SUPPLY,DELIVERY,INSTALLATION AND COMMISSIONING OF LOCAL AREA NETWORK CABLING AT WATERREGIONAL AT WATERVAL REGIONAL OFFICE	INFOTECH IT SOURCE	15-02-2024	14-03-2024		projects completed	-	-	5	-
DCORP	86 OF 2023	MIMECAST EMAIL GATEWAY LICENSE FOR 400 USERS FOR THE PERIOD OF THREE YEARS	MUNSOFT	15-02-2024	14-02-2027		No service rendered for 3rd and 4th quarter (Not rated)	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	91 OF 2023	WATERVAL SPORT FACILITY	MVUNO GEO -ENVIRONMETAL CIVIL AND CONSTRUCTION	15-02-2024	31/12/2024		not applicable	-	-	3	3
DFS	95 OF 2023	PROVISION OF AIR TRAVEL AND ACCOMODATION FOR THE PERIOD OF THREE YEARS	EXILA TRAVEL CENTRE	15-02-2024	14-02-2027		not applicable	-	-	5	5
			REAKGONA TRAVEL SERVICES AND PROJECTS	15-02-2024	14-02-2027		not applicable	-	-	5	5
			ALGAMATED LEBONE TRAVEL SERVICES	15-02-2024	14-02-2027		not applicable	-	-	5	5
			CHEAP CHEAP PROJECTS	15-02-2024	14-02-2027		not applicable	-	-	5	5
DDP	93 OF 203	NAMING OF STREET NAMES,SUPPLY,DELIVERY AND INSTALLATION OF STREET NAMES TO MAKHADO MUNICIPAL AREAS	1ST SEPTEMBER (PTY)LTD	29-02-2024			not applicable	-	-	4	5
DTS	06 OF 2024	UPGRADING OF SIVANANDA STREET	KATMAL CONSTRUCTION (PTY)LTD	28-03-2024			No service rendered for 3rd quarter (Not rated)	-	-	-	4
DFS	08 OF 2024	PROVISION OF FLEET TRACKING SYSTEM FOR THE PERIOD OF THREE YEARS	NETSTAR (PTY)LTD	22/05/2024	21/05/2027		not applicable	-	-	-	5

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	03 OF 2024	PANEL OF ELECTRICAL CONTRACTORS FOR EMERGENCY AND PREVENTATIVE MAINENANCE FOR THE PERIOD OF THREE YEARS	AVAX SA 222 CC	28/05/2024	27/05/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			KMA BUSINESS CONSULTING	28/05/2024	27/05/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			EFFICIENCY ENGINEERING SERVICES	28/05/2024	27/05/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			MADZ ELECTRICAL	28/05/2024	27/05/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			NSK ELECTRICAL AND CONSTRUCTION	28/05/2024	27/05/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			CONAN CONSULTING AND OWZA PROJECTS	28/05/2024	27/05/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			MASGAC TRADING ENTERPRISE	28/05/2024	27/05/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			TAROWORX (PTY)LTD	28/05/2024	27/05/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			NU ERA CONSTRUCTION	28/05/2024	27/05/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
DCORP	14 OF 2024	GARDENING AND HORTICULTURE TRAINING	UNIVERSITY OF VENDA	18/06/2024			No service rendered for 4th quarter (Not rated)	-	-	-	-
DTS	04 OF 2024	APPOINTMENT OF PANEL OF ENGINEERING CONSULTANTS FOR ELECTRICAL PROJECTS FOR THE PERIOD OF THREE YEARS	RELIANT CONSULTING	27/06/2024	26/07/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			JUSBEN CONSULTING ENGINEERS	27/06/2024	26/07/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			TSS3 HOLDING CC	27/06/2024	26/07/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			NSK ELECTRICAL AND CONSTRUCTION MANAGERS	27/06/2024	26/07/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	112 OF 2023	ELEV DCCTRICAL CONTRACTOR TO SUPPLY,DELIVER,INSTALL,TEST AND COMMISSION 2 X22KV IN SF6/VACUUM BREAKERS WITH COMPLETE 110V DC CHARGER WITH 85 NICAD BATTERIES AND GRADE CENTRAL SUBSTATION	MASGAC TRADING ENTERPRISE	03/04/2024			not applicable	-	-	-	4
DTS	01 OF 2024	APPOINTMENT OF AN ELECTRICAL CONTRACTOR TO SUPPLY,DELIVERAND INSTALL AND COMMISSION 2 X22KV BREAKERS AT ROODEWAAL SUBSTATION	TAROWORX	10/04/2024			not applicable	-	-	-	4
DCORP	88 OF 2023	OFFICE 365 E3 LICENCE FOR 400USERS RENEWABLE FOR THE PRIOD OF THREE YEARS	LMFTECH ICT SERVICES AND PROJECTS (PTY)LTD	11/04/2024	10/04/2027		not applicable	-	-	-	4
DCOMS	96 OF 2023	SUPPLY AND DELIVERY OF HEAVY DUTY LAWNMOWER MACHINES AND BRUSH CUTTERS	MALINGI TRADING AND PROJECTS	03/04/2024			No service rendered for 4th quarter (Not rated)	-	-	-	-
DCOMS	97 OF 2023	SUPPLY AND DELIVERY SKIP BINS AND COVER NETS	MUZURI SANA PROJECTS	03/04/2024	31/07/2024		not applicable	-	-	-	4
DTS	98 OF 2023	CONSTRUCTION OF CONCRETE PALISADE FENCE AT WATERVAL STORE	BLUE STAR GROUP	03/04/2024	31/07/2024		not applicable	-	-	-	4
DTD	99 OF 2023	CONSTRUCTION OF CONCRETE PALISADE FENCE AT MADUWA VILLAGE	MOLOUFU	03/04/2024	31/07/2024		not applicable	-	-	-	4

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DTS	100 OF 2023	CONSTRUCTION OF CONCRETE PALISADE FENCE AT MAGUVHUNI VILLAGE CEMENTRY	BLUE STAR GROUP	03/04/2024	31/07/2024		not applicable	-	-	-	4
DTS	101 OF 2023	CONSTRUCTION OF CONCRETE PALISADE FENCE AT RAMANTSHA VILLAGE CEMENTRY	RAMASHU SUPPLY AND SERVICES	03/04/2024	31/07/2024		not applicable	-	-	-	4
DTS	102 OF 2023	CONSTRUCTION OF CONCRETE PALISADE FENCE AT RATOMBO VILLAGE CEMENTRY	AK &ASSOCIATES JV VINCENT BUSINESS ENTERPRISE	05/04/2024	31/07/2024		not applicable	-	-	-	4
DTS	105 OF 2023	SUPPLY AND DELIVERY OFROAD PIPES AND CULVERTS PIPES	MURUMIWA ENTERPRISE	03/04/2024			not applicable	-	-	-	4
DCOMS	114 OF 2023	SUPPLY,DELIVERY,INSTALLATION AND COMMISSIONING OF DIGITAL LASER CAMERA	TOTAL COMPUTER SERVICES	05/04/2024			not applicable	-	-	-	4
MM	80 of 2023	PROVISION OF A PANEL OF LEGAL SERVICES FOR THE PERIOD OF THREE (03) YEARS	TOOHEY NYEZI RAMBAU ATTORNEYS	11/04/2024	10/04/2027		not applicable	-	-	-	3
			NDOU LUCKY ATTORNEYS	11/04/2024	10/04/2027		not applicable	-	-	-	3
		GROUP A (LITIGATION)	SIKHWARI ATTORNEYS INC	11/04/2024	10/04/2027		not applicable	-	-	-	3
			DABISHI NTHAMBELENI ATTORNEYS	11/04/2024	10/04/2027		not applicable	-	-	-	3
			GOGOME ATTORNEYS	11/04/2024	10/04/2027		not applicable	-	-	-	3
			WE MONYAI ATTORNEYS	11/04/2024	10/04/2027		not applicable	-	-	-	3
			MADIMA M ATTORNEYS INC	11/04/2024	10/04/2027		not applicable	-	-	-	3
			MUSETSHO INC	11/04/2024	10/04/2027		not applicable	-	-	-	3
			LETSELA NKONDO ASSOCIATES INCORPORATED	11/04/2024	10/04/2027		not applicable	-	-	-	3
			FR CHAUKE INCORPORATED	11/04/2024	10/04/2027		not applicable	-	-	-	3

Dep	Tender number	Project name	Name of Service provider	Starting date	Completion date	extension of completion date (only if applicable)	Challenges and interventions	Assessment of service provider			
								(Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 – Excellent “-“ – N/A for period			
								Quarter 1	Quarter 2	Quarter 3	Quarter 4
			LIGEGE & ASSOCIATES INC	11/04/2024	10/04/2027		not applicable	-	-	-	3
		GROUP B (LABOUR MATTERS)	TOOHEY NYEZI RAMBAU ATTORNEYS	11/04/2024	10/04/2027		not applicable	-	-	-	3
			SIKHWARI ATTORNEYS INC	11/04/2024	10/04/2027		not applicable	-	-	-	3
			DABISHI NTHAMBELENI ATTORNEYS	11/04/2024	10/04/2027		not applicable	-	-	-	3
			LETSELA NKONDO ASSOCIATES INC	11/04/2024	10/04/2027		not applicable	-	-	-	3
			LIGEGE AND ASSOCIATES INCORPORATED	11/04/2024	10/04/2027		not applicable	-	-	-	3
			MUSETSHO INC	11/04/2024	10/04/2027		not applicable	-	-	-	3
		GROUP C (CONVEYANCERS)	DABISHI NTHAMBELENI ATTORNEYS	11/04/2024	10/04/2027		not applicable	-	-	-	3
			WE MONYAI ATTORNEYS	11/04/2024	10/04/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			LIGEGE AND ASSOCIATES	11/04/2024	10/04/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			MAVUNA & NETSHIMBUPFE INC	11/04/2024	10/04/2027		No service rendered for 4th quarter (Not rated)	-	-	-	-
			MUNONDE ATTORNEYS	11/04/2024	10/04/2027		not applicable	-	-	-	3

APPENDIX 3:

ANNUAL FINANCIAL STATEMENTS



MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements
for the year ended 30 June 2024

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

General Information

Legal form of entity	Category B municipality (local municipality) envisaged in section 155(1)(b) of the Constitution of the Republic of South Africa.
Nature of business and principal activities	Provision of municipal services in terms of the Municipal Finance Management Act No. 56 of 2003 and Municipal Systems Act No. 32 of 2000.
Executive Committee	Cllr K Maphubu Cllr R.T Maingo Cllr R Raliphada Cllr N.J Matumba Cllr N Munyai Cllr M.R Magada Cllr M.W Ramalwa Cllr E.T Sithi Cllr N.B Jones
Mayor	Cllr M.D Mboyi
Speaker	Cllr T.G Mukwevho - Mitileni
Chief whip	Cllr R.S Baloyi
Councilors	Cllr R Mukhudwana Cllr J.J Hlongwane Cllr L Phangami Cllr H.G Maluleke Cllr M.C Malange Cllr D.J Sebola Cllr P Smalle Cllr M Ramalivhana Cllr L Mashamba Cllr F.P Makhubele Cllr S.E Baloyi Cllr M.D Ndou Cllr N.J Simangwe Cllr M.E Mulefu Cllr P Mashau Cllr T.T Mushandana Cllr N.V Malivha Cllr P.N Masipa Cllr M.E Mulaudzi Cllr M.R Makwala Cllr T Kutama Cllr M.I Phuluwa Cllr T.R Ravele Cllr M Maraga Cllr N.S Nemudzivhadi Cllr F.N Madzhiga Cllr S Masuka Cllr A.S Dzhivhuho Cllr K Mukheli Cllr M Mukosi Cllr M.R Mokgoadi

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

General Information

Cllr N.S Mahosi
Cllr M Swalivha
Cllr R Mukhuba
Cllr F.B Hlongwane
Cllr A.Z Maphahla
Cllr C.D Halgreen
Cllr M.D Singo
Cllr N.A Mudunungu
Cllr A Madavha
Cllr M.W Ramalwa
Cllr K.P Maphakela
Cllr M.G Furumele
Cllr M.J Mpashe
Cllr M.A Selapyana
Cllr N.F Chililo
Cllr T.C Mashau
Cllr T.M Malange
Cllr W Mabasa
Cllr L.M Mathalise
Cllr N.D Davhana
Cllr T.T Ngobeni
Cllr N Kutuma
Cllr L.B Mogale
Cllr T.C Mamafha
Cllr T.J Mamafha
Cllr M.J Gabara
Cllr I.A Tshidavhu
Cllr T.T Makamu
Cllr B Hlangwani
Cllr H.G Mabudu
Cllr M.S Tshilambyana

Accounting Officer

K.M Nemaname

Acting Chief Finance Officer (CFO)

N.G Raliphada

Grading of local authority

5

Registered office

Corner Krogh and Erasmus Street
Makhado
0920

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

General Information

Business address	Corner Krogh and Erasmus Street Makhado 0920
Postal address	Private Bag X2596 Makhado 0920
Bankers	First National Bank
Audit and Performance Audit Committee	Ms J Masite(Chairperson) Ms MP Ramutsheli Mr A Tshikovhi Mr LJ Muthivhi
Attorneys	Panel of attorneys of the Municipality Kgoroadira Mudau Incorporated Nthambeleni Dabishi Attorneys Inc S Muedi Incorporated TT Ngobeni Attorneys Rerani Mawila JV Attorneys Gogome Ndou Attorneys JV Popela Maake Inc Mudau Netshipise Attorneys LRM Attorneys Makhuvha EM Toohey Nyezi Rambau Attorneys Ndou Lucky Attorneys Sikhwari Attorneys Inc We Monyai Attorneys Madima M Attorneys Inc Musetsho Inc Letsela Nkondo Associates Inc FR Chauke Inc Ligege & Associates Inc Mavuna & Netshimbupfe Inc Munonde Attorneys

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Index

The reports and statements set out below comprise the annual financial statements presented to the municipal council:

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MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

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Abbreviations used:

GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
VAT	Value Added Tax

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

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 was 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 place 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 largely dependent on the government 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's operations.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's council.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors.

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



Accounting Officer
K.M Nemaname

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2024.

1. Review of activities

Main business and operations

The municipality's total income for the period ended 30 June 2024 increased by 10% from R1 190 892 113 in the previous financial period to R1 310 048 934 in the current period. Below table analyses the total income of the municipality in a particular financial period as a proportion of the type of income of the municipality. For the period ended 30 June 2024, Grants and subsidies was the major contributor to total income of the municipality with a 47.3% [2023:48.2%] contributing factor followed by service charges which contributed 34.7% [2023: 32.4%] of the total income, which was mainly sale of electricity as well as refuse collection. Property rates contributed 9.2% (2023: 8.2%) of total income.

Net deficit of the municipality was 651 759 (2023: surplus 7 552 478).

Proportion of income generated/raised

2024

Type of income	Proportion of contribution to income	Amount
Service charges	34.69 %	454 445 770
Rental of facilities and equipment	0.03 %	425 659
Agency services	0.25 %	3 273 967
Licences and permits	0.29 %	3 809 976
Interest earned -outstanding receivables: Exchange	1.18 %	15 511 158
Other revenue - Exchange transactions	1.67 %	21 935 915
Interest received from financial institutions	0.42 %	5 456 569
Actuarial gains	0.49 %	6 420 329
Interest earned -outstanding receivables: Non exchange	1.98 %	25 943 370
Property rates	9.21 %	120 692 497
Fines, Penalties and Forfeits	0.41 %	5 390 564
Government grants & subsidies	47.29 %	619 579 943
Other income - non exchange transactions	2.07 %	27 163 217

2023

Type of income	Proportion of contribution to income	Amount
Service charges	32.38 %	385 664 462
Rental of facilities and equipment	0.03 %	321 030
Agency services	0.38 %	4 556 844
Licences and permits	0.32 %	3 790 850
Interest earned -outstanding receivables: Exchange	1.20 %	14 272 415
Other revenue - Exchange transactions	4.50 %	53 559 025
Interest received from financial institutions	0.80 %	9 569 147
Actuarial gains	1.52 %	18 155 355
Interest earned -outstanding receivables: Non exchange	1.93 %	23 042 009
Property rates	8.17 %	97 299 879
Fines, Penalties and Forfeits	0.52 %	6 144 857
Government grants & subsidies	48.24 %	574 516 240

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Report

2. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus (deficit) of 1 784 774 828 (2023: 1 785 426 587) and that the municipality's total assets exceed its liabilities by 1 784 774 828 (2023:1 785 426 587) .

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 of the municipality.

3. Subsequent events

The accounting officer is aware of material events that occurred between the end of the reporting period 30 June 2024 and the date that the financial statements are authorised for issue. Refer to Note 51

4. Accounting Officers' interest in contracts

The municipality has a policy relating to declaration of interest in contracts and other related transactions. This was adhered to in that the relevant officials with interests in SCM related transactions (both potential and existing) declared their interests.

5. Accounting policies

The annual financial statements were prepared in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) including any interpretation of such Statements issued by the Accounting Standards Board as the prescribed framework by National Treasury.

6. Accounting Officer

The accounting officer of the municipality is as follows:

Name	Nationality
K.M Nemaname	South African

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Report

7. Corporate governance

General

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The municipality confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The accounting officer discusses the responsibilities of management in this respect, at Management meetings and monitor the municipality's compliance with the code on a three monthly basis.

The salient features of the municipality's adoption of the Code are outlined below:

Council

The Council:

- retains full control over the municipality, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the municipality;

Remuneration

The upper limits of the remuneration of the councillors, are determined in terms of Government Notices issued by the Minister of Co-operative Governance and Traditional Affairs, as required by the Remuneration of Public Office Bearers Act No. 20 of 1998.

Committee meetings

The accounting officer meets on a scheduled basis with the Executive Committee as well as the Audit and Risk Committee. The Committee Chairpersons have access to all members of management (Section 57 Managers) of the municipality. Furthermore, the accounting officer meets with the Municipal Public Accounts Committee (MPAC) as and when the need arises.

Audit and risk committee

The Chairperson of the audit committee is an independent audit committee member. The committee met on a regular basis during the financial year to review matters necessary to fulfil its role.

In terms of Section 166 of the Municipal Finance Management Act, Makhado Local Municipality must appoint members of the Audit and Performance Audit Committee.

Internal audit

The municipality has an internal audit function, which is in compliance with the Municipal Finance Management Act, 2003 section 165.

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Report

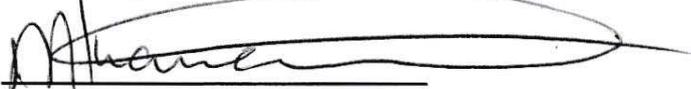
8. Bankers

First National Bank is the municipality's bank. The municipality's bankers did not change during the current year.

9. Auditors

The Auditor General of South Africa will continue in office for the next financial period.

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



Accounting Officer
K.M Nemaname

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Non-Current Assets			
Investment property	2	15 058 990	15 438 133
Property, plant and equipment	3	1 926 120 135	1 823 384 391
Intangible assets	4	1 728 326	1 609 780
Heritage assets	5	2 160 329	2 160 329
		1 945 067 780	1 842 592 633
Current Assets			
Inventories	7	126 511 484	119 081 129
Receivables from exchange transactions	8	3 303 002	18 117 026
Receivables from non-exchange transactions	9	737 650	1 239 500
VAT receivable	10	779 186	3 167 064
Consumer debtors - Exchange transactions	11	104 387 525	62 839 619
Consumer debtors - Non- Exchange transactions	11	45 139 649	40 585 546
Cash and cash equivalents	12	14 661 767	146 595 502
		295 520 263	391 625 386
Total Assets		2 240 588 043	2 234 218 019
Liabilities			
Current Liabilities			
Employee benefit obligation	6	8 361 000	5 138 000
Finance lease obligation	13	1 126 839	322 046
Unspent conditional grants and receipts	14	4 558 461	3 500 000
Performance bonus obligation	15	-	251 579
Rehabilitation provision	16	1 455 387	5 000 000
Deferred Income	17	99 695	153 578
Payables from exchange transactions	18	285 535 375	286 180 705
Consumer deposits	20	14 982 222	15 621 438
		316 118 979	316 167 346
Non-Current Liabilities			
Employee benefit obligation	6	118 989 000	106 614 000
Finance lease obligation	13	1 839 669	-
Rehabilitation provision	16	18 865 567	26 010 086
		139 694 236	132 624 086
Total Liabilities		455 813 215	448 791 432
Net Assets		1 784 774 828	1 785 426 587
Accumulated surplus		1 784 774 828	1 785 426 587
Total Net Assets		1 784 774 828	1 785 426 587

* See Note 48

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	22	454 445 770	385 664 462
Rental of facilities and equipment	23	425 659	321 030
Agency services	25	3 273 967	4 556 844
Licences and permits	26	3 809 976	3 790 850
Interest earned -outstanding receivables	27	15 511 158	14 272 415
Other revenue	28	21 935 915	53 559 025
Interest received from financial institutions	29	5 456 569	9 569 147
Actuarial gains	41	6 420 329	18 155 355
Total revenue from exchange transactions		511 279 343	489 889 128
Revenue from non-exchange transactions			
Taxation revenue			
Interest earned -outstanding receivables	27	25 943 370	23 042 009
Property rates	30	120 692 497	97 299 879
Transfer revenue			
Fines, Penalties and Forfeits	24	5 390 564	6 144 857
Government grants & subsidies	31	619 579 943	574 516 240
Other revenue	21	27 163 217	-
Total revenue from non-exchange transactions		798 769 591	701 002 985
Total revenue	21	1 310 048 934	1 190 892 113
Expenditure			
Employee related costs	32	(381 663 826)	(327 124 968)
Remuneration of councillors	33	(29 989 937)	(28 208 519)
Depreciation and amortisation	34	(158 017 274)	(140 201 265)
Impairment of non - cash generating assets	35	(4 252 095)	(4 567 245)
Finance costs	36	(17 919 048)	(17 252 094)
Debt Impairment	37	(41 600 405)	(50 881 155)
Bulk purchases	38	(371 986 217)	(299 070 654)
Contracted services	39	(180 305 404)	(184 519 383)
General Expenses	40	(108 202 381)	(102 677 704)
Inventories losses/write-downs	42	(596 994)	(1 089 819)
Loss on disposal of assets	43	(16 167 112)	(27 746 829)
Total expenditure		(1 310 700 693)	(1 183 339 635)
(Deficit) surplus for the year		(651 759)	7 552 478

* See Note 48

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	1 777 874 109	1 777 874 109
Balance at 01 July 2022 as restated*	1 777 874 109	1 777 874 109
Changes in net assets		
Surplus/(Loss) for the year [Restated - Note 48]	7 552 478	7 552 478
Total changes	7 552 478	7 552 478
Adjustments		
Balance at 01 July 2023 as restated*	1 785 426 587	1 785 426 587
Changes in net assets		
Surplus /(Loss) for the year	(651 759)	(651 759)
Total changes	(651 759)	(651 759)
Balance at 30 June 2024	1 784 774 828	1 784 774 828
Note(s)		

* See Note 48

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Property rates		88 154 843	73 726 746
Service charges		507 358 906	437 295 185
Grants		620 638 404	578 016 240
Traffic Fines & Penalties		1 812 610	1 726 907
Licence & permits		4 442 454	4 321 252
Other income		38 846 270	75 057 219
VAT Received		61 661 660	53 963 413
Interest Income		12 313 196	16 771 981
		<u>1 335 228 343</u>	<u>1 240 878 943</u>
Payments			
Employee costs		(382 244 870)	(329 366 578)
Payments to suppliers		(791 467 125)	(717 410 090)
Finance costs		(915 592)	-
		<u>(1 174 627 587)</u>	<u>(1 046 776 668)</u>
Net cash flows from operating activities	44	<u>160 600 756</u>	<u>194 102 275</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(290 604 151)	(249 927 897)
Proceeds from sale of property, plant and equipment	3	-	1 950 785
Purchase of other intangible assets	4	(776 636)	(67 333)
Net cash flows from investing activities		<u>(291 380 787)</u>	<u>(248 044 445)</u>
Cash flows from financing activities			
Finance lease payments		(1 153 705)	(786 490)
Net increase/(decrease) in cash and cash equivalents		<u>(131 933 736)</u>	<u>(54 728 660)</u>
Cash and cash equivalents at the beginning of the year		146 595 502	201 324 162
Cash and cash equivalents at the end of the year	12	<u>14 661 766</u>	<u>146 595 502</u>

The accounting policies on pages 22 to 61 and the notes on pages 62 to 116 form an integral part of the annual financial statements.

* See Note 48

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	623 568 000	8 364 000	631 932 000	454 445 770	(177 486 230)	Refer to Appendix C
Rental of facilities and equipment	332 000	-	332 000	425 659	93 659	Refer to Appendix C
Interest earned - outstanding receivables	17 082 305	-	17 082 305	15 511 158	(1 571 147)	
Agency services	-	-	-	3 273 967	3 273 967	Refer to Appendix C
Licences and permits	4 115 000	(512 000)	3 603 000	3 809 976	206 976	
Other revenue	91 796 000	-	91 796 000	21 935 915	(69 860 085)	Refer to Appendix C
Interest received - financial institutions	9 536 000	(2 307 000)	7 229 000	5 456 569	(1 772 431)	Refer to Appendix C
Total revenue from exchange transactions	746 429 305	5 545 000	751 974 305	504 859 014	(247 115 291)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	122 247 000	2 830 000	125 077 000	120 692 497	(4 384 503)	Refer to Appendix C
Interest earned - outstanding receivables	28 319 695	-	28 319 695	25 943 370	(2 376 325)	Refer to Appendix C
Transfer revenue						
Government grants & subsidies	609 582 000	13 594 000	623 176 000	619 579 943	(3 596 057)	Refer to Appendix C
Other revenue	-	-	-	27 163 217	27 163 217	
Fines, Penalties and Forfeits	5 056 000	(494 000)	4 562 000	5 390 564	828 564	Refer to Appendix C
Total revenue from non-exchange transactions	765 204 695	15 930 000	781 134 695	798 769 591	17 634 896	
Total revenue	1 511 634 000	21 475 000	1 533 109 000	1 303 628 605	(229 480 395)	
Expenditure						
Personnel	(349 488 000)	(33 000 000)	(382 488 000)	(381 663 826)	824 174	Refer to Appendix C
Remuneration of councillors	(31 004 000)	(996 000)	(32 000 000)	(29 989 937)	2 010 063	Refer to Appendix C
Depreciation, amortisation & impairment	(147 420 000)	(15 000 000)	(162 420 000)	(162 269 369)	150 631	Refer to Appendix C
Finance costs	(12 762 000)	(7 000 000)	(19 762 000)	(17 919 048)	1 842 952	Refer to Appendix C
Debt Impairment	(83 677 000)	10 000 000	(73 677 000)	(41 600 405)	32 076 595	Refer to Appendix C
Bulk purchases	(397 742 000)	23 650 000	(374 092 000)	(371 986 217)	2 105 783	Refer to Appendix C

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Contracted Services	(236 753 000)	7 028 000	(229 725 000)	(180 305 404)	49 419 596	Refer to Appendix C
General Expenses	(109 600 000)	(7 858 000)	(117 458 000)	(108 202 381)	9 255 619	Refer to Appendix C
Total expenditure	(1 368 446 000)	(23 176 000)	(1 391 622 000)	(1 293 936 587)	97 685 413	
Operating surplus	143 188 000	(1 701 000)	141 487 000	9 692 018	(131 794 982)	
Loss on disposal of assets	-	(17 500 000)	(17 500 000)	(16 167 112)	1 332 888	
Actuarial gains	-	-	-	6 420 329	6 420 329	Refer to Appendix C
Inventories losses/write-downs	-	(700 000)	(700 000)	(596 994)	103 006	Refer to Appendix C
	-	(18 200 000)	(18 200 000)	(10 343 777)	7 856 223	
Surplus for the year	143 188 000	(19 901 000)	123 287 000	(651 759)	(123 938 759)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	143 188 000	(19 901 000)	123 287 000	(651 759)	(123 938 759)	

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	105 731 000	(5 000 000)	100 731 000	126 511 484	25 780 484	
Receivables from exchange transactions	-	-	-	3 303 002	3 303 002	
Receivables from non-exchange transactions	77 994 000	2 336 000	80 330 000	737 650	(79 592 350)	
VAT receivable	-	-	-	779 186	779 186	
Consumer debtors	(147 663 000)	98 762 000	(48 901 000)	149 527 174	198 428 174	
Cash and cash equivalents	398 947 000	(55 018 000)	343 929 000	14 661 767	(329 267 233)	
	435 009 000	41 080 000	476 089 000	295 520 263	(180 568 737)	
Non-Current Assets						
Investment property	16 345 000	-	16 345 000	15 058 990	(1 286 010)	
Property, plant and equipment	2 747 461 000	(30 965 000)	2 716 496 000	1 926 120 135	(790 375 865)	
Intangible assets	(368 000)	6 890 000	6 522 000	1 728 326	(4 793 674)	
Heritage assets	-	-	-	2 160 329	2 160 329	
	2 763 438 000	(24 075 000)	2 739 363 000	1 945 067 780	(794 295 220)	
Total Assets	3 198 447 000	17 005 000	3 215 452 000	2 240 588 043	(974 863 957)	
Liabilities						
Current Liabilities						
Finance lease obligation	-	-	-	1 126 839	1 126 839	
Payables from exchange transactions	127 289 000	40 875 000	168 164 000	285 535 375	117 371 375	
Consumer deposits	10 458 000	-	10 458 000	14 982 222	4 524 222	
Employee benefit obligation	-	-	-	8 361 000	8 361 000	
Unspent conditional grants and receipts	-	-	-	4 558 461	4 558 461	
Rehabilitation provision	26 893 000	-	26 893 000	1 455 387	(25 437 613)	
Deferred Income	-	-	-	99 695	99 695	
	164 640 000	40 875 000	205 515 000	316 118 979	110 603 979	
Non-Current Liabilities						
Finance lease obligation	-	-	-	1 839 669	1 839 669	
Employee benefit obligation	-	-	-	118 989 000	118 989 000	
Rehabilitation provision	121 789 000	-	121 789 000	18 865 567	(102 923 433)	
	121 789 000	-	121 789 000	139 694 236	17 905 236	
Total Liabilities	286 429 000	40 875 000	327 304 000	455 813 215	128 509 215	
Net Assets	2 912 018 000	(23 870 000)	2 888 148 000	1 784 774 828	(1 103 373 172)	
Reserves						
Accumulated surplus	2 912 018 000	(23 870 000)	2 888 148 000	1 784 774 828	(1 103 373 172)	

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Property Rates	90 449 000	-	90 449 000	88 154 843	(2 294 157)	
Services Charges	698 761 000	(80 910 000)	617 851 000	507 358 906	(110 492 094)	
Grants	609 582 000	13 594 000	623 176 000	620 638 404	(2 537 596)	
Interest income	9 535 000	(2 307 000)	7 228 000	12 313 196	5 085 196	
Other receipts	135 540 000	-	135 540 000	106 762 994	(28 777 006)	
	1 543 867 000	(69 623 000)	1 474 244 000	1 335 228 343	(139 015 657)	
Payments						
Suppliers and employees	(1 032 273 000)	40 055 000	(992 218 000)	(1 173 711 995)	(181 493 995)	
Finance costs	100 000	-	100 000	(915 592)	(1 015 592)	
	(1 032 173 000)	40 055 000	(992 118 000)	(1 174 627 587)	(182 509 587)	
Net cash flows from operating activities	511 694 000	(29 568 000)	482 126 000	160 600 756	(321 525 244)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(503 877 000)	19 375 000	(484 502 000)	(291 380 786)	193 121 214	
Cash flows from financing activities						
Finance lease payments	-	-	-	(1 153 705)	(1 153 705)	
Net increase/(decrease) in cash and cash equivalents	7 817 000	(10 193 000)	(2 376 000)	(131 933 735)	(129 557 735)	
Cash and cash equivalents at the beginning of the year	150 567 000	(3 971 000)	146 596 000	146 595 502	(498)	
Cash and cash equivalents at the end of the period	158 384 000	(14 164 000)	144 220 000	14 661 767	(129 558 233)	
Reconciliation						

MAKHADO LOCAL MUNICIPALITY

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Annual Financial Statements for the year ended 30 June 2024

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MFMA)	Final adjustments and budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Financial Performance											
Property rates	122 247 000	2 830 000	125 077 000	-	-	125 077 000	120 692 497	(4 384 503)	96 %	99 %	
Service charges	623 568 000	8 364 000	631 932 000	-	-	631 932 000	454 445 770	(177 486 230)	72 %	73 %	
Interest earned	9 536 000	(2 307 000)	7 229 000	-	-	7 229 000	5 456 569	(1 772 431)	75 %	57 %	
Transfers recognised - operational	493 825 000	21 336 000	515 161 000	-	-	515 161 000	504 564 943	(10 596 057)	98 %	102 %	
Other own revenue	146 701 000	(1 006 000)	145 695 000	-	-	145 695 000	83 365 679	(62 329 321)	57 %	57 %	
Total revenue (excluding capital transfers and contributions)	1 395 877 000	29 217 000	1 425 094 000	-	-	1 425 094 000	1 168 525 458	(256 568 542)	82 %	84 %	
Employee costs	(349 488 000)	(10 000 000)	(359 488 000)	-	(23 000 000)	(382 488 000)	(381 663 826)	824 174	100 %	109 %	
Remuneration of councillors	(31 004 000)	(996 000)	(32 000 000)	-	-	(32 000 000)	(29 989 937)	2 010 063	94 %	97 %	
Debt impairment	(83 677 000)	10 000 000	(73 677 000)	-	(10 000 000)	(73 677 000)	(41 600 405)	32 076 595	56 %	50 %	
Depreciation and asset impairment	(147 420 000)	(5 000 000)	(152 420 000)	-	-	(162 420 000)	(162 269 369)	150 631	100 %	110 %	
Finance charges	(12 762 000)	(7 000 000)	(19 762 000)	-	-	(19 762 000)	(17 919 048)	1 842 952	91 %	140 %	
Bulk purchases	(397 742 000)	29 650 000	(368 092 000)	-	(6 000 000)	(374 092 000)	(371 986 217)	2 105 783	99 %	94 %	
Other expenditure	(346 353 000)	(58 030 000)	(404 383 000)	-	39 000 000	(365 383 000)	(305 926 632)	59 456 368	84 %	88 %	
Total expenditure	1 368 446 000	(41 376 000)	1 409 822 000	-	-	1 409 822 000	1 311 355 434	98 466 566	93 %	96 %	
Surplus/(Deficit)	27 431 000	(12 159 000)	15 272 000	-	-	15 272 000	(142 829 976)	(158 101 976)	(935)%	(521)%	

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)

Annual Financial Statements for the year ended 30 June 2024

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MFMA)	Final adjustments and budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	115 757 000	(7 742 000)	108 015 000	-	-	108 015 000	115 015 000		7 000 000	106 %	99 %
Contributions recognised - capital and contributed assets	-	-	-	-	-	-	27 163 217		27 163 217	DIV/0 %	DIV/0 %
Surplus (Deficit) after capital transfers and contributions	143 188 000	(19 901 000)	123 287 000	-	-	123 287 000	(651 759)		(123 938 759)	(1)%	- %
Surplus/(Deficit) for the year	143 188 000	(19 901 000)	123 287 000	-	-	123 287 000	(651 759)		(123 938 759)	(1)%	- %
Capital expenditure and funds sources											
Total capital expenditure	503 877 000	(19 375 000)	484 502 000	-	-	484 502 000	261 777 750		(222 724 250)	54 %	52 %
Sources of capital funds											
Transfers recognised - capital	115 757 000	(10 258 000)	105 499 000	-	-	105 499 000	115 015 000		9 516 000	109 %	99 %
Internally generated funds	388 120 000	(9 117 000)	379 003 000	-	-	379 003 000	146 762 750		(232 240 250)	39 %	38 %
Total sources of capital funds	503 877 000	(19 375 000)	484 502 000	-	-	484 502 000	261 777 750		(222 724 250)	54 %	52 %

MAKHADO LOCAL MUNICIPALITY

(Registration number : LIM 344)
Annual Financial Statements for the year ended 30 June 2024

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MFMA)	Final adjustments and budget s31 of the MFMA	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows										
Net cash from (used) operating	511 694 000	(29 568 000)	482 126 000	-	-	482 126 000		(321 525 244)	33 %	31 %
Net cash from (used) investing	(503 877 000)	19 375 000	(484 502 000)	-	-	(484 502 000)		193 121 214	60 %	58 %
Net cash from (used) financing	-	-	-	-	-	(1 153 705)		(1 153 705)	DIV/0 %	DIV/0 %
Net increase/(decrease) in cash and cash equivalents	7 817 000	(10 193 000)	(2 376 000)	-	-	(2 376 000)		(129 557 735)	5 553 %	(1 688)%
Cash and cash equivalents at the beginning of the year	150 567 000	(3 971 000)	146 596 000	-	-	146 596 000		(498)	100 %	97 %
Cash and cash equivalents at year end	158 384 000	(14 164 000)	144 220 000	-	-	144 220 000		129 558 233	10 %	9 %

MAKHADO LOCAL MUNICIPALITY

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Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

Figures in Rand	Note(s)	2024	2023
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1. Presentation of Annual Financial Statements

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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

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 New standards and interpretations

Standards and interpretations effective and adopted in the current year

There are no standards adopted in the current year that are relevant to the municipality's operations.

Standards and Interpretations early adopted

The municipality has chosen not to early adopt any standards and interpretations.

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 July 01, 2024 or later periods:

GRAP 104 (amended): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

These revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect the following:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

MAKHADO LOCAL MUNICIPALITY

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Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

The effective date of the amendment is not yet set by the Minister of Finance.

The municipality expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the financial statements.

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.

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 municipality expects to adopt the guideline for the first time when the Minister sets the effective date for the guideline.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the financial statements.

GRAP 25: Employee Benefits

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.

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).

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 municipality expects to adopt the standard for the first time in the future. The effective date of these revisions have not yet been set.

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The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the financial statements.

iGRAP 7: Limit on defined benefit asset, minimum funding requirements and their interaction

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 has not yet been set. The municipality expects to adopt the revisions for the first time in the future.

The adoption of this revisions is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the financial statements.

Guideline: Guideline on the Application of Materiality to Financial Statements

The objective of this guideline: The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements. The process was developed based on concepts outlined in Discussion Paper 9 on Materiality – Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply the principles in the Guideline, based on specific facts presented.

It covers: Definition and characteristics of materiality, Role of materiality in the financial statements, Identifying the users of financial statements and their information needs, Assessing whether information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP & References to pronouncements used in the Guideline.

The guideline is encouraged to be used by entities. The municipality expects to adopt the guideline for the first time in the future. It is unlikely that the guideline will have a material impact on the economic entity's financial statements.

GRAP 1 (amended): Presentation of Financial Statements

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

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- 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.

A 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 municipality expects to adopt the amendment for the first time in the 2024/2025 financial statements.

The adoption of this amendment is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the financial statements.

1.4 Materiality

Material 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.

1.5 Significant judgements and sources of estimation uncertainty

The use of judgment, estimates and assumptions is inherent to the process of preparing financial statements. These judgements, estimates and assumptions affect the amounts presented in the financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

Judgements

In the process of applying these accounting policies, management has made some judgements that may have a significant effect on the amounts recognised in the financial statements.

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes

in estimates that are not due to errors are processed in the period of the review and applied prospectively. In the process of applying the municipality's accounting policies the following estimates, were made:

Trade and other receivables

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1.5 Significant judgements and sources of estimation uncertainty (continued)

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

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 have made estimates of the selling price and direct cost to sell on 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.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of intangible and tangible 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 tangible assets are inherently uncertain and could materially change over time.

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 16 - Rehabilitation provisions.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of 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 liability.

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1.5 Significant judgements and sources of estimation uncertainty (continued)

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 6.

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.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the 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 municipality 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 are 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.

Accounting for adjustments to revenue

Determining whether an adjustment to revenue charged in terms of legislation or similar means is a correction of an error or a change in an accounting estimate requires the application of judgement by management. When adjustments to revenue already recognised arise from new information that becomes known to the municipality, the following considerations are applied to determine whether the adjustment to revenue already recognised is a correction of an error or a change in an accounting estimate:

(a) If information becomes known to the municipality, and the municipality could reasonably have been expected to know of the information and/or the information used was incorrect, the adjustment to revenue is likely to be a correction of an error.

(b) If information becomes known to the municipality, but the municipality could not reasonably have been expected to know of this information when the revenue was charged, the adjustment to revenue is likely to be a change in an accounting estimate.

Accounting for adjustments to revenue that correct an error or prior period error

Following the outcome of the determination processes noted above, and assessing whether this is new information that becomes known to the municipality, the municipality accounts for an adjustment to revenue already recognised, including interest and penalties, as the correction of an error or prior period error where the entity:

(a) has not followed a proper due process to promulgate the tariff, basis, percentage or formula to charge the revenue; and/or

(b) incorrectly applied the tariff, basis, percentage or formula in charging revenue.

Errors discovered within the reporting period which relates to that period are corrected before the annual financial statements are authorised for issue. The principles in GRAP 3 are applied to account for the adjustment to revenue already recognised as a result of the correction of a prior period error.

Accounting for adjustments to revenue as a change in an accounting estimate

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1.5 Significant judgements and sources of estimation uncertainty (continued)

Following the outcome of the determination processes noted above, and assessing whether this is new information that becomes known to the municipality, the municipality accounts for any adjustment to revenue already recognised, including interest and penalties, as a change in an accounting estimate if changes occur in the circumstances that led to the recognition of the revenue.

The principles in GRAP 3 are applied to account for a change in an accounting estimate.

1.6 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 instalments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	30 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.

1.7 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.

Initial measurement.

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1.7 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 date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, 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, it's 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.

Subsequent measurement

The municipality will, after initial recognition, treat items of PPE in terms of the cost model, thus carried at cost less any accumulated depreciation and accumulated impairment losses.

Depreciation

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

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

Useful lives

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

Item	Depreciation method	Average useful life
Land and Buildings		
• Land	Straight-line	Indefinite
• Buildings	Straight-line	30 Years
Other assets		
• Furniture and fittings	Straight-line	5 - 19 Years
• Air conditioners	Straight-line	5 - 19 Years
• Office machines	Straight-line	5 - 19 Years
• Computer hardware	Straight-line	5 - 19 Years
• Transport assets	Straight-line	7 - 30 Years
Infrastructure		
• Roads ,Bridges and Storm water	Straight-line	10 - 100 Years

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1.7 Property, plant and equipment (continued)

• Pedestrian malls	Straight-line	10 - 70 Years
• Electricity	Straight-line	10 - 70 Years
• Security measures	Straight-line	3 - 7 Years
•		
Community Assets		
• Buildings and other assets	Straight-line	05 - 50 Years
• Recreational facilities	Straight-line	15 - 30 Years
• Watercraft	Straight-line	15 Years
• Emergency equipment	Straight-line	05 - 15 Years
• Plant and equipment	Straight-line	05 - 40 Years
• Landfill sites	Straight-line	05 - 50 Years
• Bins and containers	Straight-line	05 - 10 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.

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 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.

Assets under construction.

Assets under construction are stated at cost and not depreciated until the respective assets are completed and ready for use. Assets under construction are also assessed for impairment.

Derecognition

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.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

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

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

Impairment of non-cash generating assets

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1.7 Property, plant and equipment (continued)

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. Non-cash-generating assets are assets other than cash-generating assets. 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. A cash-generating unit is the smallest identifiable group of assets managed 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 service amount is the higher of a non-cash-generating asset's 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.

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.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

1.8 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.

1.9 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.

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1.9 Intangible assets (continued)

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.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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, other	Straight-line	2 - 10 Years

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

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

1.10 Heritage assets

Assets are resources controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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1.10 Heritage assets (continued)

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.

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.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that a municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements.

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.

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

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Accounting Policies

1.10 Heritage assets (continued)

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.

1.11 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 uncollectability.

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.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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 guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

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Accounting Policies

1.11 Financial instruments (continued)

- 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.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unithold capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

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;
- 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.

Classification

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1.11 Financial instruments (continued)

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

Class	Category
Consumer Debtors	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other short term receivables	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) 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
Finance lease obligation	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other short term payables	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 in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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.
- Financial instruments at cost.

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

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 entity 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.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or

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1.11 Financial instruments (continued)

- an investment in a residual interest that meets the requirements for reclassification.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the municipality reclassifies the instrument from cost to fair value.

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 or 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 uncollectability 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. The carrying amount of the asset is reduced directly OR 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 directly OR 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.

The municipality assesses the financial assets for impairment individually, when assets are individually significant, or collectively for financial assets that are not individually significant. Where no objective evidence of impairment exists for an individually assessed asset (whether individually significant or not), the municipality includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in the collective assessment for impairment.

For collective assessments of impairment, assets with similar characteristics are grouped together. The credit risk characteristics are indicative of the debtors' ability to pay all amounts due according to contractual terms.

In making this assessment, management may consider the following indicators as guidance for possible impairment:

- Significant financial difficulty experienced by the debtor;
- Delays in payments (including interest payments) or failure to pay / defaults;
- The probability that the borrower / debtor will enter sequestration (bankruptcy);
- Observable historical data indicating that there is a decrease in the estimated future cash flows that will be received by the municipality from a group of financial assets since the initial recognition of those assets;
- The disappearance of an active market for that financial asset because of financial difficulties;
- Accounts in arrears for a period longer than the initial estimated repayment period;
- Accounts with a provision factor of more than 10; and
- Accounts handed over for collection.

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1.11 Financial instruments (continued)

Management considers all the indicators above as guidance but only uses the indicators for which there is sufficient information to make the assessment for possible or actual impairment.

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 derecognise the asset; and recognise 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.

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

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.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

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.

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1.11 Financial instruments (continued)

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.

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 municipality 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.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

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 buildings 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 municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and 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 on the remaining balance of the liability.

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

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.

1.13 Inventories

The municipality recognises inventories as an asset when:

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

Initial recognition and measurement

Inventories, consisting of consumable stores, land inventories and raw materials are initially recognised at cost. Cost refers to the purchase price, minus taxes, plus transport costs and any other costs in bringing the inventories to their current location and condition.

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Accounting Policies

1.13 Inventories (continued)

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date of acquisition.

Subsequent measurement

Consumable stores and raw materials are valued at the lower of cost and net realisable value unless they are distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted average cost method.

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

Redundant and slow moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Differences arising on the valuation of inventory are recognised in surplus or deficit in the year in which they arose. The amount of any reversal of any write down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories. Such reversal is recognised in surplus or deficit in the period in which the reversal occurs.

Land inventory held by the municipality for the purpose of resale is carried at cost and accounted for as inventory.

Derecognition

The carrying amount of inventories is recognised as an expense in the period that the inventory was written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

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.

1.14 Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost. Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

The municipality does not have bank overdraft facilities.

1.15 Consumer deposits

Consumer deposits are paid by customers 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 accounts.

Consumers are also allowed to provide guarantees on application for new electricity connections instead of deposits. In cases where consumers default on their accounts, the Municipality can request the guarantee amounts from the consumers' bank as payment for the outstanding accounts.

1.16 Impairment of cash-generating assets

Cash-generating assets are those assets held by the Municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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1.16 Impairment of 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, that 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.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

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.

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's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers 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;

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1.16 Impairment of cash-generating assets (continued)

- 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.

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.

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.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

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

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1.16 Impairment of cash-generating assets (continued)

- 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.

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.

1.17 Impairment of non-cash-generating assets

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

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.

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1.17 Impairment of non-cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets managed 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 service amount is the higher of a non-cash-generating asset's 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.

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, that 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.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

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

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1.17 Impairment of non-cash-generating assets (continued)

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 oversized or overcapacity asset. Oversized 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.

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.

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 occur when there is clear evidence that such a redesignation is appropriate.

1.18 Value added tax

The municipality is registered for Value Added Tax (VAT) on the payment basis to SARS in accordance with the VAT Act no 89 of 1991. The financial statements have been prepared on the accrual basis of accounting. The municipality declares output tax and claims input tax in the tax period only to the extent to which payment under consideration is received or made in that tax period. The municipality accounts for VAT on a monthly basis.

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1.19 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- a municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

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 a municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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 municipality 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 municipality 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 municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality 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.

Post-employment benefits

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Accounting Policies

1.19 Employee benefits (continued)

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 a municipality 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.

Multi-employer plans and/or State plans and/or Composite social security programmes

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and costs associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which a municipality 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 municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality 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 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.

Post-employment benefits: Defined benefit plans

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 municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting municipality) that are held by an entity (a fund) that is legally separate from the reporting municipality and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting municipality's own creditors (even in liquidation), and cannot be returned to the reporting municipality, unless either:

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1.19 Employee benefits (continued)

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting municipality; or
- the assets are returned to the reporting municipality to reimburse it for employee benefits already paid.

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 present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account 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 municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality'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 amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality 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).

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1.19 Employee benefits (continued)

The municipality 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.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

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 municipality 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 municipality re-measure 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 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.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect 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.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- 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:
 - those changes were enacted before the reporting date; or
 - past history, 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 take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post retirement obligations

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1.19 Employee benefits (continued)

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 municipality 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.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit 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 benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.20 Provisions and contingencies

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.

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1.20 Provisions and contingencies (continued)

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 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).

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 constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 46.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

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1.20 Provisions and contingencies (continued)

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Decommissioning, restoration and similar liability

The municipality has an obligation to dismantle, remove and restore items of property plant and equipment. The estimated cost to rehabilitate the landfill sites is performed by qualified engineers, using various assumptions. A provision is then made using those costs. The related cost is measured at cost:

If the related asset is measured using the cost model:

- changes in the liability are 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.

1.21 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.

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.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments,
- where the expenditure has been approved and the contract has been awarded at the reporting date, and
- where disclosure is required by a specific standard of GRAP.

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the municipality will discharge its responsibilities thereby incurring future expenditure that will result in an outflow of cash.

1.22 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.

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Accounting Policies

1.22 Revenue from exchange transactions (continued)

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.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

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.

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1.22 Revenue from exchange transactions (continued)

Rendering of services

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 services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Interest earned

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 using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Prepaid Electricity

Revenue from the sale of electricity pre-paid 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. Prepaid electricity liability portion is estimated based on the average unit sales and rate per unit as at 30 June 2024 and 30 June 2025 based on the Contour Prepaid Electricity vending system.

Service charges relating to electricity

Service charges relating to electricity are based on consumption. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Provisional estimates of consumption are made in the invoicing period in which meters have been read.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. At reporting date, an estimate of the prepaid electricity consumed is made and revenue is adjusted accordingly. The estimate is based on trend analysis and historical data of electricity consumption. Revenue arising from the consumption of electricity in the month of June is fully accounted for whether invoiced or not. Revenue arising from the application of the approved tariffs, fees and charges is generally recognised when the relevant service is rendered.

Refuse removal

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff. Tariffs are determined per category of property usage and are levied on a monthly basis.

Service charges

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Accounting Policies

1.22 Revenue from exchange transactions (continued)

Service charges are recognised on a monthly basis in arrears by applying the approved tariff and/or contract conditions. Tariffs are determined per category of property usage and are levied on a monthly basis.

Rental income

Rental income is recognised on an ad hoc basis through the renting of municipal facilities such as halls, sports grounds, lease of tents etc. and is charged using the relevant approved tariffs.

Licenses and permits

Revenue of specific licenses and permits is recognised on an ad hoc basis by applying tariffs determined and approved by the Department of Transport and adopted by the municipal council on a yearly basis.

Other Income

Other income included amongst others the following:

- Sale of bid documents;
- Advertising; and
- Sale of municipal land

1.23 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.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

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1.23 Revenue from non-exchange transactions (continued)

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

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.

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.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Transfers

Apart from Services in kind, which are not recognised, 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.

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.

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.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Subsequent to initial recognition and measurement, the Municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate. Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

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1.23 Revenue from non-exchange transactions (continued)

Government grants

Equitable Share:

Equitable share allocations are recognised in revenue at the start of the financial year.

Conditional Grants:

Conditional grants recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested 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 the Statement of Financial Performance.

Property rates

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Council applies a differential rating system i.e business, farming and residential properties. In terms of this system, assessment rates are levied on the market value in respect of properties. Rebates are granted according to the use of the property concerned.

1.24 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all surplus (deficit) 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.25 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.26 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

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Accounting Policies

1.26 Accounting by principals and agents (continued)

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.27 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Current year comparatives (Budget):

Budget information in accordance with GRAP 1 and 24, has been provided in a separate disclosure note to these financial statements.

Prior year comparatives:

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

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Accounting Policies

1.27 Comparative figures (continued)

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Certain comparative figures have been reclassified. The nature and reasons for the reclassification and restatement are disclosed in Note 48 "prior year adjustments" to the financial statements.

1.28 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.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.29 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.30 Irregular expenditure

Irregular expenditure as defined in section 1 of the Municipal Finance Management Act, (Act No. 56 of 2003) is expenditure incurred by a municipality that is not in accordance with or in contravention of:

- the MFMA, and which has not been condoned in terms of Section 70;
- the Municipal Systems Act, (Act 32 of 2000) and which has not been condoned in terms of that Act;
- the Public Office-Bearers Act, (Act No.20 of 1998);
- the requirements of a supply chain management policy of the municipality or in accordance with the municipality's by-laws giving effect to such policy and which has not been condoned in terms of such policy or by-law.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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.

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Accounting Policies

1.30 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the municipal council must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt write - off and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.31 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

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 2023/07/01 to 2024/06/30.

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.

1.32 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.

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.

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1.33 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 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.

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Notes to the Annual Financial Statements

Figures in Rand

2024

2023

2. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	19 459 426	(4 400 436)	15 058 990	19 459 426	(4 021 293)	15 438 133

Reconciliation of investment property - 2024

Investment property	Opening balance	Depreciation	Closing balance
	15 438 133	(379 143)	15 058 990

Reconciliation of investment property - 2023

Investment property	Opening balance	Impairments	Depreciation	Closing balance
	15 884 270	(64 426)	(381 711)	15 438 133

Pledged as security

No investment property of the municipality was pledged as security.

Details of property

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.

Details of valuation

The municipality measures investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment

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Figures in Rand

3. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	233 202 225	-	233 202 225	233 202 225	-	233 202 225
Buildings	100 054 029	(26 651 608)	73 402 421	60 232 099	(22 993 928)	37 238 171
Machinery and equipment	71 956 031	(40 869 871)	31 086 160	64 335 165	(34 035 717)	30 299 448
Furniture and office equipment	20 802 007	(13 090 562)	7 711 445	14 439 430	(10 758 441)	3 680 989
Transport assets	83 565 126	(47 611 192)	35 953 934	83 435 257	(39 233 617)	44 201 640
Computer equipment	18 342 431	(9 466 012)	8 876 419	15 116 560	(7 310 383)	7 806 177
Infrastructure assets	2 691 356 880	(1 502 560 416)	1 188 796 464	2 568 463 532	(1 421 550 045)	1 146 913 487
Community assets	174 837 101	(45 048 500)	129 788 601	164 335 556	(37 721 490)	126 614 066
Library Books	2 482 881	(2 402 695)	80 186	2 528 405	(2 385 875)	142 530
Work In Progress	217 222 280	-	217 222 280	193 285 658	-	193 285 658
Total	3 613 820 991	(1 687 700 856)	1 926 120 135	3 399 373 887	(1 575 989 496)	1 823 384 391

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Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers to expenditure	Transfers to completed projects	Depreciation	Impairment loss	Closing balance
Land	233 202 225	-	-	-	-	-	-	233 202 225
Buildings	37 238 171	-	(150 162)	-	40 427 062	(3 765 400)	(347 250)	73 402 421
Machinery and equipment	30 299 448	7 711 571	(5 114)	-	-	(6 919 745)	-	31 086 160
Furniture and office equipment	3 680 989	6 872 339	(91 151)	-	-	(2 750 732)	-	7 711 445
Transport assets	44 201 640	38 003	-	-	-	(8 285 709)	-	35 953 934
Library Books	142 530	-	(954)	-	-	(61 390)	-	80 186
Computer equipment	7 806 177	3 939 991	(125 541)	-	-	(2 744 208)	-	8 876 419
Infrastructure assets	1 146 913 487	26 125 095	(15 766 511)	-	160 517 230	(125 484 247)	(3 508 590)	1 188 796 464
Community assets	126 614 066	194 750	(47 528)	-	10 442 093	(7 018 525)	(396 255)	129 788 601
Work In Progress	193 285 658	259 109 540	-	(23 786 533)	(211 386 385)	-	-	217 222 280
	1 823 384 391	303 991 289	(16 186 961)	(23 786 533)	-	(157 029 956)	(4 252 095)	1 926 120 135

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers to expenditure	Transfers to completed projects	Depreciation	Impairment loss	Closing balance
Land	233 202 225	-	-	-	-	-	-	233 202 225
Buildings	33 051 407	-	(323 612)	-	7 389 818	(2 030 115)	(849 327)	37 238 171
Machinery and equipment	30 436 805	6 310 238	(135 968)	-	-	(6 285 304)	(26 323)	30 299 448
Furniture and office equipment	4 719 913	418 233	(74 092)	-	-	(1 370 118)	(12 947)	3 680 989
Transport assets	43 764 475	8 437 490	(603 257)	-	-	(7 396 893)	(175)	44 201 640
Library Books	135 792	82 156	(1 579)	-	-	(73 839)	-	142 530
Computer equipment	7 479 199	2 538 165	(174 412)	-	-	(2 006 154)	(30 621)	7 806 177
Infrastructure assets	1 069 085 489	-	(28 150 174)	-	223 655 563	(114 470 498)	(3 206 893)	1 146 913 487
Community assets	109 396 123	400 000	(2 844)	-	22 779 427	(5 582 107)	(376 533)	126 614 066
Work In Progress	173 318 568	283 960 811	-	(10 168 913)	(253 824 808)	-	-	193 285 658
	1 704 589 996	302 147 093	(29 465 938)	(10 168 913)	-	(139 215 028)	(4 502 819)	1 823 384 391

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3. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	105 858 774	48 594 667	38 832 217	193 285 658
Additions/capital expenditure	214 947 556	32 503 387	11 658 597	259 109 540
Transferred to completed items	(160 517 230)	(10 442 093)	(40 427 062)	(211 386 385)
Transferred to expenditure	(23 655 343)	-	(131 190)	(23 786 533)
	136 633 757	70 655 961	9 932 562	217 222 280

Reconciliation of Work-in-Progress 2023

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	125 287 942	21 232 578	26 798 048	173 318 568
Additions/capital expenditure	213 876 643	50 511 681	19 572 487	283 960 811
Transferred to completed items	(223 655 563)	(22 779 427)	(7 389 818)	(253 824 808)
Transferred to expenditure	(9 650 248)	(370 165)	(148 500)	(10 168 913)
	105 858 774	48 594 667	38 832 217	193 285 658

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3. Property, plant and equipment (continued)

Projects which are taking significantly longer periods to complete

Included in Work In Progress (WIP) total carrying value are projects which are taking longer to complete. The expenditure incurred to date for these projects are as follows:

Project Name	Amount	Reasons for project delays
Waterval Sports Facility Phase 2	12 542 061	Constructor was terminated last year july 2023, Advert was done for the remain scope of work
Arts & Crafts Centre in town	1 317 226	Only design completed waiting for budget allocation funds for construction
Waterval creche ring road to ZCC Church	1 285 344	Only design completed awaiting for budget allocation funds for construction
Transformers 4x5MVA 22/11(Makhado Park_ Roodewal_ Cricket_ E	6 834 900	Still needs to purchase other transformers for the project to be completed
Upgrade Emmarentia substation - 7x switchgear	465 997	Design completed awaiting budget alocation for implimentation as the project needs a lot of money
Upgrade & reroute 66KV transmission line from Makhado main substaion to Mpheni	2 050 060	Design completed awaiting for budget alocation for implimentation
Airconditioners 241235016	335 333	Advertisement was done but there was no appointment for the servise provider for instalation
New Council Chamber and Offices	2 918 108	Design is done and awaiting for funding for for construction
Waterval Stormwater 2020	1 093 906	Design is done and awaiting for funding for for construction
Upgrading of Sane to Natali Road	594 227	Waiting for MIG registration only design was completed
Mingard Bridge to Mhokota Entrance	1 247 104	Only design completed waiting for budget allocation funds for construction
	30 684 266	

Repairs and Maintenance of property, plant and equipment

An amount of R62.8 million (2023: R66.2 million) was spent during the period ended 30 June 2024. In determining this amount, management has exclusively disclosed amounts charged by service providers. Refer to 39

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3. Property, plant and equipment (continued)

Impairment of non - cash generating assets

At the reporting date all asset classes were assessed for impairment and the following classes of assets were impaired at reporting date and below are the asset categories that have been impaired by the following amounts:

Asset Class

Buildings	347 250	849 327
Infrastructure assets	3 508 590	3 206 893
Community Assets	396 255	376 533
Machinery and equipment	-	26 323
Furniture and fittings	-	12 947
Computer assets	-	30 621
Transport assets	-	175
	-	-
	<u>4 252 095</u>	<u>4 502 819</u>

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.

Pledged as security

No items of property, plant & equipment of the municipality was pledged as security.

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4. Intangible assets

	2024		2023		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
9 457 600	(7 729 274)	1 728 326	8 758 278	(7 148 498)	1 609 780

Intangible assets

Reconciliation of intangible assets - 2024

Intangible assets	Opening balance	Additions	Amortisation	Closing balance
	1 609 780	726 723	(608 177)	1 728 326

Reconciliation of intangible assets - 2023

Intangible assets	Opening balance	Additions	Amortisation	Closing balance
	2 155 758	58 550	(604 528)	1 609 780

Pledged as security

No intangible assets of the municipality were pledged as security.

Restricted title

There is no restriction on the title of Intangible assets. Intangible assets have finite useful lives and are amortized over the useful lives.

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5. Heritage assets

		2024		2023	
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
2 160 329	-	2 160 329	2 160 329	-	2 160 329

Heritage assets

Reconciliation of heritage assets 2024

Heritage assets

Opening balance	2 160 329
Closing balance	2 160 329

Reconciliation of heritage assets 2023

Heritage assets

Opening balance	2 160 329
Closing balance	2 160 329

Restrictions on heritage assets

There is no restriction on the title of heritage assets.

Pledged as security

No heritage assets of the municipality were pledged as security.

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6. Employee benefit obligations

Long Service Awards Obligation

The actuarial valuation of the long service awards was performed by Chanan Weiss (Fellow of the Actuarial Society of South Africa), on behalf of ARCH Actuarial Consulting.

The long service bonus award provision consists of an obligation to pay out a bonus to qualifying employees in the year the employee attains the required service period. The obligation represents a liability to Makhado Local Municipality and the value is represented by the present value of the long service bonus awards expected to be paid in future. The valuation is thus an estimate of the cost of providing long service awards. The actual cost to the municipality will be dependent on the future levels of assumed variables and the demographic profile of the membership. The municipality is required to pay awards to its employees for every 5 years of service completed from 10 years to 45 years. This will be in the form of days accumulated, that will be encashed immediately.

Valuation assumptions made include Discount Rate of 10.97% (2023: 11.08%), Consumer Price Inflation of 5.14% (2023: 6.47%), Normal Salary Increase of 5.00% (2023: 7.50%) and Net Effective Discount Rate of 4.55% (2023: 4.33%), Mortality SA 85-90 (2023: SA 85-90)

Long service awards liability

Opening balance	(14 185 000)	(14 916 000)
Current service cost	(1 208 000)	(1 230 000)
Interest cost	(1 464 000)	(1 517 000)
Actuarial gains/(loss)	(654 741)	171 935
Past Service Costs	(8 854 000)	975 000
Expected employer benefit vesting	2 501 741	2 331 065
	(23 864 000)	(14 185 000)

Post retirement medical aid plan

The municipality operates an unfunded post - employment health care defined benefit plan for qualifying employees. Employees of the municipality are members of Bonitas, Keyhealth, Hosmed, LA Health and SAMWUMED medical aid schemes. The municipality is committed to pay 70% of the members' post employment medical aid contributions up to an amount that is currently capped at R5,231 (2023: R5 245) per month. Under the plan, dependents of the former employees are entitled to continued membership of their medical aid scheme upon the death of the primary member. No other post-employment benefits are provided to these employees. As at the balance sheet date, the members of the medical aid entitled to the post employment medical scheme subsidy were 472 (2023: 4312) in service members, 112 (2023: 132) in service non-members and 49 (2023: 49) continuation(retirees and surviving dependents) members.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at 30 June 2024 by ARCH Actuarial Consulting. The present value of the defined benefit obligation, and the related current service cost and past service costs, were measured using the Projected Unit Credit Method.

Valuation assumptions made include Discount Rate of 12.26% (2023: 11.08%), Consumer Price Inflation of 6.24% (2023: 6.47%), Normal Salary Increase of 5.00% (2023: 7.50%) and Net Effective Discount Rate of 4.20% (2023: 4.33%), Mortality SA 85-90 (2023: SA 85-90)

Total post-retirement health care benefits liability

Opening balance	(97 567 000)	(102 497 000)
Current service cost	(4 252 000)	(4 110 000)
Interest cost	(11 976 000)	(11 948 000)
Actuarial gains/(loss)	7 075 070	17 983 420
Expected contributions (benefits paid)	3 233 930	3 004 580
	(103 486 000)	(97 567 000)

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6. Employee benefit obligations (continued)

The amounts recognised in the statement of financial position are as follows:

Carrying value

Opening Balance	(111 752 000)	(117 413 000)
Current Service Costs	(5 460 000)	(5 340 000)
Past Service Costs	(8 854 000)	975 000
Interest Costs	(13 440 000)	(13 465 000)
Expected employee benefit vesting	5 735 671	5 335 645
Actuarial gain/(loss)	6 420 329	18 155 355
	(127 350 000)	(111 752 000)
Non-current liabilities	(118 989 000)	(106 614 000)
Current liabilities	(8 361 000)	(5 138 000)
	(127 350 000)	(111 752 000)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	12.26 %	12.47 %
CPI inflation rate	6.24 %	6.58 %
Expected increase in salaries	5.00 %	7.50 %
Expected increase in healthcare costs	7.74 %	8.08 %

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7. Inventories		
Consumable stores	34 419 727	25 771 378
Land inventory	92 091 757	93 309 751
	126 511 484	119 081 129

7.1 Reconciliation of inventories

Land inventory		
Opening balance	93 309 751	96 569 742
Less: Sales	(271 000)	(3 030 000)
Less: Donated land	(350 000)	(140 000)
Less: Inventory written down	(596 994)	(89 991)
Closing balance	92 091 757	93 309 751

There are certain portions of land illegally occupied by invaders. At period -end, an amount of R596 994 (2023: R89 991) was written down.

Inventory consumables

Opening balance	25 771 378	32 067 552
Add: Purchases	44 946 139	38 395 483
Less: Issues	(36 413 862)	(43 691 829)
Less: Adjustments:	-	-
(Increase)/decrease in slow moving stock	116 072	(999 828)
Closing balance	34 419 727	25 771 378

Slow Moving Stock:

For the year ended 30 June 2024, there were certain inventory items that had longer turnover and therefore stayed a lot longer in stores. The increase/ decrease in slow moving stock amounted to R116 072 (2023: R-999 828).

Inventory pledged as security

No inventory was pledged as security for the current and previous year.

8. Receivables from exchange transactions

Other receivables	2 645 569	7 358 419
Sundry debtors	232 648	83 760
Vhembe District Municipality	-	9 881 800
Prepaid expenses - Insurance	424 782	793 046
	3 303 002	18 117 026

Vhembe District Municipality

As of 30 June 2024, trade and other receivables from Vhembe District Municipality amounted to - (2023: 9 881 800) .

The reconciliation of the gross balance for VDM debt is as follows:

Opening balance	9 881 800	33 881 800
Settlements	(9 881 800)	(24 000 000)
Total	-	9 881 800
Closing balance	-	9 881 800

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8. Receivables from exchange transactions (continued)		
Reconciliation of provision for impairment		
Opening balance	-	(16 940 900)
Reversal of impairment	-	16 940 900
	<u>-</u>	<u>-</u>
Sundry debtors pledged as security.		
No trade and other receivables were pledged as security.		
9. Receivables from non-exchange transactions		
Fines	<u>737 650</u>	<u>1 239 500</u>
Receivables from non-exchange transactions impaired		
As of 30 June 2024, receivables from traffic fines of R16 506 640 (2023: R13 957 070) were impaired and provided for. The amount of the provision was R15 768 990 as of 30 June 2024 (2023: R12 717 570).		
Gross Balances		
Opening balance	13 957 070	10 289 770
Tickets issued	5 306 050	6 124 700
Withdrawals	(425 050)	(427 680)
Reductions	(58 880)	(275 150)
Payments	(2 272 550)	(1 754 570)
Closing Balance	<u>16 506 640</u>	<u>13 957 070</u>
Less: Provision for impairment	<u>(15 768 990)</u>	<u>(12 717 570)</u>
	<u>737 650</u>	<u>1 239 500</u>
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(12 717 570)	(8 466 685)
Contributions to allowance	(3 051 420)	(4 250 885)
	<u>(15 768 990)</u>	<u>(12 717 570)</u>
Receivables from non-exchange transactions pledged as security		
No receivables from non-exchange transactions were pledged as security.		
10. VAT receivable		
VAT receivable (SARS)	-	2 724 038
VAT receivable (Accrual)	<u>779 186</u>	<u>443 026</u>
	<u>779 186</u>	<u>3 167 064</u>

The financial statements have been prepared on the accrual basis whilst VAT is payable to SARS on the payment's basis. Output VAT is only payable as and when the purchase consideration is received and input VAT can only be claimed as and when payments are made. Interest on late payment is charged according to SARS policies.

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11. Consumer debtors disclosure		
Gross balances		
Consumer debtors - Rates	195 150 166	169 608 899
Consumer debtors - Electricity	103 093 659	97 996 925
Consumer debtors - Interest	166 895 176	139 202 128
Consumer debtors - Refuse	32 327 850	30 040 473
Consumer debtors - Sundries	39 233 708	19 658 463
Consumer debtors - VAT	18 000 205	16 976 536
Consumer debtors - Other	3 718 065	4 026 133
	558 418 829	477 509 557
Less: Allowance for impairment		
Consumer debtors - Rates	(150 010 517)	(129 023 372)
Consumer debtors - Electricity	(42 319 597)	(59 242 733)
Consumer debtors - Interest	(144 440 924)	(120 681 325)
Consumer debtors - Refuse	(31 210 270)	(29 126 954)
Consumer debtors - Sundries	(22 676 283)	(17 572 726)
Consumer debtors - VAT	(14 527 299)	(14 580 214)
Consumer debtors - Other	(3 706 765)	(3 857 087)
	(408 891 655)	(374 084 411)
Net balance		
Consumer debtors - Rates	45 139 649	40 585 527
Consumer debtors - Electricity	60 774 062	38 754 192
Consumer debtors - Interest	22 454 252	18 520 803
Consumer debtors - Refuse	1 117 580	913 519
Consumer debtors - Sundries	16 557 425	2 085 737
Consumer debtors - VAT	3 472 906	2 396 322
Consumer debtors - Other	11 300	169 046
	149 527 174	103 425 146
Included in above is receivables from exchange transactions		
Electricity	60 774 062	38 754 192
Interest	22 454 252	18 520 803
Refuse	1 117 580	913 519
Sundries	16 557 425	2 085 737
VAT	3 472 906	2 396 322
Other	11 300	169 046
	104 387 525	62 839 619
Included in above is receivables from non-exchange transactions (taxes and transfers)		
Rates	45 139 649	40 585 527
	149 527 174	103 425 146
Net balance		
Rates		
Current (0 -30 days)	21 609 670	9 749 257
31 - 60 days	3 851 594	3 257 294
61 - 90 days	3 379 394	3 073 149
91 - 120 days	3 362 111	2 955 358
121 - 365 days	162 947 397	150 573 841
	195 150 166	169 608 899

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11. Consumer debtors disclosure (continued)		
Electricity		
Current (0 -30 days)	54 016 911	41 911 855
31 - 60 days	1 101 413	3 052 355
61 - 90 days	1 248 872	1 562 668
91 - 120 days	1 310 007	1 515 768
121 - 365 days	45 416 455	49 954 279
	103 093 658	97 996 925
Interest		
Current (0 -30 days)	6 971 503	6 431 591
31 - 60 days	3 437 137	3 120 602
61 - 90 days	3 380 855	3 061 156
91 - 120 days	3 328 221	3 034 983
121 - 365 days	149 777 461	123 553 796
	166 895 177	139 202 128
Refuse		
Current (0 -30 days)	1 562 232	1 594 113
31 - 60 days	469 670	488 501
61 - 90 days	447 985	467 973
91 - 120 days	437 960	456 641
121 - 365 days	29 410 002	27 033 245
	32 327 849	30 040 473
Sundries		
Current (0 -30 days)	15 057 497	2 540 608
31 - 60 days	1 581 789	769 498
61 - 90 days	4 332 755	516 861
91 - 120 days	554 829	498 324
121 - 365 days	17 706 837	15 333 172
	39 233 707	19 658 463
VAT		
Current (0 -30 days)	3 753 344	3 229 160
31 - 60 days	277 904	584 044
61 - 90 days	297 317	349 896
91 - 120 days	301 351	344 257
121 - 365 days	13 370 289	12 469 179
	18 000 205	16 976 536
Other		
Current (0 -30 days)	2 082	314 677
31 - 60 days	363	135 560
61 - 90 days	12 064	121 244
91 - 120 days	37 447	113 437
121 - 365 days	3 666 110	3 341 215
	3 718 066	4 026 133

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11. Consumer debtors disclosure (continued)		
Summary of debtors by customer classification		
Residential		
Current (0 -30 days)	25 127 626	17 545 693
31 - 60 days	4 356 723	3 915 729
61 - 90 days	5 139 963	3 710 003
91 - 120 days	3 962 043	3 607 021
121 - 365 days	213 738 494	26 456 937
> 365 days	-	166 741 571
	<u>252 324 849</u>	<u>221 976 954</u>
Less: Allowance for impairment	<u>(227 044 175)</u>	<u>(211 729 727)</u>
	<u>25 280 674</u>	<u>10 247 227</u>
Industrial/ commercial		
Current (0 -30 days)	35 976 087	28 147 806
31 - 60 days	1 908 749	3 009 745
61 - 90 days	2 607 499	1 608 574
91 - 120 days	1 762 874	1 537 392
121 - 365 days	46 752 573	9 732 000
> 365 days	-	37 983 878
	<u>89 007 782</u>	<u>82 019 395</u>
Less: Allowance for impairment	<u>(56 544 253)</u>	<u>(58 112 712)</u>
	<u>32 463 529</u>	<u>23 906 683</u>
Agriculture		
Current (0 -30 days)	41 869 526	20 077 761
31 - 60 days	4 454 398	4 482 380
61 - 90 days	5 351 781	3 834 371
91 - 120 days	3 607 009	3 774 354
121 - 365 days	161 803 483	29 193 850
> 365 days	-	112 150 492
	<u>217 086 197</u>	<u>173 513 208</u>
Less: Allowance for impairment	<u>(125 303 227)</u>	<u>(104 241 972)</u>
	<u>91 782 970</u>	<u>69 271 236</u>
Total		
Current (0 -30 days)	102 973 239	65 771 260
31 - 60 days	10 719 870	11 407 854
61 - 90 days	13 099 243	9 152 948
91 - 120 days	9 331 927	8 918 767
121 - 365 days	422 294 550	65 382 787
> 365 days	-	316 875 941
	<u>558 418 829</u>	<u>477 509 557</u>
Less: Allowance for impairment	<u>(408 891 655)</u>	<u>(374 084 411)</u>
	<u>149 527 174</u>	<u>103 425 146</u>
Less: Allowance for impairment		
Current (0 -30 days)	(52 933 342)	(52 072 195)
31 - 60 days	(8 561 350)	(8 921 853)
61 - 90 days	(10 461 620)	(7 158 336)
91 - 120 days	(7 452 879)	(6 975 188)
121 - 365 days	(329 482 464)	(51 134 558)
> 365 days	-	(247 822 281)

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11. Consumer debtors disclosure (continued)		
	<u>(408 891 655)</u>	<u>(374 084 411)</u>
Reconciliation of allowance for impairment		
Balance at beginning of the year	(374 084 411)	(320 785 687)
Contributions to allowance	(44 331 333)	(54 859 417)
Debt impairment written off against allowance	9 524 089	1 560 693
	<u>(408 891 655)</u>	<u>(374 084 411)</u>

Consumer debtors impaired

As of 30 June 2024, consumer debtors of R408 891 655 (2023: R374 084 411) were impaired and provided for.

An estimate is made for doubtful receivables based on the review of all outstanding amounts at year end. The provision for doubtful debts is determined in line with the municipality's approved method and assumptions for calculating provision for bad debts. No debt was written off during the period as uncollectable.

The amounts best represent the maximum exposure to credit risk at the end of the reporting period without taking into account of any collateral held or other credit enhancements.

Consumer debtors pledged as security

No portion of accounts receivables was pledged as security for any financial liabilities.

Credit quality of consumer debtors

The credit quality of consumer debtors 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.

Consumer debtors are payable within 30 days. This credit period is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors on initial recognition is not deemed necessary.

Concentrations of credit risk with respect to consumer debtors are limited due to the Municipality's large number of customers. The Municipality's historical experience in collection of consumer debtors falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the Municipality's consumer debtors.

Fair value of consumer debtors

The fair value of accounts receivable approximates their carrying amounts.

Consumer debtors	<u>149 527 174</u>	<u>103 425 146</u>
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12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash at bank	14 648 904	146 582 745
Petty Cash	163	57
Cash Float	12 700	12 700
	<u>14 661 767</u>	<u>146 595 502</u>

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

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12. Cash and cash equivalents (continued)

Cash and cash equivalents pledged as collateral

No cash and cash equivalents were pledged as collateral in the current financial year and previous years.

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
FNB BANK - Primary account - 623-0832-9988	25 932 331	146 328 419	200 740 897	14 648 904	146 582 745	201 324 162
VBS MUTUAL BANK Investment account-010029570007	58 264 578	58 264 578	58 264 578	58 264 578	58 264 578	58 264 578
Total	84 196 909	204 592 997	259 005 475	72 913 482	204 847 323	259 588 740

Investment in VBS Mutual Bank:

Short term investment in VBS of R58 264 578 (2023:R58 264 578) has been impaired in full. VBS Mutual Bank was placed under curatorship by the Reserve Bank of South Africa on 11 March 2018 following material irregularities and alleged fraud by those charged with governance of the bank. The bank failed to honor its obligations due to liquidity crisis.

13. Finance lease obligation

Minimum lease payments due

- within one year	1 416 000	327 704
- in second to fifth year inclusive	2 006 000	-
	<u>3 422 000</u>	<u>327 704</u>
less: future finance charges	(455 492)	(5 658)
Present value of minimum lease payments	<u>2 966 508</u>	<u>322 046</u>

Present value of minimum lease payments due

- within one year	1 126 839	322 046
- in second to fifth year inclusive	1 839 669	-
	<u>2 966 508</u>	<u>322 046</u>

Non-current liabilities	1 839 669	-
Current liabilities	1 126 839	322 046
	<u>2 966 508</u>	<u>322 046</u>

It is the municipality's policy to lease certain equipment under finance leases, denominated in the presentation currency (Rand). The average lease term is 3 years, interest rates are fixed at the contract date and leases have fixed repayments. No arrangements have been entered into for contingent rent.

Defaults and breaches

During the current year, there were no defaults or breaches of any finance leases agreements.

Market risk

The carrying amounts of finance lease liabilities are denominated in the following currencies:

Rand	2 966 508	322 046
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For details of sensitivity of exposures to market risk related to finance lease liabilities, as well as liquidity risk refer to note 49 of the financial statements. The fair value of finance lease liabilities approximates their carrying amounts.

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14. Unspent conditional grants and receipts

Unspent grants are mainly attributed to projects that are work in progress in the relevant financial year-end. The unspent grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld. Except for Disaster Management Grant, all conditional grants were fully spent as at 30 June 2024.

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Municipal Infrastructure Grant	-	-
Integrated National Electrification Programme	-	-
Finance Management Grant	-	-
Disaster Management Grant	4 558 461	3 500 000
Expanded Public Works Programmes	-	-
	<u>4 558 461</u>	<u>3 500 000</u>

Movement during the year

Balance at the beginning of the year	3 500 000	-
Additions during the year	137 733 000	131 426 000
Income recognition during the year	<u>(136 674 539)</u>	<u>(127 926 000)</u>
	<u>4 558 461</u>	<u>3 500 000</u>

See Note 31 for reconciliation of grants from national/provincial government.

15. Performance bonus obligation

The provision is to provide for the performance bonuses of the Section 57 employees. The provision is calculated at 10% of the total remuneration in terms of the performance agreements at the reporting date which is usually paid within one year.

Performance bonuses	<u>-</u>	<u>251 579</u>
Reconciliation of performance bonuses		
Balance at the beginning of the year	251 579	251 579
Less: Amount unutilised during the year	<u>(251 579)</u>	<u>-</u>
	<u>-</u>	<u>251 579</u>
Total performance bonus obligation		
Performance bonuses	<u>-</u>	<u>251 579</u>
	<u>-</u>	<u>251 579</u>

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16. Rehabilitation provision

Reconciliation of rehabilitation provision - 2024

	Opening Balance	Movement	Unwind interest	Closing Balance
Old Landfill Site [Permit Number: 16/2/7/A 700/D1/Z1/P256]	27 109 799	(13 313 342)	2 893 049	16 689 506
New Landfill Site [Permit Number:12/9/11/L413/6]	3 900 287	(714 314)	445 475	3 631 448
	31 010 086	(14 027 656)	3 338 524	20 320 954

Reconciliation of rehabilitation provision - 2023

	Opening Balance	Movement	Unwind interest	Closing Balance
Old Landfill Site [Permit Number: 16/2/7/A 700/D1/Z1/P256]	33 406 914	(9 423 500)	3 126 385	27 109 799
New Landfill Site [Permit Number:12/9/11/L413/6]	5 788 691	(2 502 497)	614 093	3 900 287
	39 195 605	(11 925 997)	3 740 478	31 010 086

Non-current liabilities		18 865 567	26 010 086
Current liabilities		1 455 387	5 000 000
		20 320 954	31 010 086

Environmental rehabilitation provision

Long-term obligations comprising pollution control, rehabilitation and site closure result from environmental disturbances associated with the municipality's operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

Restoration costs

Changes in the discounted amount of estimated restoration costs are charged to profit or loss during the period in which such changes occur. Estimated restoration costs are reviewed annually and discounted using a pre-tax risk-free rate that reflects market assessments of the value of money. The increase in restoration provisions owing to the passage of time is charged to finance costs. All other charges in the carrying amount of the provision subsequent to initial recognition are included in profit or loss in the period in which they are incurred.

Ongoing rehabilitation cost

The cost of ongoing current programmes to prevent and control pollution is recognised as an expense when incurred.

Critical accounting estimates and assumptions

The municipality's activities are subject to various laws and regulations governing the protection of the environment. The municipality recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred and actual timing thereof in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of site estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and landfill site closure, are based on the municipality's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

Rehabilitation costs have been calculated as the present value of future obligation, discounted at net effective discount rate of 5.0% for the Vondeling Landfill and 5.50% for the Makhado Landfill.

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Figures in Rand	2024	2023
17. Deferred Income		
Deferred Income	99 695	153 578
18. Payables from exchange transactions		
Salary Control	15 817 120	13 519 860
Accrued operating creditors	148 799 149	158 955 394
Retentions	54 282 712	49 630 382
Advance payments	15 671 783	13 957 517
Other creditors	2 234 766	6 696 733
Leave pay accrual	40 440 873	36 147 715
Bonus accrual	8 288 972	7 273 104
	285 535 375	286 180 705
Fair value of trade and other payables		
Trade payables	285 535 375	286 180 705

The carrying amount of payables from exchange transactions approximates their fair values. The fair value is determined after considering the standard terms and conditions of agreements entered into by the Municipality and the parties. The Municipality did not default on any accounts payable in respect of capital or interest portions. No terms attached to the accounts payable were re-negotiated.

Trade payables:

The average credit period on purchases is 30 days from receipt of the invoice, as determined by Section 99 of the MFMA. 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. Included under payables are payments received in advance which are non-interest bearing and normally settled on 30 day terms.

Annual leave:

Annual leave accrues to employees on a monthly basis subject to certain conditions. The accrual is an estimate of the amount due to staff as at the financial year-end, based on the value of statutory and non-statutory leave.

Annual bonus:

Annual bonus accrues to staff on an annual basis subject to certain conditions. The accrual is the actual amount due at the reporting date to staff and is paid after the completion of twelve months. The Municipality has an obligation to pay a service bonus in terms of its conditions of employment.

Retention:

Retention is non-interest bearing and settled in terms of the contract agreement.

19. VAT payable

VAT payable (Accrual)	-	-
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The financial statements have been prepared on the accrual basis whilst VAT is payable to SARS on the payment's basis. Output VAT is only payable as and when the purchase consideration is received and input VAT can only be claimed as and when payments are made. Interest on late payment is charged according to SARS policies.

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Figures in Rand	2024	2023
20. Consumer deposits		
Electricity	14 372 770	15 210 158
Rental Properties	609 452	411 280
	14 982 222	15 621 438

During the financial period ended 30 June 2024, the municipality had guarantees in lieu of customers of R2 766 069 (2023: R3 231 099).

Consumer deposits are paid by customers 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 accounts.

Business consumers are allowed to provide guarantees on application for new electricity connections instead of deposits. In cases where consumers default on their accounts, the municipality can request the guarantee amounts from the consumers' bank as payment for the outstanding accounts.

21. Revenue

Service charges	454 445 770	385 664 462
Rental of facilities and equipment	425 659	321 030
Interest earned -outstanding receivables: exchange transactions	15 511 158	14 272 415
Agency services	3 273 967	4 556 844
Licences and permits	3 809 976	3 790 850
Other revenue from exchange transactions	21 935 915	53 559 025
Interest received from financial institutions	5 456 569	9 569 147
Actuarial gains	6 420 329	18 155 355
Property rates	120 692 497	97 299 879
Interest earned -outstanding receivables: non-exchange transactions	25 943 370	23 042 009
Government grants & subsidies	619 579 943	574 516 240
Other revenue from non - exchange transactions	27 163 217	-
Fines, Penalties and Forfeits	5 390 564	6 144 857
	1 310 048 934	1 190 892 113

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	454 445 770	385 664 462
Rental of facilities and equipment	425 659	321 030
Interest earned -outstanding receivables: exchange transactions	15 511 158	14 272 415
Agency services	3 273 967	4 556 844
Licences and permits	3 809 976	3 790 850
Other revenue from exchange transactions	21 935 915	53 559 025
Interest received from financial institutions	5 456 569	9 569 147
Actuarial gains	6 420 329	18 155 355
	511 279 343	489 889 128

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	120 692 497	97 299 879
Interest earned -outstanding receivables: non-exchange transactions	25 943 370	23 042 009
Transfer revenue		
Government grants & subsidies	619 579 943	574 516 240
Other revenue from non - exchange transactions	27 163 217	-
Fines, Penalties and Forfeits	5 390 564	6 144 857
	798 769 591	701 002 985

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Figures in Rand	2024	2023
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21. Revenue (continued)

Nature and type of Bequests, gifts, donations and goods in-kind are as follows:

Donations		<u>7 907 617</u>
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The donation relates to electrical infrastructure donated by the developers. The transaction relates to tangible assets transferred to the municipality in a non-exchange transaction, without charge.

Nature and type of services in-kind are as follows:

Services in kind		<u>19 255 600</u>
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The services in kind relates to road maintenance carried out by the performed by Road Agency Limpopo during the year.

The Department of Cooperative Governance and Traditional Affairs (CoGTA) partnered with Roads Agency Limpopo through the Office of the Premier in its commitment to address service delivery backlog in the rural municipalities through mobilisation of re-prioritised MIG and other grants with the objective to ensure job creation through labour intensive methods, poverty alleviation, service delivery and stimulation of local economic development.

Makhado Local Municipality was identified as one of the targeted municipalities for this intervention where the Office of the Premier and CoGTAs role was that of coordination and oversight and Road Agency Limpopo the implementing agent for the project.

22. Service charges

Sale of electricity	439 239 234	371 261 779
Refuse removal	15 206 536	14 402 683
	<u>454 445 770</u>	<u>385 664 462</u>

The amount disclosed above for revenue from service charges is in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

Included in sale of electricity of R439 239 234 (2023: R371 261 779), is prepaid electricity of R89 789 653 (2023: R72 677 220), which is not billed on a monthly basis but purchased by consumers as and when the need arises.

23. Rental of facilities and equipment

Premises

Venue hire	<u>296 124</u>	<u>208 101</u>
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Facilities and equipment

Rental-Show Ground	129 535	97 117
Rental of equipment	-	15 812
	<u>129 535</u>	<u>112 929</u>
	<u>425 659</u>	<u>321 030</u>

24. Fines, Penalties and Forfeits

Overdue Books Fines	466	560
Pound Fees Fines	84 048	19 597
Municipal Traffic Fines	5 306 050	6 124 700
	<u>5 390 564</u>	<u>6 144 857</u>

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Figures in Rand	2024	2023
25. Agency services		
Vehicle Registration & Licencing	3 273 967	4 556 844
<p>The municipality has contractual arrangement with the Department of Community, Safety and Liason Limpopo (principal) for the motor vehicles registrations on an 80/20 commission basis. No risks or rewards in relation to the assets , expenditures and payables in terms of this agreement are applicable to the municipality.</p> <p>The remittance of 80 percent of the revenues collected in terms of rendering the services on behalf of the principal occurs on a monthly basis.</p>		
26. Licences and permits		
Dog Licences	4 218	5 161
Trading Licences	321 041	283 975
Road and Transport	3 484 717	3 501 714
	3 809 976	3 790 850
27. Interest earned - outstanding receivables		
Interest earned - outstanding receivables: exchange transactions	15 511 158	14 272 415
Interest earned - outstanding receivables: non - exchange transactions	25 943 370	23 042 009
	41 454 528	37 314 424
28. Other revenue from exchange transactions		
Burial fees	153 826	170 613
Advertising	10 274	6 776
Land sales	2 143 793	20 309 765
Sundries	5 375 733	3 991 210
Sale of tender documents	27 000	75 000
Building plans	197 633	138 763
Landfill management	14 027 656	11 925 998
Reversal of impairment: VDM	-	16 940 900
	21 935 915	53 559 025
29. Interest received from financial institutions		
Interest revenue		
Interest received from primary account	5 456 569	9 569 147

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Figures in Rand	2024	2023
30. Property rates		
Rates received		
Residential	58 729 599	45 156 217
Commercial	34 762 184	29 410 592
Agricultural	27 200 714	22 572 322
Public Service Infrastructure	-	160 748
	120 692 497	97 299 879
Valuations R'000		
Residential	6 606 796	5 291 613
Commercial	2 469 545	2 189 659
Agricultural	8 471 581	6 203 288
Municipal	589 221	446 594
Churches	118 356	107 716
Government	2 165 769	3 917 637
Public Service Infrastructure	507 058	104 966
Public Benefit Organisation	17 670	2 470
	20 945 996	18 263 943

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2023. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The valuations for the current year is R20 945 996 081 (2023: R18 263 942 347).

Rates are levied monthly on property owner's accounts.

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31. Government grants & subsidies

Operating grants

Equitable share	481 943 000	445 889 000
Expanded Public Works Programmes (EPWP)	2 768 000	3 259 000
Finance Management Grant (FMG)	1 950 000	1 950 000
Local Government Sector for Education and Training Authority	962 404	701 240
Disaster Management Grant	16 941 539	-
	<u>504 564 943</u>	<u>451 799 240</u>

Capital grants

Municipal Infrastructure Grant (MIG)	108 015 000	102 597 000
Integrated Electrification Program (INEP)	7 000 000	20 120 000
	<u>115 015 000</u>	<u>122 717 000</u>
	<u>619 579 943</u>	<u>574 516 240</u>

Capital and Operational Grants Received

Included in above are the following grants and subsidies received:

Capital grants received	115 015 000	122 717 000
Operational grants received	22 621 943	5 910 240
Equitable Share	481 943 000	445 889 000
	<u>619 579 943</u>	<u>574 516 240</u>

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. The Equitable share is the unconditional share of the revenue raised nationally and is being allocated in terms of section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

All registered indigents receive a monthly subsidy of 1 711 665 (2023: 622 183), which is funded from the grant.

Current-year receipts	481 943 000	445 889 000
Conditions met - transferred to revenue	<u>(481 943 000)</u>	<u>(445 889 000)</u>
	-	-

Municipal Infrastructure Grant (MIG)

Current-year receipts	108 015 000	102 597 000
Conditions met - transferred to revenue	<u>(108 015 000)</u>	<u>(102 597 000)</u>
	-	-

MIG Grant was used to accelerate the provision of basic service delivery through construction of capital projects. Conditions of the grant were fully met at year end - (see note 14).

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31. Government grants & subsidies (continued)

Integrated National Electricity Programme (INEP)

Current-year receipts	7 000 000	20 120 000
Conditions met - transferred to revenue	(7 000 000)	(20 120 000)
	<u>-</u>	<u>-</u>

The purpose of this grant is to address electrification backlog of permanently occupied residential dwellings. Conditions of the grant were fully met at year end - (see note 14).

Expanded Public Works Programmes (EPWP)

Current-year receipts	2 768 000	3 259 000
Conditions met - transferred to revenue	(2 768 000)	(3 259 000)
	<u>-</u>	<u>-</u>

The grant was received from the Department of public works, roads, and infrastructure and spent on employing casual workers within community based projects. Conditions of the grant were fully met at year end - (see note 14).

Finance Management Grant (FMG)

Current-year receipts	1 950 000	1 950 000
Conditions met - transferred to revenue	(1 950 000)	(1 950 000)
	<u>-</u>	<u>-</u>

The Finance Management Grant is paid by National Treasury to municipalities to help implement the finance reforms required by the Municipal Finance Management Act (MFMA), 2003. The Finance Management Grant also pays for the cost of the Financial Management Internship Programme (e.g. Salary cost of the financial management interns). Conditions of the grant were fully met at year end - (see note 14).

Local Government Sector for Education and Training Authority

Current-year receipts	962 404	701 240
Conditions met - transferred to revenue	(962 404)	(701 240)
	<u>-</u>	<u>-</u>

The grant is used to pay for training courses. It supplements / augments the funds on the training vote. It is used to fund the primary and secondary skills development facilitators when they are out of the office on skills development related matters. The conditions of the grant were fully met- (see note 14).

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Figures in Rand	2024	2023
31. Government grants & subsidies (continued)		
Disaster Management Grant		
Balance unspent at beginning of year	3 500 000	-
Current-year receipts	18 000 000	3 500 000
Conditions met - transferred to revenue	(16 941 539)	-
	4 558 461	3 500 000

The grant was availed to assist the municipality with repairing damaged road and storm water infrastructure. The conditions of the grant was partially met at year end - (see note 14).

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32. Employee related costs		
Basic	220 859 194	193 460 144
Bonus	16 985 056	14 777 211
Medical aid - company contributions	20 074 050	17 188 031
UIF	1 633 328	1 523 921
Other payroll levies	116 038	72 198
Leave pay provision charge	5 763 641	1 352 424
Pension fund contributions	40 660 064	36 128 255
Travel, motor car, accommodation, subsistence and other allowances	18 631 304	15 968 532
Overtime payments	35 316 324	34 172 598
Employee benefits - Current service costs	5 460 000	5 340 000
Employee benefits - Past Service Costs	8 854 000	-
Acting allowances	884 359	1 076 257
Allowances: Non-pensionable	142 380	502 376
Housing benefits and allowances	459 583	398 249
Standby allowance	3 142 508	3 006 032
Group life insurance	2 681 997	2 158 740
	381 663 826	327 124 968

Remuneration of municipal manager

Annual Remuneration	1 219 739	848 323
Acting allowance	22 890	43 499
Car allowance	345 904	259 162
Contributions to UIF, Medical and Pension Funds	249 028	191 787
Other	16 950	21 916
	1 854 511	1 364 687

The Municipal Manager was appointed with effect from 01 September 2022 and the position is currently occupied.

Remuneration of chief finance officer

Annual Remuneration	-	147 802
Acting allowance	132 269	30 502
Car allowance	-	51 879
Contributions to UIF, Medical and Pension Funds	-	31 981
Other	-	21 916
	132 269	284 080

The position of Chief Finance Officer is on acting basis. The Chief Finance Officer was appointed subsequent to financial year end. Refer to AFS Note 51

Remuneration of Director Technical Services

Annual Remuneration	277 414	445 230
Acting allowance	48 262	14 761
Car allowance	109 529	192 553
Contributions to UIF, Medical and Pension Funds	58 960	102 646
Other	15 255	21 916
	509 420	777 106

The position of Technical Services Director is on acting basis. The director resigned on the 30th of November 2023.

Remuneration of Director Corporate Services

Annual Remuneration	1 030 819	693 466
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Figures in Rand	2024	2023
32. Employee related costs (continued)		
Acting allowance	-	10 763
Car allowance	262 408	193 668
Contributions to UIF, Medical and Pension Funds	232 941	177 070
Other	16 950	23 492
	1 543 118	1 098 459

The Director was appointed with effect from 01 September 2022 and the position is currently occupied.

Remuneration of Director Development Planning

Annual Remuneration	953 949	575 801
Acting allowance	-	14 338
Car allowance	355 706	235 934
Contributions to UIF, Medical and Pension Funds	212 387	145 836
Other	15 255	21 916
	1 537 297	993 825

The Director was appointed with effect from 01 September 2022 and the position is currently occupied.

Remuneration of Director Community Services

Annual Remuneration	702 606	495 078
Acting allowance	-	12 186
Car allowance	228 634	187 322
Contributions to UIF, Medical and Pension Funds	178 090	140 299
Other	20 340	21 916
	1 129 670	856 801

The Director was appointed with effect from 01 September 2022 and the position is currently occupied.

33. Remuneration of councillors

Mayor	991 011	926 455
Speaker	802 540	747 473
Councillors	28 196 386	26 534 591
	29 989 937	28 208 519

In-kind benefits

The Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and Speaker have use of Council owned vehicles for official duties. The Mayor and Speaker have full-time secretary and manager.

The allowances and benefits of councillors of the Municipality, whether financial or in-kind, are within the upper limits of the framework envisaged in section 219 of the Constitution. Refer to Government Gazette Number 49142 of 08 August 2023.

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33. 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.

30 June 2023

Councillors	Emoluments	Travel allowance	Cellphone allowance	Total
Mr NS MUNYAI	690 492	230 164	5 799	926 455
Mr MR MAGADA	518 106	172 702	13 697	704 505
Mrs TM MALANGE	270 112	90 037	12 218	372 367
Mr FN MADZHIGA	218 517	72 839	19 210	310 566
Ms MS TSHILAMBYANA	218 517	72 839	28 195	319 551
Mr NF CHILILO	218 517	72 839	29 469	320 825
Mr ND DAVHANA	218 517	72 839	29 236	320 592
Mr TC MAMAFHA	218 517	72 839	12 171	303 527
Mrs R RALIPHADA	288 906	96 302	12 220	397 428
Mr N KUTAMA	218 517	72 839	19 878	311 234
Mrs MJ GABARA	218 517	72 839	16 286	307 642
Mr AZ MAPHAHLA	218 517	72 839	46 500	337 856
Mr TJ MAMAFHA	218 517	72 839	29 186	320 542
Mr S MASUKA	218 517	72 839	29 733	321 089
Ms NB JONES	288 906	96 302	22 387	407 595
Mr MJ MPASHE	218 517	72 839	22 541	313 897
Mr NS NEMUDZIVHADI	280 431	93 477	29 403	403 311
Ms MG FURUMELE	218 517	72 839	12 266	303 622
Mr MA SELAPYANA	182 098	60 699	40 300	283 097
Ms GT MUKWEVHO - MITILENI	518 106	172 702	11 230	702 038
Ms NJ SIMANGWE	280 431	93 477	18 278	392 186
Mr MD NDOU	280 431	93 477	12 732	386 640
Mr T KUTAMA	218 517	72 839	11 050	302 406
Mr ME MULEFU	218 517	72 839	29 175	320 531
Mr NV MALIVHA	502 682	167 561	15 586	685 829
Mrs MR MOKGOADI	218 517	72 839	15 282	306 638
Mr ET SITHI	218 517	72 839	11 948	303 304
Mr K MAPHUBU	288 906	96 302	14 374	399 582
Mr N MUNYAI	518 106	172 702	13 197	704 005
Mr SR BALOYI	518 106	172 702	13 287	704 095
Mr R MUKHUBA	218 517	72 839	12 071	303 427
Mr R MUKHUDWANA	218 517	72 839	14 685	306 041
Mr R BALOYI	218 517	72 839	9 511	300 867
Ms L MASHAMBA	218 517	72 839	14 712	306 068
Ms HG MALULEKE	218 517	72 839	12 831	304 187
Mr MC MALANGE	218 517	72 839	28 509	319 865
Mr DJ SEBOLA	218 517	72 839	11 112	302 468
Mr M MARAGA	280 431	93 477	11 108	385 016
Ms M RAMALIVHANA	218 517	72 839	14 020	305 376
Mr MR MAKWALA	280 431	93 477	14 685	388 593
Ms M SWALIVHA	218 517	72 839	14 502	305 858
Mr PA SMALLE	218 517	72 839	46 500	337 856
Miss TC MASHAU	218 517	72 839	13 074	304 430
Mr TR RAVELE	218 517	72 839	41 750	333 106
Mr TT MAKAMU	280 431	93 477	11 089	384 997
Mr PN MASIPA	218 517	72 839	14 706	306 062
Ms KP MAPHAKELA	218 517	72 839	24 583	315 939
Mr AS DZHIVHUHO	218 517	72 839	14 723	306 079
Mr A MADAVHA	218 517	72 839	8 574	299 930
Ms HG MABUDU	218 517	72 839	17 995	309 351

MAKHADO LOCAL MUNICIPALITY

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33. Remuneration of councillors (continued)				
Mr MW RAMALWA	241 980	80 660	46 500	369 140
Mr ME MULAUDZI	218 517	72 839	15 627	306 983
Mr K MUKHELI	218 517	72 839	10 622	301 978
Mr M MUKOSI	218 517	72 839	10 891	302 247
Mr W MABASA	218 517	72 839	11 091	302 447
Ms NS MAHOSI	280 431	93 477	10 884	384 792
Mr MD SINGO	218 517	72 839	28 114	319 470
Miss IA TSHIDAVHU	280 431	93 477	10 707	384 615
Ms B HLANGWANI	218 517	72 839	14 713	306 069
Mr FP MAKHUBELE	218 517	72 839	14 713	306 069
Mr SE BALOYI	218 517	72 839	13 834	305 190
Mr P MASHAU	218 517	72 839	15 164	306 520
Mr NA MUDUNUNGU	218 517	72 839	46 500	337 856
Mrs TT MUSHANDANA	218 517	72 839	13 804	305 160
Mr MI PHULUWA	218 517	72 839	14 564	305 920
Mr L PHANGAMI	218 517	72 839	46 500	337 856
Mr MR MUKOSI	218 517	72 839	12 638	303 994
Mr FB Hlongwani	218 517	72 839	29 078	320 434
Mrs RT MAINGO	288 906	96 302	15 872	401 080
Miss KN MANGANYE	82 455	27 485	11 352	121 292
Ms NJ MATUMBA	518 106	172 701	46 500	737 307
Ms MD Mboyi	552 398	184 132	10 943	747 473
Mrs LM MATHALISE	280 431	93 477	14 971	388 879
Ms TA MARAGA	168 529	56 176	8 956	233 661
Miss TT RAMALATA	218 517	72 839	12 804	304 160
Mr CD HALGREEN	163 888	54 629	15 621	234 138
Mr WL ESTERHUIZEN	54 629	18 210	11 100	83 939
Mr TR MATIDZA	36 420	12 140	7 400	55 960
Mrs SM SINYOSI	2 249	750	1 200	4 199
Ms D RATSHIKUNI	5 412	1 804	1 200	8 416
Mr T SESHOKI	2 249	750	1 200	4 199
Mr BK JONES	2 249	750	1 200	4 199
Mr J KHODOGA	2 249	750	1 200	4 199
Ms MS MACHETHE	2 249	750	1 200	4 199
Ms TP MAMOROBELA	5 412	1 804	1 200	8 416
Mrs MF MUKHARI	2 249	750	1 200	4 199
Mr A DU PLOOY	2 249	750	1 200	4 199
Mr SZ MTHOMBENI	2 886	962	1 200	5 048
Mrs LB MOGALE	-	-	3 600	3 600
Mrs VS LUDUVHUNGU	2 249	750	1 200	4 199
Mrs MN NDOU	2 249	750	1 200	4 199
Ms S MADULA	2 249	750	1 200	4 199
Mr J LUKHELI	2 249	750	1 200	4 199
Mr SI BULALA	2 249	750	1 200	4 199
Ms TE TAMBANI	2 249	750	1 200	4 199
Mr MA MASHAMBA	2 249	750	1 200	4 199
Mr A MATUMBA	2 973	991	1 200	5 164
Ms MF NETHULWE	2 249	750	1 200	4 199
Mr G TSHIBVUMO	2 249	750	1 200	4 199
Mrs LR TSHIAMBWA	2 249	750	1 200	4 199
Mrs TJ MOHLABA	2 249	750	1 200	4 199
Mr KM MALULEKE	2 886	945	1 200	5 031
Mr T BALIBALI	2 249	750	1 200	4 199
Mrs MC NEMATANDANI	2 249	750	1 200	4 199
Mr SS TSHIFURA	2 249	750	1 200	4 199
Mrs TM BABADU	2 249	750	1 200	4 199
Ms MG PHOSHOKO	2 249	750	1 200	4 199
Mr KS RAMAVHOYA	2 249	750	1 200	4 199
Mr LG MASUTHA	2 249	750	1 200	4 199

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33. Remuneration of councillors (continued)				
Mrs LG MADUWA	2 249	750	1 200	4 199
Mr E MADUWA	2 249	750	1 200	4 199
Mr SS NYELISANI	2 249	750	1 200	4 199
Mr PN MUSANDIWA	2 249	750	1 200	4 199
Ms GM RAMUSHAVHA	2 249	750	1 200	4 199
Ms ML MASENGANA	2 249	750	1 200	4 199
Mr VO MAUDA	2 249	750	1 200	4 199
Mrs TE DZIVHANI	2 249	750	1 200	4 199
Mrs JJ HLONGWANE	658	219	300	1 177
	20 017 493	6 672 489	1 518 537	28 208 519

30 June 2024

Councillors	Emoluments	Travel allowance	Cellphone allowance	Total
Ms MD Mboyi [MAYOR]	684 516	228 172	10 188	922 876
Mr NS MUNYAI	434 930	144 977	4 606	584 513
Ms GT MUKWEVHO - MITILENI [SPEAKER]	579 534	193 178	13 786	786 498
MR S.R BALOYI [CHIEF WHIP]	557 001	185 667	13 681	756 349
Miss IA TSHIDAVHU	269 610	89 870	13 839	373 319
Miss TC MASHAU	235 125	78 375	17 219	330 719
Miss KN MANGANYE	230 281	76 760	14 068	321 109
Mr A MADAVHA	235 125	78 375	12 372	325 872
Miss TT RAMALATA	235 125	78 375	17 285	330 785
Mr AS DZHIVHUHO	235 125	78 375	17 313	330 813
Mr AZ MAPHAHLA	235 125	78 375	49 608	363 108
Mr K MAPHUBU	310 863	103 621	16 226	430 710
Mr K MUKHELI	235 125	78 375	12 863	326 363
Mr DJ SEBOLA	235 125	78 375	13 850	327 350
Mr L PHANGAMI	235 125	78 375	49 608	363 108
Mr ET SITHI	281 066	93 689	13 510	388 265
Mr M MARAGA	301 743	100 581	13 834	416 158
Mr FB Hlongwani	235 125	78 375	28 316	341 816
Mr FN MADZHIGA	235 125	78 375	18 036	331 536
Mr FP MAKHUBELE	235 125	78 375	16 655	330 155
Mr M MUKOSI	235 125	78 375	13 506	327 006
Mr MC MALANGE	235 125	78 375	26 584	340 084
Mr MD NDOU	269 610	89 870	17 060	376 540
Mr MD SINGO	235 125	78 375	28 677	342 177
Mr ME MULAUDZI	235 125	78 375	10 553	324 053
Mr ME MULEFU	235 125	78 375	27 375	340 875
Mr MI PHULUWA	235 125	78 375	17 167	330 667
Mr MJ MPASHE	235 125	78 375	26 661	340 161
Mr MR MAGADA	557 001	185 667	17 144	759 812
Mr MR MAKWALA	301 743	100 581	17 311	419 635
Mr MR MUKOSI	235 125	78 375	13 961	327 461
Mr MW RAMALWA	309 080	103 027	49 608	461 715
Mr N KUTAMA	235 125	78 375	20 784	334 284
Mr N MUNYAI	557 001	185 667	17 046	759 714
Mr NA MUDUNUNGU	235 125	78 375	49 608	363 108
Mr ND DAVHANA	235 125	78 375	28 913	342 413
Mr NF CHILILO	235 125	78 375	27 325	340 825
Mr NS NEMUDZIVHADI	269 610	89 870	27 234	386 714
Mr NV MALIVHA	540 886	180 295	17 250	738 431
Mr P MASHAU	235 125	78 375	15 308	328 808
Mr PA SMALLE	235 125	78 375	49 608	363 108
Mr PN MASIPA	235 125	78 375	17 276	330 776
Mr R BALOYI	235 125	78 375	8 384	321 884
Mr R MUKHUBA	235 125	78 375	13 559	327 059

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Notes to the Annual Financial Statements

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33. Remuneration of councillors (continued)		
Mr R MUKHUDWANA	235 125	78 375
Mr S MASUKA	235 125	78 375
Mr SE BALOYI	235 125	78 375
Mr T KUTAMA	235 125	78 375
Mr TC MAMAFHA	235 125	78 375
Mr TJ MAMAFHA	235 125	78 375
Mr TR MATIDZA	228 205	76 068
Mr TR RAVELE	235 125	78 375
Mr TT MAKAMU	301 743	100 581
Mr W MABASA	235 125	97 693
Mr WL ESTERHUIZEN	229 589	76 530
Mrs LM MATHALISE	301 743	100 581
Mrs MJ GABARA	235 125	78 375
Mrs MR MOKGOADI	216 223	91 393
Mrs R RALIPHADA	460 306	153 435
Mrs RT MAINGO	310 863	103 621
Mrs TM MALANGE	269 610	89 870
Mrs TT MUSHANDANA	235 125	78 375
Ms B HLANGWANI	235 125	78 375
Ms HG MABUDU	235 125	78 375
Ms HG MALULEKE	235 125	78 375
Ms KP MAPHAKELA	235 125	78 375
Ms L MASHAMBA	235 125	78 375
Ms M RAMALIVHANA	235 125	78 375
Ms M SWALIVHA	235 125	78 375
Ms MG FURUMELE	235 125	78 375
Ms MS TSHILAMBYANA	235 125	78 375
Ms NB JONES	310 863	103 621
Ms NJ MATUMBA	557 001	185 667
Ms NJ SIMANGWE	301 743	100 581
Ms NS MAHOSI	301 743	100 581
	21 294 982	7 136 964
	1 557 991	29 989 937
34. Depreciation and amortisation		
Property, plant and equipment	157 029 955	139 215 026
Investment properties	379 142	381 711
Intangible assets	608 177	604 528
Total depreciation and amortisation	158 017 274	140 201 265
35. Impairment loss		
Impairments		
Property, plant and equipment	4 252 095	4 567 245
36. Finance costs		
Interest cost: Actuarial valuation	13 440 000	13 465 000
Interest cost: Trade and other payables	915 592	169
Interest cost: Finance leases	224 932	46 446
Interest cost: Landfill site	3 338 524	3 740 479
	17 919 048	17 252 094

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Figures in Rand	2024	2023		
37. Debt impairment				
Consumer debtors	38 548 985	46 630 270		
Traffic Fines	3 051 420	4 250 885		
	41 600 405	50 881 155		
38. Bulk purchases				
Electricity - Eskom	371 986 217	299 070 654		
<p>Included in the rand value of the bulk purchases for sale is 12% of the total units purchased R45 848 926 (2023: 11% R32 725 648) which relate to distribution losses.</p> <p>Makhado Municipality gets billed by Eskom on a monthly basis for electricity used /or given to the municipality based on the readings.</p>				
Electricity losses				
	KWH 2024	KWH 2023		
Units purchased	191 623 898	181 910 524	-	-
Units sold	(167 764 315)	(162 005 062)	45 848 926	32 725 648
Total loss	23 859 583	19 905 462	45 848 926	32 725 648
Comprising of:				
Non-technical losses	23 859 583	19 905 462	45 848 926	32 725 648
Percentage Loss:				
Non-technical losses	12 %	11 %	12 %	11 %
39. Contracted services				
Outsourced Services				
Business and Advisory		2 654 628	2 967 316	
Cleaning Services		708 300	721 570	
Clearing and Grass Cutting Services		48 250	463 676	
Internal Auditors		4 824 339	5 758 223	
Meter Management		3 948 276	3 167 969	
Security Services		33 216 506	29 378 936	
Consultants and Professional Services				
Business and Advisory		28 076 805	26 906 667	
Infrastructure and Planning		-	2 565 755	
Audit Committee		1 418 152	513 598	
Legal Cost		36 706 966	27 051 021	
Contractors				
Electrical		2 987 769	14 931 459	
Employee Wellness		2 911 497	3 860 653	
Maintenance of Equipment		3 823 674	1 502 025	
Maintenance of other assets		58 980 242	64 730 515	
		180 305 404	184 519 383	

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Figures in Rand	2024	2023
40. General expenses		
Cost of sales: Land	271 000	3 030 000
Advertising & publications	8 478 766	6 555 125
Auditors remuneration	6 486 983	6 499 272
Bank charges	1 934 210	1 975 098
Consumables	48 292 321	43 326 680
Donations	350 000	140 000
Insurance	2 267 264	3 735 246
Bursaries	25 000	25 000
IT expenses	813 244	219 834
Skills Development Fund Levy	3 241 786	2 904 617
Pre-paid electricity commission	1 754 396	1 420 438
Ward committees allowances	7 154 180	6 292 313
Postage and courier	207 082	188 852
Motor Vehicle Licence & Registrations	1 027 672	1 012 021
Workmens compensation	1 244 020	1 282 734
Subscriptions and membership fees	3 879 113	3 879 113
Telephone and fax	4 943 175	4 870 210
Travel and Subsistence	7 015 147	7 693 772
Uniform expenses	3 489 055	4 221 132
Indigent policy	1 711 665	622 183
Special programmes	572 035	871 430
Other expenses	3 044 267	1 912 634
	108 202 381	102 677 704
41. Actuarial gains/(losses)		
Post -Employment Medical Aid Benefits	7 075 070	17 008 420
Long Service Awards	(654 741)	1 146 935
	6 420 329	18 155 355
42. Inventories losses/write-downs		
Land	(596 994)	(89 991)
Consumables	-	(999 828)
	(596 994)	(1 089 819)
43. Gain/(Loss) on disposal of assets		
Property, plant and equipment	(16 167 112)	(27 746 829)

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Figures in Rand	2024	2023
44. Cash generated from operations		
(Deficit) surplus	(651 759)	7 552 478
Adjustments for:		
Depreciation and amortisation	158 017 274	140 201 265
Impairment of non-cash generating assets	4 252 095	4 567 245
Loss on disposal of assets	16 167 112	27 746 829
Inventory adjustment	596 994	1 089 819
Gains/(losses): Actuarial valuation	(6 420 329)	(18 155 355)
Finance costs - Finance leases	224 932	46 446
Interest Cost: Actuarial valuation	13 440 000	13 465 000
Current Service Costs: Actuarial valuation	5 460 000	5 340 000
Past service cost - Actuarial valuation	8 854 000	(975 000)
Interest Cost: Provision for rehabilitation	3 338 524	3 740 479
Debt impairment	41 600 405	50 881 155
Impairment reversal	-	(16 940 900)
Movement in provision for landfill site	(14 027 656)	(11 925 997)
Other income- donated assets	(27 163 217)	-
Employee benefit vesting	(6 727 458)	(5 335 645)
Changes in working capital:		
Inventories	(7 430 355)	9 556 165
Receivables from exchange transactions	14 814 024	3 157 358
Receivables from non-exchange transactions	501 850	583 585
Consumer Debtors -Exchange transactions	(41 547 906)	15 449 974
VAT receivable	2 387 878	(3 167 064)
Consumer Debtors -Non- Exchange transactions	(4 554 103)	(4 007 496)
Payables from exchange transactions	(645 332)	(14 229 073)
VAT payable	-	(17 681 944)
Unspent conditional grants and receipts	1 058 461	3 500 000
Consumer deposits	(639 216)	(336 380)
Deferred Income	(53 883)	(20 669)
Performance bonus obligation	(251 579)	-
	160 600 756	194 102 275

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Figures in Rand	2024	2023
45. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	<u>413 323 462</u>	<u>234 404 868</u>
Total capital commitments		
Already contracted for but not provided for	<u>413 323 462</u>	<u>234 404 868</u>
Authorised operational expenditure		
Already contracted for but not provided for		
• Operational costs	<u>164 322 340</u>	<u>23 644 525</u>
Total operational commitments		
Already contracted for but not provided for	<u>164 322 340</u>	<u>23 644 525</u>
Total commitments		
Total commitments		
Authorised capital expenditure	413 323 462	234 404 868
Authorised operational expenditure	164 322 340	23 644 525
	<u>577 645 802</u>	<u>258 049 393</u>

This committed expenditure relates to plant and equipment and other operational costs. These commitments will be financed by available retained surpluses, internally generated funds and government grants. Commitment values are disclosed VAT inclusive.

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46. Contingencies

Litigations are in process against the municipality relating to a dispute with defendants in the following cases, should the judgement or ruling be in favour of the defendants the municipality will have to pay the estimated damages. The potential extent of the liability cannot be determined, since it is subject to litigation. The provisional estimate based on management assessment is R273.9 million (2023 : R270.6 million). The merits must still be determined and could result in a lesser or greater amount.

Contingent Liabilities

SGL Engineers CC Consulting: Outstanding payment for consultancy rendered during the construction of Mutsha Road [Case Number: 721/12 MAG. LTT]	136 463	136 463
Getrusburg CPA: Claim for compensation for extracting water without the consent of the land owner [Case Number: 55339/2011]	28 484 000	28 484 000
Matshavha Thapelo Jeffrey: Claim for damages due to pothole on a provincial road in Levubu area. [Case Number: 226/17]	1 550 000	1 550 000
Department of Water Affairs and Sanitation: The Municipality extract water from the Middle Letaba Waterval Bulk Supply Main (Majosi) without the consent of the Department as the water authority [Case Number: 3940/16]	16 977 558	16 977 558
Antoinette Albertus Geerdts: Claim for unlawful arrest and defamation of character. [Case Number: 71357/12]	680 000	680 000
Mleya Irene: Claim against Council, injury caused by pothole [Case number: 451/18]	215 000	215 000
Musa Mkhabele: Claim for damages[Case Number: 1082/18]	60 000	60 000
Tshihatu Tryphinah: Claim for damages[Case Number: 01/2019]	120 000	120 000
Mphephu Royal Council: Land dispute[Case Number: 635/2016]	600 000	600 000
Tshifhiwa Jonathan Tambani: Plaintiff's child drowned in sewage drain[Case Number: 1305/2019]	1 950 000	1 950 000
Khulani Timber Industries: Plaintiff claiming settlement of amounts for service rendered. [Case Number: 970/2019]	144 291	144 291
Agnes Munzhedzi Shandukani & others: Plaintiff is suing for losses suffered as a result of drowning of three minor children. [Case Number:559/2020]	37 535 000	37 535 000
Pandelani Isaac Mutshinyali: Plaintiff is claiming for money which he believes was due and payable to him as per settlement agreement. [Case Number:466/2020]	300 000	300 000
Avax SA 222 CC: Claims against the Municipality. [Case Number: 1064/20]	1 227 806	1 227 806
Murn Trading Enterprise CC: Claim for cancellation of tender by the Municipality. [Case Number:1432/2020]	552 000	552 000
Mpho Aaron Mulaudzi: Claim against the municipality for the death of employee who was electrocuted in the Levubu area under Makhado Local Municipality.[Case Number: 1661/2020]	480 000	480 000
Landmark Pvt Ltd: Plaintiff is claiming for the amount which they paid their employees due to an increment imposed by PSIRA. [Case Number: 1506/21]	2 450 424	2 450 424
Muofhe Gloria: Notice to compel municipality to register property in favor of gloria muofhe and her husband. [Case Number: 3803/2022]	400 000	400 000
Unlawful occupiers of portion 04 Makhado Farm [Case Number: 4549/2020]	1 200 000	1 200 000
Tshikhuthula Peter Radebe: Court interdict to compel the municipality to give out information in terms of PAIA. [Case Number: 1596/2020]	500 000	500 000
Mpho Emmanuel Mulaudzi: Claim against council [Case Number: 17/01/2022]	11 985 300	11 985 300
Northbulk Petroleum Whosalers: Claims against the Municipality for supply of fuel [Case Number: 147/2022]	5 000 000	5 000 000
Makongoza Adziambei Patrick: Land invasion at Dzanani, Makongoza [Case Number: 065/2022]	500 000	500 000
Sharp Move Trading 150 (PTY) LTD: Notice of Motion to compel municipality not to cut off applicant's electricity. [Case Number: 7917/2021]	400 000	400 000
Rammese Thomas: Claim sounding in money and matter is pending in court. [Case Number: 838/2021]	3 000 000	3 000 000

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46. Contingencies (continued)		
Mudau Dzivhuluwani Jonathan: Application to compel municipality to transfer property to the applicant's name. [Case Number: 4278/2019]	300 000	300 000
MEPF: Application to remove members from contributing to the fund.	500 000	500 000
Daybreak Properties: Claim sounding in money for losses suffered due to municipality's failure to install services. [Case Number: 2284/2022]	151 000 000	151 000 000
Illegal Occupants: Prevention of illegal occupants at clouds end hotel	350 000	350 000
Automotive Parts Exports: Application to review and set aside decision by planning tribunal. [Case Number: 20171/2022]	500 000	500 000
Sikhetho Freddy Ngobeni: Claim sounding in money for unfair labour practice. [Case Number: LP/LTT/RC/85/2022]	400 000	400 000
Themba Baloyi: Claim sounding in money as a result of theft and our attorneys of record are busy drafting summons.	128 000	128 000
Duwyk Boedery cc: Notice to compel municipality to re enstate electricity of applicant untill the dispute of billing between municipality and Duwyk is settled. [Case Number: 5430/2023]	1 000 000	1 000 000
Pinkie Marry Mahlangu: Claim sounding in money against municipality.	1 000 000	-
DDP Valuers: Claim sounding in money against municipality. [Case number:2871/2024]	1 054 203	-
Pilo GPS system: Claim sounding in money against municipality. [Case number:6247/2024]	988 500	-
Frinjansuite TRD CC To compel municipality to reconnect electricity supply to applicant. [Case Number: 182/2024]	200 000	-
	273 868 545	270 625 842

Contingent assets

Litigations is in process and the municipality is a plaintiff in the following cases, should the judgement or ruling be in favour of the municipality, the municipality will be entitled to receive the estimated value of the damages as indicated below. The provisional estimate based on management assessment is R58.3 million (2023 : R58.3 million).The merits must still be determined and could result in a lesser or greater amount.

VBS Mutual Bank [Recovery of investment in VBS Bank	58 264 578	58 264 578
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47. Related parties

Management is regarded as a related party and comprises the Councillors, Mayor, Executive Committee members, Municipal Manager and Directors reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Relationships

Accounting Officer

Mr K.M Nemaname

Chief Financial Officer

The position is vacant

Director Community Services

Mr H.J Lukheli

Director Corporate Services

Mr S.G Maguga

Director Technical Services

The position is vacant

Director Planning & Development

Mr A Mabunda

Councillors

Refer to note 33

No member of the municipality's management has significant influence over the financial or operating policies of the municipality. No business transactions took place between the municipality and key management personnel.

All Councillors have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over the Council in making financial and operational decisions. Councillors are remunerated according to the Remuneration of Public Office Bearers Act 20 of 1998 and only have collective executive powers for planning, directing and controlling the activities of the municipality.

Related party transactions

Section 57 Managers and Councillors:

Refer to Note 32 for detail of remuneration paid to Section 57 Managers and to Note 33 for remuneration paid to Councillors.

Loans granted to related parties:

In terms of the MFMA the Municipality may not grant loans to its councillors, management, staff and public with effect from 01 March 2004.

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48. Prior-year adjustments

The comparatives have been restated to account for prior period errors. Below is a summary of the total effect that the prior period errors, changes in accounting policies and reclassifications of comparatives had on the amounts previously disclosed in the financial statements, followed by a description of each individual prior period error with the amounts involved:

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48. Prior-year adjustments (continued)

Statement of financial position

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Current Assets					
Inventories	7	119 081 129	-	-	119 081 129
Receivables from exchange transactions	8	18 033 266	-	83 759	18 117 025
Receivables from non-exchange transactions	9	1 239 500	-	-	1 239 500
VAT receivable	10	3 167 064	-	-	3 167 064
Consumer debtors- Exchange transactions	11	62 839 619	-	-	62 839 619
Consumer debtors- Non- Exchange transactions	11	40 585 546	-	-	40 585 546
Cash and cash equivalents	12	146 595 502	-	-	146 595 502
Non-current Assets					
Investment property	2	15 438 133	-	-	15 438 133
Property, plant & equipment	3	1 823 292 525	91 866	-	1 823 384 391
Intangible assets	4	1 609 780	-	-	1 609 780
Heritage assets	5	2 160 329	-	-	2 160 329
Current Liabilities					
Employee benefit obligation	6	(5 138 000)	-	-	(5 138 000)
Finance lease obligation	13	(322 046)	-	-	(322 046)
Unspent conditional grants and receipts	14	(3 500 000)	-	-	(3 500 000)
Performance bonus obligation	15	(251 579)	-	-	(251 579)
Rehabilitation provision	16	(5 000 000)	-	-	(5 000 000)
Deferred Income	17	(153 578)	-	-	(153 578)
Payables from exchange transactions	18	(286 096 946)	-	(83 759)	(286 180 705)
Consumer deposits	20	(15 621 438)	-	-	(15 621 438)
Non-current liabilities					
Employee benefit obligation	6	(106 614 000)	-	-	(106 614 000)
Rehabilitation provision	16	(26 010 086)	-	-	(26 010 086)
Accumulated surplus		1 785 334 720	(91 866)	-	1 785 426 586
		-	-	-	-

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48. Prior-year adjustments (continued)

Statement of financial performance

2023

	Note	As previously reported	Correction of error	Restated
Revenue				
Revenue from exchange transactions				
Service charges	22	385 664 462	-	385 664 462
Rental of facilities and equipment	23	321 030	-	321 030
Agency services	25	4 556 844	-	4 556 844
Licences and permits	26	3 790 850	-	3 790 850
Interest earned -outstanding receivables	27	14 272 415	-	14 272 415
Other revenue	28	53 559 025	-	53 559 025
Interest received from financial institutions	29	9 569 147	-	9 569 147
Actuarial gains	41	18 155 355	-	18 155 355
Revenue from non-exchange transactions				
Taxation revenue				
Interest earned -outstanding receivables	27	23 042 009	-	23 042 009
Property rates	30	97 299 879	-	97 299 879
Transfer revenue				
Fines, penalties and forfeits	24	6 144 857	-	6 144 857
Government grants & subsidies	31	574 516 240	-	574 516 240
Expenditure				
Employee related costs	32	(327 124 968)	-	(327 124 968)
Remuneration of councillors	33	(28 208 519)	-	(28 208 519)
Depreciation and amortisation	34	(140 293 131)	91 866	(140 201 265)
Impairment of non - cash generating assets	35	(4 567 245)	-	(4 567 245)
Finance costs	36	(17 252 094)	-	(17 252 094)
Debt Impairment	37	(50 881 155)	-	(50 881 155)
Bulk purchases	38	(299 070 654)	-	(299 070 654)
Contracted services	39	(184 519 383)	-	(184 519 383)
General Expenses	40	(102 677 704)	-	(102 677 704)
Inventories losses/write-downs	42	(1 089 819)	-	(1 089 819)
Loss on disposal of assets	43	(27 746 829)	-	(27 746 829)
Surplus for the year		7 460 612	91 866	7 552 478

Errors

The following prior period errors adjustments occurred:

Error 1

Risk Management Disclosure:

In the previous financial year, the below items were erroneously disclosed as financial instruments under AFS Note ,49 where as they do not fall within the GRAP 104 - Financial instruments disclosure. The error was subsequently identified and corrected in the current financial year.

Disclosure Items:

Receivables from non-exchange transactions	1 239 500
Consumer debtors – Non exchange transactions	40 585 546
Performance bonus obligation	(251 579)
Rehabilitation provision	(31 010 086)
Deferred income	(153 578)
	10 409 803

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48. Prior-year adjustments (continued)

Error 2

Property, plant and equipment:

In the previous financial year ended 30 June 2023, there are transport assets in the asset register that were not depreciated using the estimated useful lives (EUL), the error was identified by the auditors during the audit of the Annual Financial Statements for the year ended 30 June 2024.

The effect of the correction of the errors is as follows:

Financial Statement Area

Increase in carrying amount of Transport assets (SOFP)	91 866
Decrease in depreciation expense of Transport assets (SFPER)	(91 866)
	<u>-</u>

Error 3

Contingent Assets and Liabilities:

Adjustment made to opening balance of contingent liabilities is due to inclusion of Andre Naude: Notice to compel municipality to switch on electricity, matter was finalised in favor of municipality during the year. [Case Number: 5697/2023]. The error was identified and corrected in the current year. Refer to Note 46

Contingent Assets and Liabilities

Opening balance	271 625 842
Legal case finalised during the year	(1 000 000)
Restated opening balance	<u>270 625 842</u>

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48. Prior-year adjustments (continued)

Error 4

Additional disclosure in terms of Municipal Finance Management Act:

The disclosure for PAYE and UIF as well as Pension and Medical Aid deductions in the previous year was incorrect, as it did not show an amount outstanding at year end. Payments to SARS for PAYE and UIF and other third parties are due by the 7th of the following month. Therefore, at the reporting date, the amounts for June were only paid in July. In this instance, the disclosures in note 55 in the prior year financial statements are incorrect as there is a payable at the reporting date which is not reflected in the reconciliation.

The error was identified and corrected in the current year. Refer to Note 54:

PAYE and UIF

Current year amount - Employer	1 367 387
Current year amount - Employees	53 966 710
Amount paid - current year	(50 766 318)

Outstanding balance at year -end

4 567 779

Pension and Medical Aid Deductions

Current year amount - Employer	55 470 087
Current year amount - Employees	29 574 568
Amount paid - current year	(77 777 633)

Outstanding balance at year -end

7 267 022

Reclassifications

The following reclassifications adjustment occurred:

Reclassification 1

Property, plant and equipment:

In the previous financial year on AFS Note ,3 there was a disclosure error on the PPE reconciliation note between Cost and Accumulated depreciation. The cost element of the disposed assets was erroneously included under the column for accumulated depreciation. The error was subsequently identified and corrected in the current financial year. The impact of the error correction is as follows:

Financial Statements Area

BUILDINGS:	-
Decrease in Cost [SOFP]	(298 302)
Decrease in Accumulated depreciation [SOFP]	298 302
MACHINERY AND EQUIPMENT:	-
Decrease in Cost [SOFP]	(3 054 245)
Decrease in Accumulated depreciation [SOFP]	3 054 245
FURNITURE AND OFFICE EQUIPMENT:	-
Decrease in Cost [SOFP]	(3 105 916)
Decrease in Accumulated depreciation [SOFP]	3 105 916
TRANSPORT ASSETS:	-
Decrease in Cost [SOFP]	(2 566 792)
Decrease in Accumulated depreciation [SOFP]	2 566 792
COMPUTER EQUIPMENT:	-
Decrease in Cost [SOFP]	(1 969 752)
Decrease in Accumulated depreciation [SOFP]	1 969 752
INFRASTRUCTURE ASSETS:	-
Decrease in Cost [SOFP]	(45 505 606)

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48. Prior-year adjustments (continued)		
Decrease in Accumulated depreciation [SOFP]		45 505 606
COMMUNITY ASSETS:		-
Decrease in Cost [SOFP]		(4 135)
Decrease in Accumulated depreciation [SOFP]		4 135
LIBRARY BOOKS:		-
Decrease in Cost [SOFP]		(22 648)
Decrease in Accumulated depreciation [SOFP]		22 648
		<u>-</u>

Reclassification 2

Receivables from exchange transactions:

In the previous financial year, receivables from exchange transactions to the amount of R83 759.33 were misallocated to trade and other payables from exchange transactions. The error was discovered in the current financial year and corrected. The impact of the correction is as follows:

Financial Statements Area

Increase in Receivables from exchange transactions (SoFP)	83 759
Increase in Trade & other payables from exchange transactions (SoFP)	(83 759)
	<u>-</u>

49. 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.

Council has the overall responsibility for the determination of the municipality's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Accounting Officer.

The Accounting Officer receives regular reports from the Directors through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The municipality's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee. The overall objective of Council is to set policies that seek to reduce risks as far as possible without unduly affecting the Municipality's competitiveness and flexibility.

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.

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease liability	(826 000)	(1 416 000)	(2 006 000)	-
Payables from exchange transactions	(285 535 375)	-	-	-
Consumer deposits	(14 982 222)	-	-	-
At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease liability	(393 244)	-	-	-
Payables from exchange transactions	(286 180 705)	-	-	-
Consumer deposits	(15 621 438)	-	-	-

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49. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. This risk arises due to changes in the financial circumstances of the counter party and other factors subsequent to the municipality obtaining the financial asset.

Sundry debtors, receivables from non-exchange transactions, consumer debtors and consumer deposits comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. 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 management. The utilisation of credit limits is regularly monitored.

There have been no material change in credit risk exposure by the municipality from the previous year. Financial assets exposed to credit risk at year end were as follows: Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2024	2023
Receivables from exchange transactions	3 303 071	18 117 026
Consumer debtors -exchange transactions	104 387 525	62 839 619
Cash and cash equivalents	14 661 767	146 595 502

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

The municipality charge the interest rate of 15% on the outstanding customer accounts. For quantitative information on cash flow interest rate risk refer to liquidity risk above.

50. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus (deficit) of 1 784 774 828 and that the municipality's total assets exceed its liabilities by 1 784 774 828.

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.

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51. Events after the reporting date

Below are the material events that occurred between the end of the reporting period 30 June 2024 and the date that the financial statements were authorised for issue.

Appointment of Chief Financial Officer:

For the financial year ended 30 June 2024, the position of Chief Financial Officer was on an acting basis. The appointment was done subsequent to financial year end on the 01st of August 2024.

High Court Judgement: NERSA's methodology for determining electricity tariff increases:

On the 8th of July 2024, under Case Number 2024/061993, the High Court made a substantial finding that NERSA's methodology of approving municipal tariff increases for the 2024/25 financial year was unlawful and consequently ordered NERSA and the municipalities to only increase tariffs based on the cost of supply studies.

The High Court granted non compliant municipalities 60 days from the date of the court order to supplement electricity tariff applications with cost of supply studies. As at the date of submission of the Annual Financial Statements in terms of section 126 of MFMA, 31 August 2024, Makhado Local Municipality had not submitted the cost of supply studies. Management, however, intent to submit the cost of supply studies to NERSA within 60 days, in order to comply with the High Court directive.

52. Fruitless and wasteful expenditure

Opening balance	426 191	207 812
Add: Fruitless and wasteful expenditure identified - current	915 592	259 169
Less: Amount recovered - current	(244 104)	(40 790)
Closing balance	1 097 679	426 191

Amount recovered

After the council committee investigations, council adopted the council committee recommendations to recover an amount of - from persons involved.

Amounts recovered on interest charged by SARS	-	(8 774)
Amounts recovered from stolen fuel cards	-	(32 016)
Amounts recovered for ghost ward committees	(244 104)	-
	(244 104)	(40 790)

53. Irregular expenditure

Opening balance	636 468	130 850
Add: Irregular expenditure - current	550 900	562 570
Less: Amount recovered - current	(4 000)	-
Less: Amount written off - current	-	(56 952)
Closing balance	1 183 368	636 468

54. Additional disclosure in terms of Municipal Finance Management Act

Subscription fees

Current year subscription / fee	3 879 113	3 879 113
Amount paid - current year	(3 879 113)	(3 879 113)
	-	-

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54. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Distribution Losses		
Kilowats Hours		
Units Purchased	191 623 898	181 910 524
Units Sold	(167 764 315)	(162 005 062)
Distribution Loss (Units)	23 859 583	19 905 462
Rand Values		
Electricity	45 848 926	32 725 648
	45 848 926	32 725 648
<p>Distribution losses for electricity relates to unaccounted for electricity. This mainly arises from, inter alia, illegal connections to the electricity network and bridging of meters by consumers. During the year 23 859 583 (2023: 19 905 462) kilowatts per hour were lost. This represented 12% (2023: 11%) of the electricity purchases for the year, which has been included in bulk purchases. An average price per kilowatt hour of R1.92 (2023: R1.64) was used.</p>		
Audit fees		
Current year audit fees charged	6 486 983	6 499 272
Current year audit fees settled	(6 486 983)	(6 499 272)
	-	-
PAYE and UIF		
Current year amount - Employer	1 435 474	1 367 387
Current year amount - Employees	61 868 287	53 966 710
Amount paid - current year	(57 682 236)	(50 766 318)
	5 621 525	4 567 779
Pension and Medical Aid Deductions		
Current year amount - Employer	63 413 931	55 470 087
Current year amount - Employees	34 193 975	29 574 568
Amount paid - current year	(89 289 412)	(77 777 633)
	8 318 494	7 267 022
VAT		
VAT(receivable) /payable	(779 186)	(3 167 064)

VAT output payables and VAT input receivables are shown in Note 10 and 19. All VAT returns have been submitted by the due date throughout the year.

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54. 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	Outstanding more than 90 days	Total
Phuluwa MI	10 245	204 543	214 788
Halgreen CD	229	158	387
Jones NB	158	505	663
Baloyi RS	3 321	75 805	79 126
	13 953	281 011	294 964

30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Sebola DJ	3 852	-	3 852
Phuluwa MI	8 043	180 350	188 393
Halgreen CD	185	-	185
Jones NB	64	273	337
Mudunungu NA	220	141	361
Baloyi RS	2 951	63 244	66 195
Tshidavhu IA	4 073	4 054	8 127
	19 388	248 062	267 450

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2024	Highest outstanding amount	Aging (in days)
Phuluwa MI	204 543	90
Halgreen CD	158	90
Jones NB	505	90
Baloyi RS	75 805	90
	281 011	360

30 June 2023	Highest outstanding amount	Aging (in days)
Phuluwa MI	180 350	90
Jones NB	273	90
Mudunungu NA	141	90
Baloyi RS	63 244	90
Tshidavhu IA	4 054	90
	248 062	450

55. Actual operating expenditure versus budgeted operating expenditure

Refer to **Appendix C** for the comparison of actual operating expenditure versus budgeted expenditure.

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56. 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 council and includes a note to the annual financial statements.

The following is the quotation and tender deviation for the year as approved by the Accounting Officer. 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.

Quotation deviations for the 2023/24 financial year in terms of the Supply Chain Management Regulations amounted to R1 240 364 [2023: R1 759 455].

Period		
Quarter 1	302 617	248 812
Quarter 2	400 576	621 180
Quarter 3	91 516	386 836
Quarter 4	445 655	502 627
	<u>1 240 364</u>	<u>1 759 455</u>

57. Key Assumptions and Estimates Used

The key assumptions and estimates used are as follows: (1) Long Service Award: A number of valuation variables were used. Should these valuation assumptions be different from the actual variables, the provision for Long Service Award may be different from the one disclosed. (2) Post Retirement Medical Aid Benefit Obligation: By its nature, estimating the Post Retirement Medical Aid Benefit requires use of estimates and significant judgement. This was the case in the computation of the relevant obligation.

58. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of three major functional areas: Community and Public Services, Economic and Environmental Services and Trading Services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

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
Community and Public Services	Sports and Recreation, Housing, Health, Public Safety and Community and Social Services
Economic and Environmental Services	Environmental Protection, Road Transport, Planning and Development
Trading Services	Water and Electricity, Waste Management , Waste Water Management
Other Reportable Segments	Executive and Council, Finance and Administration, Internal Audit and Other

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58. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Community and Public Services	Economic and Environmental Services	Trading Services	Other Reportable Segments	Total
Revenue					
Revenue from non-exchange transactions	84 514	117 018 980	9 768 000	671 898 097	798 769 591
Revenue from exchange transactions	280 258	7 820 806	454 642 116	48 536 163	511 279 343
Total segment revenue	364 772	124 839 786	464 410 116	720 434 260	1 310 048 934
Entity's revenue					1 310 048 934
Expenditure					
Contracted services	1 514 702	26 085 454	42 659 381	110 045 867	180 305 404
Bulk purchases	-	-	371 986 217	-	371 986 217
Depreciation and Amortisation	62 682	379 184	9 479 808	148 095 600	158 017 274
Employee Related Cost	17 433 053	134 714 752	72 443 817	157 072 204	381 663 826
Remuneration of councillors	-	-	-	29 989 937	29 989 937
Other expenses	1 326 994	32 517 136	35 204 643	119 689 262	188 738 035
Total segment expenditure	20 337 431	193 696 526	531 773 866	564 892 870	1 310 700 693
Total segmental surplus/(deficit)					(651 759)
Assets					
Current assets	-	-	145 502 353	150 017 910	295 520 263
Non current assets	17 637 552	408 517 361	233 967 818	1 284 945 049	1 945 067 780
Total segment assets	17 637 552	408 517 361	379 470 171	1 434 962 959	2 240 588 043
Total assets as per Statement of financial Position					2 240 588 043

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	Community and Public Services	Economic and Environmental Services	Trading Services	Other Reportable Segments	Total
	-	-	215 113 000	101 005 979	316 118 979
	-	-	36 300 293	103 393 943	139 694 236
	-	-	251 413 293	204 399 922	455 813 215

58. Segment information (continued)

Liabilities

Current Liabilities					
Non current liabilities					
Total segment liabilities					455 813 215
Total liabilities as per Statement of financial Position					455 813 215

2023

	Community and Public Services	Economic and Environmental Services	Trading Services	Other Reportable Segments	Total
	20 157	112 228 575	23 379 000	565 375 253	701 002 985
	253 834	25 840 367	385 664 460	78 130 467	489 889 128
	273 991	138 068 942	409 043 460	643 505 720	1 190 892 113

Entity's revenue

1 190 892 113

Expenditure

Contracted Services	1 297 333	31 790 316	34 417 753	117 013 981	184 519 383
Bulk purchases	-	-	299 070 654	-	299 070 654
Depreciation and Amortisation	5 508 460	56 262 716	42 026 923	36 403 166	140 201 265
Employee Related Cost	8 912 391	108 133 305	62 539 653	147 539 619	327 124 968
Remuneration of councillors	-	-	-	28 208 519	28 208 519
Other expenses	1 435 809	35 183 591	38 091 479	129 503 967	204 214 846
Total segment expenditure	17 153 993	231 369 928	476 146 462	458 669 252	1 183 339 635
Total segmental surplus/(deficit)					7 552 478

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58. Segment information (continued)

Assets

Segment assets:	-	-	-	-	-	-
Current assets	1 314 695	52 269 214	37 348 513	300 692 964	391 625 386	
Non current assets	6 185 315	245 913 749	175 715 532	1 414 778 037	1 842 592 633	
Total segment assets	7 500 010	298 182 963	213 064 045	1 715 471 001	2 234 218 019	
Total assets as per Statement of financial Position					2 234 218 019	

Liabilities

Segment liabilities:	-	-	-	-	-	-
Current Liabilities	180 396	-	262 228 455	53 758 496	316 167 347	
Non current liabilities	-	-	36 300 293	96 323 793	132 624 086	
Total segment liabilities	180 396	-	298 528 748	150 082 289	448 791 433	
Total liabilities as per Statement of financial Position					448 791 433	

59. Accounting by principals and agents

Makhado Local Municipality is a party to a principal-agent arrangement.

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59. Accounting by principals and agents (continued)

Details of the arrangement(s) is/are as follows:

Makhado Local Municipality as agent and Limpopo Department of Transport as a principal:

The agreement requires the municipality to perform all the registering and testing function on behalf of the department which consist of licensing, driving licence test centre functions and vehicle test station functions . Makhado Local Municipality is an agent to the agreement as they are only entitled to commission amount and deposits all the net amount received for services rendered to the provincial department of transport.

The significant terms and conditions of the arrangement is that the municipality is entitled to 20% commission and Limpopo Department of Transport is entitled to 80% of the licence and permits fees. There are no significant risks associated with the transaction and no changes occurred during the reporting period.

Revenue recognised:

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R3 273 967 (2023: R4 556 844) as disclosed in note 25.

There were no expenses paid or accrued on behalf of Limpopo Department of Transport.

Amounts paid to Limpopo Department of Transport:

During the financial period ended 30 June 2024, the municipality paid R16 402 789 (2023:R21 840 467) over to the Department of Transport.

Makhado Local Municipality as Principal and Contour Technology Pvt Ltd as agent:

The municipality entered into an agreement with Contour Technology Pvt Ltd to distribute, process and manage the sale of prepaid electricity on behalf of the municipality. The municipality acts as the principal and the prepaid electricity vendor as an agent to this arrangement in accordance with the provisions of GRAP 109, Principal Agent Arrangement.

The prepaid vendor received a commission based compensation of 1.7% from the services rendered to the municipality in terms of the arrangement.

Prepaid electricity revenue:

The aggregate revenue generated from the sale of prepaid electricity by vendor through this arrangement amounted to R 89 789 653 (2023: R 72 677 220) as disclosed in note 22

Fee paid

Fee paid as compensation to the agent

1 754 396

1 420 438

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Appendix B
 June 2024

Analysis of property, plant and equipment as at 30 June 2023
Accumulated depreciation

	Opening Balance Rand	Additions Rand	Transfers to PPE Rand	Disposals Rand	Transfers to expenditure Rand	Revaluations Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers to expenditure Rand	Impairment Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Developed land	209 945 543	-	-	-	-	-	209 945 543	-	-	-	-	-	-	209 945 543
Undeveloped land	23 256 682	-	-	-	-	-	23 256 682	-	-	-	-	-	-	23 256 682
Dwellings	3 487 346	-	-	-	-	-	3 487 346	(866 468)	-	-	-	(144 894)	(1 011 362)	2 475 984
Nonresidential structures	49 976 849	7 389 818	-	(621 915)	-	-	56 744 752	(19 546 320)	298 302	-	(849 327)	(1 885 221)	(21 982 566)	34 762 186
	286 666 420	7 389 818	-	(621 915)	-	-	289 434 323	(20 412 788)	298 302	-	(849 327)	(2 030 115)	(22 993 928)	270 440 395
Infrastructure														
Electricity	1 109 633 441	66 167 110	-	(9 975 513)	-	-	1 165 825 038	(670 738 054)	5 814 983	-	(2 237 787)	(46 179 035)	(713 339 893)	452 485 145
Roads	1 280 282 631	157 019 227	-	(63 680 267)	-	-	1 373 631 591	(667 404 909)	39 690 623	-	(936 992)	(67 031 084)	(695 682 362)	677 949 229
Solid waste disposal	28 537 782	469 226	-	-	-	-	29 007 008	(11 235 300)	-	-	(32 114)	(1 260 379)	(12 527 793)	16 479 215
	2 418 463 854	223 655 563	-	(73 655 780)	-	-	2 568 463 637	(1 349 378 263)	45 505 606	-	(3 206 893)	(114 470 498)	(1 421 550 048)	1 146 913 589
Community Assets														
Cemeteries	9 252 583	4 817 189	-	-	-	-	14 069 772	(4 797 599)	-	-	(43 110)	(454 353)	(5 295 062)	8 774 710
Cemeteries perimeter protection	7 812 671	3 076 992	-	(570)	-	-	10 889 093	(1 201 739)	545	-	(20 017)	(329 347)	(1 550 558)	9 338 535
Community center	80 813 903	13 980 540	-	(6 410)	-	-	94 788 033	(19 353 405)	3 591	-	(227 170)	(3 025 647)	(22 602 631)	72 185 402
Libraries	1 238 958	-	-	-	-	-	1 238 958	(790 638)	-	-	-	(44 771)	(835 409)	403 549
Sports and recreational facilities	42 044 994	1 304 707	-	-	-	-	43 349 701	(5 623 605)	-	-	(86 236)	(1 727 990)	(7 437 831)	35 911 870
Library books	2 470 476	82 156	-	(24 227)	-	-	2 528 405	(2 334 684)	22 648	-	-	(73 839)	(2 385 875)	142 530
	143 633 585	23 261 584	-	(31 207)	-	-	166 863 962	(34 101 670)	26 784	-	(376 533)	(5 655 947)	(40 107 366)	126 756 596

**MAKHADO LOCAL MUNICIPALITY
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Appendix B

June 2024

**Analysis of property, plant and equipment as at 30 June 2023
Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Transfers to PPE Rand	Disposals Rand	Transfers to expenditure Rand	Revaluations Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers to expenditure Rand	Impairment Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Work In Progress														
Work In Progress	173 318 568	283 960 811	(253 824 808)	-	(10 168 913)	-	193 285 658	-	-	-	-	-	-	193 285 658
	173 318 568	283 960 811	(253 824 808)	-	(10 168 913)	-	193 285 658	-	-	-	-	-	-	193 285 658
Other assets														
Machinery and equipment	61 215 141	6 310 238	-	(3 190 213)	-	-	64 335 166	(30 778 335)	3 054 245	-	(26 323)	(6 285 304)	(34 035 717)	30 299 449
Furniture and office equipment	17 201 205	418 233	-	(3 180 006)	-	-	14 439 430	(12 481 292)	3 105 916	-	(12 947)	(1 370 118)	(10 758 441)	3 680 989
Computer Equipment	14 722 559	2 538 165	-	(2 144 164)	-	-	15 116 560	(7 243 360)	1 969 752	-	(30 620)	(2 006 154)	(7 310 382)	7 806 178
Transport assets	78 167 816	8 437 490	-	(3 170 048)	-	-	83 435 258	(34 403 341)	2 566 792	-	(175)	(7 396 893)	(39 233 617)	44 201 641
	171 306 721	17 704 126	-	(11 684 433)	-	-	177 326 414	(84 906 328)	10 696 705	-	(70 065)	(17 058 469)	(91 338 157)	85 988 257

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June 2024

Analysis of property, plant and equipment as at 30 June 2023
Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Additions Rand	Transfers to PPE Rand	Disposals Rand	Transfers to expenditure Rand	Revaluations Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers to expenditure Rand	Impairment Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	286 666 420	7 389 818	-	(621 915)	-	-	293 434 323	(20 412 788)	298 302	-	(849 327)	(2 030 115)	(22 993 928)	270 440 395
Infrastructure	2 418 463 854	223 655 563	-	(73 655 780)	-	-	2 568 463 637	(1 349 378 263)	45 505 606	-	(3 206 893)	(114 470 496)	(1 421 550 048)	1 146 913 589
Community Assets	143 633 585	23 261 584	-	(31 207)	-	-	166 863 962	(34 101 670)	26 784	-	(376 533)	(5 655 947)	(40 107 366)	126 756 596
Work In Progress	173 318 568	283 960 811	(253 824 808)	-	(10 168 913)	-	193 285 658	-	-	-	-	-	-	193 285 658
Other assets	171 306 721	17 704 126	-	(11 684 433)	-	-	177 326 414	(84 906 328)	10 696 705	-	(70 065)	(17 058 469)	(91 338 157)	85 988 257
	3 193 389 148	555 971 902	(253 824 808)	(85 993 335)	(10 168 913)	-	3 399 373 994	(1 488 799 049)	56 527 397	-	(4 502 818)	(139 215 029)	(1 575 989 499)	1 823 384 495
Heritage assets														
Heritage assets	2 160 329	-	-	-	-	-	2 160 329	-	-	-	-	-	-	2 160 329
	2 160 329	-	-	-	-	-	2 160 329	-	-	-	-	-	-	2 160 329
Intangible assets														
Computers - software	8 699 729	58 550	-	(24 227)	-	-	8 734 052	(6 543 971)	22 648	-	-	(604 528)	(7 125 851)	1 608 201
	8 699 729	58 550	-	(24 227)	-	-	8 734 052	(6 543 971)	22 648	-	-	(604 528)	(7 125 851)	1 608 201
Investment properties														
Developed land	4 979 659	-	-	-	-	-	4 979 659	-	-	-	-	-	-	4 979 659
Dwellings	6 372 122	-	-	-	-	-	6 372 122	(2 145 336)	-	-	(64 426)	(177 451)	(2 387 213)	3 984 909
Non residential structures	8 107 646	-	-	-	-	-	8 107 646	(1 429 821)	-	-	-	(204 260)	(1 634 081)	6 473 565
	19 459 427	-	-	-	-	-	19 459 427	(3 575 157)	-	-	(64 426)	(381 711)	(4 021 294)	15 438 133
Total														
Land and buildings	286 666 420	7 389 818	-	(621 915)	-	-	293 434 323	(20 412 788)	298 302	-	(849 327)	(2 030 115)	(22 993 928)	270 440 395
Infrastructure	2 418 463 854	223 655 563	-	(73 655 780)	-	-	2 568 463 637	(1 349 378 263)	45 505 606	-	(3 206 893)	(114 470 496)	(1 421 550 048)	1 146 913 589
Community Assets	143 633 585	23 261 584	-	(31 207)	-	-	166 863 962	(34 101 670)	26 784	-	(376 533)	(5 655 947)	(40 107 366)	126 756 596
Work In Progress	173 318 568	283 960 811	(253 824 808)	-	(10 168 913)	-	193 285 658	-	-	-	-	-	-	193 285 658
Other assets	171 306 721	17 704 126	-	(11 684 433)	-	-	177 326 414	(84 906 328)	10 696 705	-	(70 065)	(17 058 469)	(91 338 157)	85 988 257
Heritage assets	2 160 329	-	-	-	-	-	2 160 329	-	-	-	-	-	-	2 160 329
Intangible assets	8 699 729	58 550	-	(24 227)	-	-	8 734 052	(6 543 971)	22 648	-	-	(604 528)	(7 125 851)	1 608 201
Investment properties	19 459 427	-	-	-	-	-	19 459 427	(3 575 157)	-	-	(64 426)	(381 711)	(4 021 294)	15 438 133
	3 223 708 633	556 030 452	(253 824 808)	(86 017 562)	(10 168 913)	-	3 429 727 802	(1 498 918 177)	56 550 045	-	(4 567 244)	(140 201 266)	(1 587 136 644)	1 842 591 158

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Analysis of property, plant and equipment as at 30 June 2024
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Transfers to PPE Rand	Disposals Rand	Transfers to expenditure Rand	Revaluations Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers to expenditure Rand	Impairment Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Developed land	209 945 543	-	-	-	-	-	209 945 543	-	-	-	-	-	-	209 945 543
Undeveloped land	23 256 682	-	-	-	-	-	23 256 682	-	-	-	-	-	-	23 256 682
Dwellings	3 487 346	-	-	-	-	(1 011 362)	3 487 346	(1 011 362)	-	-	-	(187 407)	(1 198 769)	2 288 577
Nonresidential structures	56 744 752	40 427 062	-	(605 132)	-	(21 982 566)	96 566 682	(21 982 566)	454 969	-	(347 250)	(3 577 993)	(25 452 840)	71 113 842
	293 434 323	40 427 062	-	(605 132)	-	(22 983 928)	333 256 253	(22 983 928)	454 969	-	(347 250)	(3 765 400)	(26 651 609)	306 604 644
Infrastructure														
Electricity	1 165 825 038	45 103 415	-	(12 653 923)	-	(713 339 893)	1 198 274 530	(713 339 893)	7 660 386	-	(2 601 195)	(52 610 449)	(760 891 151)	437 383 379
Roads	1 373 631 591	121 750 799	-	(48 505 638)	-	(695 682 362)	1 446 876 752	(695 682 362)	37 933 951	-	(886 025)	(71 962 373)	(730 596 809)	716 279 943
Solid waste disposal	29 006 906	19 788 111	-	(2 570 737)	-	(12 527 793)	46 224 280	(12 527 793)	2 388 130	-	(21 369)	(911 425)	(11 072 457)	35 151 823
	2 568 463 535	186 642 325	-	(63 730 298)	-	(1 421 550 048)	2 691 375 562	(1 421 550 048)	47 982 487	-	(3 508 589)	(125 484 247)	(1 502 560 417)	1 188 815 145
Community Assets														
Cemeteries	14 069 772	-	-	(99 381)	-	(5 295 062)	13 970 391	(5 295 062)	69 543	-	(35 135)	(580 201)	(5 840 855)	8 129 536
Cemeteries perimeter protection	10 889 093	-	-	-	-	(1 550 558)	10 889 093	(1 550 558)	-	-	(16 921)	(382 415)	(1 949 894)	8 939 199
Community center	94 788 033	5 055 361	-	(35 418)	-	(22 602 631)	99 807 976	(22 602 631)	17 762	-	(100 837)	(3 976 606)	(26 662 314)	73 145 662
Libraries	1 238 958	-	-	-	-	(835 409)	1 238 958	(835 409)	-	-	-	(44 893)	(880 302)	358 656
Sports and recreational facilities	43 349 701	5 581 482	-	(500)	-	(7 437 831)	48 930 663	(7 437 831)	465	-	(243 422)	(2 034 407)	(9 715 195)	39 215 488
Library books	2 528 405	-	-	(44 936)	-	(2 385 875)	2 483 469	(2 385 875)	43 982	-	-	(61 390)	(2 403 283)	80 186
	166 863 962	10 636 843	-	(180 235)	-	(40 107 366)	177 320 570	(40 107 366)	131 752	-	(396 315)	(7 079 914)	(47 451 843)	129 868 727

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June 2024

Analysis of property, plant and equipment as at 30 June 2024
Accumulated depreciation

	Opening Balance Rand	Additions Rand	Transfers to PPE Rand	Disposals Rand	Transfers to expenditure Rand	Revaluations Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers to expenditure Rand	Impairment Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Work In Progress														
Work In Progress	193 285 658	259 109 540	(211 386 385)	-	(23 786 533)	-	217 222 280	-	-	-	-	-	-	217 222 280
	193 285 658	259 109 540	(211 386 385)	-	(23 786 533)	-	217 222 280	-	-	-	-	-	-	217 222 280
Other assets														
Machinery and equipment	64 335 166	7 711 571	-	(90 705)	-	-	71 956 032	(34 035 717)	85 441	-	150	(6 919 746)	(40 869 872)	31 086 160
Furniture and office equipment	14 439 430	6 872 339	-	(509 762)	-	-	20 802 007	(10 758 441)	399 007	-	19 604	(2 750 732)	(13 090 562)	7 711 445
Computer Equipment	15 116 580	3 939 991	-	(714 120)	-	-	18 342 431	(7 310 382)	585 821	-	2 758	(2 744 209)	(9 466 012)	8 876 419
Transport assets	83 435 258	38 003	-	-	-	-	83 473 261	(39 233 617)	-	-	-	(8 285 710)	(47 519 327)	35 953 934
	177 326 414	18 561 904	-	(1 314 587)	-	-	194 573 731	(91 338 157)	1 070 269	-	22 512	(20 700 397)	(110 945 773)	83 627 958

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Appendix B
 June 2024

Analysis of property, plant and equipment as at 30 June 2024
Accumulated depreciation

	Cost/Revaluation				Accumulated depreciation								
	Opening Balance Rand	Additions Rand	Transfers to PPE Rand	Disposals Rand	Transfers to expenditure Rand	Revaluations Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Impairment Rand	Depreciation Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment	3 399 373 892	515 377 674	(211 386 385)	(65 830 252)	(23 786 533)	-	3 613 748 396	(1 575 989 499)	49 639 457	(4 229 642)	(157 029 958)	(1 687 609 642)	1 926 138 754
Land and buildings	293 434 323	40 427 062	-	(605 132)	-	-	333 256 253	(22 993 928)	454 969	(347 250)	(3 765 400)	(26 651 609)	306 604 644
Infrastructure	2 568 463 535	186 642 325	-	(63 730 298)	-	-	2 691 375 562	(1 421 550 048)	47 982 467	(3 508 589)	(125 484 247)	(1 502 560 417)	1 188 815 145
Community Assets	166 863 962	10 636 843	-	(180 235)	-	-	177 320 570	(40 107 366)	131 752	(396 315)	(7 079 914)	(47 451 843)	129 868 727
Work In Progress	193 285 658	259 109 540	(211 386 385)	-	(23 786 533)	-	217 222 280	-	-	-	-	-	217 222 280
Other assets	177 326 414	18 561 904	-	(1 314 587)	-	-	194 573 731	(91 338 157)	1 070 269	22 512	(20 700 397)	(110 945 773)	83 627 958
	8 758 278	726 723	(211 386 385)	(65 830 252)	(23 786 533)	-	8 758 278	(7 148 498)	49 639 457	(4 229 642)	(608 177)	(7 756 675)	1 728 326
Heritage assets	2 160 329	-	-	-	-	-	2 160 329	-	-	-	-	-	2 160 329
Heritage assets	2 160 329	-	-	-	-	-	2 160 329	-	-	-	-	-	2 160 329
	8 758 278	726 723	-	-	-	-	9 485 001	(7 148 498)	-	-	-	(7 756 675)	1 728 326
Computers - software & programming	8 758 278	726 723	-	-	-	-	9 485 001	(7 148 498)	-	-	-	(7 756 675)	1 728 326
	8 758 278	726 723	-	-	-	-	9 485 001	(7 148 498)	-	-	-	(7 756 675)	1 728 326
Investment properties	4 979 659	-	-	-	-	-	4 979 659	-	-	-	-	-	4 979 659
Developed land	4 979 659	-	-	-	-	-	4 979 659	-	-	-	-	-	4 979 659
Dwellings	6 372 122	-	-	-	-	-	6 372 122	(2 387 213)	-	-	(174 323)	(2 561 536)	3 810 586
Nonresidential structures	8 107 646	-	-	-	-	-	8 107 646	(1 634 081)	-	-	(204 820)	(1 838 901)	6 268 745
	19 459 427	-	-	-	-	-	19 459 427	(4 021 294)	-	-	(379 143)	(4 400 437)	15 058 990
Total	293 434 323	40 427 062	(211 386 385)	(605 132)	(23 786 533)	-	333 256 253	(22 993 928)	454 969	(347 250)	(3 765 400)	(26 651 609)	306 604 644
Land and buildings	293 434 323	40 427 062	(211 386 385)	(605 132)	(23 786 533)	-	333 256 253	(22 993 928)	454 969	(347 250)	(3 765 400)	(26 651 609)	306 604 644
Infrastructure	2 568 463 535	186 642 325	-	(63 730 298)	-	-	2 691 375 562	(1 421 550 048)	47 982 467	(3 508 589)	(125 484 247)	(1 502 560 417)	1 188 815 145
Community Assets	166 863 962	10 636 843	-	(180 235)	-	-	177 320 570	(40 107 366)	131 752	(396 315)	(7 079 914)	(47 451 843)	129 868 727
Work In Progress	193 285 658	259 109 540	(211 386 385)	-	(23 786 533)	-	217 222 280	-	-	-	-	-	217 222 280
Other assets	177 326 414	18 561 904	-	(1 314 587)	-	-	194 573 731	(91 338 157)	1 070 269	22 512	(20 700 397)	(110 945 773)	83 627 958
Heritage assets	2 160 329	-	-	-	-	-	2 160 329	-	-	-	-	-	2 160 329
Intangible assets	8 758 278	726 723	-	-	-	-	9 485 001	(7 148 498)	-	-	(608 177)	(7 756 675)	1 728 326
Investment properties	4 979 659	-	-	-	-	-	4 979 659	-	-	-	-	-	4 979 659
Intangible assets	19 459 427	-	-	-	-	-	19 459 427	(4 021 294)	-	-	(379 143)	(4 400 437)	15 058 990
Total	3 429 751 926	516 104 397	(211 386 385)	(65 830 252)	(23 786 533)	-	3 644 853 153	(1 587 159 291)	49 639 457	(4 229 642)	(158 017 276)	(1 699 766 754)	1 945 086 399
Land and buildings	293 434 323	40 427 062	(211 386 385)	(65 830 252)	(23 786 533)	-	3 644 853 153	(1 587 159 291)	49 639 457	(4 229 642)	(158 017 276)	(1 699 766 754)	1 945 086 399
Infrastructure	2 568 463 535	186 642 325	-	(63 730 298)	-	-	2 691 375 562	(1 421 550 048)	47 982 467	(3 508 589)	(125 484 247)	(1 502 560 417)	1 188 815 145
Community Assets	166 863 962	10 636 843	-	(180 235)	-	-	177 320 570	(40 107 366)	131 752	(396 315)	(7 079 914)	(47 451 843)	129 868 727
Work In Progress	193 285 658	259 109 540	(211 386 385)	-	(23 786 533)	-	217 222 280	-	-	-	-	-	217 222 280
Other assets	177 326 414	18 561 904	-	(1 314 587)	-	-	194 573 731	(91 338 157)	1 070 269	22 512	(20 700 397)	(110 945 773)	83 627 958
Heritage assets	2 160 329	-	-	-	-	-	2 160 329	-	-	-	-	-	2 160 329
Intangible assets	8 758 278	726 723	-	-	-	-	9 485 001	(7 148 498)	-	-	(608 177)	(7 756 675)	1 728 326
Investment properties	4 979 659	-	-	-	-	-	4 979 659	-	-	-	-	-	4 979 659
Intangible assets	19 459 427	-	-	-	-	-	19 459 427	(4 021 294)	-	-	(379 143)	(4 400 437)	15 058 990

MAKHADO LOCAL MUNICIPALITY
Appendix C
 June 2024

Actual versus Budget (Revenue and Expenditure) for the year ended 30 June 2024

	Current year 2024		Variance	Explanation of Significant Variances greater than 10% versus Budget
	Act. Bal.	Adjusted budget		
	Rand	Rand	Rand	Var
Revenue				
Service charges	454 445 770	631 932 000	(177 486 230)	(28.1) The municipality billed less revenue than expected.
Rental of facilities and equipment	425 659	332 000	93 659	28.2 More revenue than budgeted was collected from rental of halls and facilities. Management saw an influx of activities and events during the year, that was not anticipated during the budget process.
Property rates	120 692 497	125 077 000	(4 384 503)	(3.5)
Interest received from debtors: Exchange transactions	15 511 158	17 082 305	(1 571 147)	(9.2) Management billed customers less revenue than budgeted.
Agency services	3 273 967	-	3 273 967	- The budget for agency fees is under other income
Government grants & subsidies	619 579 943	623 176 000	(3 596 057)	(0.6)
Fines, Penalties and Forfeits	5 390 564	4 562 000	828 564	18.2 Road traffic offences were higher than budgeted. More traffic offenders were billed during the year surpassing the target.
Licences and permits	3 809 976	3 603 000	206 976	5.7 More Road users renewed and got their drivers licences than budgeted.
Interest received from debtors: Non - exchange transactions	25 943 370	28 319 695	(2 376 325)	(8.4) Management billed customers less revenue than budgeted
Other income	21 935 915	91 796 000	(69 860 085)	(76.1) Management collected less revenue from other income than budgeted.
Other revenue - non exchange	27 163 217	-	27 163 217	-
Interest received from financial institutions	5 456 569	7 229 000	(1 772 431)	(24.5) The amounts received from interest on bank balance fluctuated during the year, resulting in less revenue collected than budgeted.
Expenses				
Personnel	(381 663 826)	(382 488 000)	824 174	(0.2) Expenditure is within the budget.
	303 628 605	533 109 000	(229 480 395)	(15.0)

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Appendix C

June 2024

Actual versus Budget (Revenue and Expenditure) for the year ended 30 June 2024

	Current year 2024	Current year 2024 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Remuneration of councillors	(29 989 937)	(32 000 000)	2 010 063	(6.3) Expenditure is within the budget.
Depreciation & amortisation	(161 764 147)	(162 420 000)	655 853	(0.4) Expenditure is within the budget.
Amortisation	-	-	-	-
Finance costs	(17 919 048)	(19 762 000)	1 842 952	(9.3) Expenditure is within the budget
Debt Impairment	(41 600 405)	(73 677 000)	32 076 595	(43.5) Expenditure is within the budget.
Bulk purchases	(371 986 217)	(374 092 000)	2 105 783	(0.6) Expenditure is within the budget.
Contracted Services	(180 305 404)	(229 725 000)	49 419 596	(21.5) Expenditure is within the budget.
General Expenses	(108 202 381)	(117 458 000)	9 255 619	(7.9) Expenditure is within the budget.
Other revenue and costs	293 431 365	391 622 000)	98 190 635	(7.1)
Gain or(loss) on disposal of assets	(16 167 112)	(17 500 000)	1 332 888	(7.6) Expenditure is within the budget
Gain or(loss) on actuarial valuation	6 420 329	-	6 420 329	-
Inventory losses/write downs	(596 994)	(700 000)	103 006	(14.7) Expenditure is within the budget.
Net surplus/ (deficit) for the year	(10 343 777)	(18 200 000)	7 856 223	(43.2)
	(146 537)	123 287 000	(123 433 537)	100.1)

MAKHADO LOCAL MUNICIPALITY
Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2024

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts						Quarterly Expenditure						Grants and Subsidies delayed / withheld						Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance							
		Jul	Sep	Dec	Mar	Jun	Jul	Sep	Dec	Mar	Jun	Jul	Sep	Dec	Mar	Jun	Jul	Sep	Dec				Mar	Jun	Jul	Sep	Dec	Mar	Jun
Municipal Infrastructure Grant	National Treasury	-	84 878	10 850	12 287	-	-	34 201	43 408	23 265	(7 141)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Yes	
Integrated Electrification Program	Department of Energy	-	2 500	3 000	1 500	-	-	(260)	(4 014)	(1 408)	(1 318)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Yes		
Financial Management Grant	National Treasury	-	1 950	-	-	-	-	(527)	(762)	(225)	(436)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Yes		
EPWP	Department of Public Works COGTA	-	733	1 319	716	-	-	(733)	(733)	(692)	(610)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Yes		
Disaster Management Grant	COGTA	3 500	-	-	18 000	-	-	(1 658)	(793)	-	14 490	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Yes		
		3 500	90 061	15 169	32 503	-	-	37 379	49 710	25 590	23 995	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

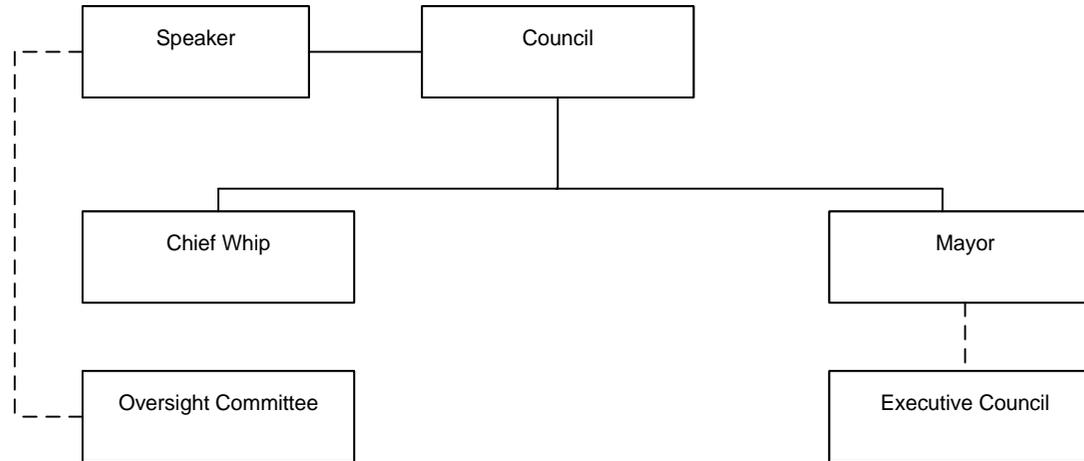
APPENDIX 4:

ORGANISATIONAL STRUCTURE

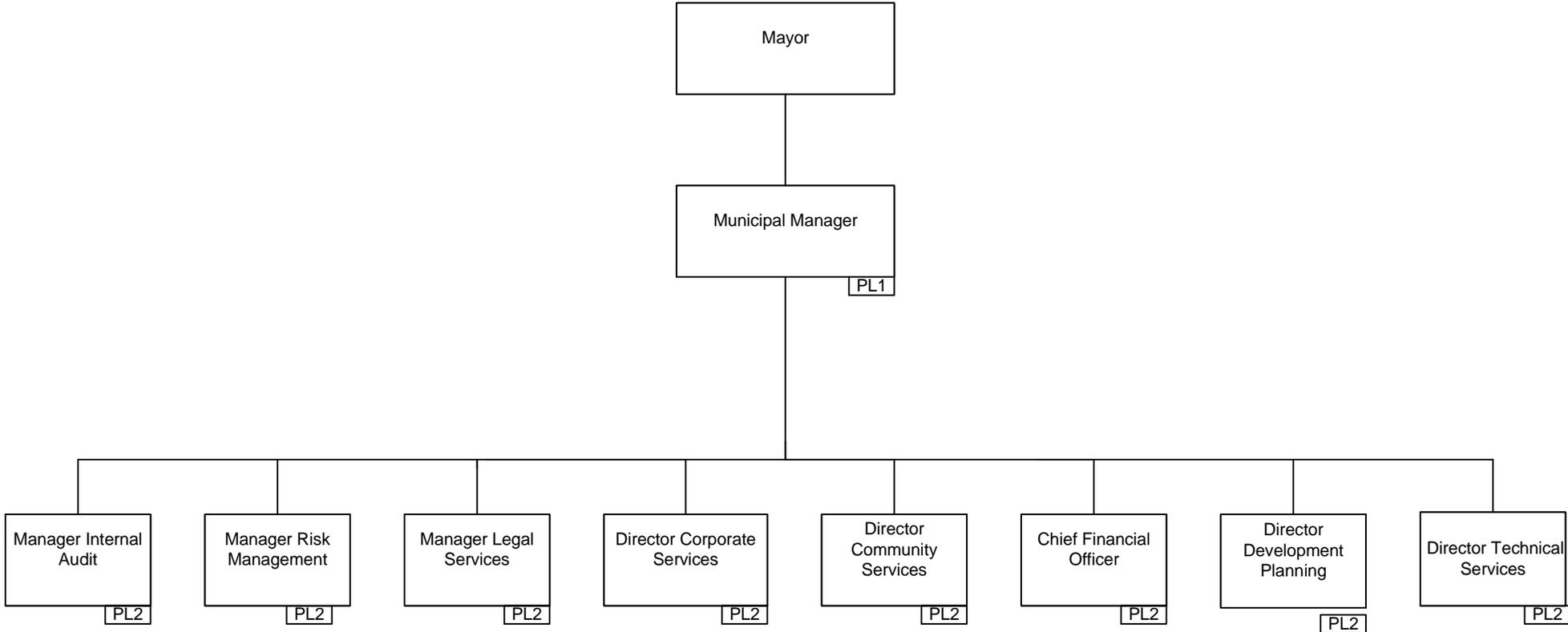
June 2024

Approved 2023/2024
Staff Establishment
CR.A.98.30.08.23

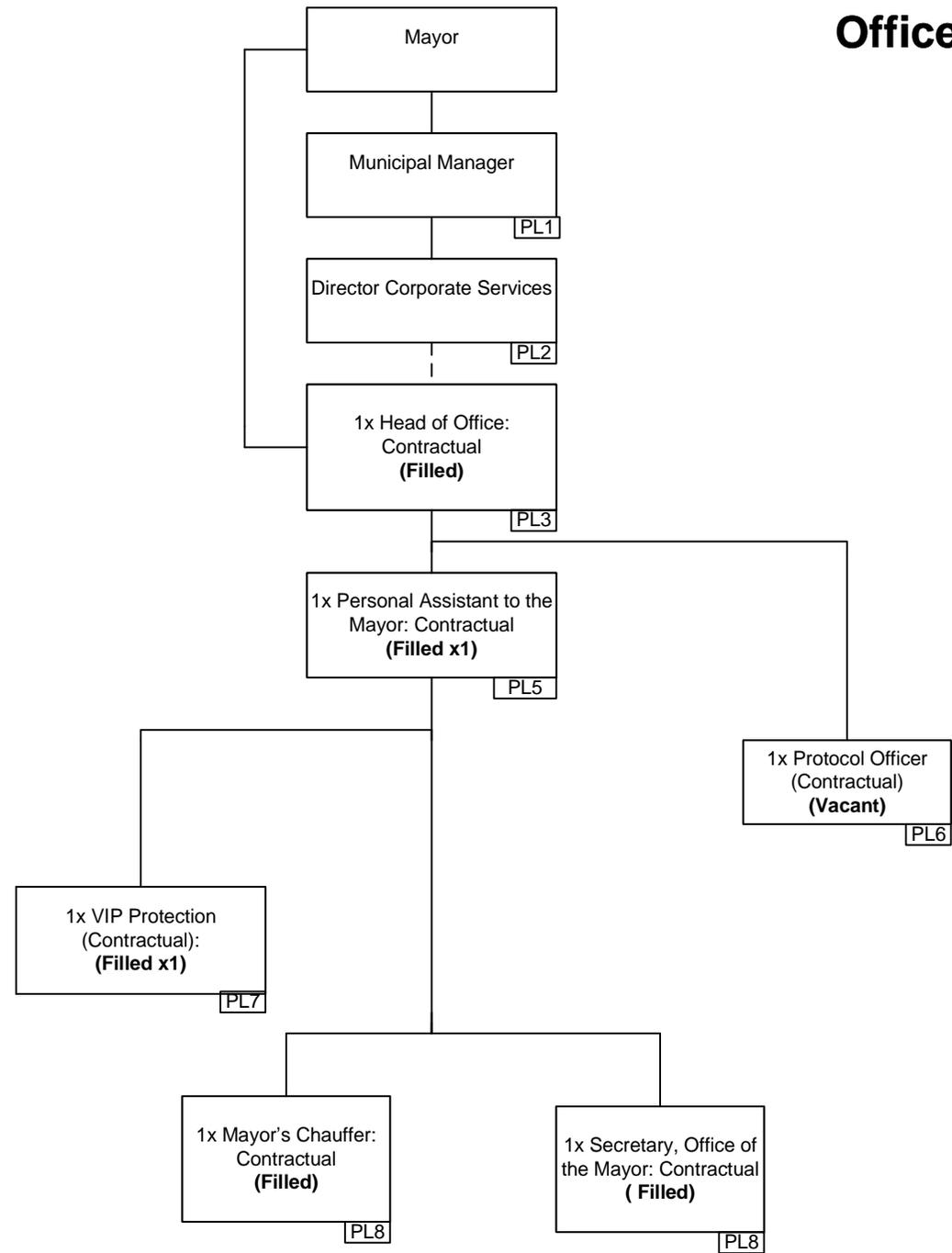
Political component



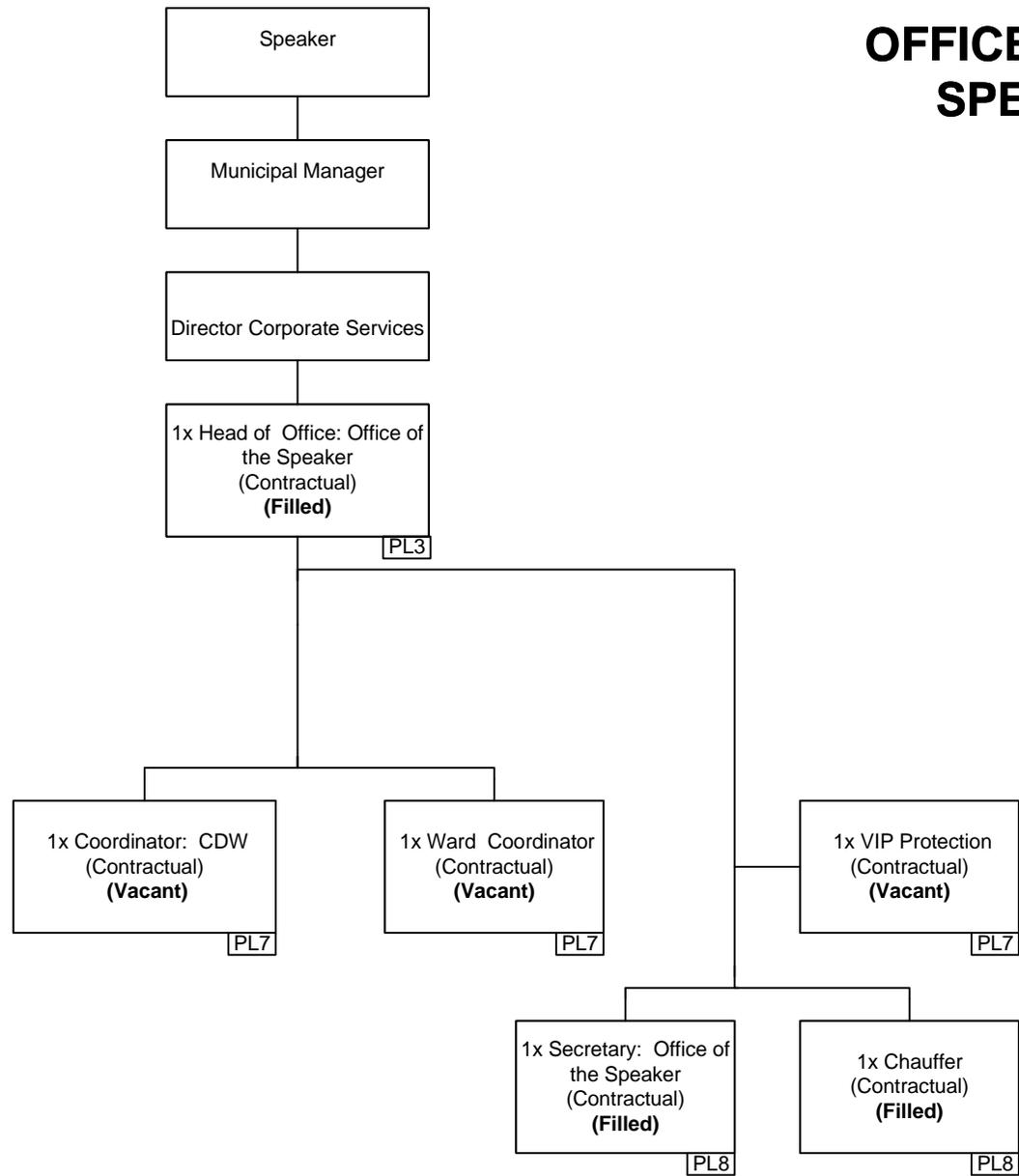
ADMINISTRATIVE MANAGEMENT



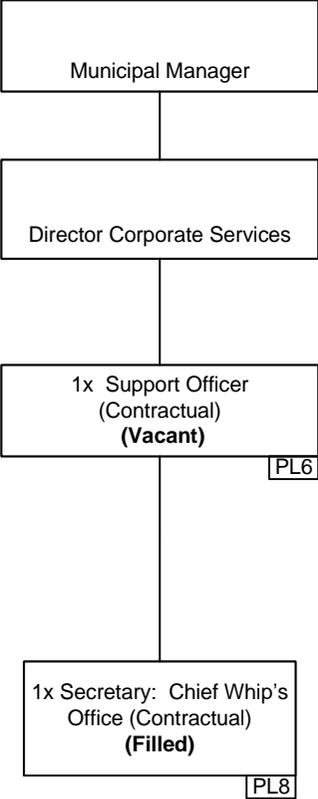
Office of the Mayor



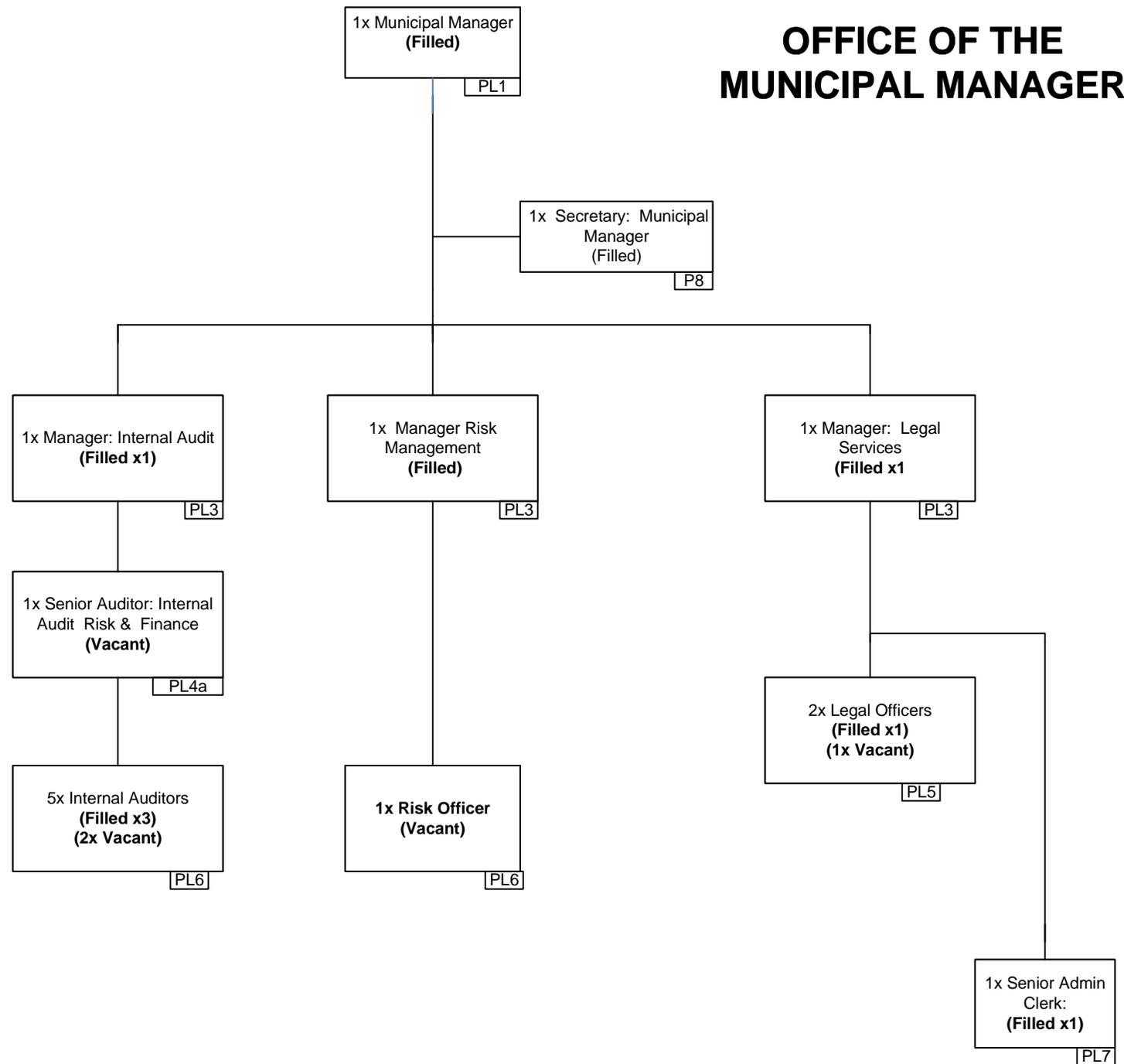
OFFICE OF THE SPEAKER



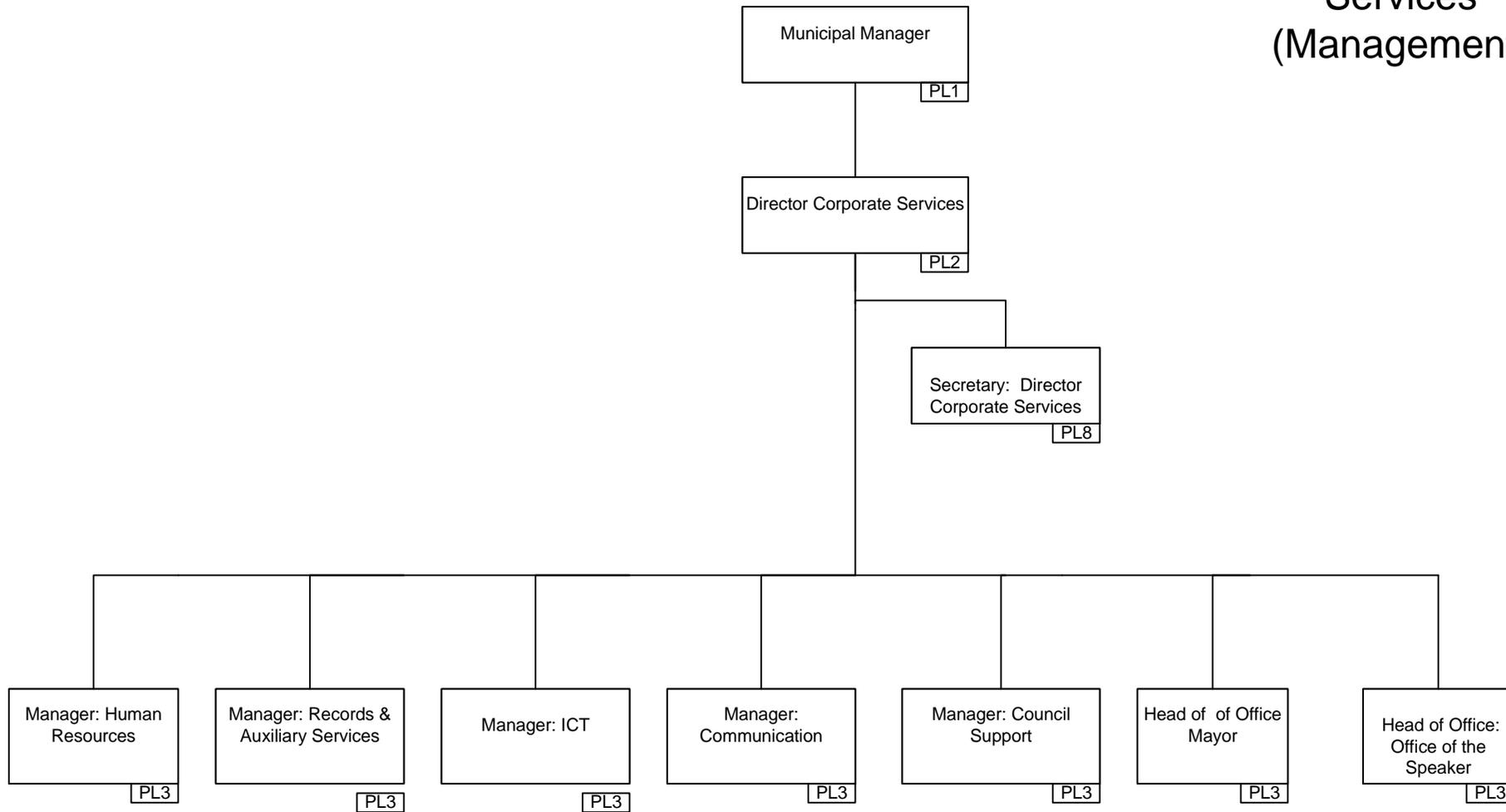
Office of the Chief Whip



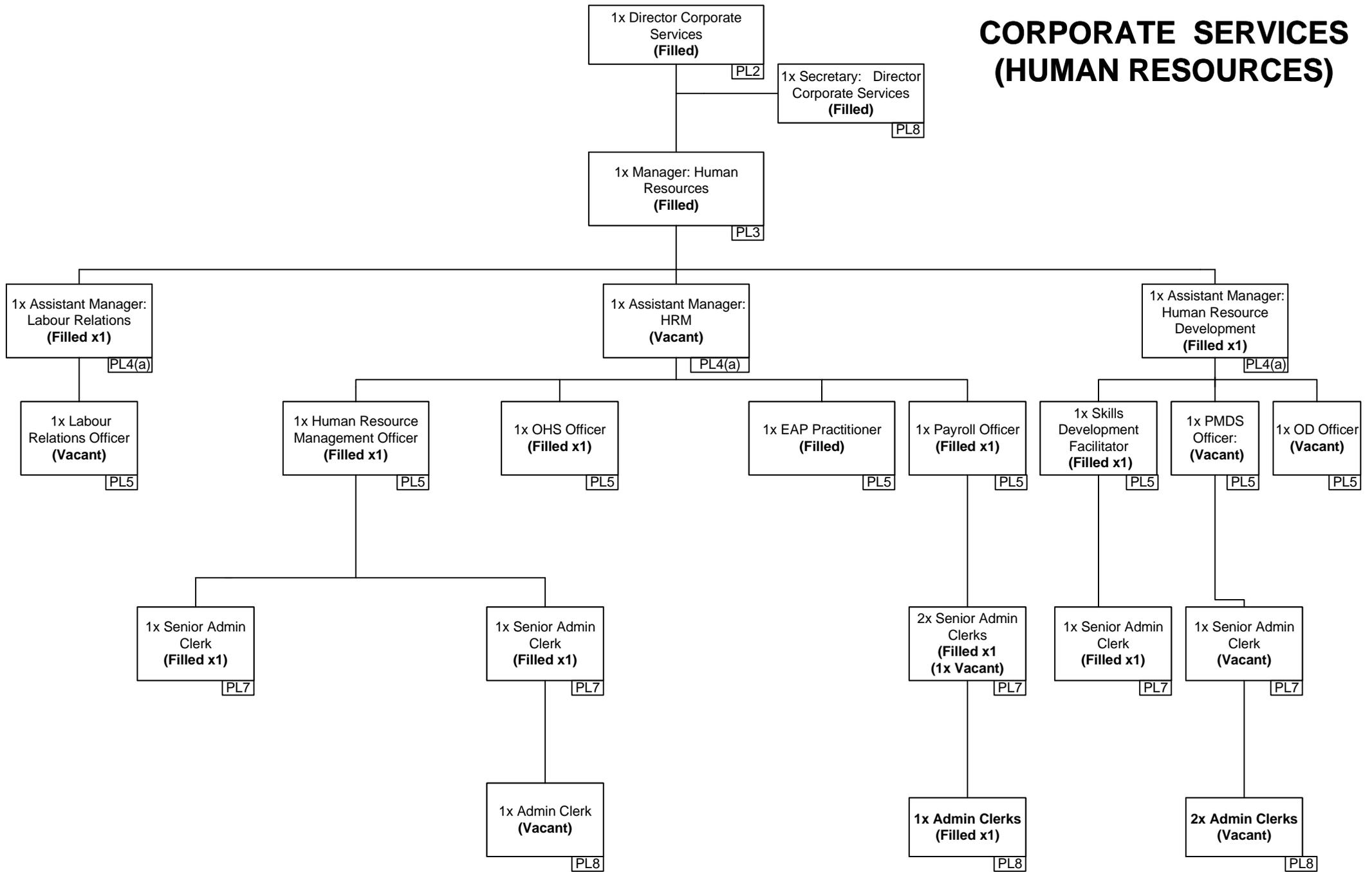
OFFICE OF THE MUNICIPAL MANAGER



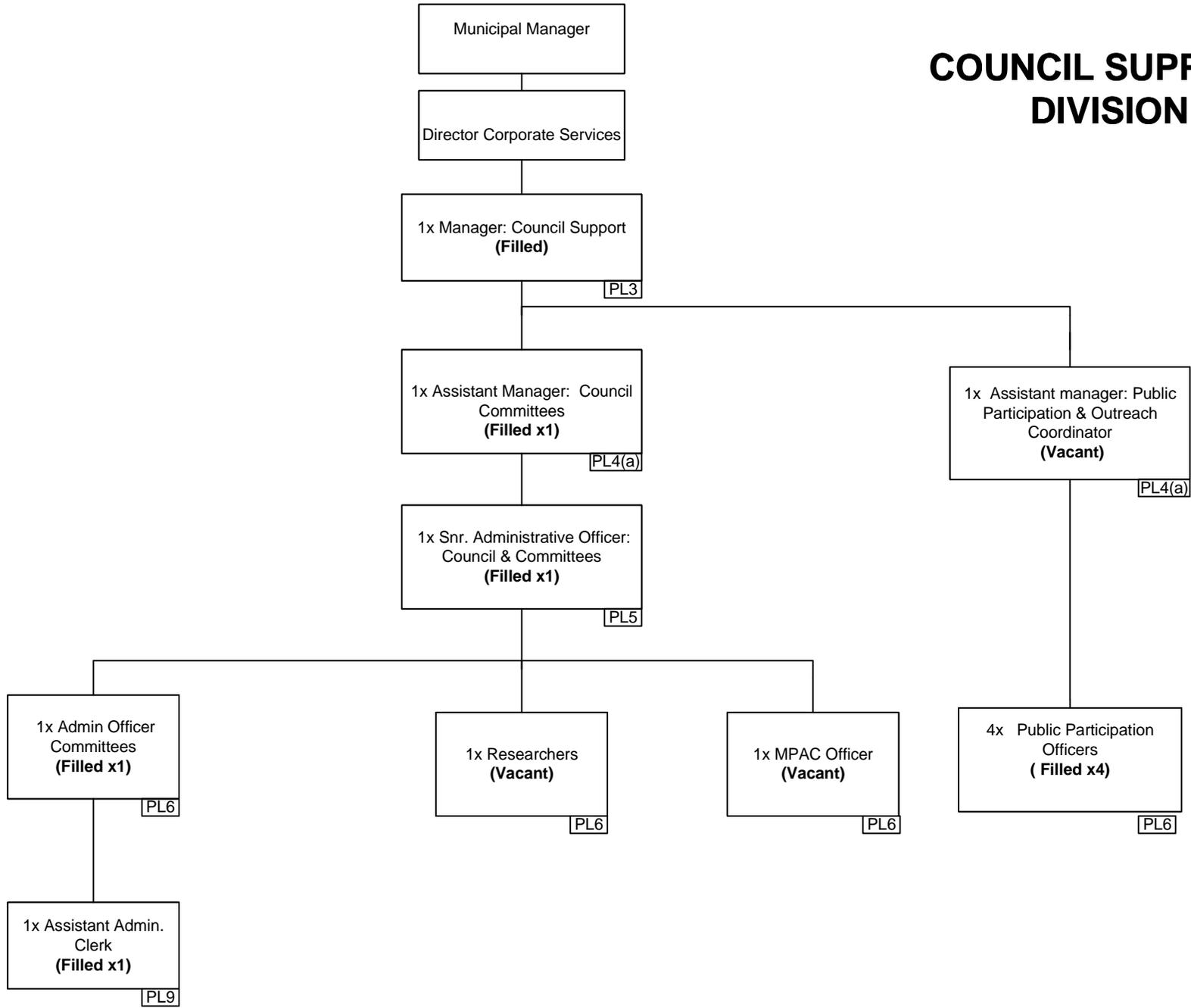
Department of Corporate Services (Management)



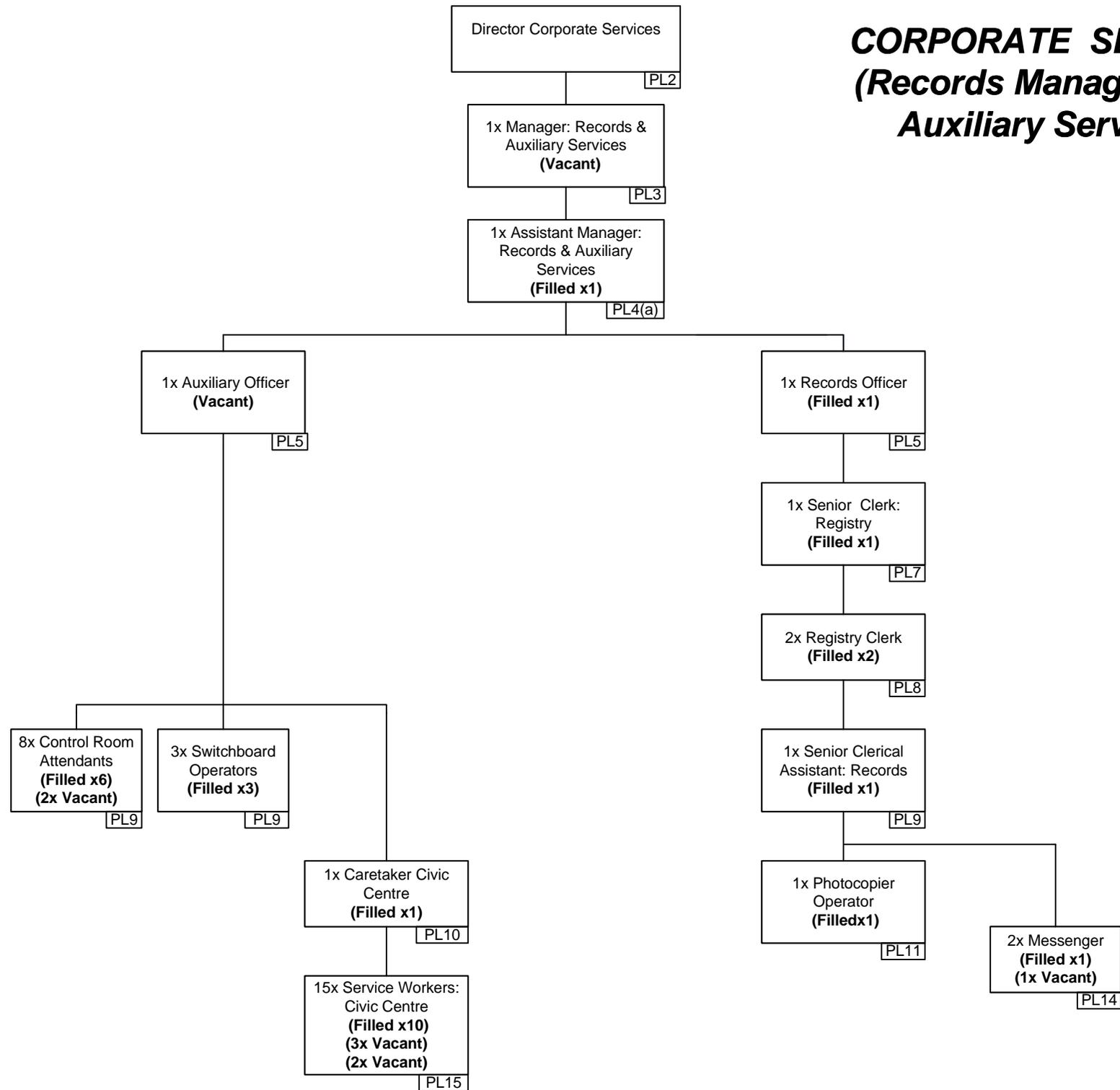
CORPORATE SERVICES (HUMAN RESOURCES)



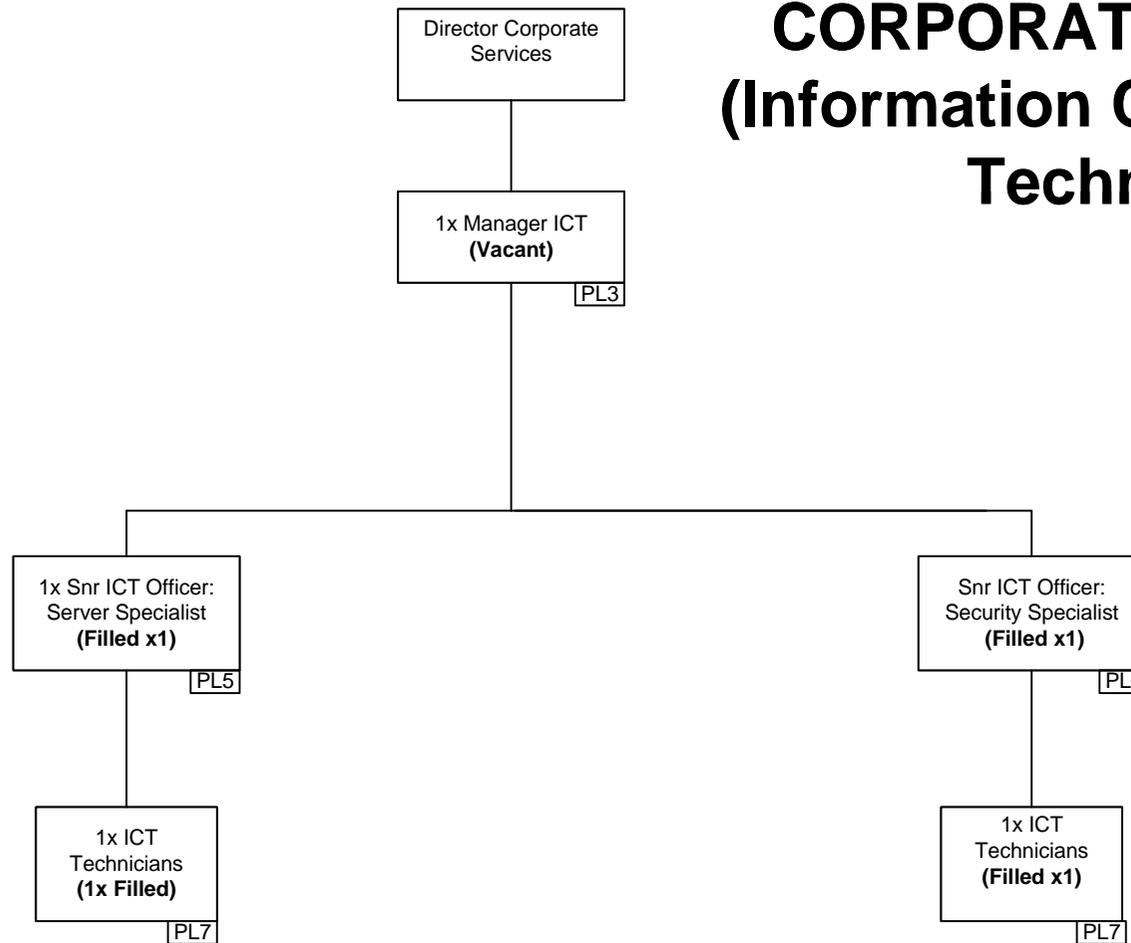
COUNCIL SUPPORT DIVISION



CORPORATE SERVICES (Records Management & Auxiliary Services)



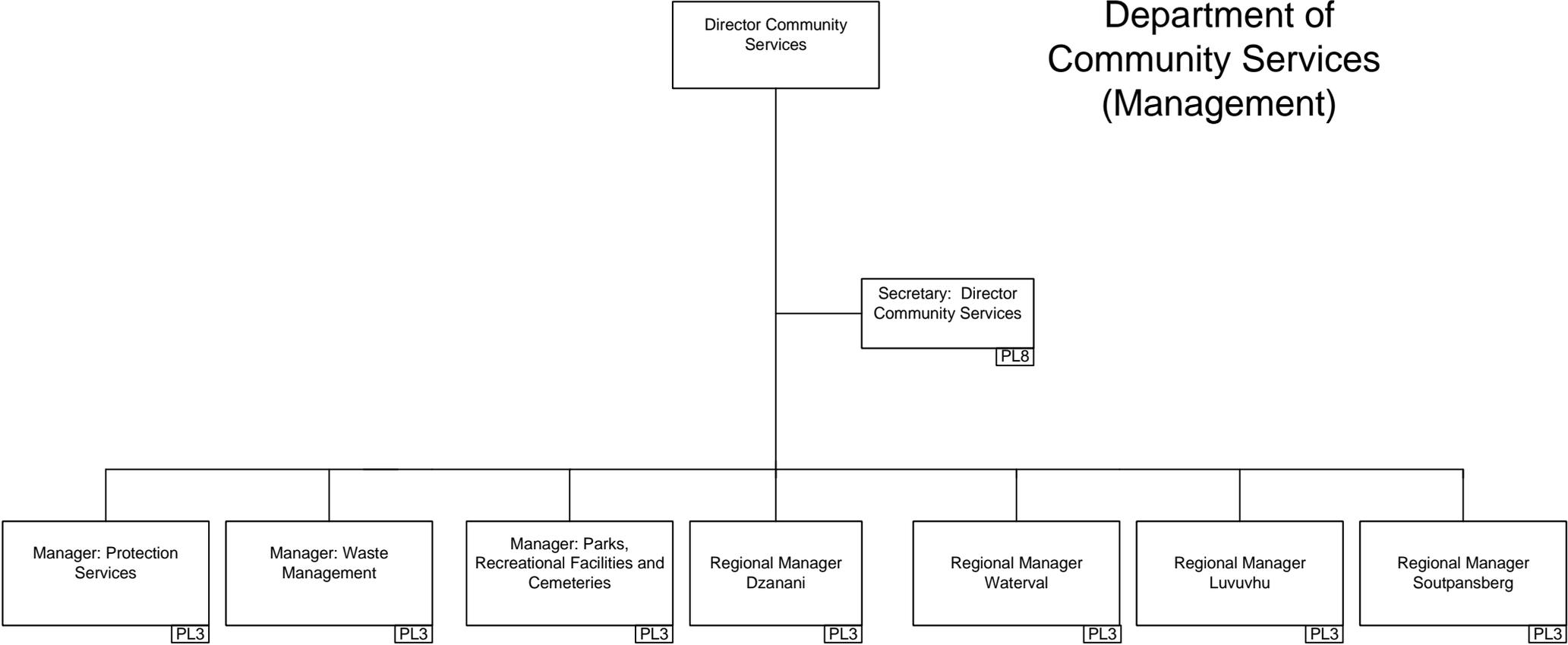
CORPORATE SERVICES: (Information Communication Technology)



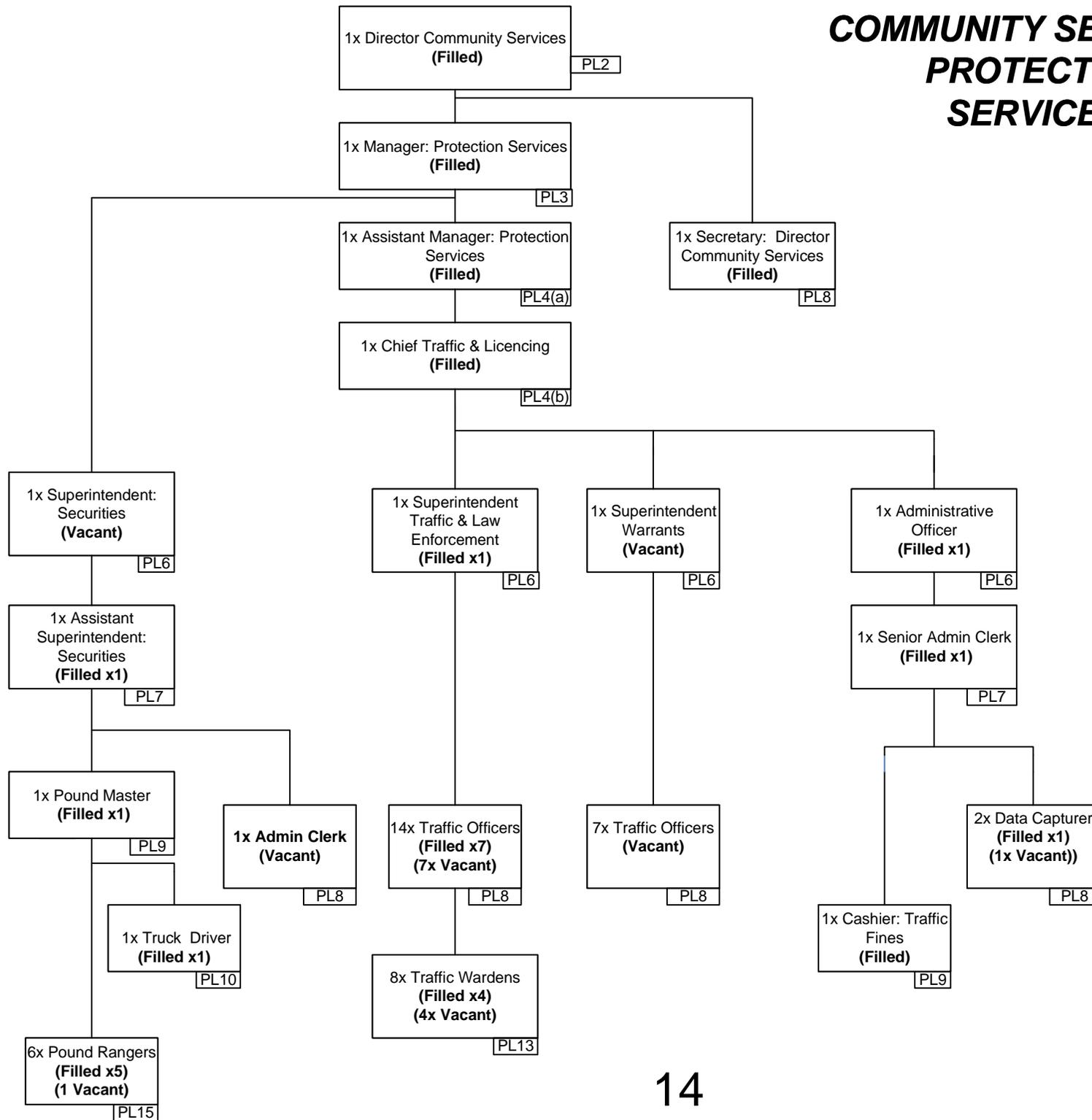
Communication Division



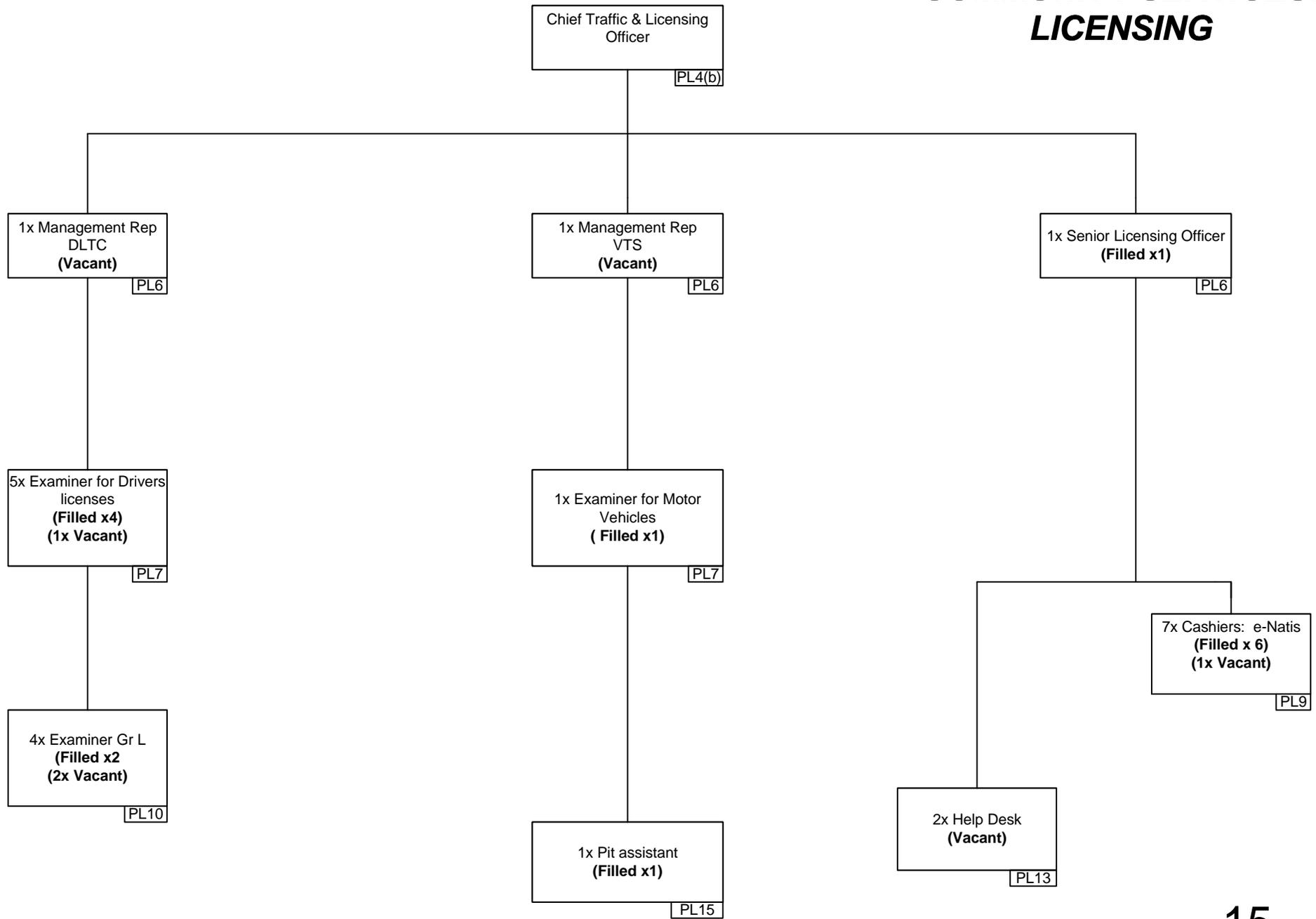
Department of Community Services (Management)



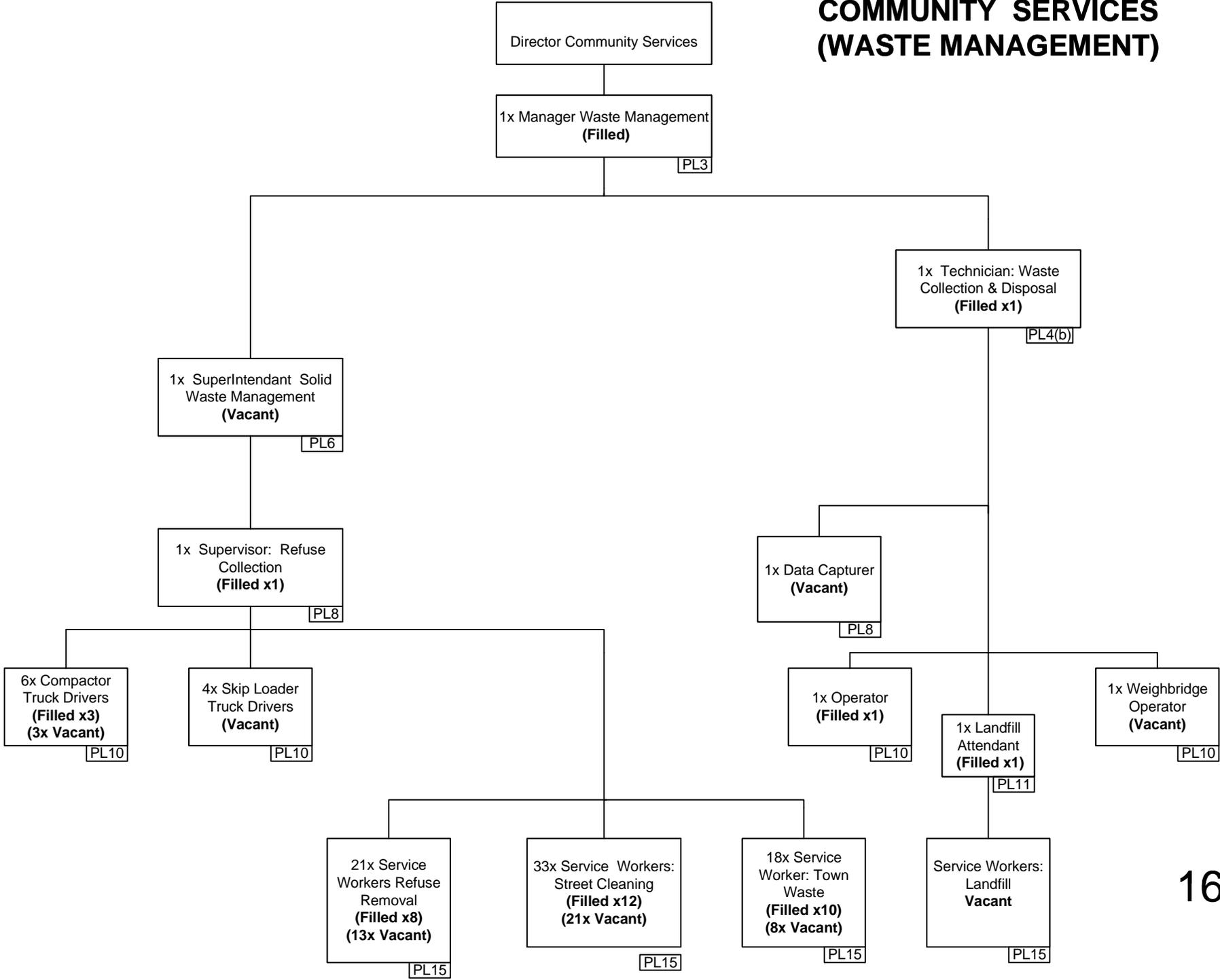
COMMUNITY SERVICES: PROTECTION SERVICES



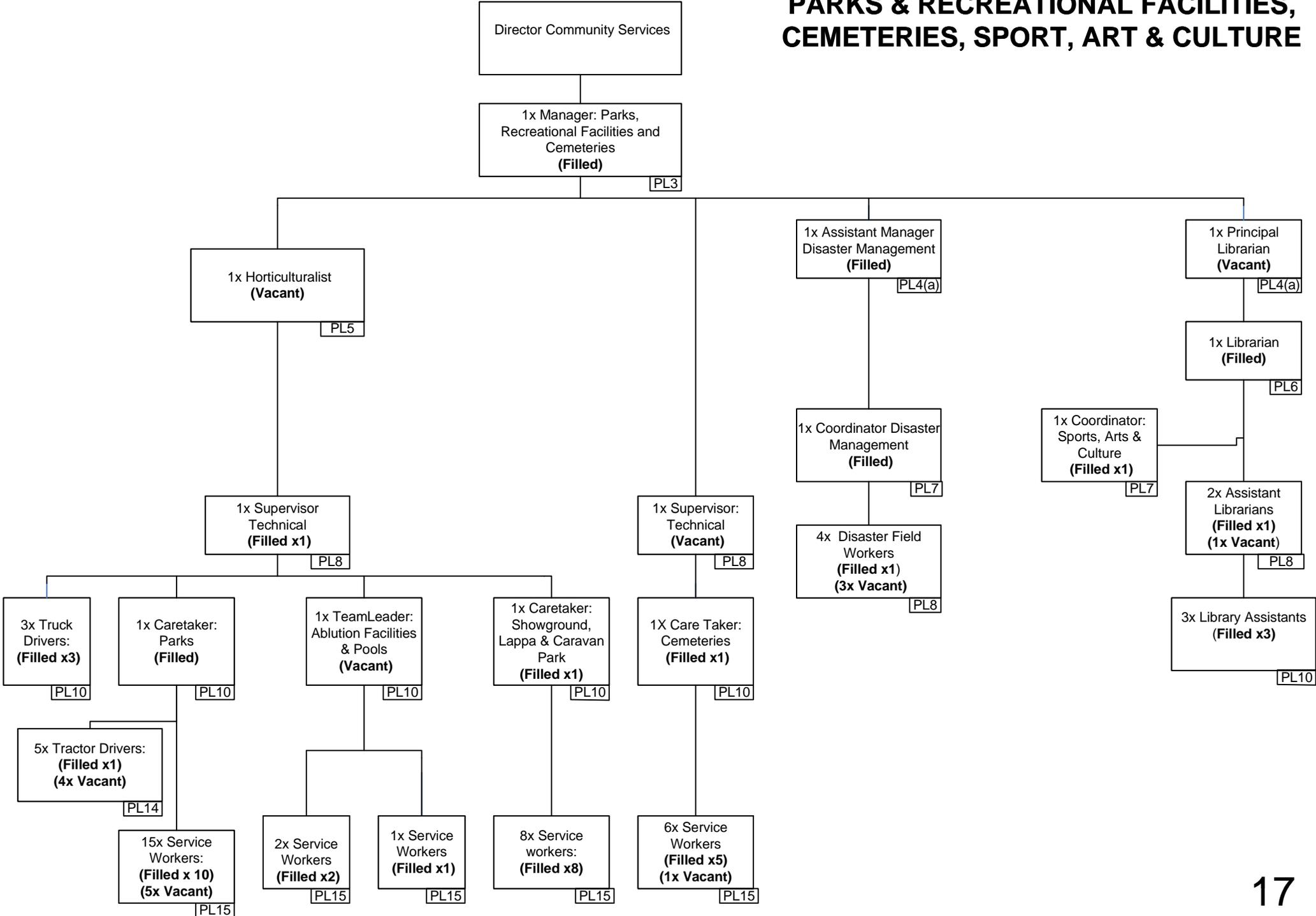
COMMUNITY SERVICES: LICENSING



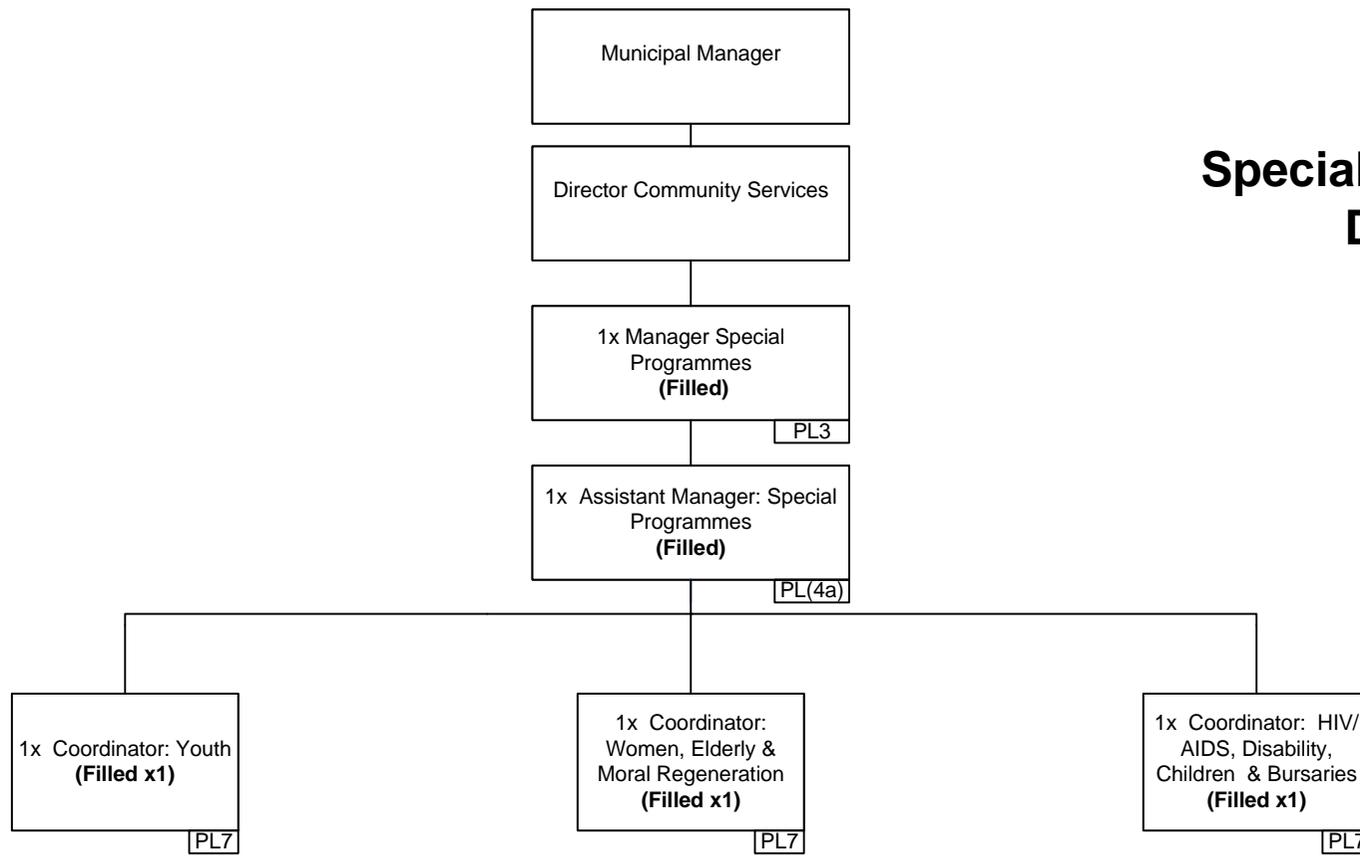
COMMUNITY SERVICES (WASTE MANAGEMENT)



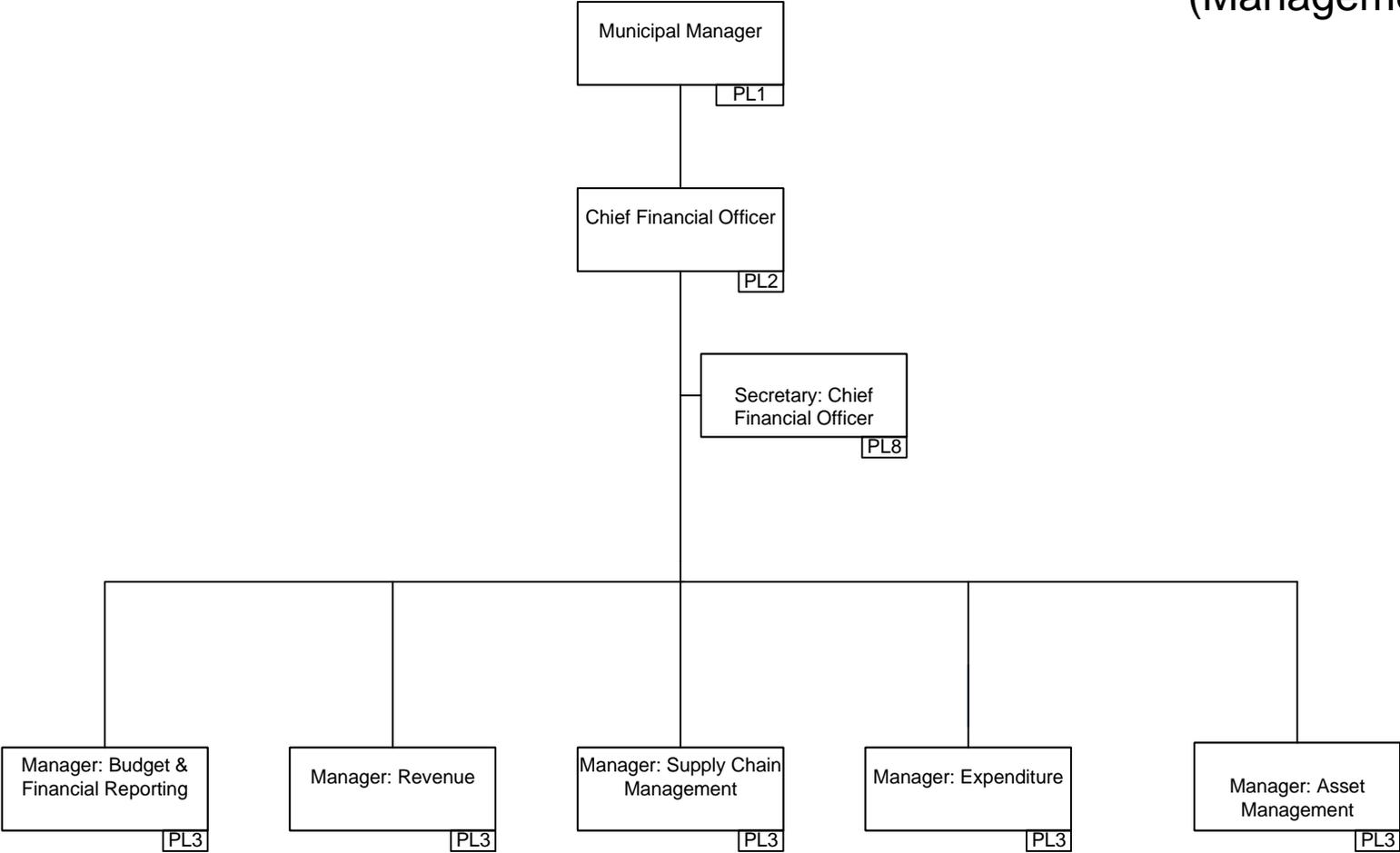
COMMUNITY SERVICES PARKS & RECREATIONAL FACILITIES, CEMETERIES, SPORT, ART & CULTURE



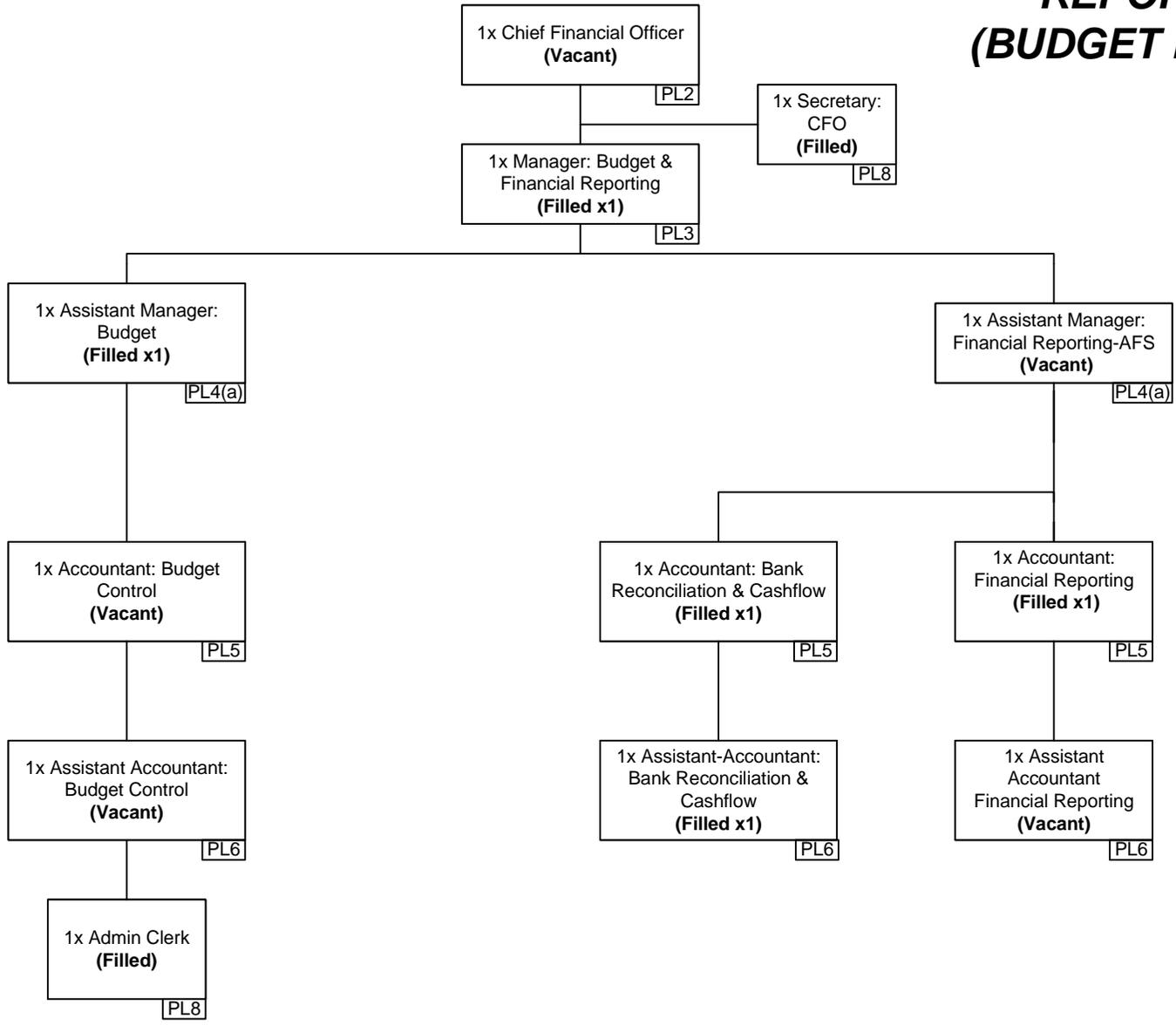
Special Programmes Division



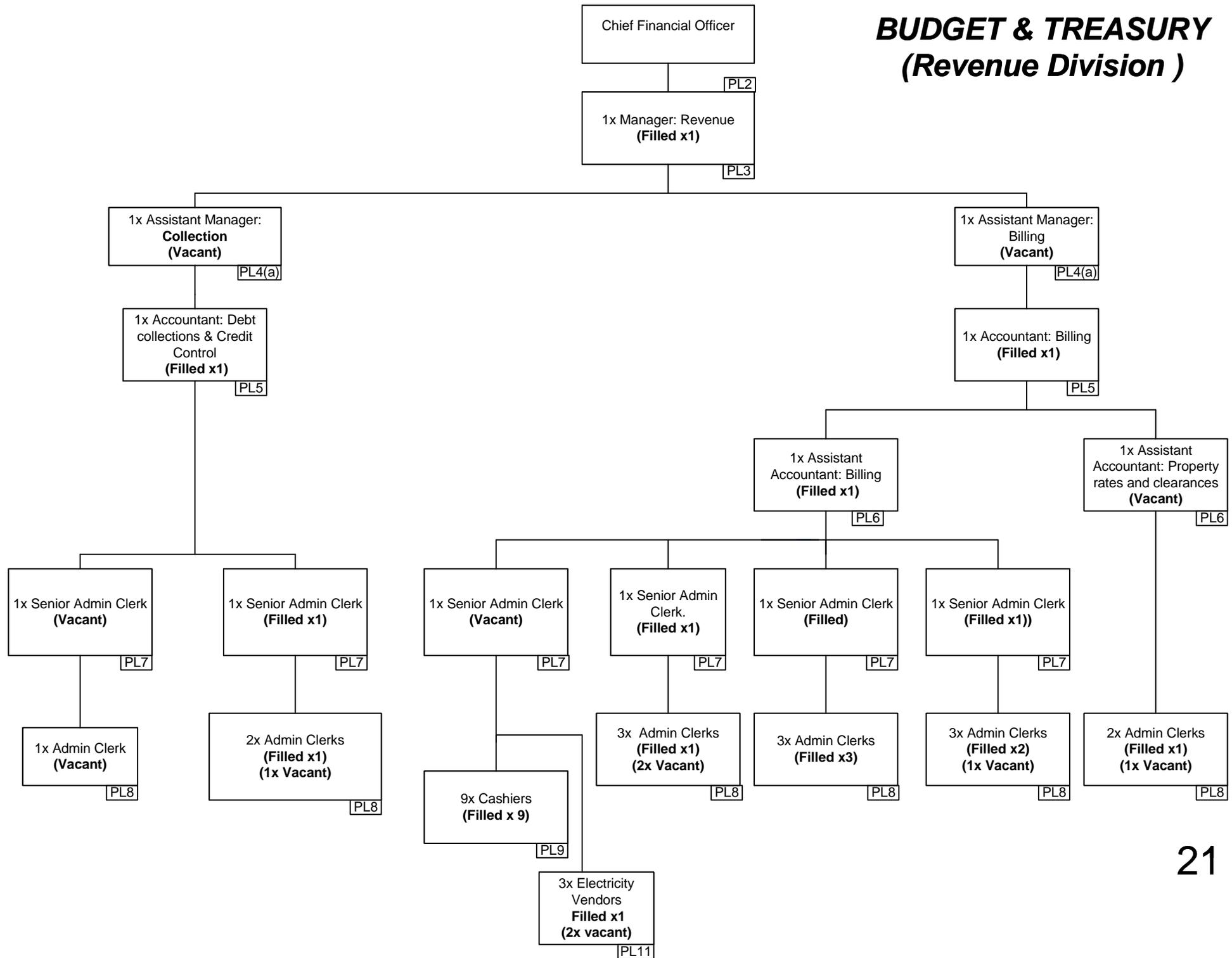
Budget & Treasury (Management)



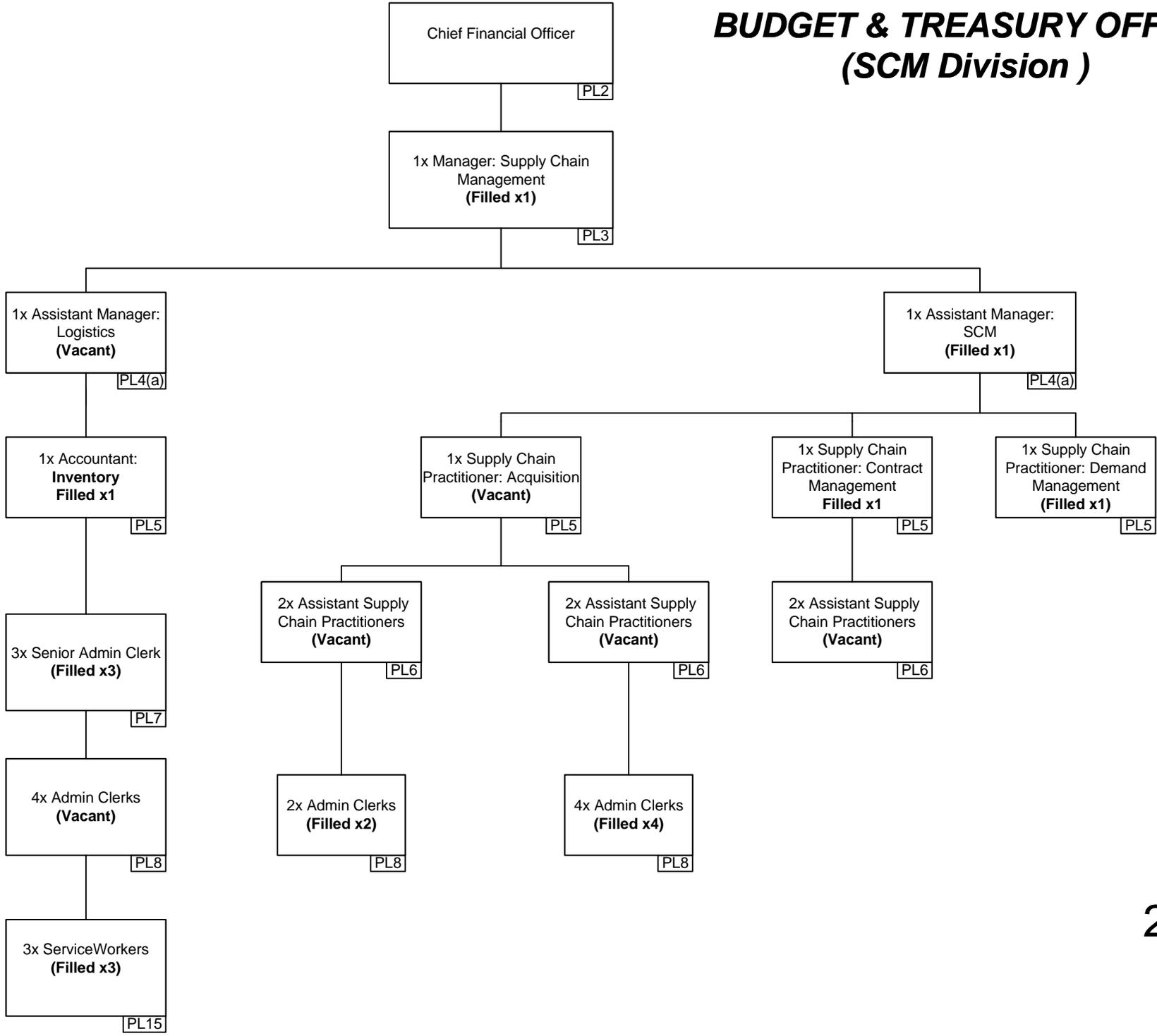
BUDGET & FINANCIAL REPORTING (BUDGET DIVISION)



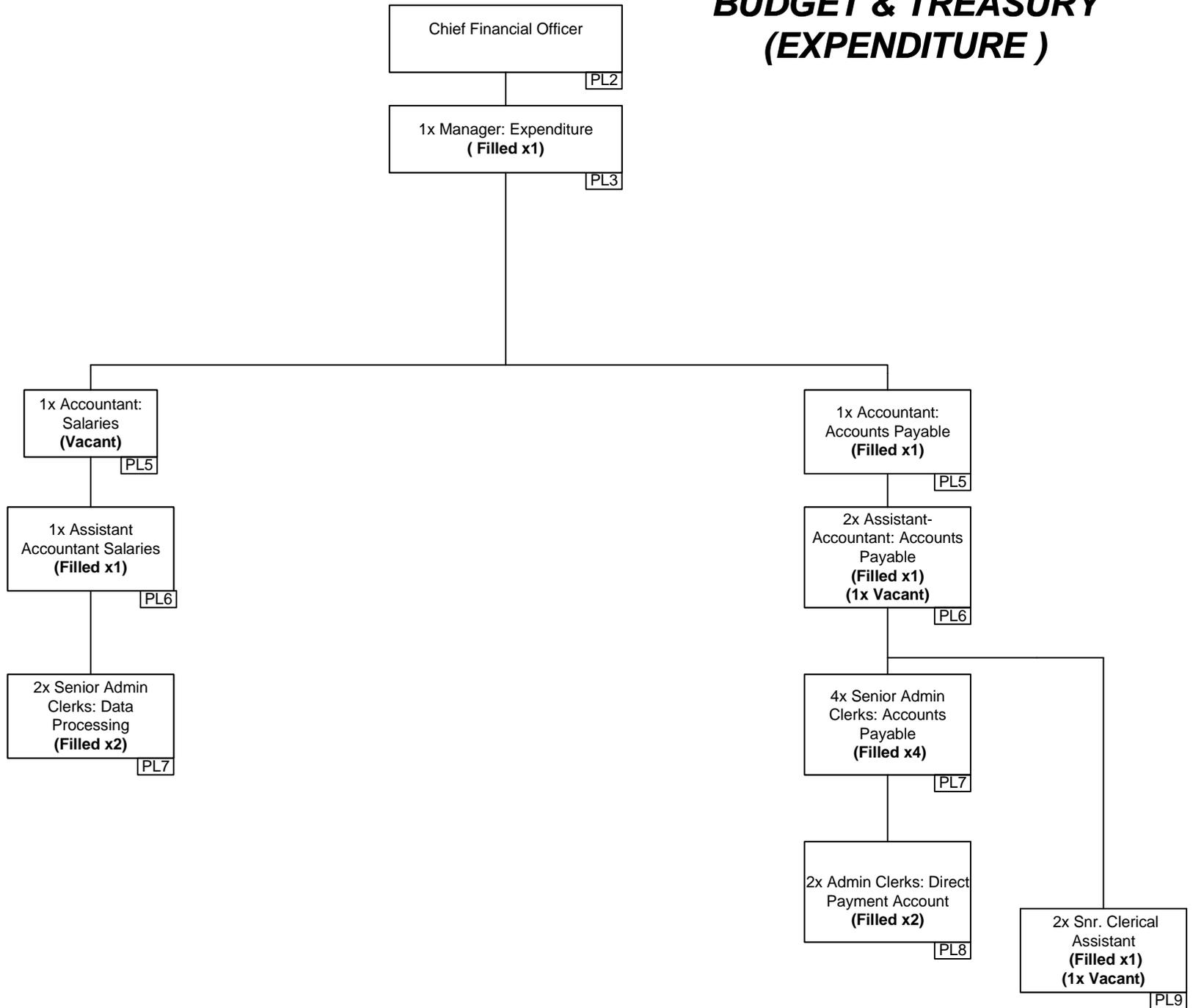
BUDGET & TREASURY **(Revenue Division)**



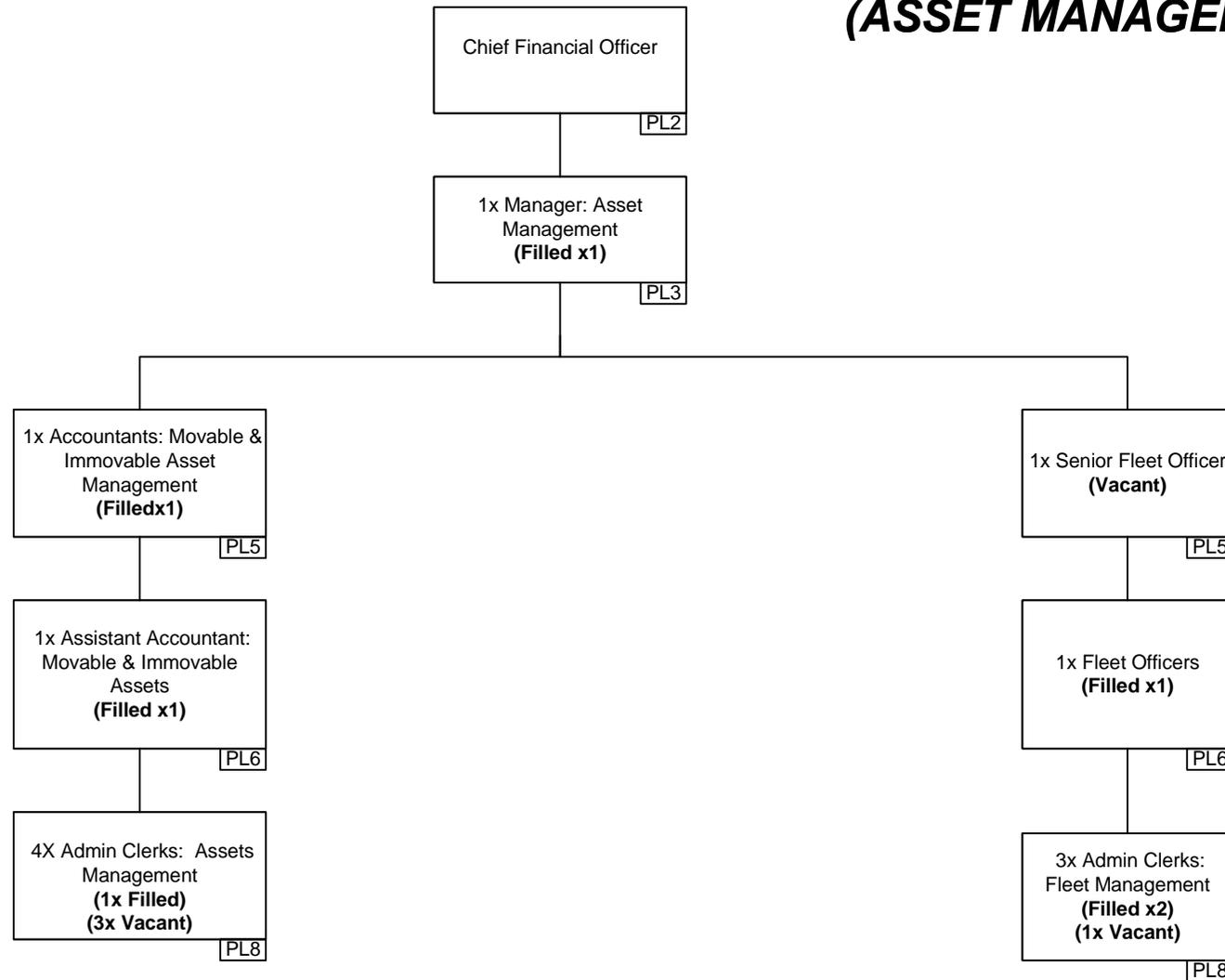
BUDGET & TREASURY OFFICE (SCM Division)



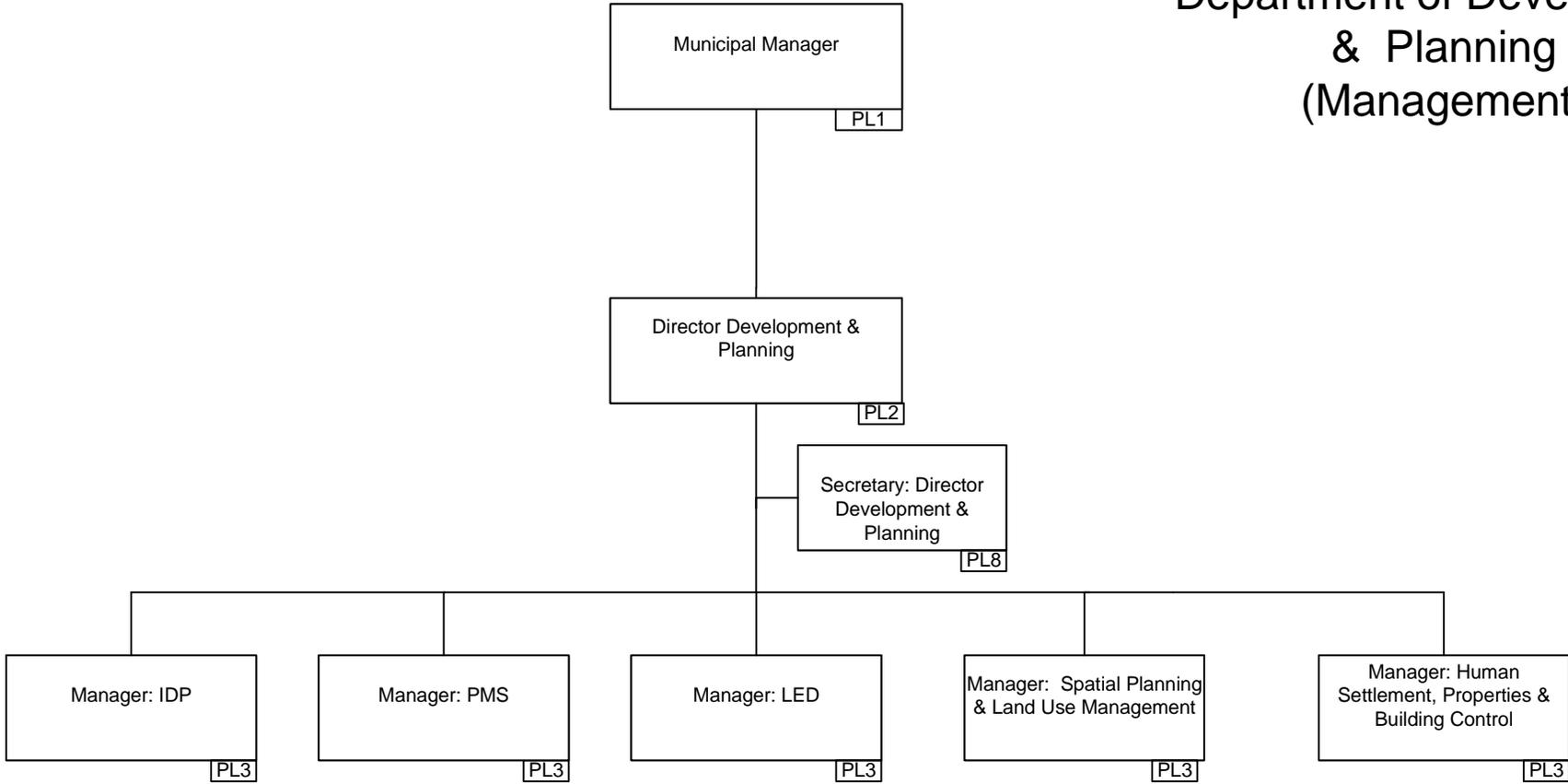
BUDGET & TREASURY (EXPENDITURE)



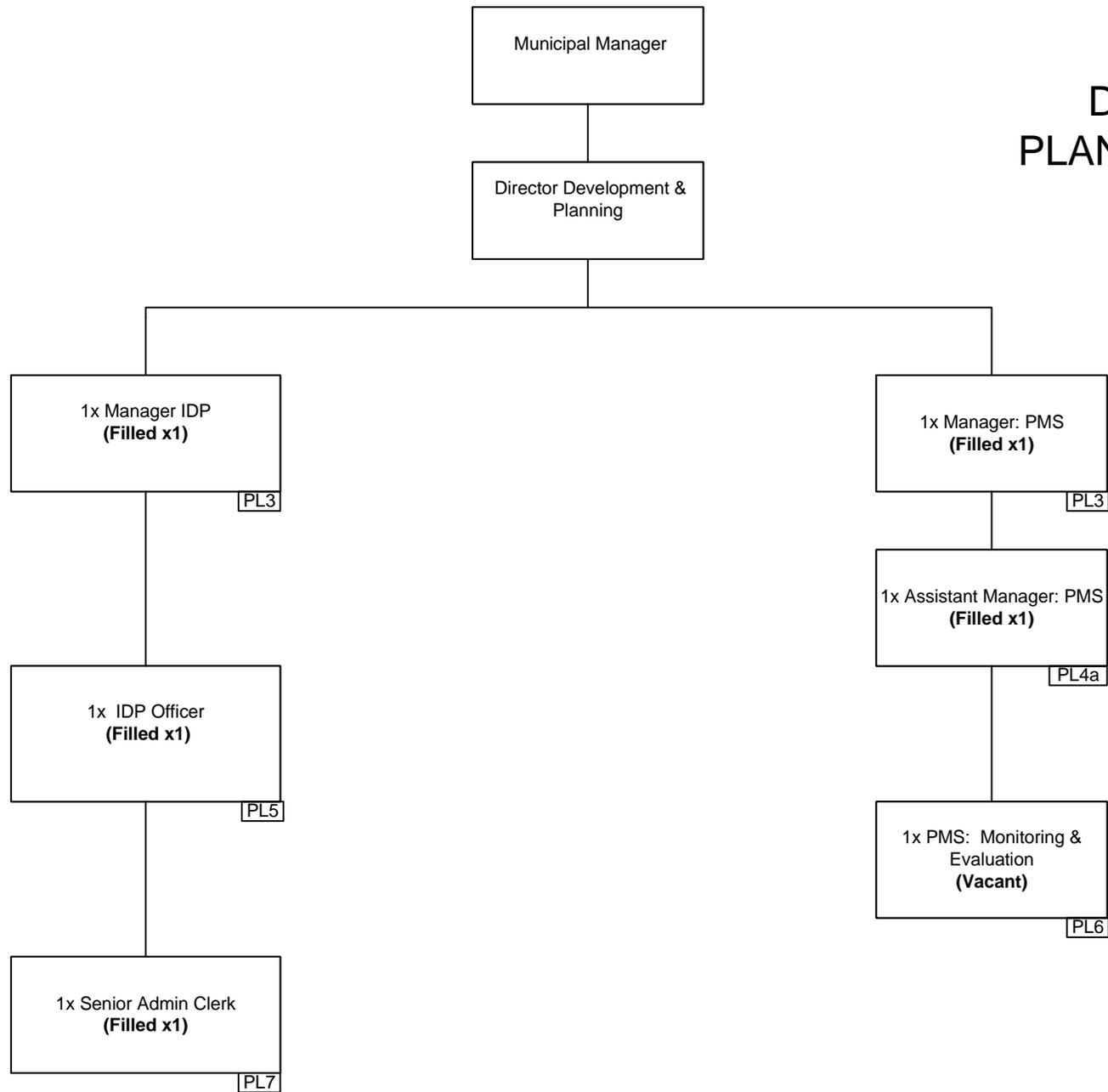
BUDGET & TREASURY (ASSET MANAGEMENT)



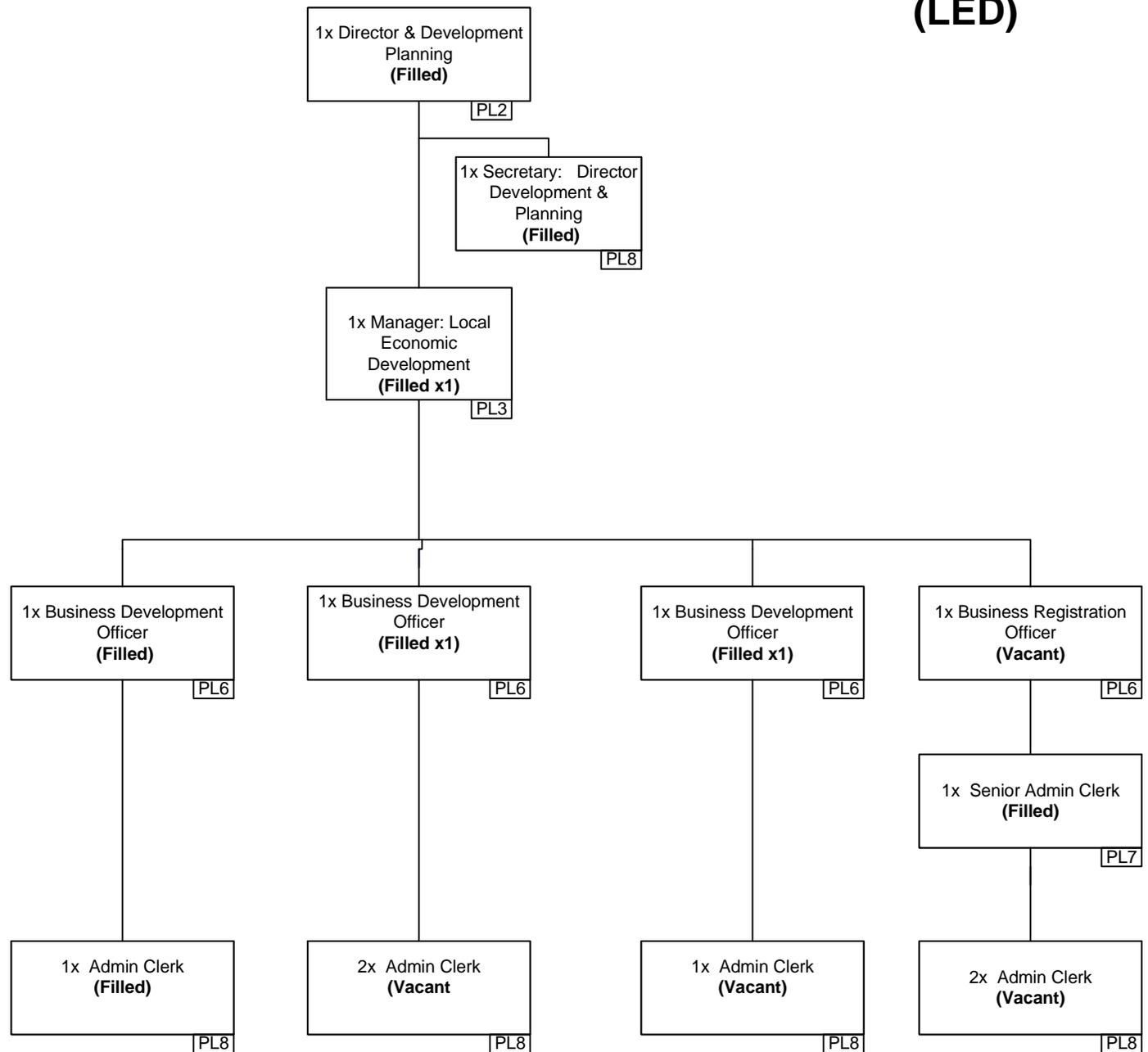
Department of Development & Planning (Management)



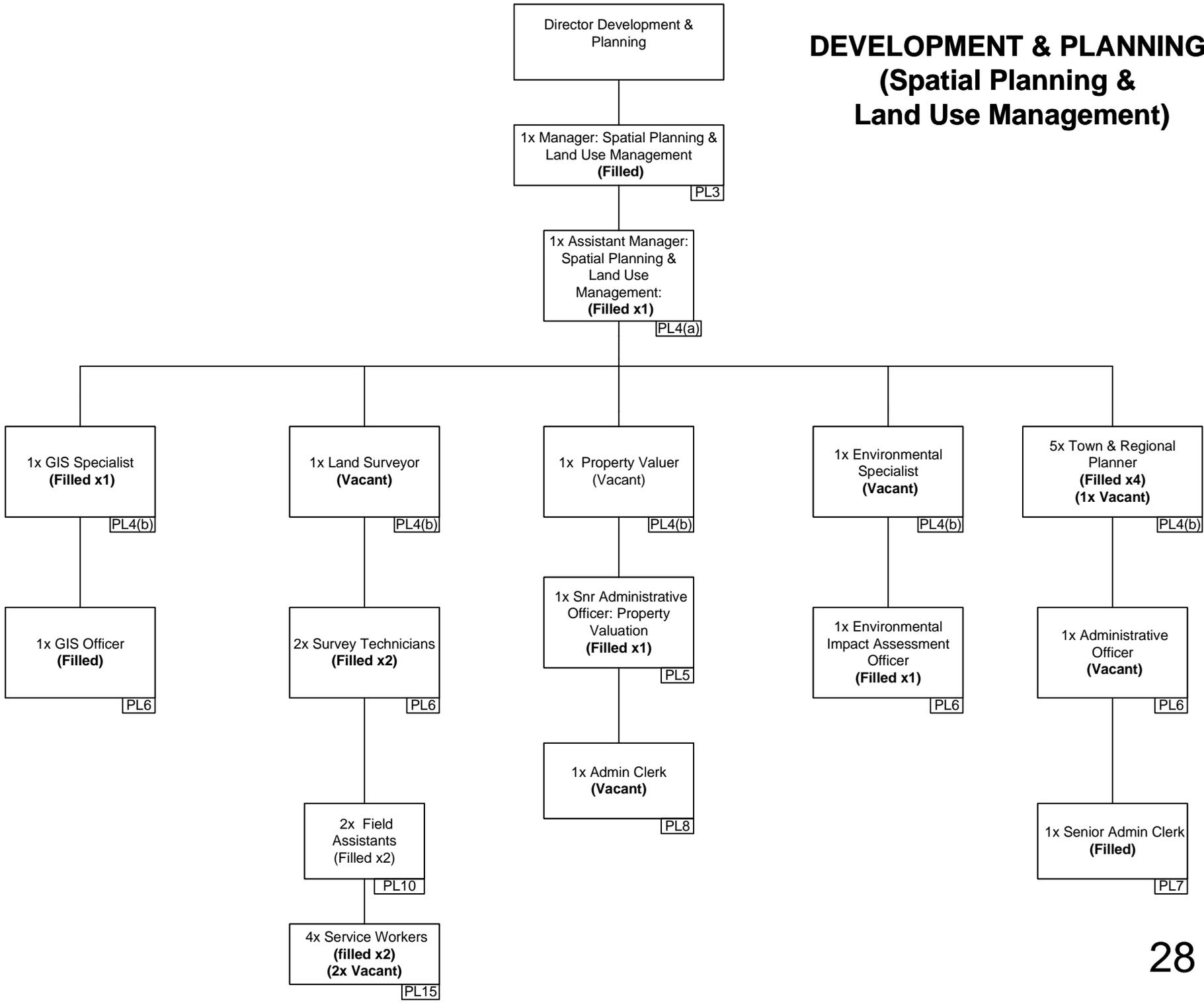
DEVELOPMENT PLANNING: IDP & PMS



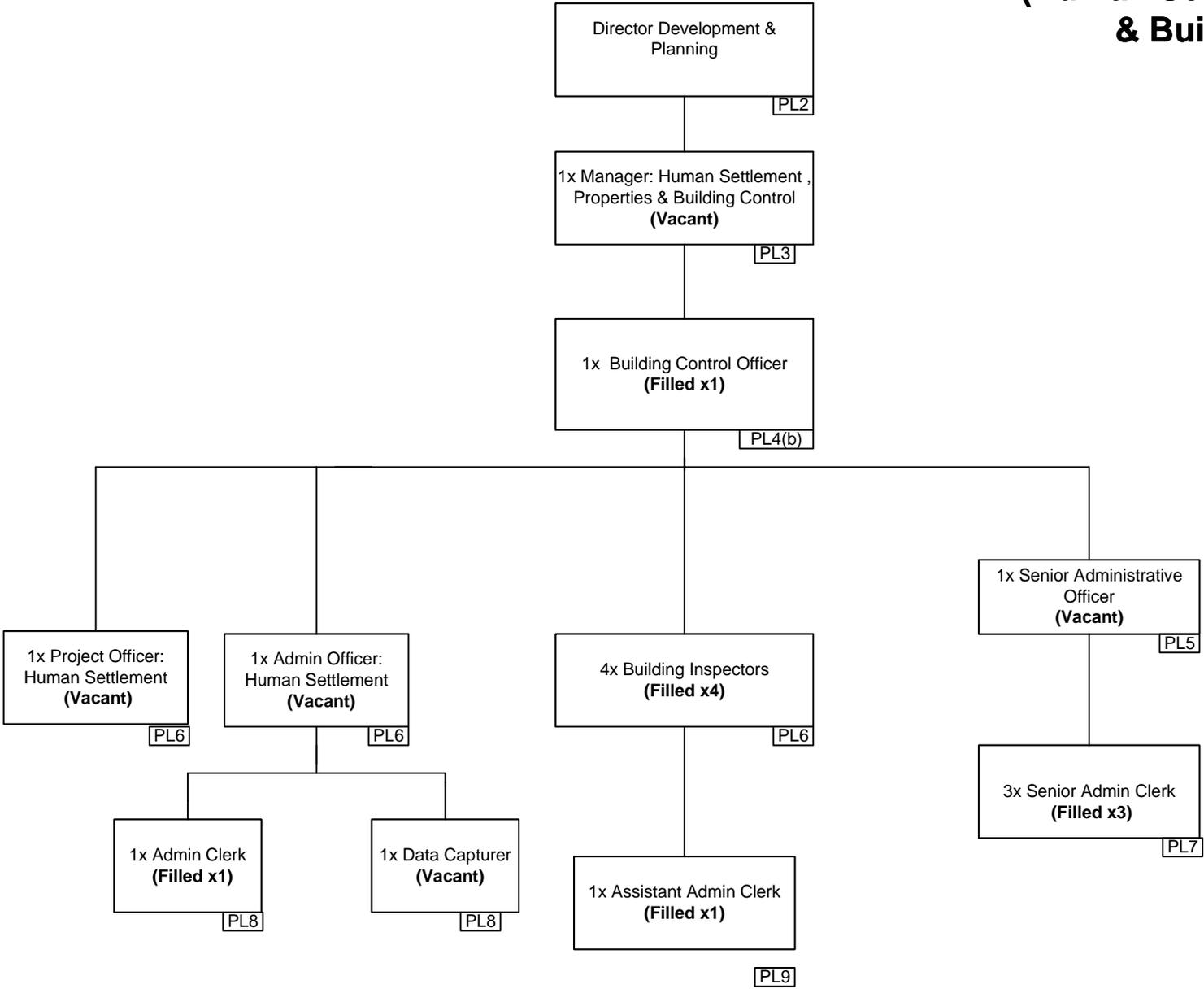
DEVELOPMENT & PLANNING (LED)



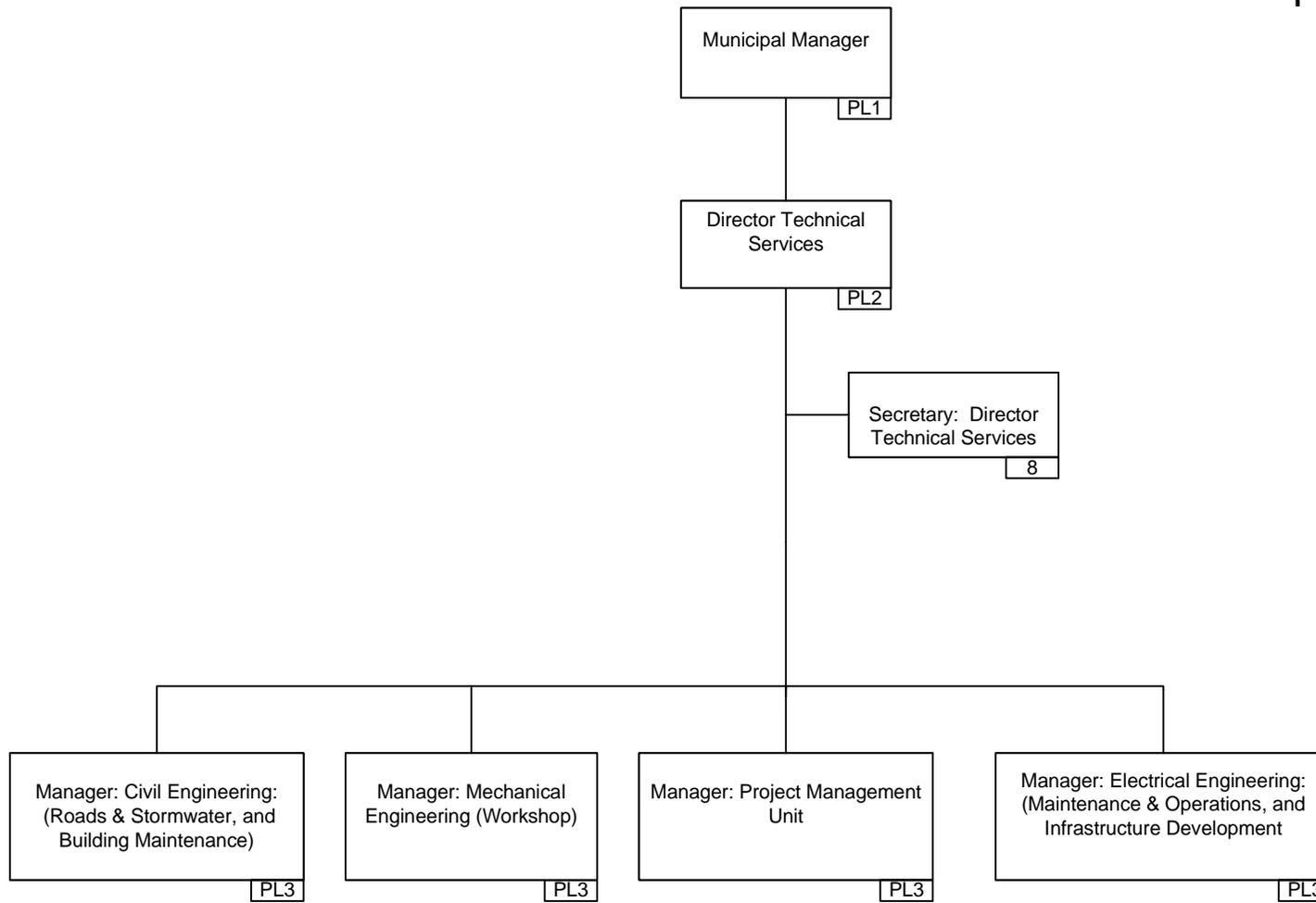
DEVELOPMENT & PLANNING (Spatial Planning & Land Use Management)



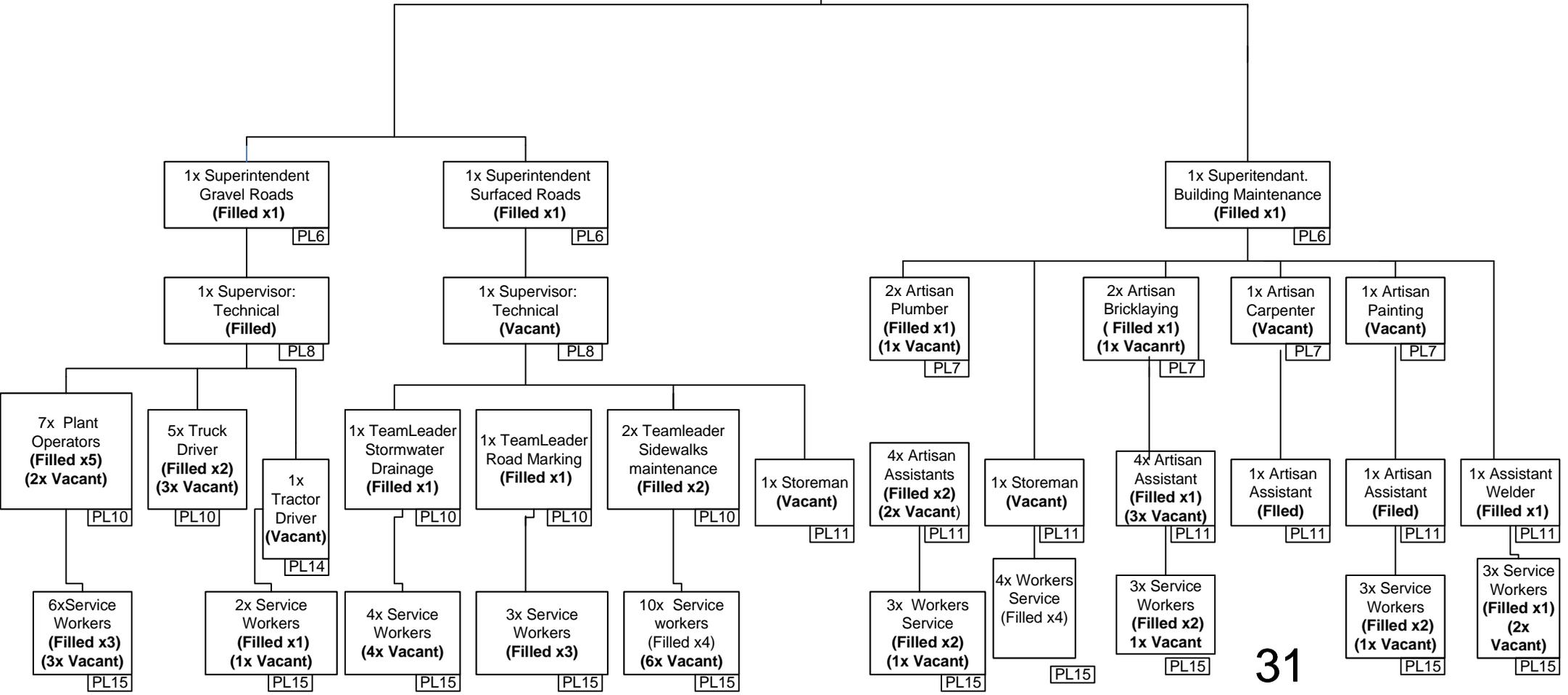
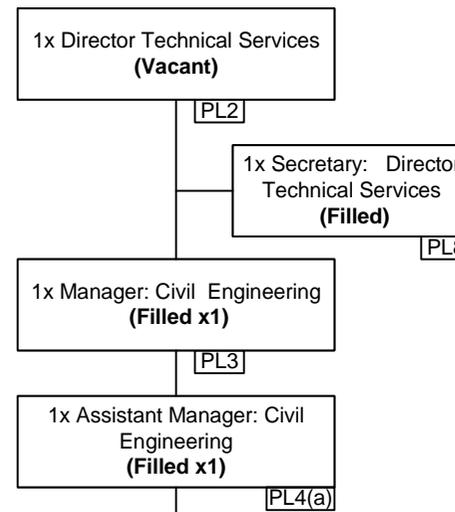
DEVELOPMENT & PLANNING (Human Settlement, Properties & Building Control)



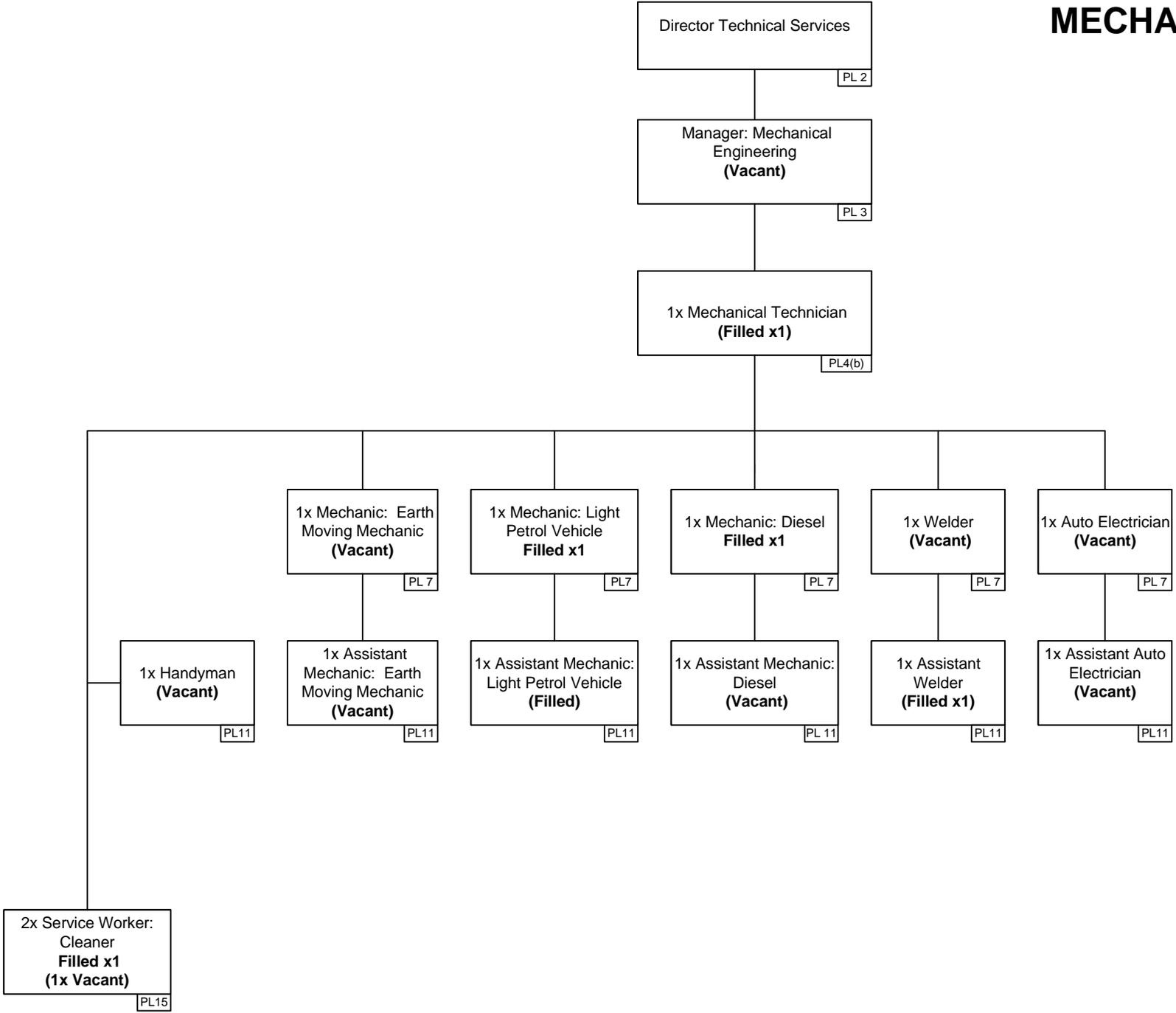
Department of Technical Services (Management)



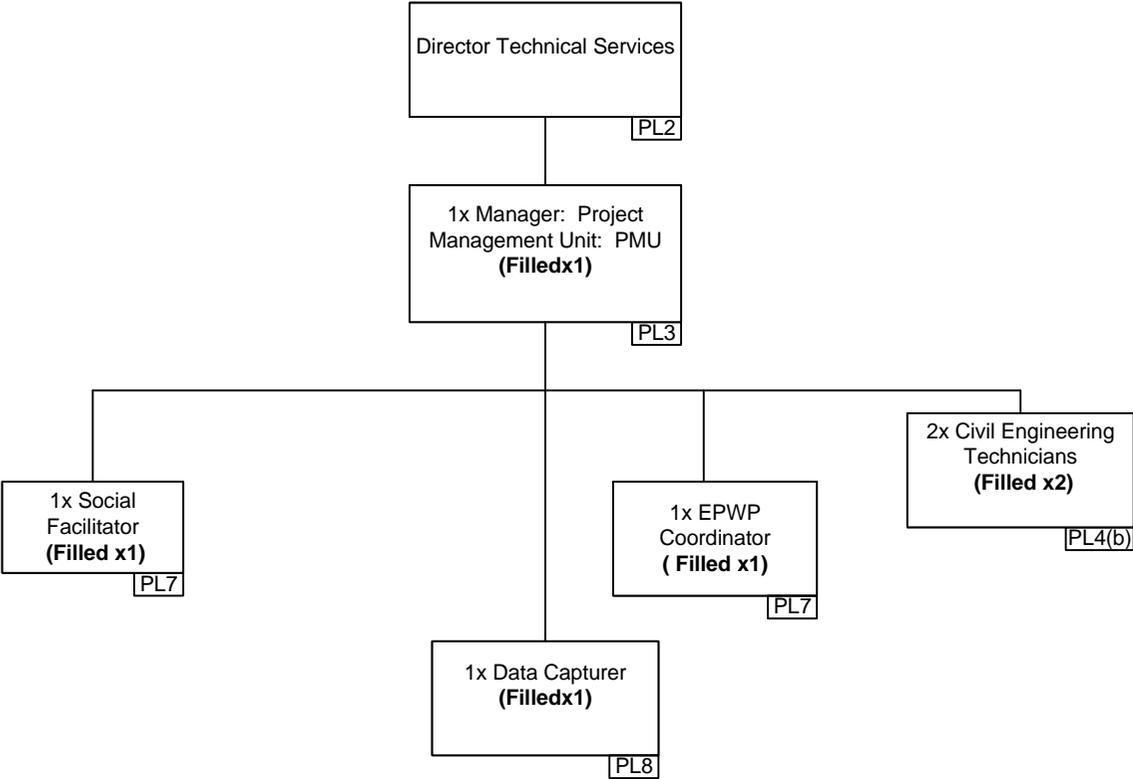
TECHNICAL SERVICES (CIVIL ENGINEERING: ROADS & STORMWATER)



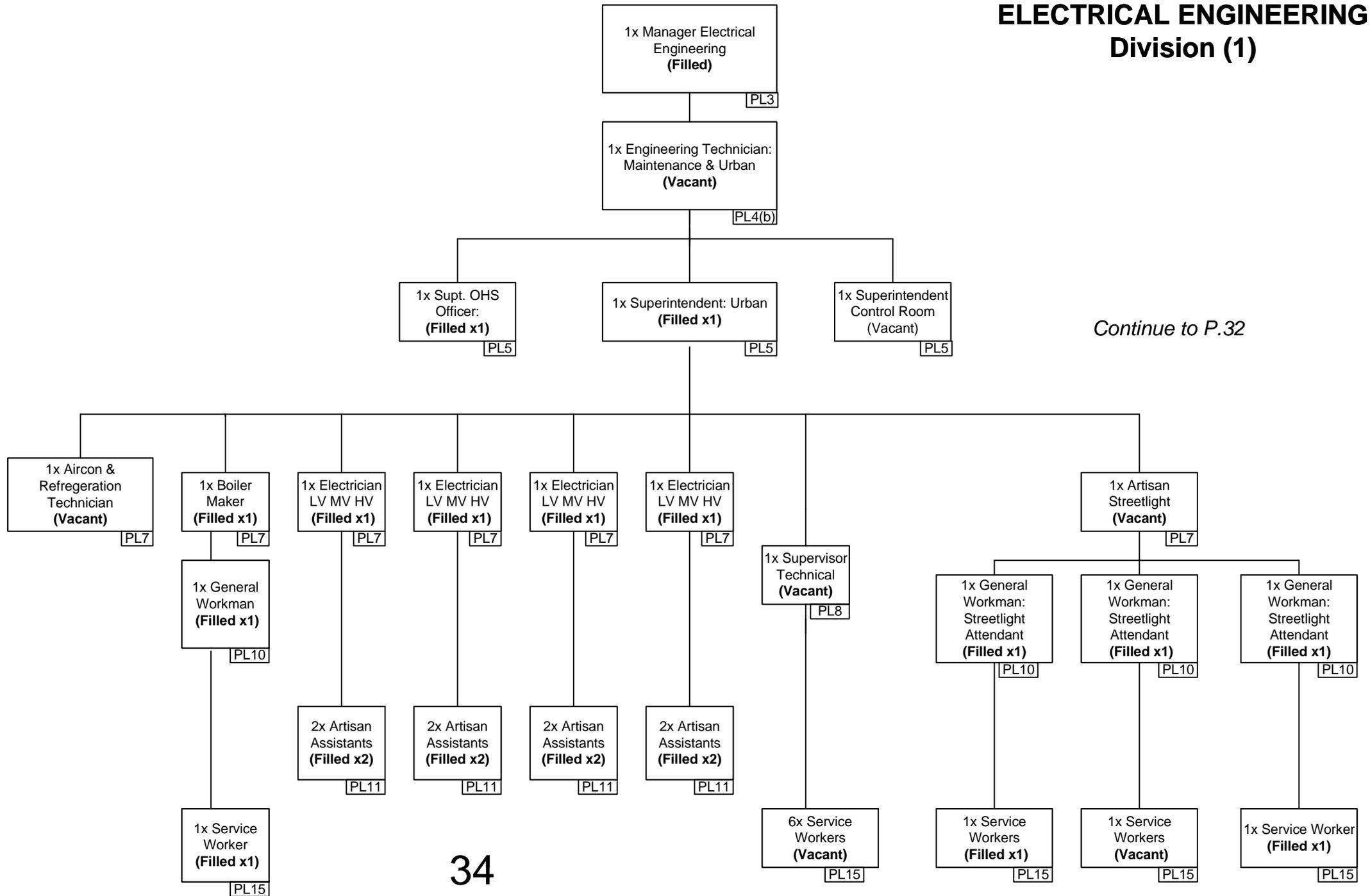
MECHANICAL ENGINEERING (Workshop)



**TECHNICAL SERVICES:
PROJECT MANAGEMENT UNIT
(Civil Engineering)**



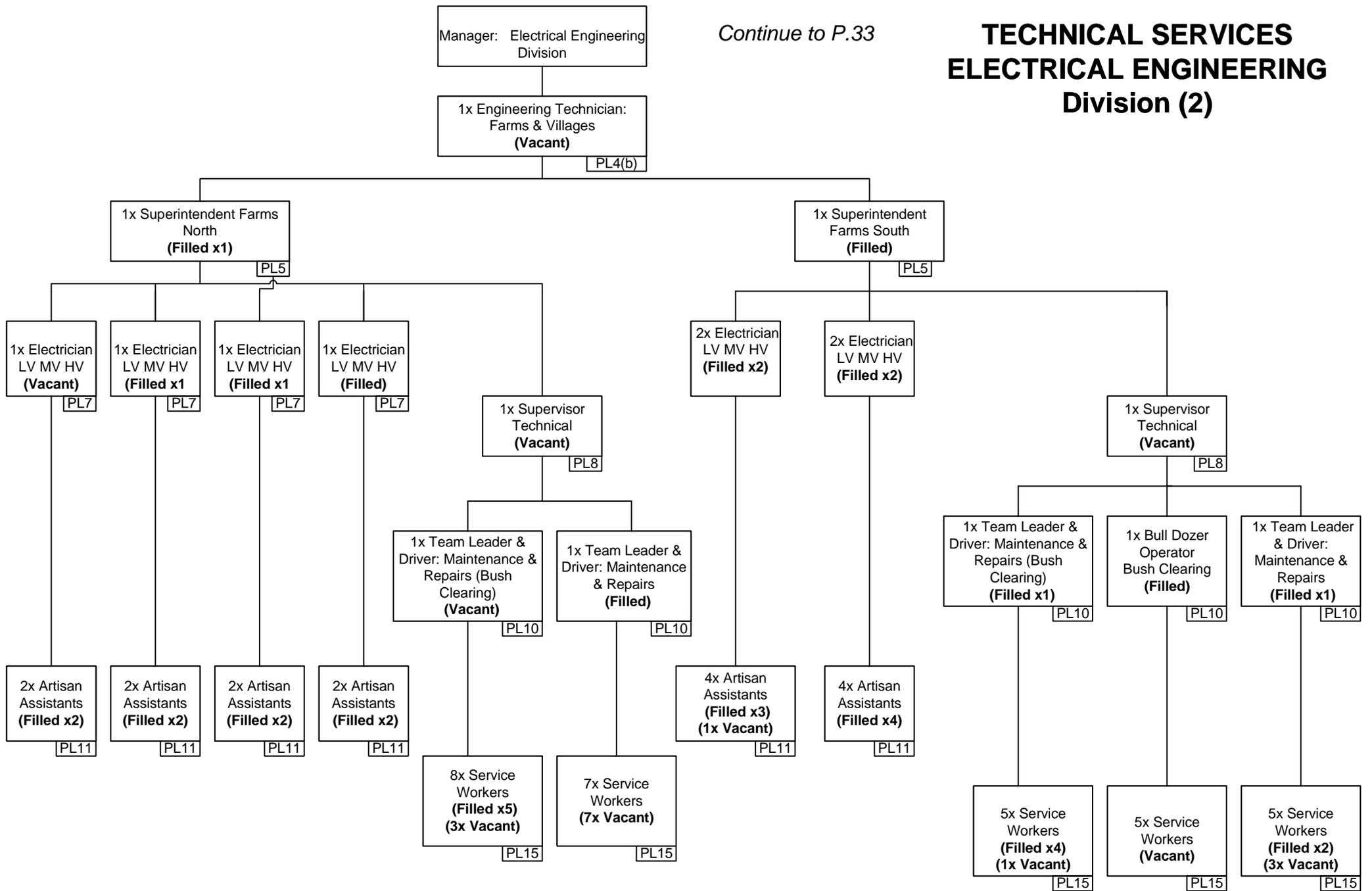
TECHNICAL SERVICES ELECTRICAL ENGINEERING Division (1)



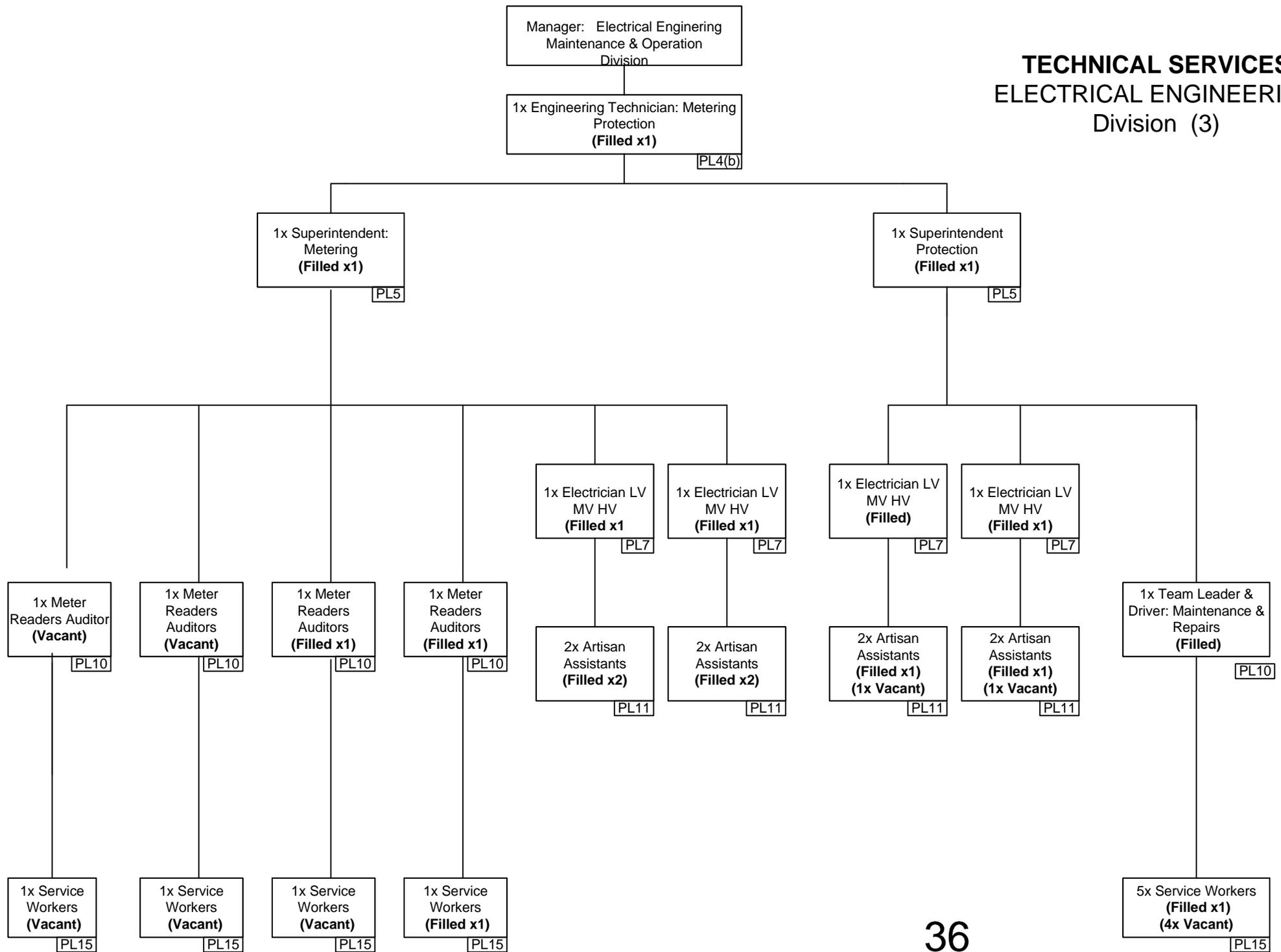
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TECHNICAL SERVICES ELECTRICAL ENGINEERING Division (2)

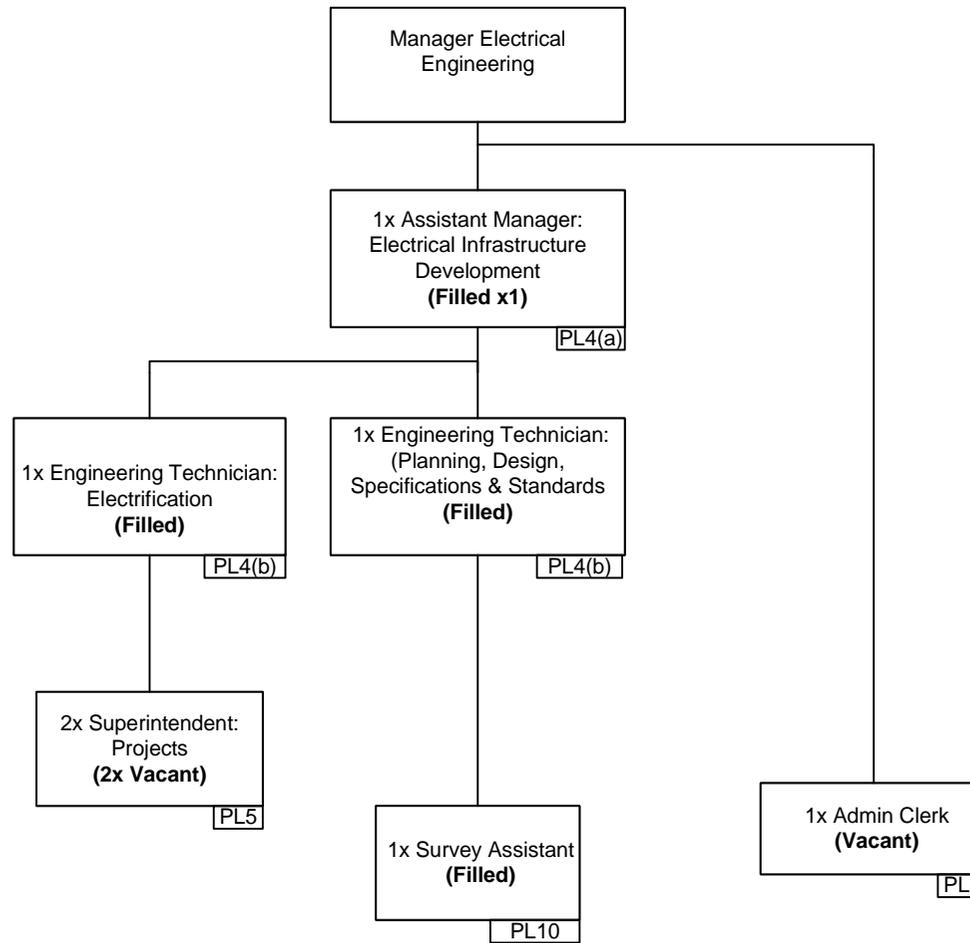
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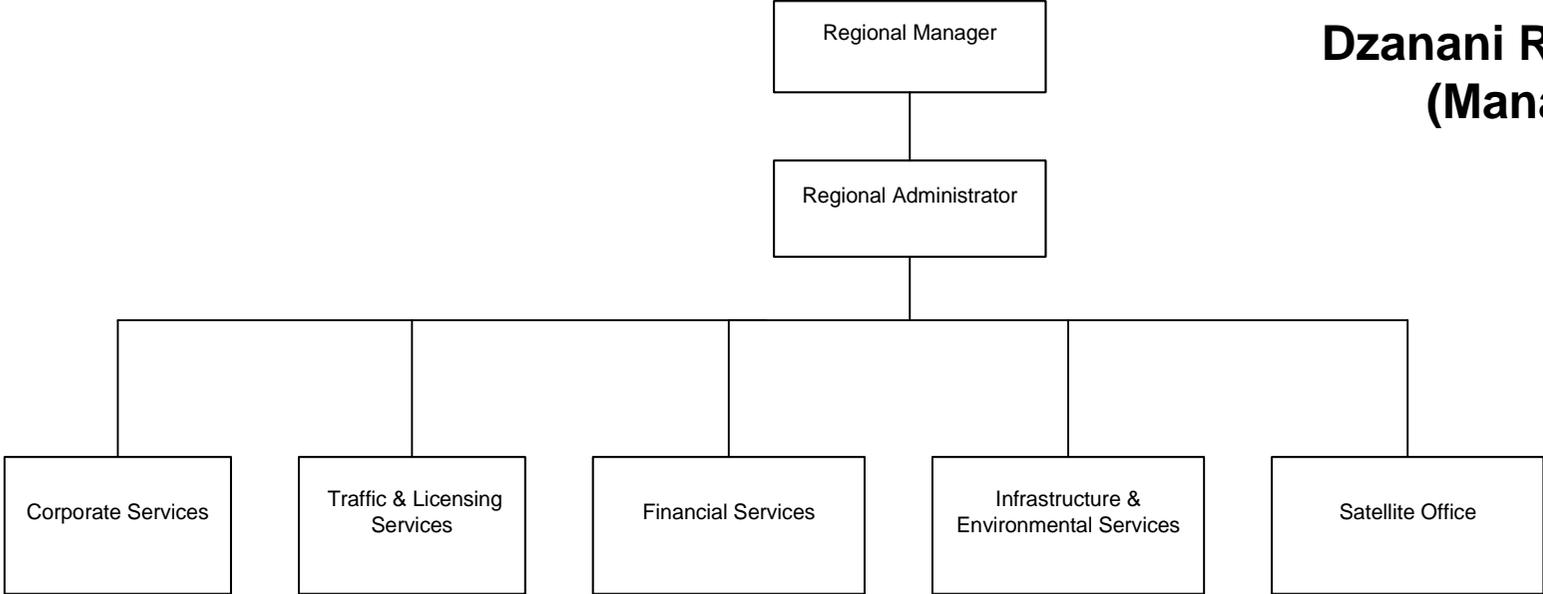
TECHNICAL SERVICES ELECTRICAL ENGINEERING Division (3)



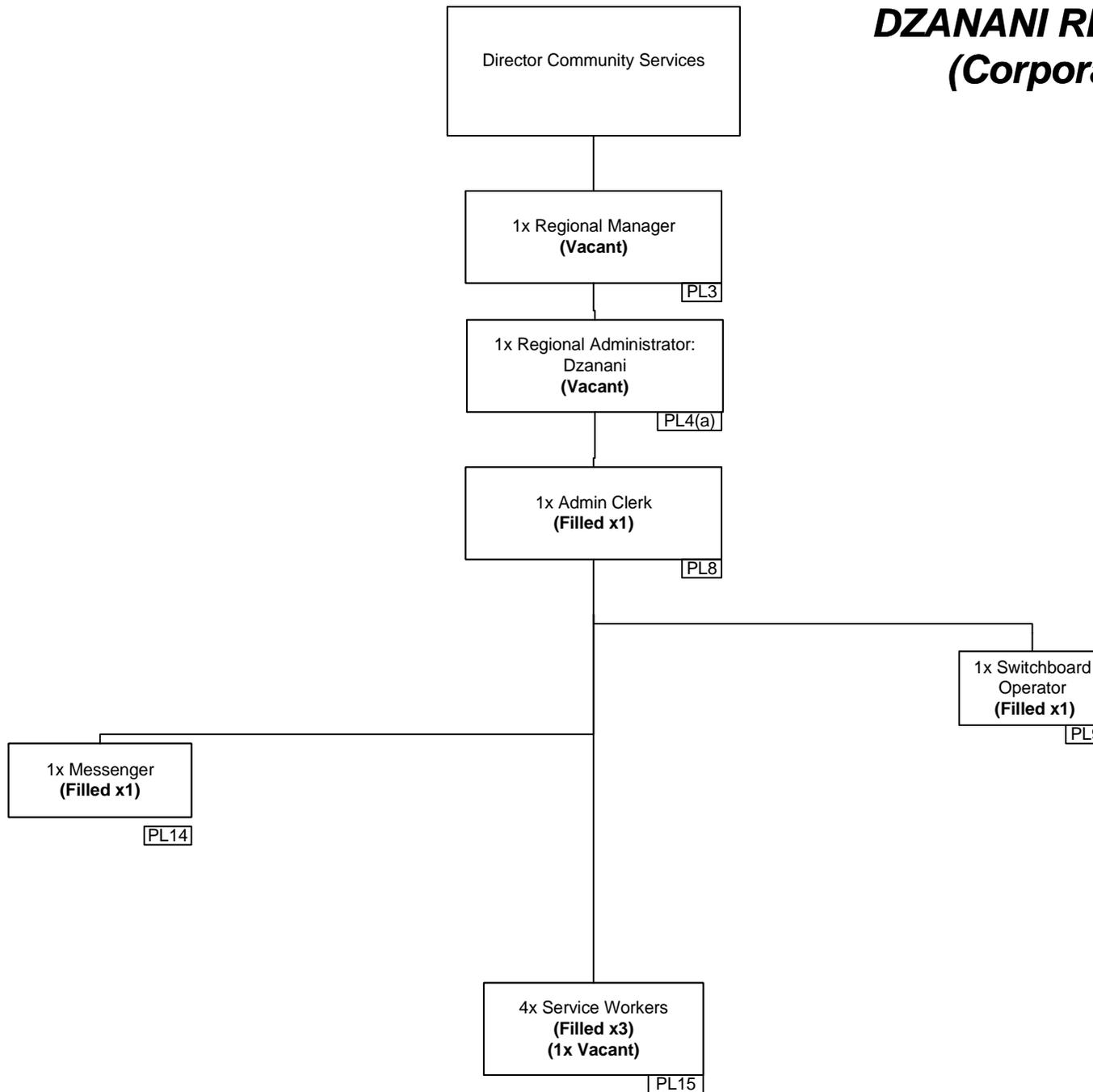
**TECHNICAL SERVICES
ELECTRICAL ENGINEERING:
Infrastructure Development
Division (4)**



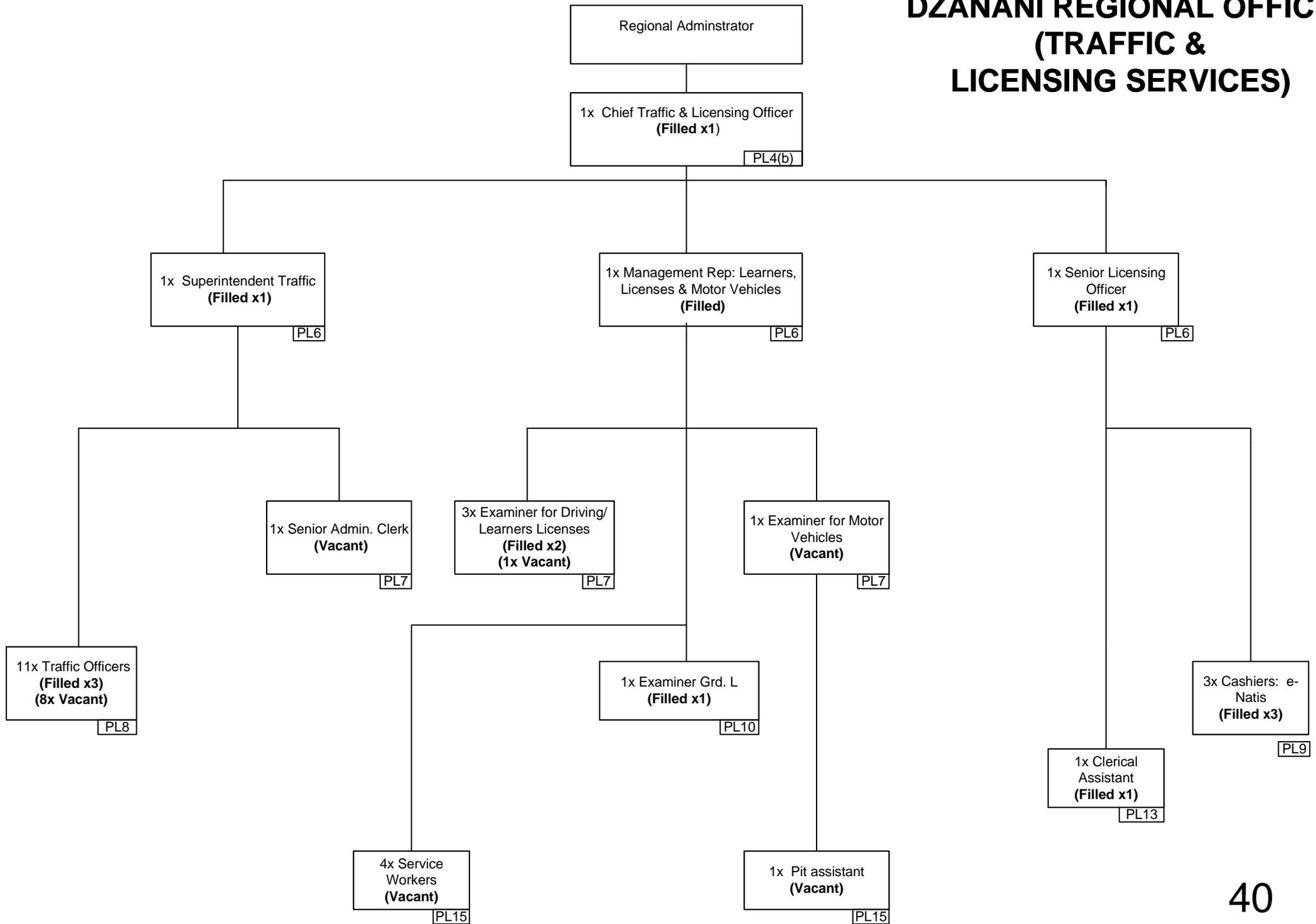
Dzanani Regional Office (Management)



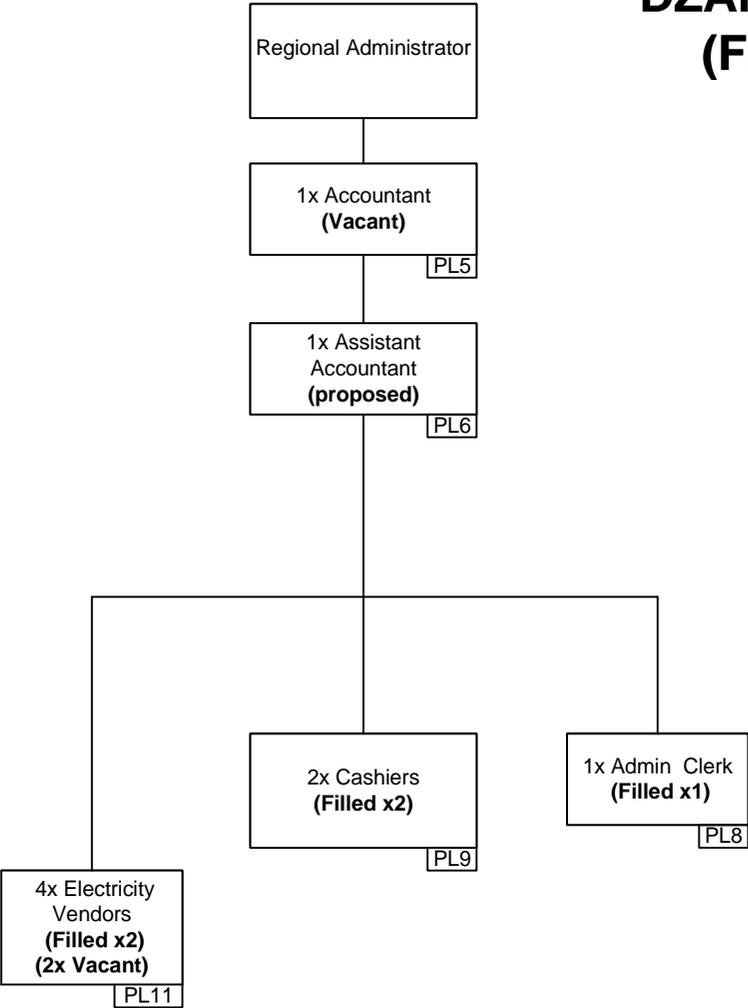
DZANANI REGIONAL OFFICE (Corporate Services)



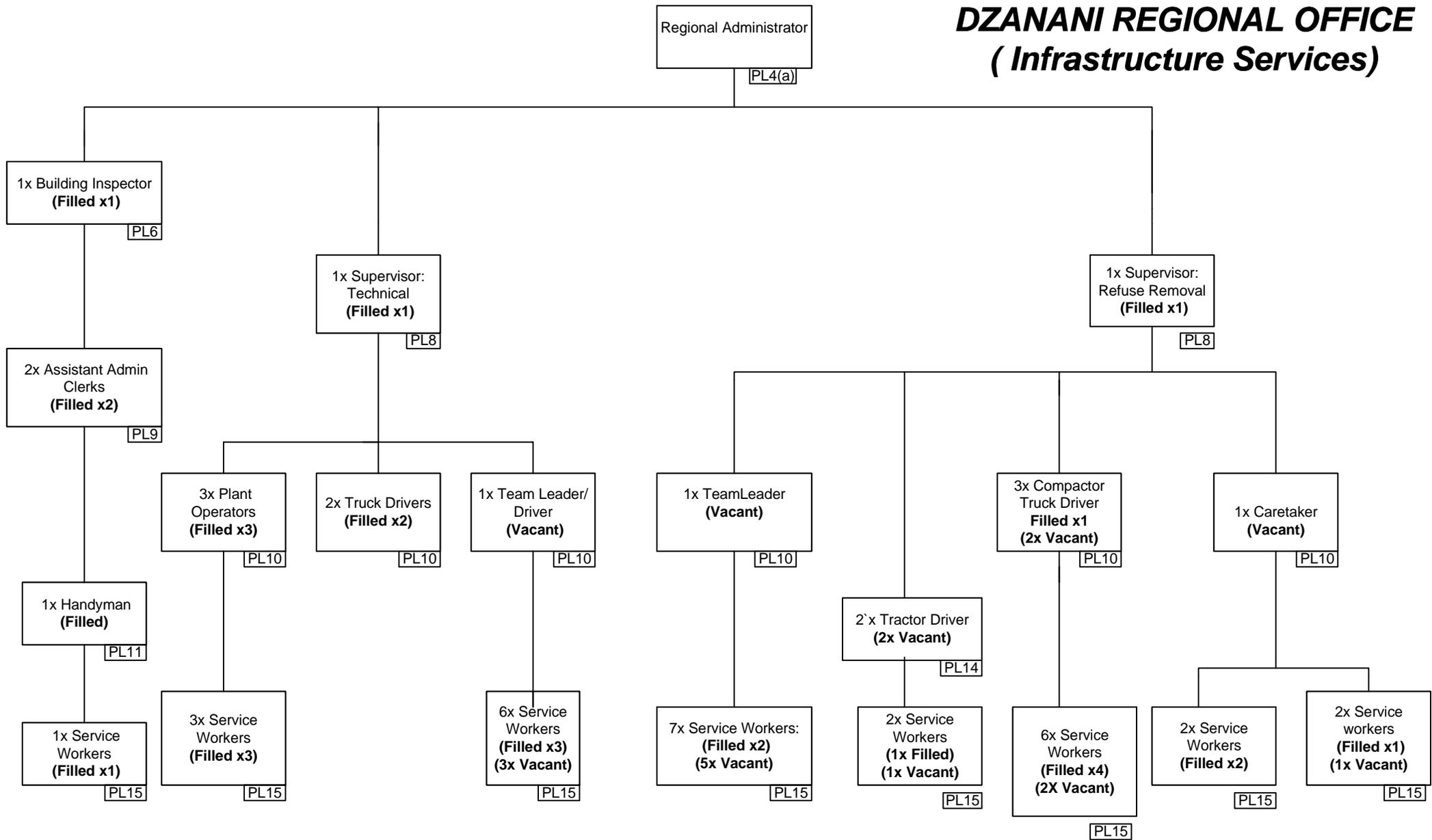
DZANANI REGIONAL OFFICE (TRAFFIC & LICENSING SERVICES)



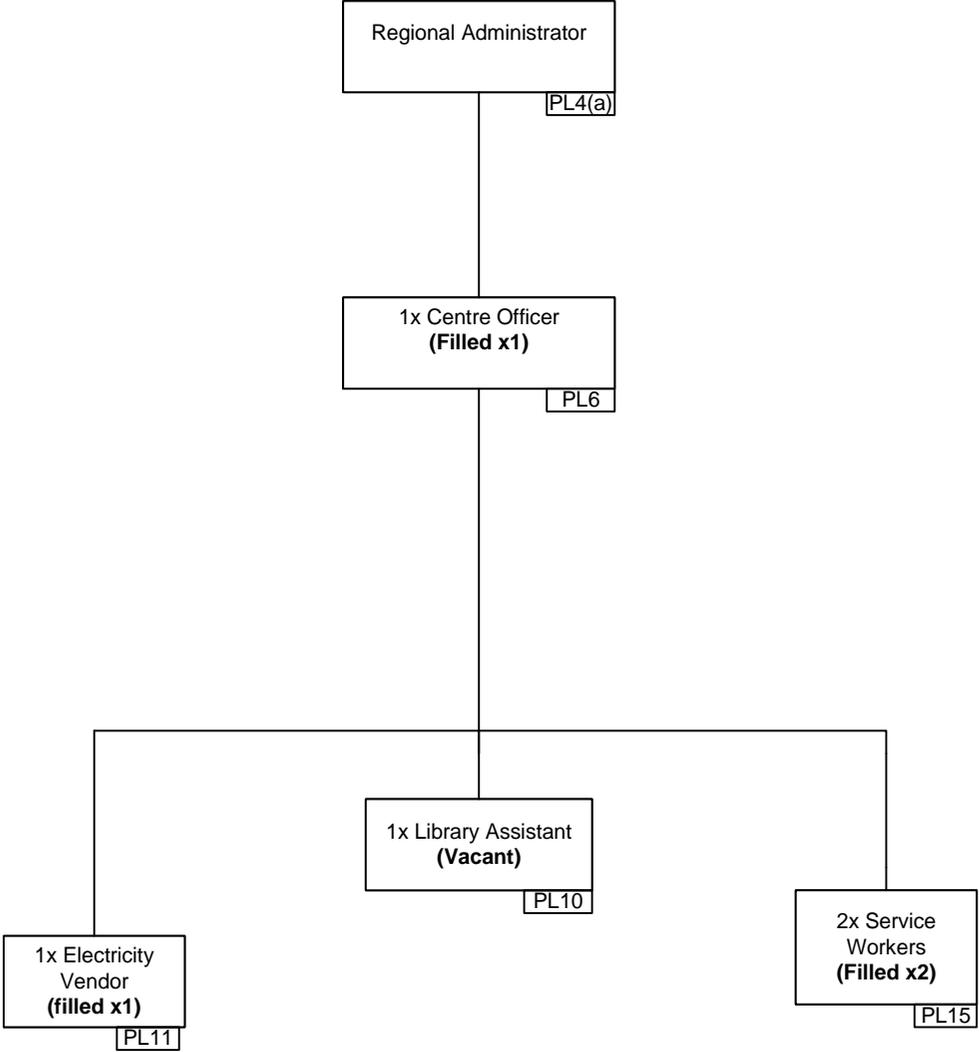
DZANANI REGIONAL OFFICE (FINANCIAL SERVICES)



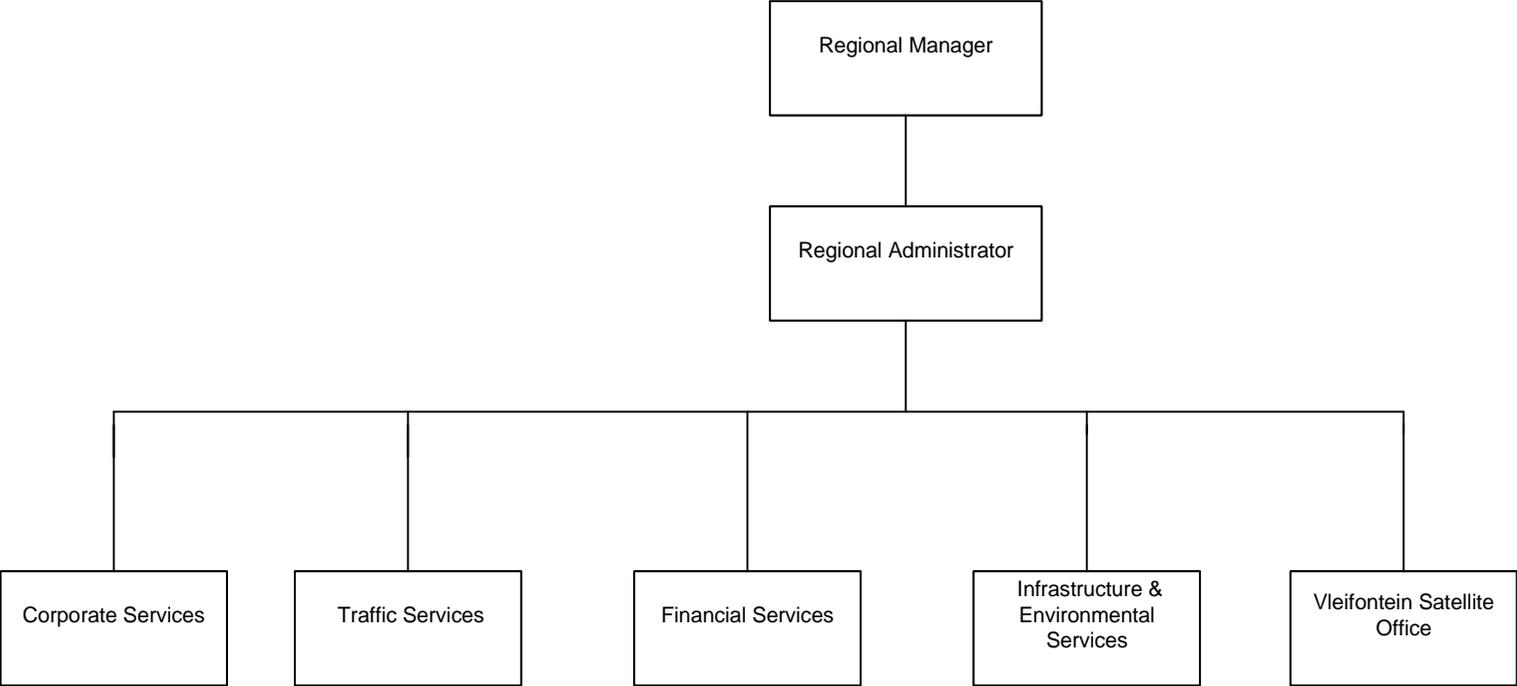
DZANANI REGIONAL OFFICE (Infrastructure Services)



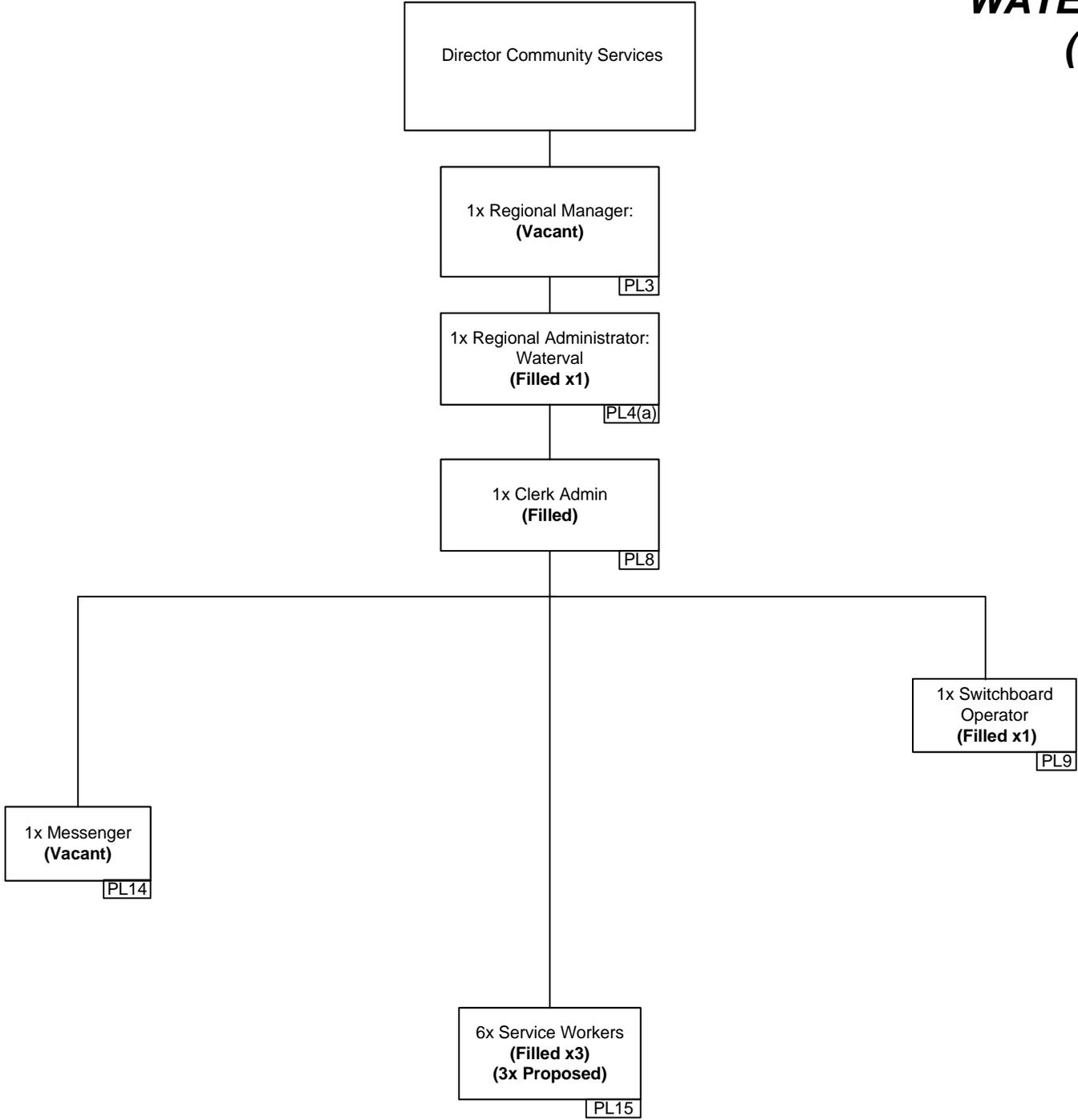
(Musekwa Satellite Office)



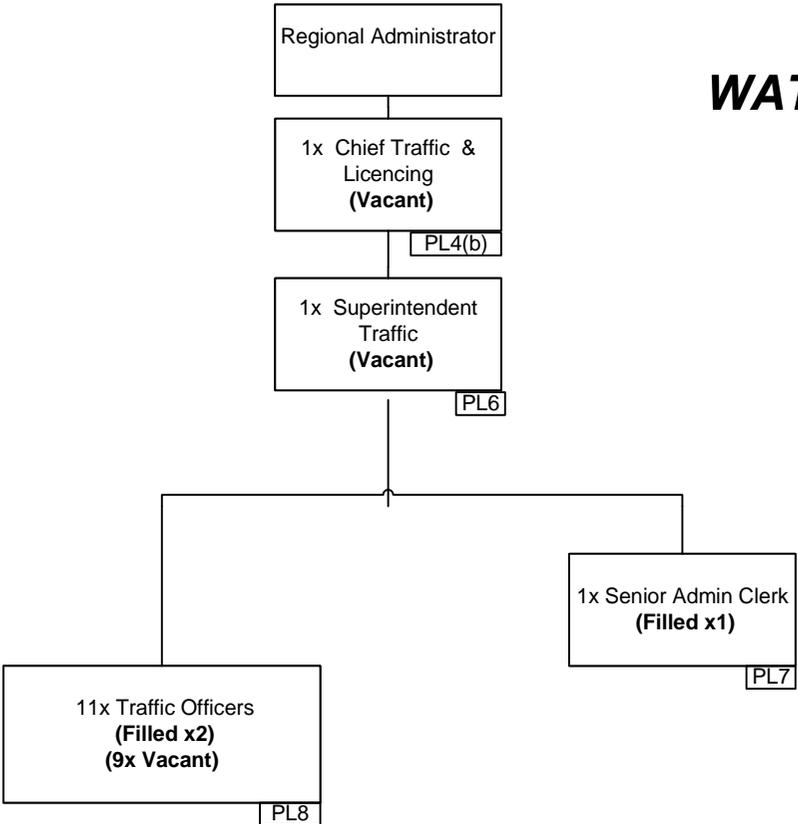
Waterval Regional
Office
(Management)



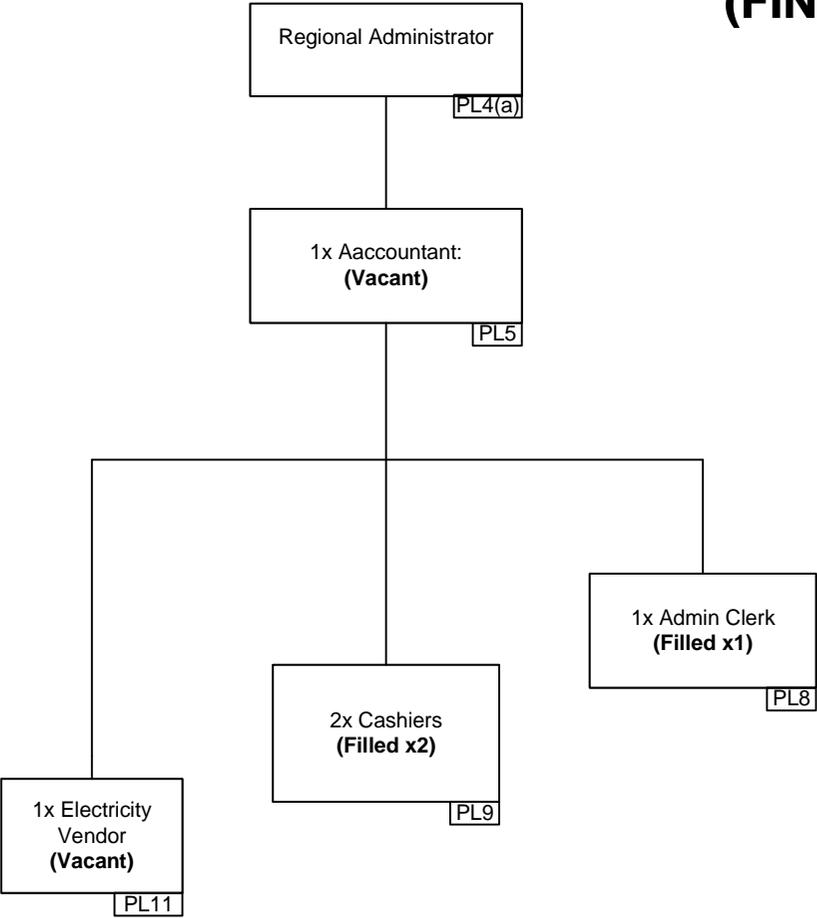
**WATERVAL REGIONAL OFFICE
(Corporate Services)**



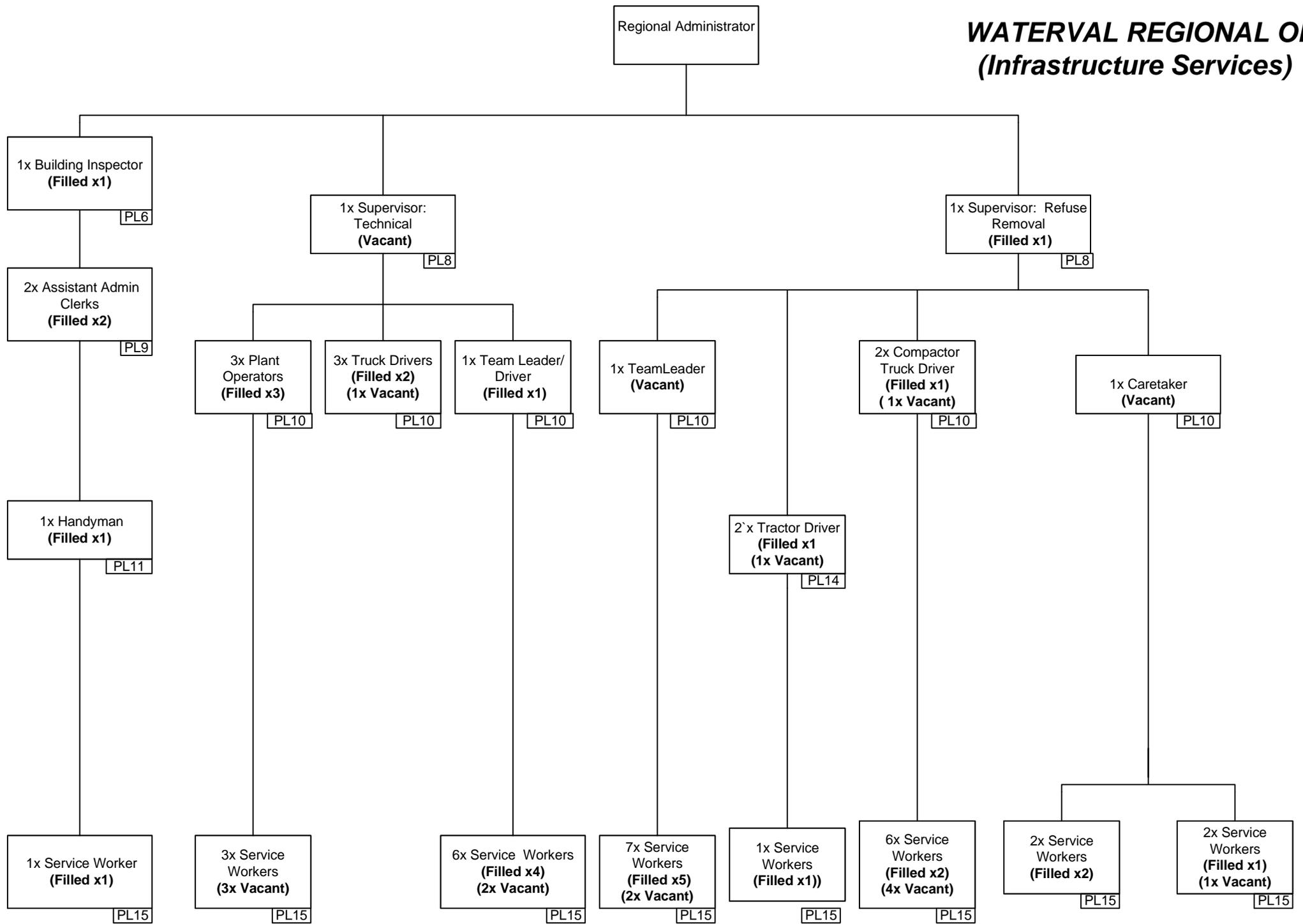
WATERVAL REGIONAL OFFICE
(Traffic Services)



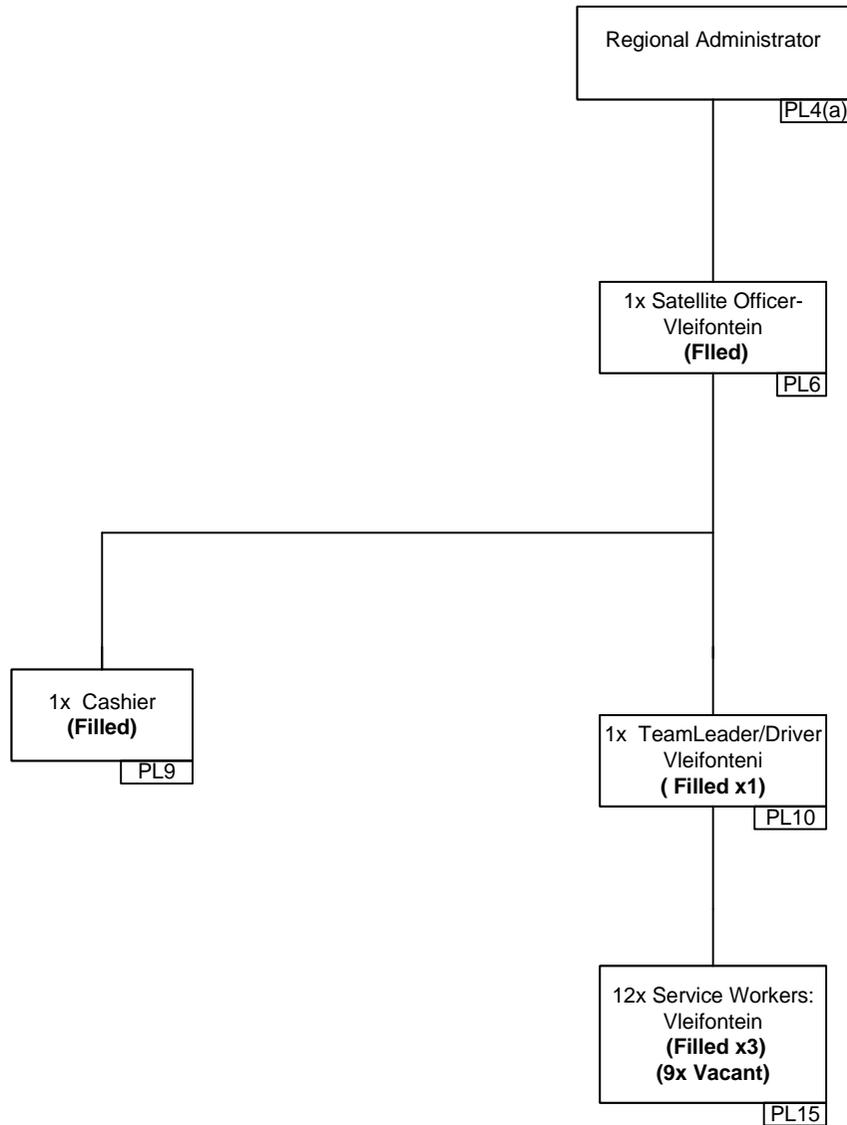
WATERVAL REGIONAL OFFICE (FINANCIAL SERVICES)



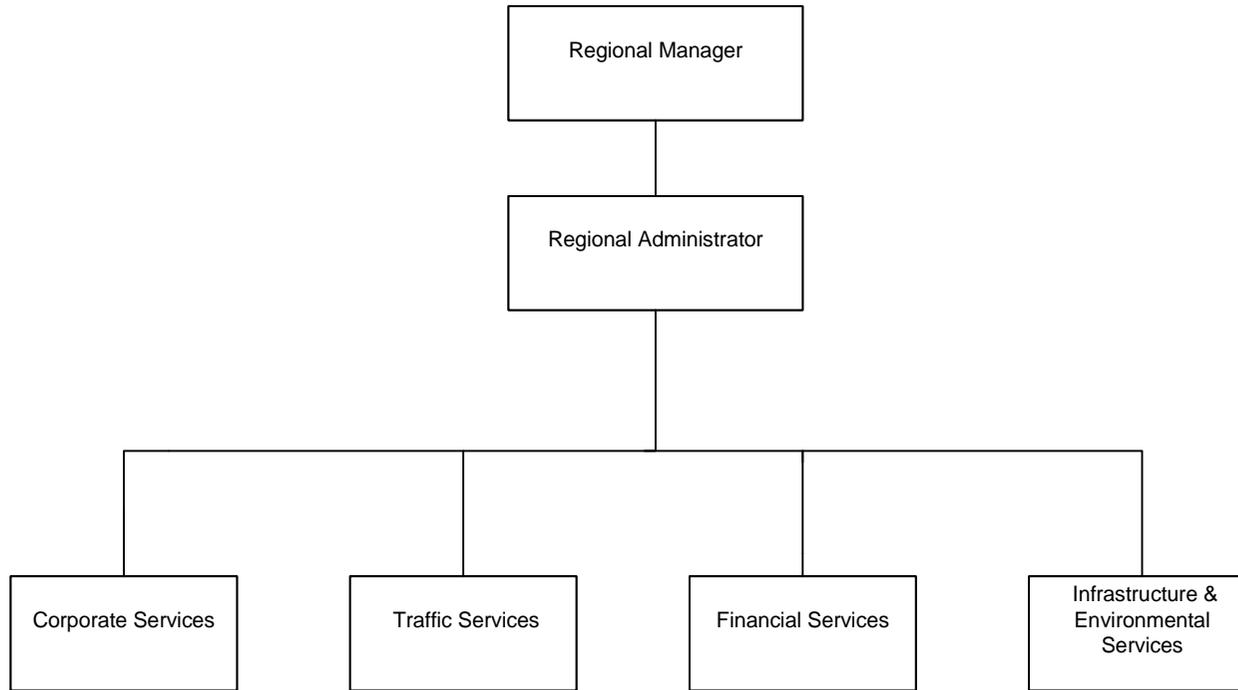
WATERVAL REGIONAL OFFICE (Infrastructure Services)



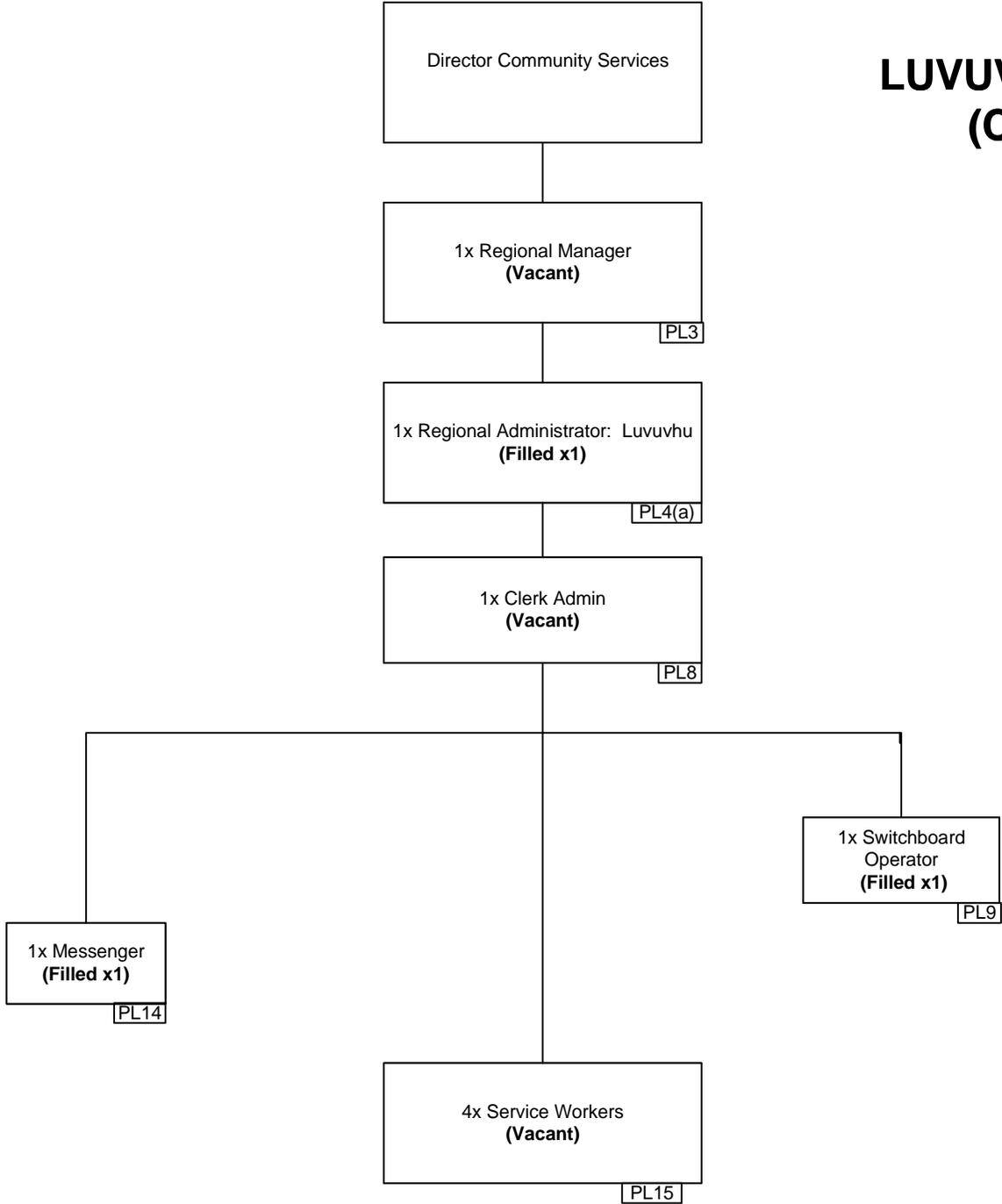
Vleifontein Satellite Services



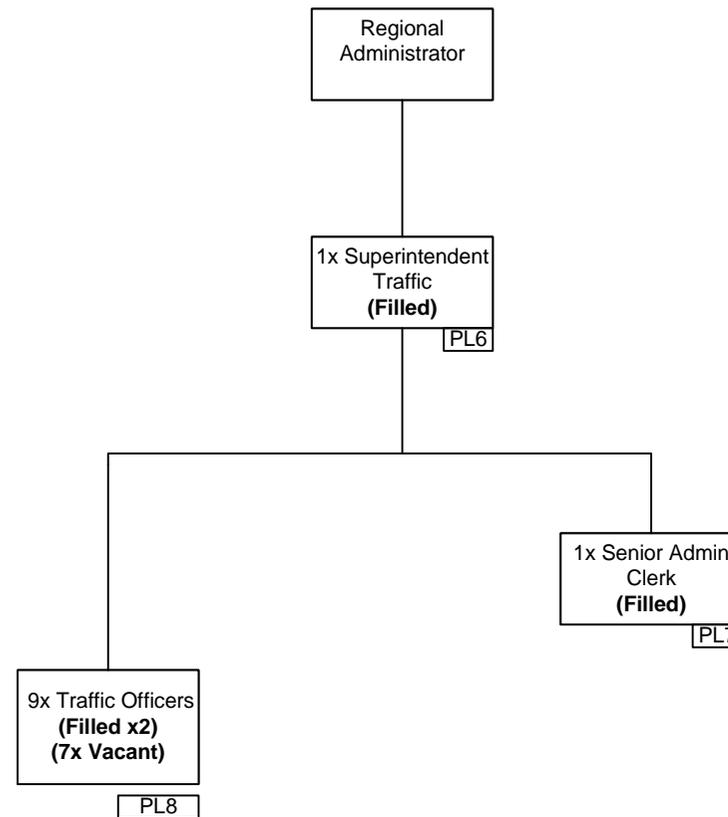
Luvuvhu Regional
Office
(Management)



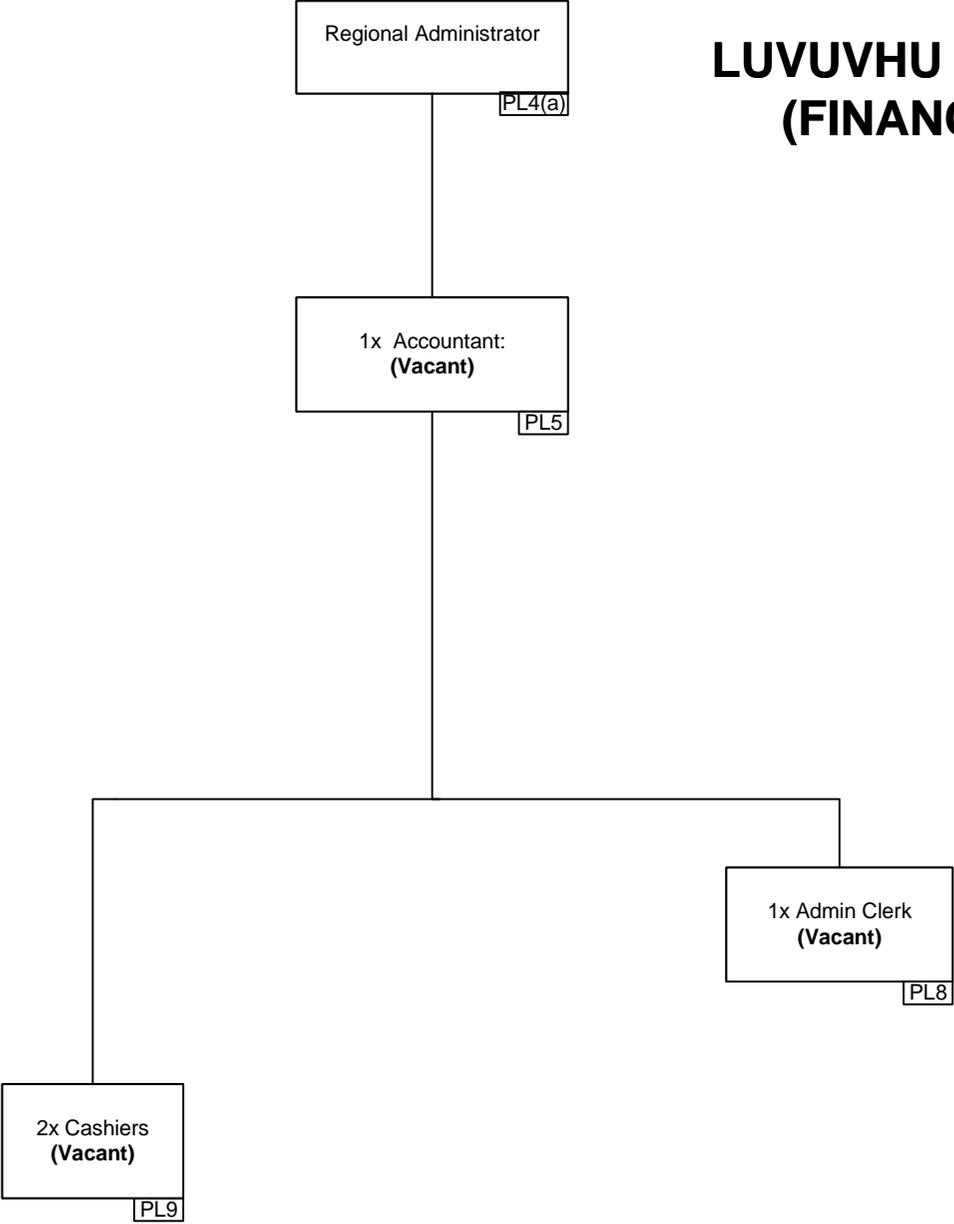
LUVUVHU REGIONAL OFFICE (Corporate Services)



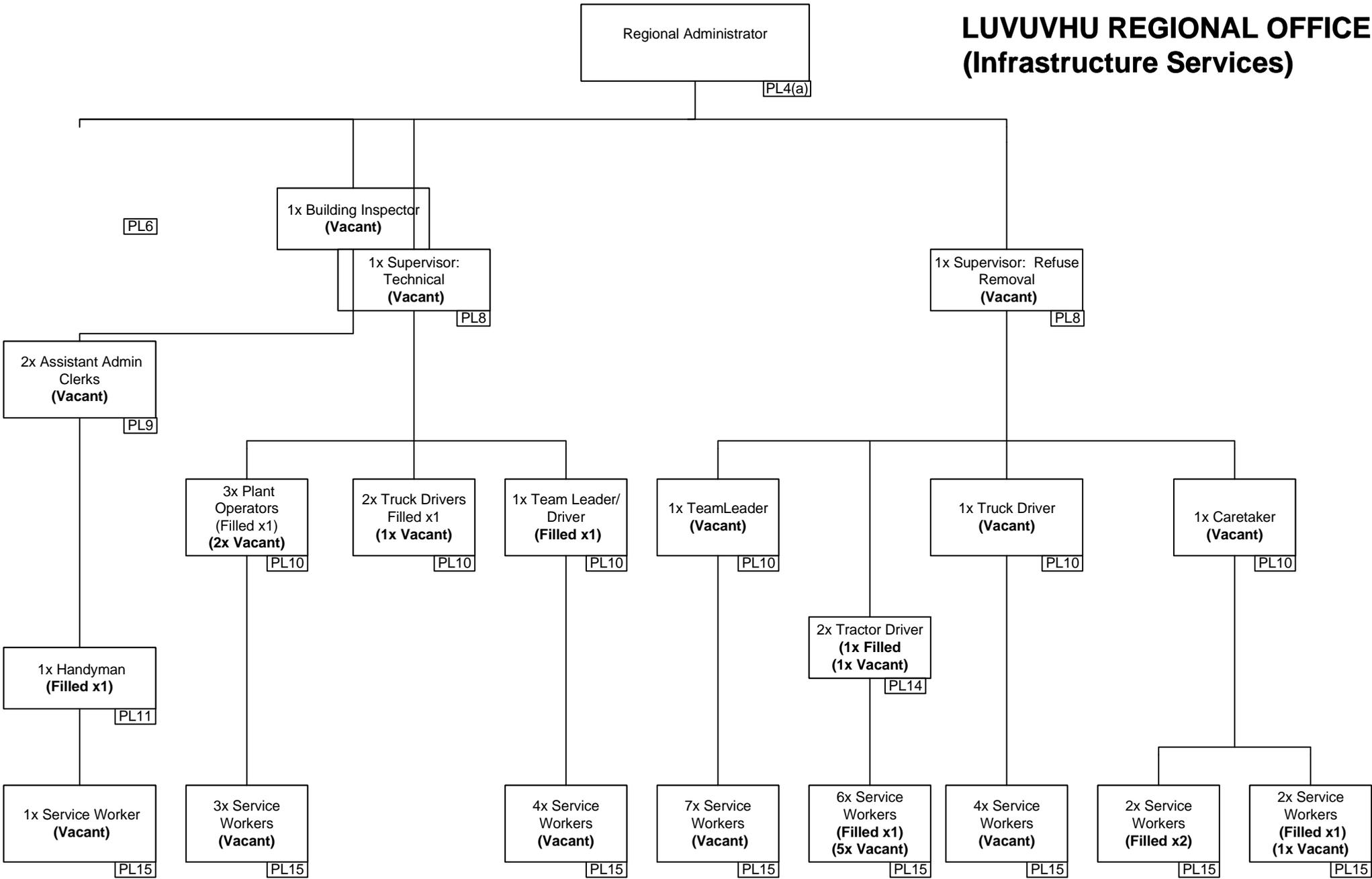
LUVUVHU REGIONAL OFFICE (Traffic Services)



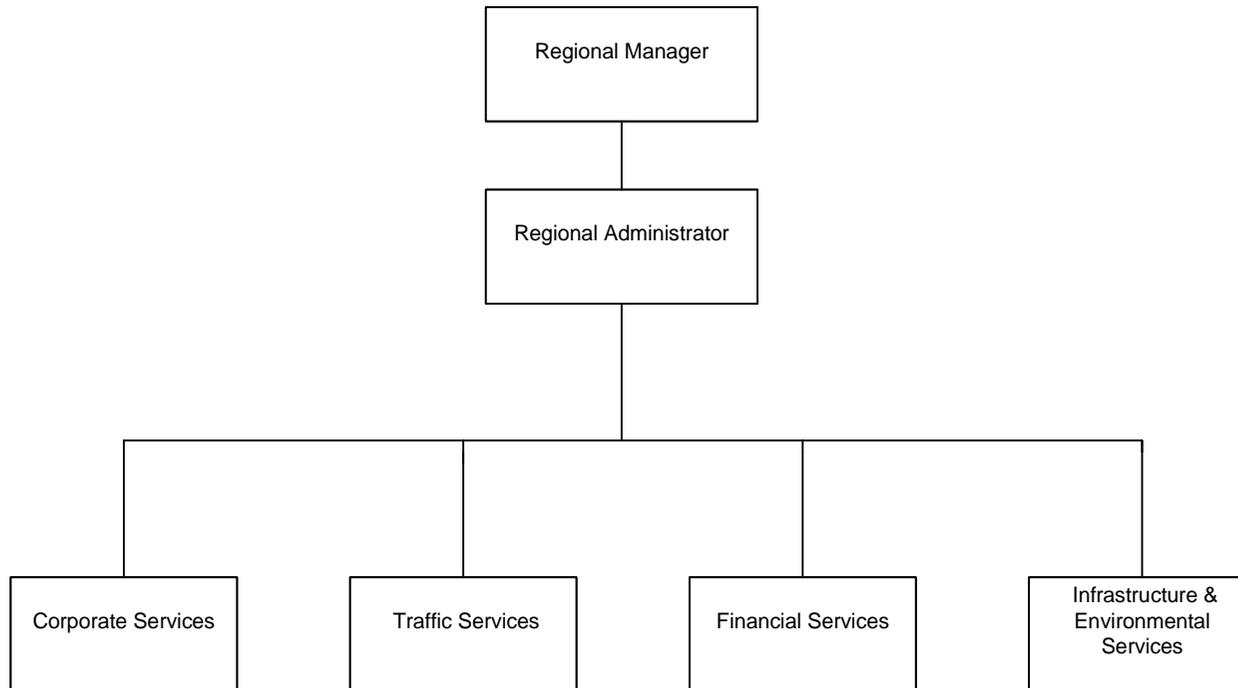
LUVUVHU REGIONAL OFFICE (FINANCIAL SERVICES)



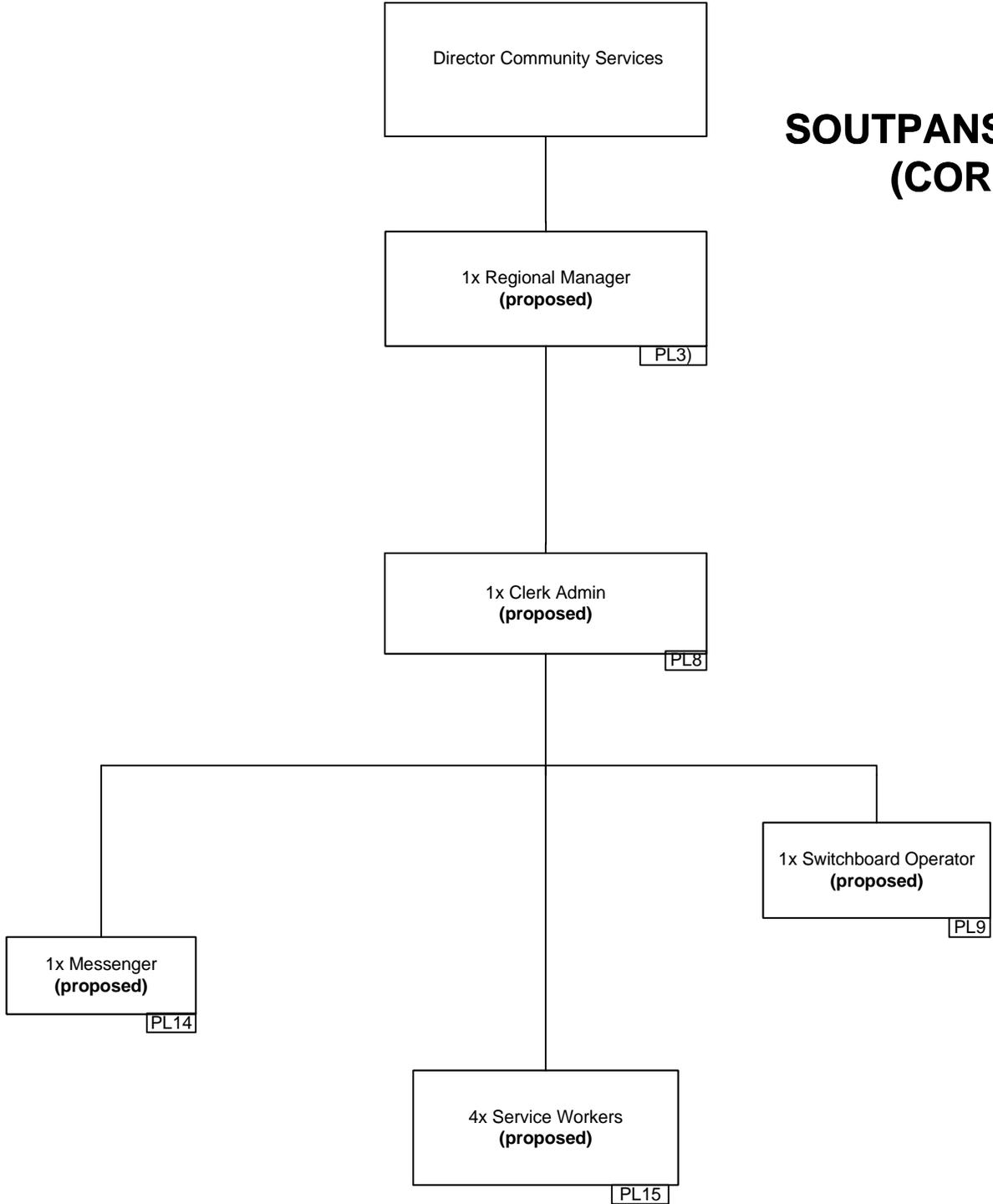
LUVUVHU REGIONAL OFFICE (Infrastructure Services)



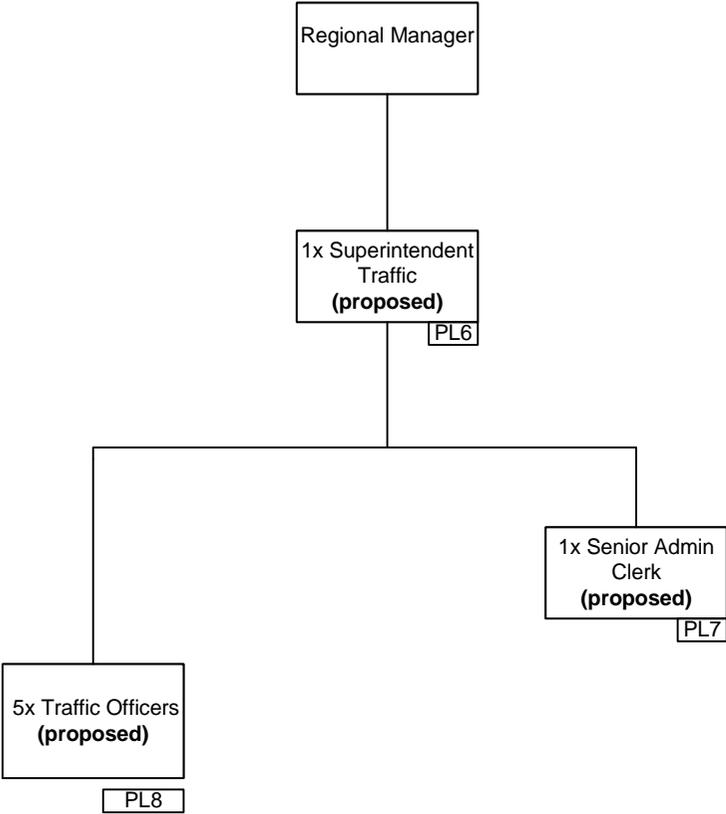
Soutpansberg
Regional Office
(Management)



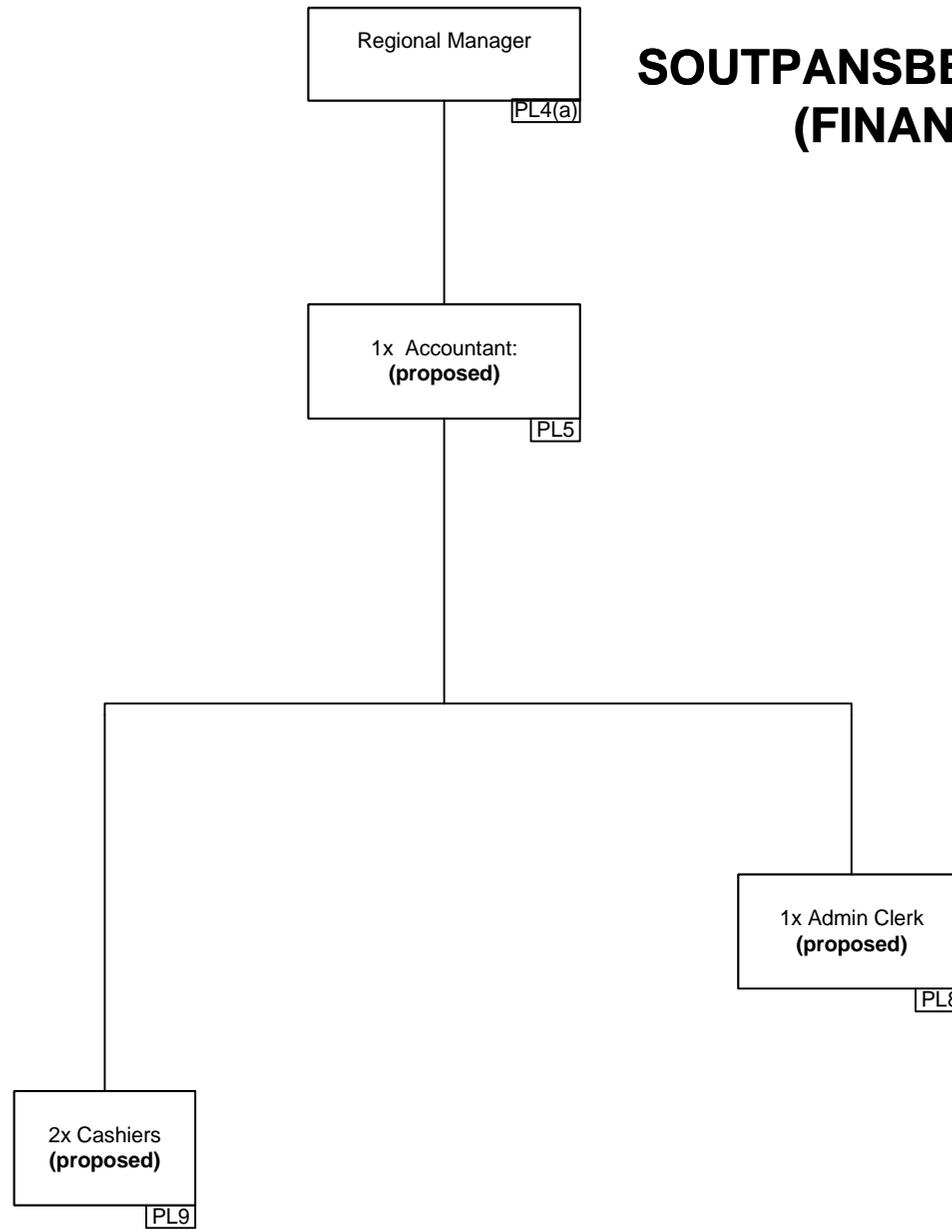
SOUTPANSBERG REGIONAL OFFICE (CORPORATE SERVICES)



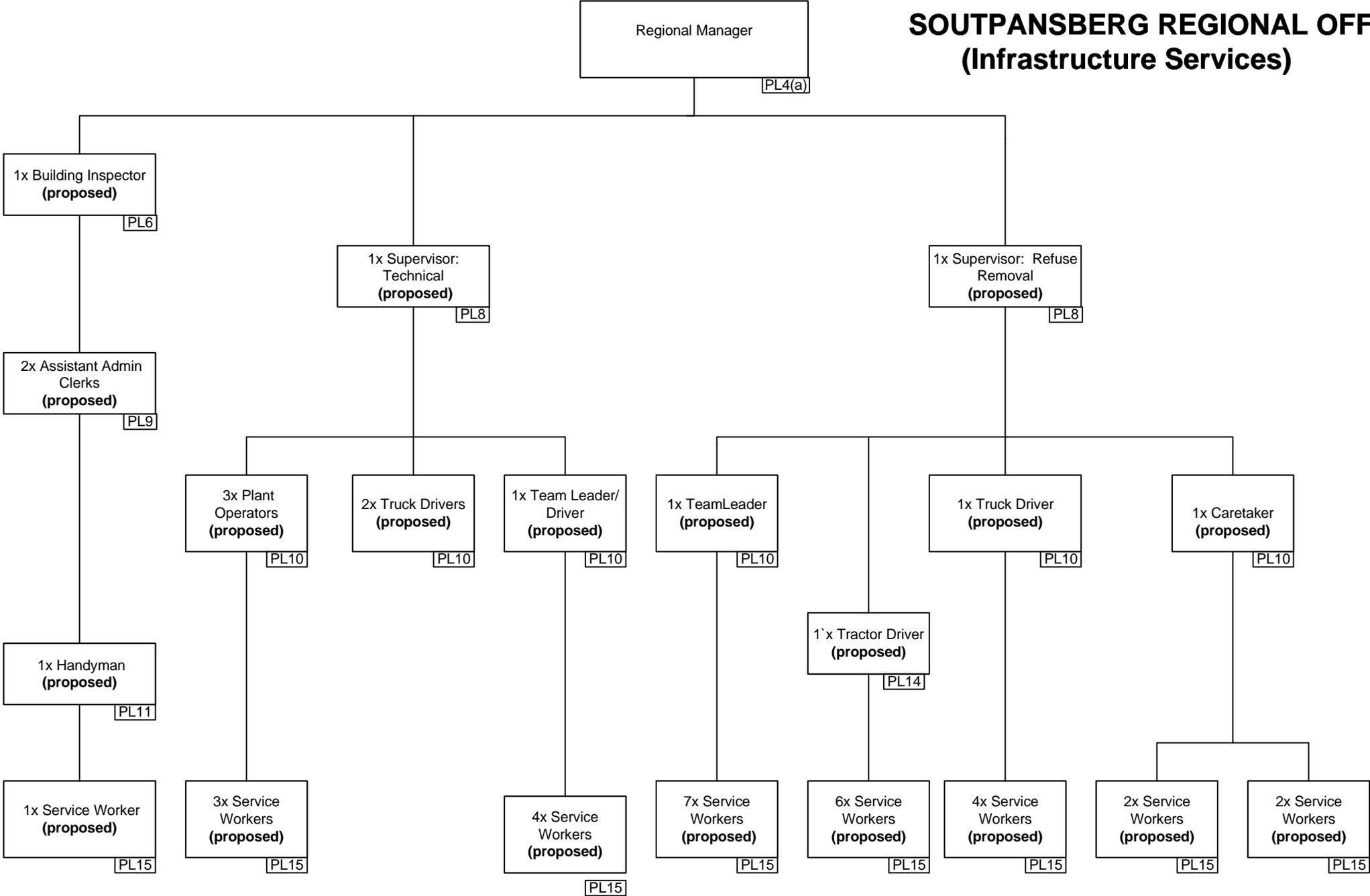
**SOUTPANSBERG REGIONAL
OFFICE
(TRAFFIC SERVICES)**



SOUTPANSBERG REGIONAL OFFICE (FINANCIAL SERVICES)



SOUTPANSBERG REGIONAL OFFICE (Infrastructure Services)



APPENDIX 5:

COUNCILOR'S NAMES & CONTACT DETAILS



MAKHADO SUB-REGIONAL VILLAGES DERMACATION AND THEIR COUNCILLORS
CONTACT NUMBERS

DZANANI REGION

WARDS NUMBER	SURNAME AND INITIALS	CONTACT	VILLAGES & SUB-VILLAGES WITHIN THE WARD
10	RAMALIVHANA M	0720332262	Kokwani, Divhani, Tshiswenda, Mapila, Tshituni tsha ntha, Dzanani Township, Mawoni, Thembaluvhilu
17	MULEFU M.S.	0725218182/0725285585	Tshitavha, Muzulathungu, Pfanani, Mazuwa, Phadzima, Manzhanzhani, Dzumbathoho, Mauluma Zone 01 & 05
21	MAGADA M.R.	0820502575 / 0725812431	Tshirolwe Ext 01-03, Luvhalani Ward 01-03, Tshikuwi Block A - I, Waterpoort, Khavhambe & Songwozwi Musanda
30	MADZHIGA F.N.	0723653525/ 0820500487	Murunwa, Maelula, Tshedza & Vuvha, Magwada, Mulambilu
32	DZHIVHUHO A.S.	0820549057/ 0720641203	Vhutuwangadzebu, Mandiwana, Mamuhohi, Matanda Zone 02, Funyufunyu Zone 03
33	MUKHELI K.	0761991006	Siloam, Makatu, Tshilata, Ha- Tshikota, Ha-Manngo Sendedza, Dzanani & Tshavhalovhedzi
34	MUKHOSI M.	0659467549	Matidza, Mulelu, Ramavhoya, Rabali

			Zone 01-04 & Matanda Zone 03
35	MUDZWIRI T.L	0825472410	Mutiti, Hillside, Maphako Phele Luhatame, Mulenga Phaphaphane, Mabirimisa, Makongoza, Tshituni Tsha Ratombo, Tshituni Tsha Fhasi, Mopani, Mamburu, Pfumbada, Mavhoyi Campus & Maranikhwe,
36	MAHOSI S.N.	0765044689	Matsa, Maname Paradise, Mannyi, Mamvuka & Mudimeli
37	SWALIVHA M.	0765669987	Khomele, Pfumebe, Maangani, Ngundu, Makushu, Dolidoli, Ndouvhada, Tshendeulu Straighder, Sane& Simokie
38	MUKHUBA R.	0766622050	Mauluma, Tshitawe, Funyufunyu, Makungwi, Mavhunga Rdp, Thondoni, Raliphaswa, Muromani, Matanda Zone 01 & Mphaila

LUVUVHU REGION

WARDS NUMBER	SURNAME AND INITIALS	CONTACT	VILLAGES & SUB-VILLAGES WITHIN THE WARD
03	PHANGAMI L.	0825086588	Tshivhazwawulu, Ramukhuba, Lufheno, Muungamunwe, Codesa, Mashamba Tsianda, Luvhalani, Tshitswani, Tshivhazwaulu Ha Matigana, Pfimbida, Marhundu, Tshiluvhi, Maswie & Mutsindoni
04	MUNYAI N.	0790519531	Tshino, Fhedzisani, Tshifhefhe, Dolidoli Thondoni, Mukondeleli, Nditwani, MatidzaRamukhuba, & Mangilasi.
27	RAVELE T.R.	0791025630	Ha-mutsha, Thondoni, Tshidzivhani, Tshirangadzi Tshitandani, & Tsianda, Govha Thondoni, Madzhiga, Tshifhahani, Tshifhande
28	MARAGA M.	0766748583	Tshakhuma Tribal, Lukau, Mungani, Mavhulani, Maguvhuni, Makhavhani, , Diambele, Tshiinganwe, Mulangaphuma, Tsitavhandulu, Muhovhoya Tshiswiswini, Levubu & Thondoni
29	NEMUDZIVHADI N.S.	0790510346	Tshakhuma Market, Ludanani, Luvhalani, Maswie, Matavha, Mutsindoni & Dzananwa, Tsianda & Mashamba.

WATERVAL REGION

WARDS NUMBER	SURNAME AND INITIALS	CONTACT	VILLAGES & SUB-VILLAGES WITHIN THE WARD
01	MUKHUDWANA R.	0721730917/ 0839692389	Bokisi Xikhulu, Xigodini, Mbokota, Mugejwani 01 & 02, Tana u Basile, Xifasonke, Dimbini, New Stands, Tshiendeula, Wits & Shirley, Mudzwiriti, Xigodini, Xitacini & Patweni
02	BALOYI R.	0792417438	Waterval Mingaard Section, Mahonisi, Elim Mabedengwa, Rivoni, Beechies, Shikuhele, Maboho & Njhakanjhaka
05	MALULEKE H.G.	0737348575	Mulima, Ramaru, Likhade, Lambani, Manyima, Masethe, Riverplaats & Magangeni
11	MASHAMBA L.	0763861476	Masakona, Wayeni, Mashamba , Mufeba, Riversdale & Sereni
12	SITHE T.E.	0791413705	Tshivhuyuni, Mukondeni, Madadzhi, /Masekani, Zama-Zama, Makulana, Tshikhumbu, Luhufhe, Tswika, Muwaweni & Slanger
13	MAKHUBELE F.P.	0767779823	Chavani, Wisani, Mountain View, Maphanyi, Phandlula, Nwa-xinyamani Masiza, Woyoza

			Mbhokota Masekani Section
14	BALOYI S.E.	0646100040	Nwa-xinyamani Xikhulu, Bungeni, Sikhosana, Ngwenyama, Sikhunyani, Makhome, Mavhina, Tshivhade & Bodwe
15	NDOU M.D.	07909118251	Mpheni Block A,B,C, Dilinde, Valdezia, Mpombo, Jeweni, Khomanani, Magulule, Maboho & Vari
16	SIMANGWE N.J.	0832061364/ 0790581423	Waterval Section C, Khomanani, Rixile, Khanyisa, Manyeleti, Makhakhi Section, Mpheni D1, Njhanjhaka, Khamuse, Shikuhele & Vhutuwangadzebu
18	MASHAU P.	0728360086	Waterval Section C, Khomanani, Rixile, Khanyisa, Manyeleti, Makhakhi Section, Mpheni D1, Njhanjhaka, Khamuse, Shikuhele & Vhutuwangadzebu
19	MUSHANDANA T.T.	0649272023	Maduwa, Magobo, Sedzaufhire, Phuphuledzhi, Mphanja Mpofu, Mathuli A & B Nthabalala, Tshifhefhe, Manowa, Thavhanyeni, Munzhedzi A, Madzedzeni, Muntwani, Part Vleifontein, Munzhedzi, Maila & Tshiawelo
20	MALIVHA N.V.	0724715764	Vleifontein, Lagos, Braamboos, Kwaaidrai, Muumoni & Thothololo
31	MASUKA S.	0834946406/ 0763247952	Makwatambani, Valdezia, Lwalani, Khomanani, Sasekani,

			Kwaaiman, Mambedi, Phelindaba, Rhulani, Mahamu, Mashau, Thondoni
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MAKHADO REGION

WARDS NUMBER	SURNAME AND INITIALS	CONTACT	VILLAGES & SUB-VILLAGES WITHIN THE WARD
06	MALANGE C.M.	0662572602 0725878713	Tshiozwi Tribal Council & Netshukwi, Manavhela, Madombidzha Zone 02
07	SEBOLA D.J.	0847751760/ 0636024695	New Town, Tshikota & Mandela, Magau/Raliphaswa
08	PIERRE A.S.	0836080789 0662572602	Makhado Park, Makhado Old Town, Industrial Area
09	MAPHUBU K.	0723849480	Makhado Park, Makhado Old Town, Industrial Area
22	MASIPA P.N.	0765513151	Tshiozwi, Usongonithovhela Gogobole, Ramahatsha, Riverside, Mavhanga, Sedzazhau & Ravele
23	MULAUDZI M.E.	0728869967	Tshikhwani, Madombidzha Zone 01 & 02, Mandela, Mutavhanani, Zuma & Magau/Mutingati
24	MAKWALA M.R.	0818250068	Madabani, Thakgalani, Mavhula, Vaiketleli, Dzumbathoho,

			Thusanga, Mpulu , Air Force, Madodonga, Jakcals Park, Deiteleni, Makhura, Dzumbathoho, Thembaluvhilo & Muduluni, Dzumbathoho, Muzimudala, Rolipfukula, Thembaluvhilo, Block F New Stands
25	KUTAMA T.	0824731272/ 0721153521	Tshikwarani, Thondoni, Matshilapata, Bvhulabagi, Dzambathoho, Tshikhodombom Matitivhala, Thembaluvhilo, Zamankomeste, Muzimudala, New Section, Buysdorp & Thalane, Manavhela, Siyawardza
26	PHULUWA M.I.	0824219968	Tshikwarani, Thondoni, Matshilapata, Bvhulabagi, Dzambathoho, Tshikhodombom Matitivhala, Thembaluvhilo, Zamankomeste, Muzimudala, New Section, Buysdorp & Thalane, Manavhela, Siyawardza

APPENDIX 6:

REVENUE BY SOURCE

Appendix K: Revenue Collection Performance

Appendix K (i): Revenue Collection Performance by Vote

Description	Ref	2022/23	Budget Year 2023/24							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		595 544	665 730	669 533	22 105	670 898	669 533	1 365	0%	669 533
Executive and council		445 889	478 663	481 943	–	481 943	481 943	0	0%	481 943
Finance and administration		149 655	187 067	187 590	22 105	188 955	187 590	1 365	1%	187 590
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		274	325	325	19	365	325	39	12%	325
Community and social services		157	157	157	9	151	157	(6)	-4%	157
Sport and recreation		97	107	107	11	130	107	22	21%	107
Public safety		20	61	61	–	84	61	23	38%	61
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		135 745	212 078	221 550	5 472	124 269	221 550	(97 281)	-44%	221 550
Planning and development		19 276	61 243	61 243	13	3 878	61 243	(57 365)	-94%	61 243
Road transport		116 470	150 835	160 307	5 459	120 390	160 307	(39 916)	-25%	160 307
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		385 584	633 500	641 700	79 588	464 261	641 700	(177 440)	-28%	641 700
Energy sources		368 046	615 564	622 728	78 100	446 110	622 728	(176 619)	-28%	622 728
Water management		–	–	–	–	–	–	–	–	–
Waste water management		1	–	–	–	–	–	–	–	–
Waste management		17 537	17 936	18 972	1 488	18 151	18 972	(821)	-4%	18 972
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	1 117 147	1 511 634	1 533 109	107 185	1 259 792	1 533 109	(273 317)	-18%	1 533 109

Appendix K (ii): Revenue Collection Performance by Source

Revenue

Revenue from exchange transactions

Service charges	22	454 445 770	385 664 462
Rental of facilities and equipment	23	425 659	321 030
Agency services	25	3 273 967	4 556 844
Licences and permits	26	3 809 976	3 790 850
Interest earned -outstanding receivables	27	15 511 158	14 272 415
Other revenue	28	21 935 915	53 559 025
Interest received from financial institutions	29	5 456 569	9 569 147
Actuarial gains	41	6 420 329	18 155 355
Total revenue from exchange transactions		<u>511 279 343</u>	<u>489 889 128</u>

Revenue from non-exchange transactions

Taxation revenue

Interest earned -outstanding receivables	27	25 943 370	23 042 009
Property rates	30	120 692 497	97 299 879

Transfer revenue

Fines, Penalties and Forfeits	24	5 390 564	6 144 857
Government grants & subsidies	31	619 579 943	574 516 240
Other revenue	21	27 163 217	-

Total revenue from non-exchange transactions

Total revenue from non-exchange transactions		<u>798 769 591</u>	<u>701 002 985</u>
Total revenue	21	<u>1 310 048 934</u>	<u>1 190 892 113</u>

Appendix L: Conditional Grants Received: Excluding MIG

Details of Grants allocated, Grants Performance as at 30 June 2024														
Description	Budget Year 2023/24													
	Approved Budget	Grants Received YTD R'000	Actual Received Q1 R'000	Actual Received Q2 R'000	Actual Received Q3 R'000	Actual Received Q4 R'000	Actual Expenditure Q1 R'000	Actual Expenditure Q2 R'000	Actual Expenditure Q3 R'000	Actual Expenditure Q4 R'000	Actual Expenditure YTD R'000	% Spent on received	BUDGET VS ACTUAL	Full Year Forecast
APPROVED CONDITIONAL GRANT														
Funded by														
INEP	7 000	7 000	2 500	3 000	1 500	-	(260)	(4 014)	(1 408)	(1 318)	(7 000)	100%	100%	7 000
FMG	1 950	1 950	1 950	-	-	-	(527)	(762)	(225)	(436)	(1 950)	100%	100%	1 950
EPWP	2 768	2 768	733	1 319	716	-	(733)	(733)	(692)	(610)	(2 768)	100%	100%	2 768
Disaster	21 500	21 500	3 500	-	18 000	-	(1 658)	(793)	-	(14 490)	(16 941)	79%	79%	21 500
Total Grants	33 218	33 218	8 683	4 319	20 216	-	(3 178)	(6 302)	(2 325)	(16 854)	(28 659)	86%	86%	33 218

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

M(i): Capital Expenditure – New Assets Programme

LIM344 Makhado - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 - June

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		117 369	112 411	104 746	2 283	54 114	104 746	50 632	48.3%	104 746
Roads Infrastructure		40 685	71 931	30 379	1 466	15 701	30 379	14 678	48.3%	30 379
Roads		40 685	71 931	30 379	1 466	15 701	30 379	(14 678)	(0)	30 379
Road Structures		-	-	-	-	-	-	-		-
Road Furniture		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Storm water Infrastructure		-	1 500	1 500	-	-	1 500	1 500	100.0%	1 500
Drainage Collection		-	1 500	1 500	-	-	1 500	(1 500)	(0)	1 500
Storm water Conveyance		-	-	-	-	-	-	-		-
Attenuation		-	-	-	-	-	-	-		-
Electrical Infrastructure		59 436	38 780	68 039	743	32 319	68 039	35 720	52.5%	68 039
Power Plants		-	-	4 900	-	-	4 900	(4 900)	(0)	4 900
HV Substations		-	250	250	-	-	250	(250)	(0)	250
HV Switching Station		-	-	-	-	-	-	-		-
HV Transmission Conductors		-	-	-	-	-	-	-		-
MV Substations		10 634	2 750	2 989	-	-	2 989	(2 989)	(0)	2 989
MV Switching Stations		-	-	-	-	-	-	-		-
MV Networks		4 555	4 100	5 893	-	1 023	5 893	(4 870)	(0)	5 893
LV Networks		44 247	17 200	27 755	743	26 540	27 755	(1 215)	(0)	27 755
Capital Spares		-	14 480	26 252	-	4 756	26 252	(21 496)	(0)	26 252
Water Supply Infrastructure		103	200	200	-	-	200	200	100.0%	200
Dams and Weirs		-	-	-	-	-	-	-		-
Boreholes		103	200	200	-	-	200	(200)	(0)	200

Solid Waste Infrastructure		17 145	–	4 628	74	6 094	4 628	(1 466)	-31.7%	4 628
Landfill Sites		17 145	–	4 628	74	6 094	4 628	1 466	0	4 628
Community Assets		41 779	91 002	70 639	2 675	28 033	70 639	42 607	60.3%	70 639
Community Facilities		14 087	34 114	15 250	–	3 700	15 250	11 550	75.7%	15 250
Centres		456	1 000	(0)	–	–	(0)	0	(0)	(0)
Libraries		140	950	250	–	–	250	(250)	(0)	250
Cemeteries/Crematoria		1 248	–	4 000	–	–	4 000	(4 000)	(0)	4 000
Stalls		12 242	32 164	11 000	–	3 700	11 000	(7 300)	(0)	11 000
Sport and Recreation Facilities		27 692	56 887	55 389	2 675	24 333	55 389	31 057	56.1%	55 389
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		27 692	56 887	55 389	2 675	24 333	55 389	(31 057)	(0)	55 389
Other assets		6 030	6 400	12 496	–	2 495	12 496	10 001	80.0%	12 496
Operational Buildings		6 030	6 400	12 496	–	2 495	12 496	10 001	80.0%	12 496
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		6 030	6 400	12 496	–	2 495	12 496	(10 001)	(0)	12 496
Intangible Assets		–	–	4 931	–	727	4 931	4 205	85.3%	4 931
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	4 931	–	727	4 931	4 205	85.3%	4 931
Unspecified		–	–	4 931	–	727	4 931	(4 205)	(0)	4 931
Total Capital Expenditure on new assets	1	165 178	209 813	192 813	4 958	85 368	192 813	107 444	55.7%	192 813

Appendix M(ii): Capital Expenditure – Upgrade/Renewal Programme

Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		(1 501)	51 000	50 139	-	-	50 139	50 139	100.0%	50 139
Roads Infrastructure		(1 501)	51 000	36 022	-	-	36 022	36 022	100.0%	36 022
Roads		(1 501)	51 000	36 022	-	-	36 022	(36 022)	(0)	36 022
Solid Waste Infrastructure		-	-	14 118	-	-	14 118	14 118	100.0%	14 118
Landfill Sites		-	-	14 118	-	-	14 118	(14 118)	(0)	14 118
Community Assets		-	7 000	3 436	-	-	3 436	3 436	100.0%	3 436
Community Facilities		-	7 000	1 436	-	-	1 436	1 436	100.0%	1 436
Halls		-	7 000	1 436	-	-	1 436	(1 436)	(0)	1 436
Sport and Recreation Facilities		-	-	2 000	-	-	2 000	2 000	100.0%	2 000
Indoor Facilities		-	-	-	-	-	-	-		-
Outdoor Facilities		-	-	2 000	-	-	2 000	(2 000)	(0)	2 000
Capital Spares		-	-	-	-	-	-	-		-
Heritage assets		2 746	-	-	15	(3 388)	-	3 388	#DIV/0!	-
Monuments		2 746	-	-	15	(3 388)	-	(3 388)	#DIV/0!	-
Other assets		-	-	750	-	-	750	750	100.0%	750
Operational Buildings		-	-	750	-	-	750	750	100.0%	750
Municipal Offices		-	-	750	-	-	750	(750)	(0)	750
Computer Equipment		-	-	400	-	-	400	400	100.0%	400
Computer Equipment		-	-	400	-	-	400	(400)	(0)	400
Total Capital Expenditure on renewal of existing assets	1	1 244	58 000	54 725	15	(3 388)	54 725	58 113	106.2%	54 725